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Department:
Communications
REPUBLIC OF SOUTH AFRICA



Annual Report

2011-2012

I have the honour of submitting the
2011/12 Annual Report of the Department of Communications
in terms of the Public Finance Management Act, 1999

ROSEY SEKESE
Director General
31 August 2012

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1. GENERAL INFORMATION



VISION

South Africa as a global leader in the development and use of Information and Communication Technologies for socio-economic development

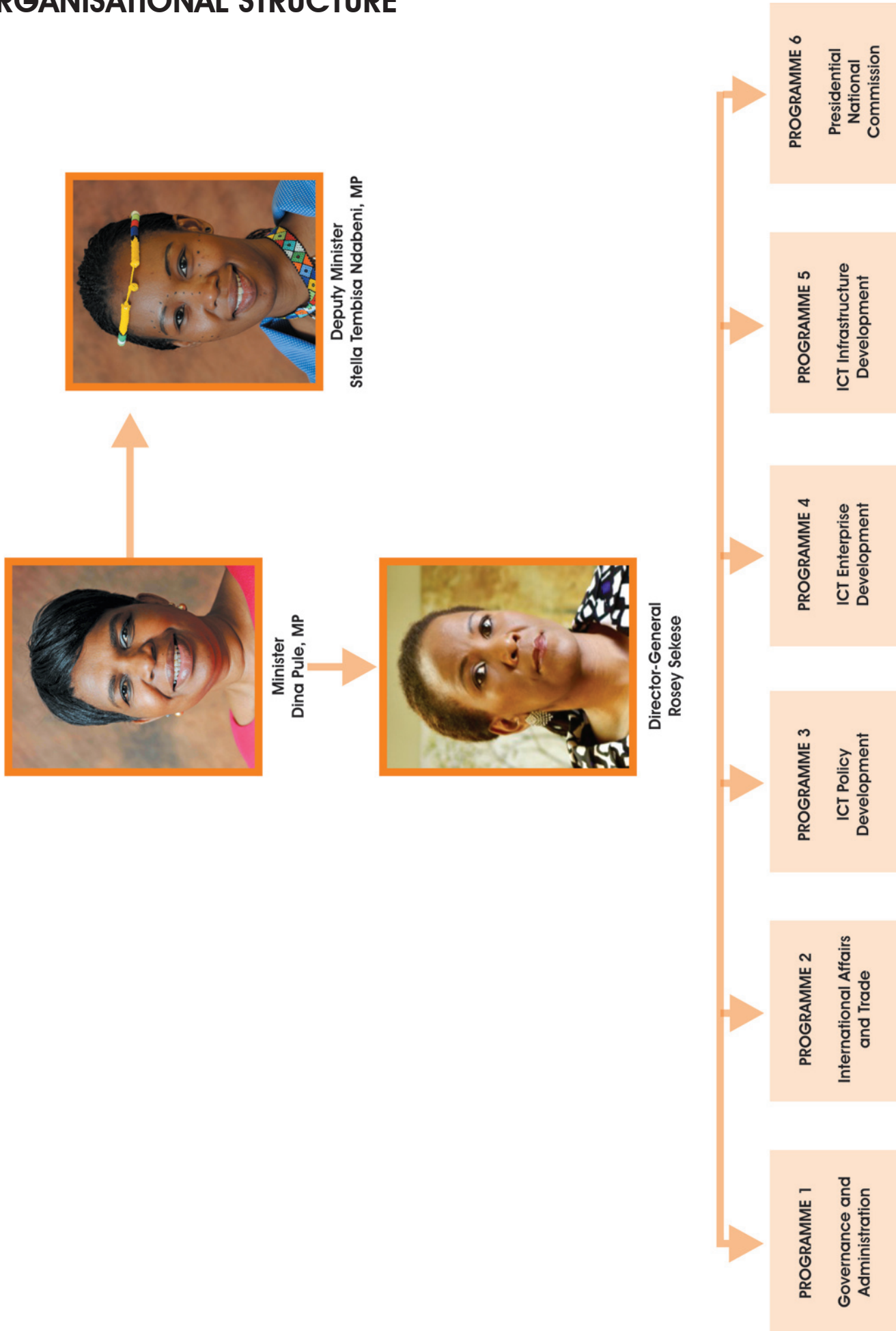
MISSION

Building a better life for all through an enabling and sustainable world-class Information and Communication Technologies environment

VALUES

Tranparency
Respect
Accountability
Fairness
Integrity
Excellence
Innovation

ORGANISATIONAL STRUCTURE





LEGAL AND CONSTITUTIONAL MANDATES

The mandate of the Department of Communications (DoC) is derived from relevant Legislation, and is as follows:

“To create a vibrant ICT sector that ensures that all South Africans have access to affordable and accessible ICT services in order to advance socio-economic development goals and support the Africa agenda and contribute to building a better world”.

Consequently the core functions of the Department of Communications are:

- To develop ICT policies and legislation that create conditions for an accelerated and shared growth of the South African economy, which positively impacts on the well being of all our people and is sustainable;
- To ensure the development of robust, reliable and affordable ICT infrastructure that supports and enables the provision of a multiplicity of applications and services to meet the needs of the country and its people;
- To contribute to the development of an inclusive information society which is aimed at establishing South Africa as an advanced information-based society in which information and ICT tools are key drivers of economic and societal development;
- To contribute to e-Skilling the nation for equitable prosperity and global competitiveness;
- To strengthen the Independent Communications Authority of South Africa (ICASA), in order to enable it to regulate the sector in the public interest and ensure growth and stability in the sector;
- To enhance the capacity of, and exercise oversight over, State Owned Enterprises (SOE's) as the delivery arms of government; and
- To fulfill South Africa's continental and international responsibilities in the ICT field.

Legislative mandates

The mandate of the Department of Communications is further embedded in legislation as well as other policy documents. The legislative framework for the work of the Department is contained mainly in the:

- Broadcasting Act (Act 4 of 1999);
- Electronic Communications and Transactions Act (Act 25 of 2002);
- Electronic Communications Act (Act 36 of 2006);
- Independent Broadcasting Authority Act (Act 153 of 1993);
- Independent Communications Authority of South Africa Act (Act 13 of 2000);
- Sentech Act (Act 63 of 1996);
- Postal Services Act (Act 124 of 1998);
- South African Post Office SOCLtd. Act No.22 of 2011; and

In executing its role, the Department is also guided, amongst others, by:

- The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- Public Service Act, (Act 103 of 1994) as amended;
- Public Finance Management Act, 1999 (Act 1 of 1999) as amended.



THE ICT PUBLIC ENTITIES AND AGENCIES REPORTING TO THE EXECUTIVE AUTHORITY, AND THE ICT REGULATOR

South African Post Office

The South African Post Office Ltd (SAPO) was established in accordance with the Post Office Act (1958) as a government business enterprise to provide postal and related services to the South African public. The Post Office Act (1958) will be repealed and replaced by the Post Office Bill and the Postbank Bill, which have been enacted into law by March 2012. With the imminent corporatisation of Postbank into a separate entity, more previously disadvantaged communities will have access to banking services. SAPO was granted an exclusive mandate to conduct postal services to South Africa by the Postal Services Act (1998). The Act makes provision for the regulation of postal services and the operational functions of the company, including, its universal service obligations.

The Post Office is seen to be the core ICT public access network and should be used to achieve South Africa's universal service goals in the sector. In this regard, post offices will be built, using Expanded Public Works Principles, in several communities each year.

South African Broadcasting Corporation

The South African Broadcasting Corporation's mandate is set out in its charter and in the Broadcasting Act (1999), which require it to: provide its services to all South Africans in all the official languages; provide programming that informs, educates and entertains and which reflects the diversity of South Africans; and maintain freedom of expression and journalistic, creative and programming independence. The corporation's service and broadcasting activities are regulated through the licence conditions issued by the Independent Communications Authority of South Africa for each of its radio and television services. It reports to the authority quarterly to comply with licence conditions. The corporation is further bound to meet licence conditions set for its individual radio stations and television channels, and has to abide by regulations set by the Independent Communications Authority of South Africa outlining minimum quotas and standards in areas such as local content.

The corporation became a limited liability company in 2004, with two operational divisions: public broadcasting services and commercial broadcasting services. As a national public service broadcaster, the corporation operates 18 radio stations and three television stations, reaching about 24 million people daily. The South African Broadcasting Corporation continued preparation for the migration to digital terrestrial television which will allow the corporation to increase the number of channels it offers as well as enhance its public broadcasting services by offering content in areas such as children's programming, news, sport, regional content, youth, women and education, as well as more comprehensive services in all languages and to communities with disabilities.

Sentech

Sentech Ltd was established in terms of the Sentech Act (1996), and the Sectech Amendment Act (1999) as a common carrier to provide broadcasting signal distribution for broadcasting licensees. In 2002, Sentech was licensed through the Telecommunications Amendment Act (2001) to provide international carrier-to-carrier voice services as well as multimedia services.

In 2009, these licences were converted to individual electronic communications network service and individual electronic communications service licences under the Electronic Communications Act (2005).

National Electronic Media Institute of South Africa

The National Electronic Media Institute of South Africa (NEMISA) was established as a non-profit organisation in terms of the Companies Act (1973). It provides much needed skills training at an advanced level for the broadcasting industry. It is accredited by the Council for Higher Education and offers diploma courses, short courses and internships in three subjects: TV production, radio production and creative multimedia.

The emphasis is on equipping students to be market-ready in a wide range of broadcasting disciplines and to have the ability to work effectively in constantly changing conditions.

Universal Service and Access Agency of South Africa (USAASA)

The Universal Service Agency of South Africa was established in terms of section 58 of the Telecommunications Act (1996). The main role of the agency is to promote universal service and access to communications technologies and services for all South Africans. It also facilitates and offers guidance on evaluating, monitoring and implementing schemes, which propose to improve universal access and service.

The agency is mandated by the Telecommunications Act (1996) to manage the Universal Service Funds. The fund, with monies appropriated by Parliament, is used for infrastructure for the universal services area licensees as well as providing infrastructure for telecentres and school cyber labs (computer laboratories with ICT equipment which enable access to the internet and provide multimedia services).



.za Domain Name Authority

The .za Domain Name Authority (.za DNA) was established to assume responsibility for the .za Domain Name Space. The .za DNA was established in terms of Chapter 10 of the Electronic Communications and Transactions Act (ECT), 2002. The DoC currently provides funding for the .za DNA until the Authority is fully operational. Funding will then be sourced through a funding model developed in accordance with section 66(3) of the ECT. The .za DNA will also oversee the implementation of the alternative dispute resolution mechanism.

The DoC is actively involved in the .za DNA and will continue its participation until the Authority is fully operational and sustainable.

Independent Communications Authority of South Africa (ICASA)

The Independent Communications Authority of South Africa was established in terms of the Independent Communications Authority of South Africa Act (2000). The authority makes regulations and issues communications licences in terms of the Electronic Communications Act (2005) and Postal Services Act (1998). In addition, the authority enforces compliance with rules and regulations, protects consumers from unfair business practices and poor quality services, hears and decides on disputes and complaints brought against licenses, and controls and manages the frequency spectrum.

FOREWORD BY THE MINISTER OF COMMUNICATIONS HON DINA PULE, MP



This is the first foreword I am writing to the Department's Annual Report as Minister. Notwithstanding some of the challenges we still face, I am pleased to say that I have seen a commitment within the department that gives me optimism for the future. The Department, like our democracy, is work in progress, and this annual report is a documentation of that.

To recapitulate the fairly well known, the Department's mandate is to ensure a regulatory environment that fosters growth in the sector, and to strengthen the ability of the state-owned enterprises under our mandate, to deliver. This mandate requires continuous consultations with all stakeholders in the sector. These consultations notwithstanding, the Department has unambiguous deliverables, and the DG elaborates at length in her introduction on how we performed on some of those deliverables.

The key pillars of our strategic thrust can be summarized as follows:

- Policy Development
- Management of SOE's
- Project management, and
- Infrastructure development

Easily the most important task we had internally was the reengineering of the Department. The organizational restructuring exercise that started in the last financial year resulted in a new structure for the Department. This will see changes especially in the top structure of the Department, and these changes are geared towards ensuring that the Department has the capacity to deliver. I want to applaud the management and the unions for working hard to ensure that this process continues apace. The improvements we are making will serve us well in the future.

In the new financial year I want to see the Department focus more on the following key areas:


- ICT Rural development
- Radical improvement on our service delivery mandate
- The implementation of citizen-centric projects
- Drive for best practice in people management
- And ensuring financial prudence and that we get value for money.

The **doc** is an important partner of the sector in the country, while providing the necessary leadership for the sector to thrive. That is why we continue to provide inputs at different forums and government programmes aimed at eradicating poverty in our country, and contributing to the renewal of Africa. In this financial year we have hosted a number of international delegations from the continent and from abroad. These interactions were key to sharing learning and fostering partnerships. We hope that the country will become the regional hub on the subject of the broadcasting digital migration, this will be an opportunity for us to contribute positively to the region and to impart the lessons we have learnt, for betterment of the whole of SADC.

As a new democracy, we have to keep reinventing ourselves in order to keep up with the pace of change in the world, and to catch up with the service delivery needs of our people. The urgency of change has been emphasized by the State President throughout the financial year, and we can no longer have reasons for the slow delivery of services to those who need them the most. This is the challenge of the Department and our SOE's in the new financial year: a radical paradigm shift.

My sincere thanks goes to our President, His Excellency Jacob Zuma, for his confidence in my leadership and his unwavering support of all initiatives, including ours, that are aimed at improving the conditions of our citizens.

It would not have been possible to achieve some of the milestones we have achieved, without the support of Deputy Minister Stella Ndabeni. Her drive and tireless energy has spurred the Department to greater levels of performance.



My profound thanks goes to the Director General Rosey Sekese, her management and the staff of the Department for a job well done. Their tireless efforts in their areas of specialization have been nothing short of outstanding.

Lastly, I also want to take this opportunity to extend my condolences to the family of the late former Minister of this Department, Roy Padayachie. His spirit of service will continue to inspire us.



DINA PULE, MP
MINISTER OF COMMUNICATIONS

STATEMENT BY THE DEPUTY MINISTER OF COMMUNICATIONS HON STELLA TEMBISA NDABENI, MP



The annual report is a multifaceted document; it reflects aspirations of the Department in any given financial year, it mulls on the achievements and shortcomings in trying to reach those aspirations, it also reflects on the dynamics of an organization, its planning processes, its financial and human resource dynamics. The annual report also reflects on the personality of the organization, its leadership and its employees. As the Minister states in her Foreword, this is also the first Annual Report Statement I am writing as Deputy Minister, and it has been an interesting year.

As a government department, the role of the Ministry is oversight and policy making function. The work of the Ministry is to ensure that the Department is focused and has a clear strategic direction. Our task is also to ensure that the Department understands the uniqueness of Government, where we are faced with the realities of being transparent while maintaining the integrity of the data of the state, our citizens and the world at large. This uniqueness was reflected in our strategic plan subsequently in this Annual Report, which goes into details into the work of the Department.

This Annual Report is a record of the work the Department has done in the following broad policy areas:

- Recognizing that South Africans are stakeholders responsible for putting Government in power and therefore expect effective and efficient service delivery;
- Although the basic needs of the citizens are the same, their geographical distribution in the rural areas and in the urban areas requires different solutions;
- Government is committed to deliver effective and efficient public services to the citizens;
- Information and Communication Technologies are the most important link in formulating links between the Government and the Citizens, business and service providers;
- Internally, effective policies and procedures directly translate into how the citizens experience the service delivery end of government;
- Partnership with industry is essential for delivering total ICT related services to the citizens.

To achieve the above broad policy intentions, we must be committed to an accessible, effective, efficient and citizen-centric public service, and to the improvement of the industry so that it offers choice, value for money for both government and the citizens, and contributes to the economy.

We must also not lose focus on the Government priority areas, and we can achieve these priority areas through strategic alliances and partnerships with other organs of state, industry and the international community. The Annual report goes into detail into the strategic partnerships we have, as well as the different forums that we participate in order to achieve this. Government has transformational policies as a reference to the different priority areas, and we must attend to our task with a clear focus on enabling services that will improve public service delivery.

This Statement focuses on the policy areas that affect not just the Department of Communications, but Government in general and the sector in as a whole. The imperatives of these policy areas can be summarized as follows:

- Increasing access to services;
- Providing more and better information;
- Increasing openness and transparency;
- Information sharing;
- Rollout of IT services that directly affect citizens in a positive manner;



- Partnership with industry, tertiary institutions, government Department and international partners;
- Improved cross-government workflow;
- A clear service delivery leadership;
- Job creation; and
- Realizing economies of scale throughout government.

These imperatives are going to keep government busy until the majority of our citizens start living better lives, and until government begins to close the circle between the expectations of citizens and business, and service delivery.

I want to extend my gratitude to the Minister of Communications, Mme Dina Pule, who has been stoical in the face of many challenges and demands of both the Department and of Government. I also thank the staff and management of the Department for the support and for embracing me as a member of team doc.

A handwritten signature in black ink that reads "Stella Tembisa Ndabeni". The signature is written in a cursive, flowing style.

HON. STELLA TEMBISA NDABENI, MP
DEPUTY MINISTER OF COMMUNICATIONS

OVERVIEW BY THE DIRECTOR-GENERAL OF THE DEPARTMENT OF COMMUNICATIONS

ROSEY SEKESE



The Annual Report is a reflection of the work done in the past year, and also an opportunity to reflect on the work ahead and what we could do better. The 2011/2012 financial year was a year of many opportunities for the Department. The first came in the form of a change in the political leadership, where the appointment of Minister Dina Pule and Deputy Minister Stella Ndabeni energised the Department and workforce. Having served as Deputy Minister to former Minister Nyanda, Ms Dina Pule's return represents an important step forward for the Department as she brought with her experience and familiarity with the work of the Department. Deputy Minister Ndabeni had served on the Portfolio Committee on Communications, and brought with her a wealth of knowledge of the policy expectations for the Department.

The other opportunities were on the policy development front. First, one of our main challenges was the development and implementation of an ICT Policy that will be inclusive of all the sectors under the Department, telecommunications, postal, broadcasting and e-commerce. In order to achieve this, the ICT Policy Branch conducted an international benchmark and established an interbranch task team that finalised the concept and logistical plan for a national ICT Colloquium, planned for the first quarter of the 2012/13 financial year.

We achieved a major milestone when the Integrated ICT Policy Framework for a converged ICT environment was approved. This was supported by extensive research that included work done at the 14th African Union Summit regarding harmonization of ICT policies in Sub-Sahara Africa, Seychelles, Kenya, Malaysia and Botswana.

Also on the Policy front, the SAPO Bill was signed into law in December 2011, while the proclamation notice for the Postbank was done and signed by the President. The Postbank Act came into operation on 22 July 2011. In the new financial year our challenge is to monitor the progress on the operationalisation of the Postbank, with a particular focus on measuring this against the policy intention. We are determined that the Postbank should bridge the gap between the banked and the unbanked, and extend banking services to those who are shunned by the big banks.


We also started the work of amending the most important legislation in our arsenal, the Electronic Communications Act, and in the new financial year the amended Act will be introduced to Parliament. The proposed amendments were deliberated on and agreed to enable the redrafting of the Bill.

Also:

- The Department undertook extensive consultation on the ICASA Bill, including consultation with local economic regulators, other Chapter 9 Institutions as well as Constitutional Law experts.
- We conducted a Regulatory Impact Assessments on the purpose and intended effect of the ICASA Amendment Bill.
- A National Cybersecurity Policy Framework was approved by Cabinet on 8 March 2012.

Regarding the Broadcasting Digital Migration, the Department developed a digital migration project plan which set the timelines for the migration process. This project plan was shared with and endorsed by all the stakeholders from the industry. Critical milestones on this project plan were:

- The scheme for Ownership Support – the scheme was approved by Cabinet in March 2012.
- The Set-Top-Box manufacturing strategy – the strategy was approved by Cabinet in March 2012.
- Digital Signal Roll-out – Sentech in March announced a 61% rollout of the DVB-T2 transmitter network, setting the country well on the way to a full roll-out by the time the full commercial launch is announced by Minister. The Department also signed a Memorandum of Understanding with the South African Bureau of Standards, through which the SABS will establish a conformance lab to test Set-top boxes for conformance with the standards.



We also started the process of appointing an agency to begin the arduous task of informing and educating South Africans about the migration to a digital terrestrial broadcasting platform. We expect that an agency will be appointed early in the new financial.

Increasing the penetration of broadband to households will remain a key priority of the Department for some time to come. Following the development of a Broadband Policy in the previous financial year, a Broadband Strategy document and Implementation Plan were developed. Tangible initiatives include:

- The development and implementation of a Broadband Infrastructure plan for the Sisonke Municipality, which was deployed and launched in July 2011.
- The development and implementation of a Broadband Infrastructure plan for the Msinga Municipality, which was deployed and launched in October 2011.

We also finalised the Provincial and Municipal Broadband guidelines.

Meanwhile, an ICT Rural Development Strategy was developed and presented to the ISAD Multi-stakeholder Forum in April 2011 and the Outcome 7 Executive Implementation Committee for discussion. The strategy was also presented at the DG's implementation Cluster Committee, where it was adopted. The implementation plan was also adopted and we have begun the process of implementation.

In what was an important year in the country's involvement in ensuring that the country takes part in global efforts to move towards protecting our environment, we analysed existing policies and legislation as well as conducted research on other countries on the management of e-waste. This will assist us with the implementation of the Policy on the disposal of ICT waste.

On the home front, the approval of the new organisational structure will strengthen our ability to ensure alignment between the Department's policies and strategies, and those of our State-owned Enterprises. The structure establishes a dedicated branch that will be responsible for oversight of SOEs. We have in this financial year responded to the previous reports on compliance with good corporate governance practices by holding workshops with relevant officials at these SOEs. We also concluded the collation of information on the implementation of the Corporate Governance recommendations to allow us to give further recommendations.

Internally, we had prioritised the implementation of a progressive, innovative HR strategy within prescribed legislative requirement. This was achieved in the midst of an extensive organisational structure review process which started during the 2010/2011 financial year. The new structure was approved by the Minister and submitted for DPSA concurrence.

We also reviewed several policies for compliance with the Constitution, the Labour Relations Act and public service regulations. These included the Performance Management Policy; the Education, Training and Development policy; the Bursary Policies; the Career Management and Internship policy; the Recruitment and Selection policy, and the Special Leave policy.

Cabinet has issued a directive to all Departments to have a 50% gender representivity at SMS level, and we are currently at a creditable 40%. We must also reach a 2.2% representation of people with disabilities in the entire staff complement, and currently the Department sits at 1.6%. We have a lot of work to do on these two targets, and the population of the new structure in the new financial year, gives us hope that we will nudge closer to achieving both targets.

While these are internal targets, the Department has a mandate to improve the lives of women through ICTs. I am glad to report that our Gender and ICT Strategy was approved in February 2012. This was followed up by a Gender Audit on policies and programs hosted by State Owned Enterprises to gauge the level of progress we are making. We also signed a memorandum of understanding with Women's Net on the Mobinet Project, which is a project that aims at giving young girls and young women access to the internet and mobile technology. The project concept paper was developed in August 2011 and the MoU was finalised in March 2012.

On the international front, the Department developed a position paper on the SADC Programme of Action as part of strengthening SADC ICT structures in order to achieve socio-economic development and regional integration. The paper is on the Interconnection and regulatory framework. This position paper was informed by a National Preparatory Meeting inclusive of SOEs in preparation for SADC Ministers responsible for ICT, Communications, and Postal which was held from 14 – 16 June 2011 in Gaborone, Botswana.

The Department also participated in the SADC Regional Infrastructure Meeting and gave inputs towards the ICT infrastructure programme.



Furthermore, with regards to preparation and participation in the World Radio Conference 2012 (WRC-12) in January and February 2012, the Department developed National Common Positions through the National Preparatory Working Group (NPWG) as well as developed Southern African Development Community (SADC) draft Common Positions and Sub-regional Common Positions. The SA position was incorporated into the SADC position paper and presented at the WRC-12 by a delegation led by the honourable Minister.

We also hosted the first Southern African Internet Governance Forum as per mandate of the SADC ICT Ministerial Decision in preparation for the Global IGF hosted by Kenya in September 2011. Our proposal to SADC ICT Ministers to develop an Institutional Mechanism in support of the SADC Secretariat in the implementation of the Digital Broadcasting Migration Roadmap was concluded. We also developed the DTT Draft Terms of Reference (ToRs) for the establishment of the Digital Broadcasting Migration Desk within the SADC Secretariat. On Decision 16 of the SADC ICT Ministerial on the e-SADC Initiative, Member States were urged to set up Internet Exchange Points and a Regional Internet Exchange Point. South Africa complied and also facilitated information from the African Union to assist in fast tracking the SADC PoA and other SADC Member States in establishing their own IXPs.

We drafted Memoranda of Understanding (MoUs) regarding training and development opportunities which were forwarded to the Embassies of India, Mexico for their comments. The SA/India Joint Working Group meeting took place in November 2011 and as a result of revised and adopted new Project Strategy for consideration by principals in the forthcoming SA/India Joint Ministerial Commission.

Numerous other initiatives which are discussed further in this annual report, attest to the work the Department is doing both in the country, in the region and internationally, to ensure that we play our role in the use of ICTs as a tool for development. Our challenge is to communicate more with all role players to ensure that the message of ICTs for development, and the work we are doing in this regard, is carried further.

I want to take this opportunity to thank my sister, the Minister of Communications, Dina Pule, for her leadership and guidance. She has taken on the task of steering the Department into calmer waters during a period where some of our detractors were casting doubt on the ability of the Department to deliver. This annual report is testimony that we are aware of and are working hard to achieve our objectives.

I also want to thank my sister, the Deputy Minister of Communications, Stella Ndabeni, for the energy and focus she has brought to the Department. She has truly energised the Department in an immeasurable way. I also extend my gratitude to the management and staff of the DoC, who have soldiered on when many did not believe. This annual report is a testament to their hard work and dedication.

Thank you.



ROSEY SEKESÉ
DIRECTOR-GENERAL



2. INFORMATION OF PREDETERMINED OBJECTIVES

2.1. OVERALL PERFORMANCE

2.1.1. VOTED FUNDS 2010/11

Main Appropriation R'000	Adjusted / Final Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
1 889 112	2 002 865	1 791 954	210 911
Responsible Minister	Honourable Minister Pule		
Administering Department	Department of Communications		
Accounting Officer	Rosey Sekese		

2.1.2. AIM OF THE VOTE

The aim of the Department of Communications is to develop ICT policies and legislation that stimulate and improve the sustainable economic development of the South African first and second economies and positively impact on the social wellbeing of all South Africans. The Department also aims to oversee the performance of state-owned entities within its portfolio.

2.1.3. STRATEGIC OUTCOME ORIENTED GOALS

<p>SG 1: Enable the maximisation of investment in the ICT sector for socio-economic development</p>	<p>SO 1.1: Contribute to creating conditions for an accelerated and shared growth of the South African economy through the development and implementation of ICT policies, legislation and strategies that positively impacts on the wellbeing of all our people</p>
<p>SG 2: Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secured to meet the needs of the country and its people</p>	<p>SO 2.1: Support and enable the provision of a multiplicity of ICT applications and services through facilitating the modernisation and deployment of the infrastructure</p>
	<p>SO 2.2: Improvement with respect to cost, quality, availability and usage of ICTs in line with world class standards by 2014</p>
<p>SG 3: Create new competitive business opportunities for the growth of the ICT Industry</p>	<p>SO 3.1: Develop and implement a national incentive for the ICT Industry</p>



<p>SG 4: Accelerate the socio-economic development of South Africans by increasing access to, as well as the uptake and usage of, ICTs through partnerships with business and civil society and 3 spheres of government</p>	<p>SO 4.1: Increase Universal Access and Services to ICTs</p> <hr/> <p>SO 4.2: Contribute to increasing the ICT skills base in South Africa and increase access to, and uptake and usage of ICTs</p> <hr/> <p>SO 4.3: Facilitate the growth and development of SMMEs as well as improve their sustainability through the use of ICTs</p> <hr/> <p>SO 4.4: Promote the ICT Agenda across all stakeholders in order to ensure integrated and efficient service delivery to communities</p>
<p>SG 5: Contribute towards building a developmental state including improvement of public services and strengthening democratic institutions</p>	<p>SO 5.1: Enhance departmental performance through improving institutional processes and mechanisms</p>
<p>SG 6: Enhance the role of ICT SOEs as the delivery arms of government and support the Regulator</p>	<p>SO 6.1: Provide efficient and effective oversight to SOEs and other entities</p> <hr/> <p>SO 6.2: Effective monitoring and support of SOEs through corporate governance mechanism</p>
<p>SG 7: Contribute to the global ICT Agenda prioritising Africa's development</p>	<p>SO 7.1: Support the African Agenda through active participation and implementation of NEPAD as African Multilateral and Bilateral ICT programmes in order to promote development</p> <hr/> <p>SO 7.2: Consolidate South-South and North-South Relations to promote economic development</p> <hr/> <p>SO 7.3: Develop Trade and Investment opportunities for the ICT sector in South Africa</p> <hr/> <p>SO 7.4: Influence debates and decisions of multilateral summits, conferences and partnerships to promote development, and implement the outcomes thereof</p>
<p>SG 8: Facilitate the building of an Inclusive Information Society to improve the quality of life development</p>	<p>SO 8.1: Facilitate and promote Information Society development programme to accelerate socio-economic development</p>

SG: Strategic Goal

SO: Strategic Objective

2.1.4 KEY STRATEGIC OBJECTIVE ACHIEVEMENTS

The following are the strategic objectives identified by the Department during the year under review:

STRATEGIC OBJECTIVE	ACHIEVEMENTS
<p>Contribute to creating conditions for an accelerated and shared growth of the South African economy through the development and implementation of ICT policies, legislation and strategies that positively impacts on the wellbeing of all our people.</p>	<ul style="list-style-type: none"> • The Department conducted RIA on the purpose and intended effect of the ICASA Amendment Bill. • RIA was also conducted on the Post Services Amendment discussion document and a draft RIA report was developed on the EC Amendment. • The Department conducted a due diligence on the White Paper on Broadcasting Policy after which a Position Paper on Public Broadcasting Services was developed. • Following extensive research, the Department developed the Borrowing policy which underwent stakeholder consultation with National Treasury, Postbank and SAPO and was submitted to Minister of Finance for concurrence. • The Department developed the Lending policy which underwent stakeholder consultation with National Treasury, Postbank and SAPO and was submitted to Minister of Finance for concurrence. • The Department analyzed existing ICT waste policies and legislations and conducted research on other leading countries in e-waste management. A research report on the disposal of ICT waste was developed.
<p>Support and enable the provision of a multiplicity of ICT applications and services through facilitating the modernisation and deployment of the infrastructure.</p>	<ul style="list-style-type: none"> • The Department developed a Broadband Strategy document together with the Broadband Implementation Plan. • Amongst others, the Department focused on the following broadband initiatives in the the provinces:- <ul style="list-style-type: none"> – An ICT infrastructure implementation plan was finalised for the Sisonke District Municipality and a wireless broadband network was deployed and launch by end of July 2011. – An ICT infrastructure implementation plan for the Msinga Broadband Initiative was finalised and a wireless broadband network was deployed and launched in October 2011. Implementation plan for the ICT Infrastructure rollout was finalised and monitored for the Sisonke District Municipality and all municipal offices at Sisonke District Municipality have now VSAT infrastructure for data and voice communications. Currently VSAT infrastructure is being extended to local clinics and hospitals. – Broadband ICT Infrastructure rollout was monitored at Msinga where SABC radio and TV coverage have been extended – VSAT infrastructure has been deployed to connect local schools at Tugela Ferry, Pomeroy and Keith's Drift to internet. – WiMax base stations are being constructed at the above-mentioned towns. – Access network performance was monitored at Free State Province where the Kokstad Local Municipality reported a 50% savings on cost to communicate • An ICT infrastructure implementation plan was finalised for the Sisonke District Municipality and a wireless broadband network was deployed and launch by end of July 2011. • Provincial and Municipal Broadband guidelines were finalised and distributed via the Broadband Intergovernmental Committee and the implementation was monitored. • During the reporting period, the draft Public Telephone Network (PTN's) and Value Added Network Service (VANS) Directives were developed and consulted on with government stakeholders. • Mobile; Fixed line and internet directives were developed. • Relevant aspects of the ECT Act during the period under review were implemented and 3 new applications and 9 renewal of registrations were processed • All Cryptography applications were processed in terms of the ECT Act and regulations thereof. • Cyber inspectors training was conducted and 3 training modules were developed.



<p>Improvement with respect to cost, quality, availability and usage of ICTs in line with world class standards by 2014.</p>	<ul style="list-style-type: none"> • The Department implemented and monitored the Programme of Action on cost to communicate, quality, availability and usage of ICTs and as a results seven key interventions to reduce the cost to communication were identified. • A process to enter into a Memorandum of Understanding (MoU) has been initiated with ICASA to implement a programme of action on cost of telephony in SA. • Research on international best practice on Business Processing Outsourcing (BPO) was conducted and a development pricing strategy was developed with the Department of Trade and Industry. • An ICT Data warehouse portal has been developed and populated with relevant ICT data regarding the performance of the ICT Sector in general. • The National Cybersecurity Policy Framework was approved by Cabinet on 8 March 2012 and implementation has commenced in conjunction with CSIR. • The Department conducted extensive research and a comprehensive report on Green ICTs was developed. This report will further inform the work of the department in the field of ICTs.
<p>Develop and implement national incentives for the ICT industry.</p>	<ul style="list-style-type: none"> • A National Incentive Scheme was developed and approved for further engagement with the Department of Trade and Industry and the Department of Science and Technology.
<p>Develop programmes relevant to the emerging knowledge economy</p>	<ul style="list-style-type: none"> • The Local Digital Content Strategy was finalised and certain aspects of the Strategy are being implemented and monitored. • Three application factories have been incorporated as part of teaching and learning in three provincial e-skills knowledge production & coordination hubs. • Strategic partners (i.e. international, continental and local) have committed themselves to support the establishment of the application factories. The Gauteng e-skills hub launched the innovation application factory in partnership with its strategic partner who will be contributing to the physical setup of the innovation application factory. • As part of the e-skills national plan a site in the Western Cape has been identified to further support local innovation at a community level. • The Department developed a concept paper on Creative Industries which was approved for further consultation with Industry. • The Department facilitated the process of conducting environmental scans through the provincial e-skills knowledge production and coordination hubs which identified new industry and service provision options that will create sustainable employment and increase focus on national goals i.e. e-skills for creative industry.
<p>Increase universal access</p>	<ul style="list-style-type: none"> • The process of appointment of a service provider to audit national radio frequency spectrum between 500 MHz and 1 000 GHz, was concluded and work in this regard has commenced. • Drafts of the Children and ICT strategy underwent extensive stakeholder consultation including a presentation to the National Child and Youth Care Forum hosted by the Department of Social Development where the strategy was endorsed. • The Department ran a national media campaign on Child Online Protection from 28 June to the 4 July 2011 and collaboration with the Centre for Crime Prevention and Justice on Cyber Bullying has also been undertaken. • A partnership with the Film and Publication Board and UNICEF on Child Online Protection has been established and the National Child Safety Campaign hosted by FPB has been supported • The final draft of the strategy was approved in February 2012. • The Youth and ICT Strategy was developed and approved by the Department.



<p>Contribute to increasing the ICT Skills base in South Africa and increase to, and uptake and usage of ICTs</p>	<ul style="list-style-type: none"> • 1050 young people participated in the e-literacy training programme during the reporting period. • The Department conducted Free Open Source Software (FOSS) training. This was arranged by the Northern Cape hub and was also conducted in the North West Province and Eastern Cape Province with participation from the Northern Cape. • Two Kiosk terminals were installed at Umsunduzi Municipality. The purpose of the Kiosk terminals is to provide the public within the Municipality with access to rates statements, government information and services. Competency based training was conducted with Municipality technicians and marketing personnel by a South Korean IT company that installed the Kiosk terminal. • The Departments deployed equipment at 20 FET colleges during the reporting period for the training of Cisco networking professionals. (Cisco Certified Networking Associate)(CCNA+) • Multimedia training courses were conducted at the following FET Colleges: <ul style="list-style-type: none"> – Ekurhuleni East – Orbit FET – South West FET College – Capricorn FET • The Department entered into a MoU with NEMISA to develop NQF Level 3 learning material and training of FET College lectures on Multimedia NQF level 3. • The first e-skills training course as part of the e-inclusion programme was developed and started by the Western Cape hub which commenced at 10 centres in the NC and WC. 20 e-Centre managers (students) completed phase 1 of the course. This is the first course aligned to the NeSPA document and the goals of the MTSF. Project stakeholders are Government (provincial and local), education, civil society and business. • The five (5) provincial hubs are currently in the process of conducting provincial audits of all e-skills across business, government, education and civil society • The Department hosted the 2nd research Colloquium from 3-4 November in East London and recommendations stemming from the Colloquium are being implemented at the 5 hubs.
<p>Facilitate the growth and the development of the SMMEs as well as improve their sustainability through the use of ICTs</p>	<ul style="list-style-type: none"> • The department developed a concept document on a Youth Computer Refurbishment programme. In partnership with the University of Johannesburg, 36 young people were thereafter trained on A+ skills, enabling them to dismantle and assemble computers. The aim was to give them skills to start computer refurbishment skills • An Unemployed Youth workshop on ICT skills was held at the University of Johannesburg. This workshop was attended by 400 young people, including young entrepreneurs. These young people were capacitated with basic ICT skills, thus increasing the level of uptake and usage of ICTs. • The Annual Women's month workshop on ICT skills was hosted on 23 August 2011 at the University of Johannesburg where a total of 211 women entrepreneurs and 372 girl children attended. The impact is that women entrepreneurs were capacitated with ICT skills, enabling to use ICTs in the running and management of their enterprises. Young girls are now able to use ICT (Increased ICTs uptake). • In support of e-Commerce a workshop was held in Nelspruit, Mpumalanga Province by SMMEs from the tourism, arts and craft sectors. • 25 ICT business linkages were facilitated with regards to increasing growth and sustainability of ICT SMMEs.
<p>Promote the ICT Agenda across all stakeholders in order to ensure integrated and efficient service delivery to communities</p>	<ul style="list-style-type: none"> • The Provincial ISAD Framework has been developed and approved. The Framework has been promoted through various Working Groups in 5 Provinces (Free State, KZN, Eastern Cape, Northern Cape & Limpopo) as well as through the IGRF. • The Uptake and Usage Strategy has been developed and approved. Furthermore, an implementation plan was developed which identifies relevant implementation areas. • The implementation of the IGR Engagement Framework was monitored through the operationalisation of the various committees proposed by the framework and successful and constructive functioning of these structures.



<p>Enhance departmental performance through improving institutional processes and mechanisms</p>	<ul style="list-style-type: none"> IT systems were implemented to enable ease of access and use of the departmental information and three processes of the Electronic Document Management System (e-DMS) was developed, tested and signed off by process owners. The HR Strategy was implemented by the Department. Integrated strategic management and project management frameworks were implemented within the prescribed legislative requirements. The Communication strategy was implemented .
<p>Provide efficient and effective oversight to SOEs and other entities</p>	<ul style="list-style-type: none"> The Department facilitated the development of strategic and corporate plans of USAASA, NEMISA, Sentech SABC, SAPO and communicated the Strategic Planning Cycle to all SOEs to ensure alignment and compliance. The new organizational structure has been developed and approved by the Minister which will give effect to the establishment of the SOE oversight branch to oversee compliance and ensure strategic alignment with Government and DoC Policies and Strategies.
<p>Effective monitoring and support of SOEs through corporate governance mechanism</p>	<ul style="list-style-type: none"> The Articles of Association were continuously monitored in liaison with Company Secretaries. The Department addressed the specific audit findings of SOEs and ICASA so to prevent recurrence of adverse audit findings and PFMA transgressions.
<p>Support the African Agenda through active participation and implementation of African Multilateral and Bilateral ICT programmes in order to promote development</p>	<ul style="list-style-type: none"> The Department developed a position paper on the SADC Programme of Action in relation to Interconnection and regulatory framework. This position paper was informed by a National Preparatory Meeting inclusive of SOEs in preparation for SADC Ministers responsible for ICT, Communications, and Postal which was held. The DoC developed a position paper for the AU Ministers of Communications and Information Technology (CIT) with the primary focus towards the implementation of the Oliver Tambo Declaration. South Africa made a significant contribution to the Oliver Tambo Declaration at the AU Extraordinary Conference of Ministers of CIT. The following countries were engaged to further strengthen relations through the formation and implementation of strategic partnerships: <ul style="list-style-type: none"> Egypt - Programme of Cooperation (PoC) was developed. Algeria - Programme of Cooperation (PoC) was developed. Angola - Programme of Cooperation (PoC) was developed. Mozambique - MoU on ICT and a Technical Agreement on Frequency Spectrum Collaboration was developed Ghana- MoU on ICTs was developed Tunisia -MoU on ICTs with Tunisia was developed.
<p>Consolidate South-South and North-South Relations to promote economic development.</p>	<ul style="list-style-type: none"> The promotion of South-South Bilateral relations was achieved by the department during the reporting period and a substantial progress was made with regards to the SA/Cuba Agreement on Cooperation which will pave the way for the implementation of the proposed training programme. A South African training programme needs assessment was conducted with a view to centralizing ICT training and capacity building at NEMISA. The training programme was implemented and Officials attended training on e-Skills, Broadband and DTT in partner countries. Furthermore, the implementation of the first phase of the training programme by South Koreans was facilitated and monitored and as a result two senior officials of Department of Communications were sent to Korea for training in Broadband and Digital Convergence Policy. Areas of collaboration were identified and an ODA Strategy was developed which identified relevant ODA projects that are in line with the DoC mandate.
<p>Develop Trade and Investment opportunities for the ICT sector in South Africa</p>	<ul style="list-style-type: none"> The Department participated extensively in the COP17 United Nations Framework of Convention and Climate Change ITU meetings during COP17. The DoC was leading a process of advancing South Africa's interests through establishing a Treaty on the Protection of Broadcasting Organisations. Due to convergence of technologies between telecoms and broadcasting, the broadcasting business activities include ICT services trade. The Treaty provides a framework to facilitate the trade ICT services relating to broadcasting. Several proposals have been made to WIPO which have been adopted

Influence debates and decisions of multilateral summits, conferences and partnerships to promote development, and implement the outcomes thereof

- Programme for identification and positioning of candidates for election in multilateral organisations for SA's Candidature for UPU Council of Administration and Postal Operations Council was facilitated.
- DoC participated in the UPU Council meetings in Berne and thereafter hosted the African Support Committee meeting in preparation for the UPU Congress.
- The Department also attended the the ITU Council meeting in Geneva, which dealt with administrative/project matters in the lead up to the ITU WRC, WCIT and WTSA, as well as the continued implementation of the outcomes of Guadalajara 2010 and the ongoing work programme of the ITU.
- The Department successfully participated in the UN Commission of Science and Technology for Development, with respect to implementation of WSIS outcomes.

2.1.5 OVERVIEW OF THE SERVICE DELIVERY AND ORGANISATIONAL ENVIRONMENT FOR 2011/12

During the period under review the Department underwent extensive changes in its Administration. In this regard a new Minister, Minister Dina Pule and a new Deputy Minister, Stella Ndabeni, were appointed in the third quarter of the financial year. In addition, a new Director-General, Ms Rosey Sekese, was appointed in the first quarter of the period under review.

Furthermore, during the period under review, the Department was in the process of concluding its organisational review and re-alignment process which was prompted by numerous challenges that faced the Department including structural challenges, duplication and overlapping of functions among others. The organizational review and re-alignment process, which resulted in an approved organisational structure, did to a certain extent impact on the recruitment process. This resulted in HR capacity constraints in certain areas which had a negative impact on the achievement of some of the targets in the strategic plan. During the reporting period, significant progress was made with regards to the organizational review and re-alignment process which resulted in an approved organisational structure.

During the reporting period, the Department also made extensive strides towards fostering collaboration with the ICT Industry aimed at job creation and economic development. In this regard, the Department established an ICT Industry Working Group made up of the Captains of the ICT Industry which was further supported by 6 Work-streams. Through such collaboration between government and industry, short, medium and long term priorities were identified in an effort to increase economic development and job creation.

The Department has also made substantial progress in terms of contributing to Government Outcomes 1, 3, 4, 6 and 7. These achievements have largely been in terms of e-Skills, cyber security, broadcasting digital migration, broadband, and implementation of the ICT Rural Development Strategy amongst others.

With respect to its financial standing, an additional R1.540 million was allocated the Department, through the adjustment estimates, for salary increases which emanated from the significant and unforeseen economic and financial events affecting the fiscal targets set by the annual budget. A virement of R18.990 million was effected from programme 5 (goods and services) to programme 1, R1.108 million from programme 1 and 3 on compensation of employees and goods and services to programme 2, R1.603 million from programme 2 and 6 on compensation of employees and payments of capital assets to programme 3 and R8.222 million from programme 3 (goods and services) to programme 6 to defray excess expenditure. Lastly, an amount of R112.2 million was rolled over to the 2011/12 financial year and was composed of the following:

- Programme 1: R1.2 million for service deployment component of the e-Cadre programme.
- Programme 4: R109.9 million for Sentech for roll-out of Digital Terrestrial Television infrastructure.
- Programme 5: R1.1 million for automation of business process.

2.1.6 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

South African Post Office Bill

During the reporting period, the Department developed the SAPO Bill which underwent the legislative process. In December 2011, the SAPO Bill was signed into law by the President. The new statute provides for the continued corporate existence of the South African Post Office (SAPO) and its subsidiaries as well as its governance and staff. Once implemented, it will address the need for a comprehensive legal framework addressing SAPO's corporate governance, focusing on the Post Office as a legal entity.



Scheme for Ownership Support (SOS)

In March 2012, Cabinet approved the Scheme for Ownership Support (SOS) of Set Top Boxes (STBs) which makes provision for Government to provide 70% as an incentive towards the cost of the STB for the poorest TV owning households. The objectives of the SOS is to act as a national initiative to help the country in its efforts to build an information society and bridge the digital divide by using TV as a platform to improve access to services for poor communities. The Scheme will also accelerate the uptake of DTT in the country so as to meet the South African Digital Migration time lines and directly benefit poor TV households.

STB Manufacturing Sector Development Strategy

In March 2012, Cabinet also approved the STB Manufacturing Sector Development Strategy. The Strategy seeks to achieve the following objectives:

- To revitalise the electronics manufacturing industry;
- To create a competitiveness electronic industry and related supporting industries;
- To create sustainable jobs in the industry;
- To bring about transformation in the electronics industry;
- To promote innovation and research and development; and
- Building South African excellence in electronics manufacturing.

As part of the implementation of the Broadcasting Digital Migration Policy, the Department will in the 2012/13 financial year focus on, amongst others, rolling out the Scheme for Ownership Support (SOS) and implementing the STB Manufacturing Sector Development Strategy.

Broadband

During the reporting period, the Department developed a Broadband Strategy document together with the Broadband Implementation Plan. Furthermore, extensive progress was made in terms of analysing the current Broadband status in SA and performing a feasibility study regarding the Broad Band Public Private Partnership (BB PPP) process. This study is nearing completion and is expected to be concluded in the first quarter of the 2012/13 financial year after which it will inform the implementation of the Broadband Plan.

Country e-Readiness Report

During the reporting period, the Department developed and published the e-Readiness Report in August 2011. The report was developed using the e-Barometer tool and provides an analysis of the country's ICT penetration in 5 sectors so as to support evidence based-policy making going forward. Furthermore, the report included primary studies in sectors where secondary data was unavailable.

2.1.7 DEPARTMENTAL REVENUE, EXPENDITURE, AND OTHER SPECIFIC TOPICS

Collection of departmental revenue

The Departmental receipts for the 2011/12 financial year amounted to R2,329 billion of which R899,569 million is license fees collected by the Independent Communications Authority of South Africa and is made up as follows:

- R19,119 million for Post Office license fees;
- R372,192 for Telecommunications service providers;
- R1,040 million for cellular network license;
- R382,562 million for private television stations;
- R150 thousands for unreserved postal service registration fees; and
- R7,920 million for telephone equipment licenses.

The balance of the receipts is made up as follows:

- R8,427 million direct exchequer receipts : ICASA
- R300,219 million ordinary dividend from Telkom;

- R1,118,056 billion ordinary dividend from Vodacom;
- R690 thousands interest on Nedbank account;
- R1,780 million interest from SABC loan;
- R22 thousands for interest on debts;
- R20 thousands for electronic accreditation fee;
- R98 thousands for rental of office building;
- R8 thousands for cryptography fees;
- R34 thousands for commission insurance; and
- R589 thousands for financial transactions in assets and liabilities.

Collection of departmental revenue

Revenue for the department is mainly derived from dividends as a result of its shareholding interest in Telkom and Vodacom, and from administration fees. Administration fees comprise of all fees collected by the Independent Communications Authority of South Africa from telecommunications operators and the South African Post Office licence fees, which are paid directly into the National Revenue Fund.

The table below provide a breakdown of the sources of revenue:

	2008/09 Actual 000	2009/10 Actual 000	2010/11 Actual 000	2010/11 Target 000	2011/12 Actual 000	% deviation from target
Non-tax revenue	-	-	-	-	-	-
*Sale of goods and services other than capital assets	2 148 962	871 878	531 258	541 835	899 729	166.1%
Transfers received	-	2 340	86	15	-	-
**Interest dividend and rent on land	1 370 204	469 777	996 294	882 467	1 420 768	161%
Sales of capital assets	-	-	-	-	-	-
Machinery and equipment	297	-	-	-	-	-
Financial transactions (Recovery of loans and advances)	659	795	709	210	589	280.5%
TOTAL DEPARTMENTAL RECEIPTS	3 520 122	1 344 790	1 528 347	1 424 527	2 321 086	162.9%

***Sales of goods and services other than capital assets:** The increase is mainly due to the implementation of the General License Fees Regulations by ICASA.

****Interest, dividends and rent on land:** The increase is mainly due to the dividend rate per share of Telkom SA Limited that increased from 125 cents per share to 145 cents per share and Vodacom Group Limited that increased from 175 cents per share to 280 cents per share in July 2011 and 260 cents per share in December 2011.

2.1.8 DEPARTMENTAL EXPENDITURE

The Department's final allocation for the 2011/12 financial year amounted to R2,002 billion, which is made up of a baseline of R1,889 billion and Adjusted Estimates allocation of R113,8 million.

The Adjusted Estimates include a rollover of R112,2 million (R109,9 million for Sentech: roll-out of Digital Terrestrial Television infrastructure and R2,4 million for projects that were in progress) and a rollover of R1,5 million for salary adjustments.

The total spending for the period under review amounted to R1,792 billion, representing 89.5% with the underspending of R210,9 million (10.5%). The underspending is made up as follows:

- R21,6 million for compensation of employees due to the organisation review and staff resignation.
- R187,6 million for goods and services mainly for 112 Emergency Call Centre and Broadband, which emanated from the delay by National Treasury in providing the department with approvals on the project feasibility on 112 Emergency Call Centre and the delay by the Departmental Bid Adjudication Committee in approving the tender for Broadband.

The department had appointed technical advisors for feasibility study on 112 Emergency Call Centre project during the 2011/12 financial year and tender was advertised towards the end of March 2012 so that this project can be implemented as early as possible in the 2012/13 financial year. The department has also engaged Sentech for the implementation of broadband project.

2.1.9 TRANSFER PAYMENTS

NATIONAL ELECTRONIC MEDIA INSTITUTE OF SOUTH AFRICA (NEMISA)

The National Electronic Media Institute of South Africa (NEMISA) was established as a non-profit institute of education by the Department of Communications in terms of the Companies Act (1973). Formed as part of a government initiative in 1998, in response to the White Paper on Broadcasting Policy, the institute's main purpose is to train previously disadvantaged individuals, particularly women, to equip them with the necessary skills to play significant roles in the constantly changing broadcasting environment.

The institute offers hands-on training in the electronic media, including content design and production, technical operations and content transmission. The institute provides skills training at an advanced level for the broadcasting industry. It offers national certificates and short courses. National certificates are offered in the areas of television production, animation and radio production. Between 2008/09 and 2011/12, the institute trained 268 learners in strategic partnerships and special multimedia projects. The number of students trained in electronic media increased from 118 in 2008/09 to 131 in 2011/12 and is expected to increase further to 171 by 2014/15 driven by growth in demand for courses in the areas of television production, radio production, design and animation. An amount of R33,473 million was transferred to NEMISA during 2011/12 financial year.

UNIVERSAL SERVICE AGENCY AND ACCESS OF SOUTH AFRICA – AGENCY AND THE FUND (USAASA AND USAAF)

The Universal Service and Access Agency of South Africa, is established in terms of section 50 of the Electronic Communications Act (1999) as a statutory body. Its sole mandate is to promote universal service and universal access to electronic communications services, electronic communications network services and broadcasting services. The agency is responsible for managing the Universal Service and Access Fund.

In terms of the act, the fund receives contributions from licensed telecommunications providers and broadcasters which are used to fulfil universal access obligations in under-serviced areas. The agency plays a key role in facilitating the achievement of 100 per cent ICT penetration by 2020. Between 2008/09 and 2011/12, 54 access centres were established. In addition, 267 schools and 56 further education and training institutes were provided with internet connectivity over the same period. Over the medium term, the fund expects to deploy 600 cyber labs to under-serviced areas by 2014/15. USAASA/USAF was allocated an amount of R344,098 million for the 2011/12 financial year.

SOUTH AFRICAN POST OFFICE (SAPO)

The South African Post Office was established in accordance with the Post Office Act (1958) as a government business enterprise to provide postal and related services to the public. It was granted an exclusive mandate to conduct postal services in the country by the Postal Services Act (1988). This act makes provision for the regulation of postal services and operational functions of the postal company, including universal service obligations and the financial services activities of Postbank. The Post Office Act (1958) will be repealed and replaced by the Post Office Bill and the Postbank Bill, which have been enacted into law by March 2012. With the imminent corporatisation of Postbank into a separate entity, more previously disadvantaged communities will have access to banking services.

The South African Post Office has a retail post office infrastructure of 2 487 service points, which deliver postal, courier, financial and Postbank services. To increase access to its services, 129 new service points were opened between 2008/09 and 2011/12, and the entity expects to open an additional 150 new points of presence by 2014/15 financial year. Between 2008/09 and 2011/12, the South African Post Office rolled out more than 4.9 million new addresses. Between 2008/09 and 2011/12, the Postbank



depositor's funds increased from R3.2 million to at least R3.9 million. The depositor's book is expected to grow to R5.2 million by 2014/15. SAPO has been allocated an amount of R180,442 million in the 2011/12 financial year.

SENTECH

Sentech Limited is a state owned enterprise established in terms of the Sentech Act (1996) and the Sentech Amendment Act (1999) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). Its mandate is to provide broadcasting signal distribution for broadcasting licensees. In 2002, Sentech was awarded value added network service licences for its multimedia and carrier of licences, thus allowing for converged ICT solutions. In 2009, these licences were converted to individual electronic communications network service and individual electronic communications service licences under the Electronic Communications Act (2005).

Sentech is responsible for migrating signal distribution infrastructure from analogue to digital in line with technological developments and agreements with the International Telecommunications Union for worldwide migration to digital. Sentech's activities will ensure that the digital terrestrial television network is ready in time to meet the December 2013 analogue switch-off deadline. Sentech's national wholesale broadband network develops innovative products, rolls out the national wholesale broadband network and extends social value projects. Sentech has continued to exceed network performance (the quality of a signal product as seen by the customer) targets set over the past three years and ensured that it was possible to ensure overall network availability of the analogue terrestrial television broadcast network. This is despite interruptions caused by mains power failures and inclement weather. Sentech was allocated an amount of R279 million in the 2011/12 financial. An amount of R109,9 million was rolled over from the 2010/11 financial year for roll-out of Digital Terrestrial Television infrastructure and was transferred to Sentech during 2011/12 financial year.

SOUTH AFRICAN BROADCASTING CORPORATION (SABC)

The South African Broadcasting Corporation's mandate is set out in its charter and in the Broadcasting Act (1999), which require it to: provide its services to all South Africans in all the official languages; provide programming that informs, educates and entertains and which reflects the diversity of South Africans; and maintain freedom of expression and journalistic, creative and programming independence. The corporation's service and broadcasting activities are regulated through the licence conditions issued by the Independent Communications Authority of South Africa for each of its radio and television services. It reports to the authority quarterly to comply with licence conditions. The corporation is further bound to meet licence conditions set for its individual radio stations and television channels, and has to abide by regulations set by the Independent Communications Authority of South Africa outlining minimum quotas and standards in areas such as local content.

The corporation became a limited liability company in 2004, with two operational divisions: public broadcasting services and commercial broadcasting services. As a national public service broadcaster, the corporation operates 18 radio stations and three television stations, reaching about 24 million people daily. The South African Broadcasting Corporation continued preparation for the migration to digital terrestrial television which will allow the corporation to increase the number of channels it offers as well as enhance its public broadcasting services by offering content in areas such as children's programming, news, sport, regional content, youth, women and education, as well as more comprehensive services in all languages and to communities with disabilities.

The corporation continues to promote universal access to broadcasting services by switching on lower power radio and television transmitters. These low power transmitters broadcast television and radio signals at a very low cost to communities in historically marginalised communities and rural areas. Between 2008/09 and 2011/12, the corporation has switched on 1 216 lower power television transmitters and 557 lower power radio transmitters. During the 2008/9 financial year, the SABC faced a severe financial crisis alongside a serious corporate governance crisis. A guarantee of R1 billion was granted to the SABC. A monitoring task team continues to monitor the performance of the SABC against the Government Guarantee targets. SABC was allocated an amount of R126,137 million in the 2011/12 financial year.

INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA (ICASA)

The Independent Communications Authority of South Africa was established in terms of the Independent Communications Authority of South Africa Act (2000). The authority makes regulations and issues communications licences in terms of the Electronic Communications Act (2005) and Postal Services Act (1998). In addition, the authority enforces compliance with rules and regulations, protects consumers from unfair business practices and poor quality services, hears and decides on disputes and complaints brought against licenses, and controls and manages the frequency spectrum.

ICASA completed the conversion of licenses issued under repealed legislation to licences that comply with the prescripts of the Electronic Communications Act (2005). In the first year of this conversion, the authority issued 189 licenses. Between 2008/09 to 2011/12, the authority completed 4 538 inspections of distribution and sealing of electronic equipment. Over the same period, the authority received, analysed and closed 11 464 spectrum licensing applications. ICASA has been allocated an amount of R313,378 million for 2011/12 financial year.

OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

PROGRAMME PRODUCTION

An amount of R5 million was transferred to National Electronic Media Institute of South Africa (NEMISA) to fund the coordination and development of capacity building for the community radio stations on the Department's community radio broadcasting support programme and implement content production programme. R5 million was transferred to SABC for radio programme production.

COMMUNITY RADIO STATIONS

An amount of R7,663 million was transferred to SABC for upgrading of the existing stations and providing additional infrastructure to stations that currently have single studios.

.ZA DOMAIN NAME:

.za Domain Name Authority was established in terms of chapter 10 of the Electronic Communication and Transactions (ECT) Act of 2002 to take responsibility for the .za Domain Name Space. The Department has been funding the .za Domain Name Authority since its inception. An amount of R1.5 million has been allocated for the 2011/12 financial and transferred to this organisation.

NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT e-AFRICA (NEPAD)

The Department of Communications provides programmatic support to the NEPAD e-Africa Commission (called NEPAD e-Africa Programme). The programmatic support is geared to support the implementation of NEPAD e-Africa Programmes

The 1st programme is aimed at supporting regional connectivity: The NEPAD ICT infrastructure programme seeks to facilitate the accelerated development of ICT infrastructure deployment in Africa through submarine and terrestrial linkages. The programme seeks to integrate the African continent by harmonizing ICT infrastructure initiatives through one cohesive policy and regulatory framework (the Kigali Protocol) in order to enable trade, social and cultural interchange and reduce cost to communicate. The programme has three components: promotion of submarine network to encircle the continent and connect Africa to the rest of the world; promotion of terrestrial cross-border networks to interconnect countries; and the harmonization of legal and regulatory frameworks in Africa.

The 2nd programme seeks to provide capacity building and e-skills: The NEPAD programme geared towards achieving the Connect Africa Goal 4 of supporting the development of a critical mass of ICT skills required by the knowledge economy, notably through the establishment of a network of ICT Centres of Excellence in each sub-region of Africa and ICT capacity-building and training centres in each country, with the aim of achieving a broad network of inter-linked physical and virtual centres, while ensuring coordination between academia and industry by 2015.

The 3rd programme is promoting governance and partnership: harmonization of continental and regional ICT policies; supporting policies and programmes developed that empower ICT-enabled socio-economic development that is led and sustained by local communities (including the development of Internet Governance protocols and implementation of strategies) as well as promoting African positions on ICT developments in preparation for global forums.

The Department's support of these programmes, through the transfer is to achieve the following developmental objectives:

- Promote the developmental agenda of African Union and aligned to/support the AU CIT priority projects;
- Promote, support and benefit the SADC ICT priority programmes;
- Adhere to NEPAD Principles as well as to the Connect Africa Goals;
- Anchor the development of human capital skills and resources, and promote partnership between South Africa and Africa.

2.1.10 CONDITIONAL GRANTS AND EARMARKED FUNDS

No conditional grants were given to the Department.

2.1.11 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

During the period under review there were no Capital Investments made by the Department the Maintenance and Asset Management Plan were revised.

There were changes of the asset holdings over the period under review. The increase in asset acquisition was due to the replacement of old and redundant equipment that no longer support effective service delivery in the Department. The old and broken assets that could not be used were disposed by means of scrapping and some donations to needy schools. A relative small number of disposals were as result of stolen assets it was properly investigated before removal from asset register.



The Department undertake additional measures to ensure that the department assets register remain up-to-date for the period under review. The personnel structure of the Department was updated on the asset register as soon as new changes were received from HRM. All changes were checked and verified with a physical asset verification to ensure correctness of information. The assets register is updated monthly with all the new acquisitions, including the allocation of such to individual officials, all movement of assets were captured and allocated correctly. Asset classifications were checked to ensure correctness of financial statements. The Department has also undertaken a regular spot checks and annual assets verification. All the disposed items were immediately removed from the asset register. Asset reconciliation is done on a monthly basis to ensure that assets are properly captured and rectified if there are discrepancies.

A physical verification of all assets was done to determine the condition of assets that need to be replaced, maintained or disposed from the asset register.

The following reflects the current state of the department's capital stock:-

- Good condition: 58%
- Fair condition: 20%
- Bad condition 22%

There were no major maintenance projects undertaken during the financial year under review. The maintenance and repairs done were due to normal wear and tear of assets, the maintenance of our vehicles were mostly to services cost due to the ageing of our fleet.

There were no facilities closed down or downgraded during the period under review.

There are no current or new projects that will be carried forward to the fort coming financial year.

We have processes in place for tendering of projects should there be a need to tender arise.



3. PROGRAMME PERFORMANCE



PROGRAMME PERFORMANCE

The activities of the Department of Communications are organised in the following programmes:

Programme 1: Administration

Programme 2: ICT International Affairs and Trade

Programme 3: ICT Policy Development

Programme 4: ICT Enterprise Development

Programme 5: ICT Infrastructure Development

Programme 6: Presidential National Commission on Information Society and Development



PROGRAMME 1: ADMINISTRATION

Purpose: Strategic support to the ministry and overall management of the department.

The Administration Programme is divided into five sub-programmes:-

- The **Ministry**: provides administrative and executive support to the Office of the Minister and includes parliamentary and ministerial support services.
- The **Deputy Ministry**: Support the Deputy Ministry administratively and also provide parliamentary and ministerial support services.
- **Management**: Provides support for the Office of the Director-General.
- **Operations**: Provide administration and secretariat support to the Department.
- **Property Management**: Provides for the management of the property of the Department

Strategic Objectives relevant to Programme 1:

- Enhance departmental performance through improving institutional processes and mechanisms.
- Increase Universal Access and Services to ICTs.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 1: ADMINISTRATION

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
<p>Compliance with relevant policy frameworks and legislative requirements</p> <p>Effective and efficient human capital that supports the departmental strategic plan.</p>	<ul style="list-style-type: none"> Recruitment was conducted in terms of the recruitment policy. Two service providers were appointed to assist with the recruitment and selection process. All Human Resource (HR) Administration and HR Information System transactional functions were affected, including service benefits and conditions, subsistence and travelling and HR information. The Department's Internship Programme for 2009/10 was successfully concluded on 31 May 2010. Recruitment for the Internship Programme for 2010/11 was concluded in the last quarter and 19 Interns commenced duty on 1 March 2011. 	<p>Integrated, progressive and innovative HR Strategy implemented within prescribed legislative requirements</p>	<ul style="list-style-type: none"> The implementation of the integrated, progressive and innovation HR strategy within prescribed legislative requirements was fully achieved. The Department undertook an extensive organisational structure review, which was approved by the Minister and submitted for MPSA concurrence. The following HR policies were reviewed: <ul style="list-style-type: none"> Performance management; Education, training and development, bursary policies, career management and internship Recruitment and selection Special leave. The Department's internship programme, was successfully rolled out in the 2011/12 financial year, when 18 interns were recruited and capacitated through placement in the various branches of the Department. At the end of the internship programme ten interns were appointed on a three-month contract. Records management for the Department was provided as per the requirements of the National Archives and Records Services of SA Act and relevant legislation. <p>Employment Equity</p> <ul style="list-style-type: none"> With regard to the target of 50% gender representation at SMS level as per cabinet directive, the Department has achieved 40% female representation at SMS level. With regard to the target of 2.2% people with disabilities, the Department achieved 1.6% representation of people with disabilities. <p>Employee Assistance Programme (EAP)</p> <ul style="list-style-type: none"> The Department has a fully functional 24-hour toll-free number call centre, which provides telephonic counselling and advice on a variety of wellbeing issues including health, financial, legal and family care matters. Access to counselling and support is also available to dependants of employees The Department continuously encourages and supports staff to participate in sports activities, which it coordinates and hosts. <p>Performance Management</p> <ul style="list-style-type: none"> Annual performance management workshops for all the branches were held in February 2011. Annual assessments for the 2010/11 financial year were concluded and 223 out of 306 employees received performance incentives. Twenty-four (24) employees who were on probation were confirmed as permanent employees of the Department of communication (DoC). 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 1: ADMINISTRATION

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Compliance with relevant policies, frameworks and legislative requirements / statutory reporting regulations and deadlines are met	<ul style="list-style-type: none"> The Department fully complied with the requirements of section 27(4) read with 36(5) of the PFMA regarding the evaluation of the organisational performance, which includes the submission of quarterly performance reports, against the strategic plan, to the executive authority. The Department further complied with PFMA requirements in terms of developing the 2011-2014 strategic plan, which was timeously tabled in Parliament. Year one (2011/12) of the strategic plan was dealt with through the development of branch business plans, operational plans and project plans, which were periodically monitored and evaluated. The 2009/10 Annual Report was timeously developed and tabled in Parliament. 	<p>Integrated strategic management and project management frameworks implemented within prescribed legislative requirements</p>	<p>Training and Development</p> <ul style="list-style-type: none"> A hundred and ninety (190) staff members attended one or more training interventions during the financial year 2011/12. The Department was above target in this regard, since the number planned in the Workplace Skills Plan (WSP) 2011/12 was 181. A total number of 404 training interventions were implemented, compared to 345 planned interventions. In the period under review the Department had 53 bursary holders; however, payments in the financial year were only made to 29 of those bursary holders. <p>Although the Department did not fully implement the Leadership Development Programme, extensive work was done in this regard and the programme will be fully rolled out in the 2012/13 financial year.</p> <ul style="list-style-type: none"> The implementation of the integrated strategic management and project management frameworks within prescribed legislative requirements was fully achieved during the reporting period. The Department complied with the requirements of the PFMA with regard to the evaluation of the organisational performance, which includes the submission of the quarterly performance reports, against strategic plan, to the executive authority. The Department also established a fully functional Organisational Assessment Board, which assesses organisational performance against the strategic plan on a quarterly basis and makes recommendations to improve performance. The Department further complied with the requirement of the National Treasury with regard to the framework for the development of the strategic plans and annual performance plans. The 2010/11 Annual Report was timeously developed and tabled in Parliament. Although delays were experienced with the roll-out of the electronic performance management system (e-OPMS) in the Department, substantial progress was made and the e-OPMS will be fully rolled out in the 2012/13 financial year. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 1: ADMINISTRATION

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Compliance with relevant policies frameworks and legislative requirements/statutory reporting regulations and deadlines are met	<ul style="list-style-type: none"> The Department developed and implemented various communication plans, media strategies and corporate identity plans to support departmental and government-wide events/priorities. The Department developed various booklets and publications in support of departmental and government-wide events/priorities. The Department conducted weekly media tracking and monitoring and followed up on erroneous media reports. 	<p>Comprehensive and annual communications strategy implemented, which supports the priority and focus areas of the Department and is in line with applicable standards and guidelines</p>	<ul style="list-style-type: none"> The target was fully achieved regarding the implementation of the comprehensive and annual communication strategy, which supports the priority and focus areas of the Department and is in line with applicable standards and guidelines. The Department developed and implemented the Communications Strategy through relevant interventions in both internal and external Communications plans to support the priorities and focus areas of the Department and government. Such intervention includes among others: <ul style="list-style-type: none"> Marketing the DOC through the Rica Campaign on broadcast and in print (radio, television, newspapers) Website revamp designs. Marketing other departmental experts on key publications, such as Brainstorm and Government Digest. Exhibiting at major expositions such as Govtech and Highway Africa. Furthermore, media relations plans were developed for the following interventions, among others: <ul style="list-style-type: none"> ICT Expo in Gauteng June 16 exhibition at the Orlando Stadium Rica campaign exhibition in Newcastle Exhibition at World Telecommunications Day in Ateridgeville and Durban. Exhibition at Signal Piracy Seminar. The Department developed various booklets and publications in support of departmental and government-wide events. The department conducted weekly media tracking and monitoring and followed up on media reports. 	-
Level of implementation of ICT strategies relevant to children, youth, disability and gender	<ul style="list-style-type: none"> In terms of the children and ICT strategy, the Department reviewed the final draft colloquium report to verify and confirm the content. 	<p>Children and ICT strategy developed</p>	<ul style="list-style-type: none"> Drafts of the children and ICT strategy underwent extensive stakeholder consultation, including a presentation to the National Child and Youth Care Forum hosted by the Department of Social Development, where the strategy was endorsed. The Department ran a national media campaign on child online protection from 28 June to 4 July 2011. Collaboration with the Centre for Crime Prevention and Justice on cyber bullying has also been undertaken A partnership with the Film and Publications Board (FPB) and UNICEF on child online protection has been established and the National Child Safety Campaign hosted by the FPB was supported A proposal on research on child protection has been received from the Youth Research Unit of UNISA and is being considered by the Department. The final draft of the strategy was approved in February 2012. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 1: ADMINISTRATION

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of ICT strategies relevant to children, youth, disability and gender	<ul style="list-style-type: none"> A draft implementation framework of the youth and ICT Strategy has been developed 	<p>Youth and ICT strategy implemented, including the service deployment for the 800 e-cadres, training of 450 International Computer Driver's Licence (ICDL) learners and exit strategies confirmed for at least 20% of the cadres concluded</p>	<ul style="list-style-type: none"> The Youth and ICT Strategy was developed and approved by the Department during the reporting period. The service deployment was conducted and concluded in 5 FET Colleges however, the number of 800 students was revised to 190 owing to budget constraints and over 100 students have been deployed to date. A contract with four more FET Colleges has been concluded. The five colleges to train 150 out of the 450 young people in ICDL have been identified memoranda of understanding (MOUs) were signed with the colleges and the training will commence in the new financial year 20% of the current deployed e-Cadres with the required average will be trained as ICDL Trainers as an exit strategy and negotiations have commenced with the ICDL Foundation that will be the provider for the ICDL Train the Trainer Programme. 	<p>Delays in signing the MOU with the colleges affected the training of the students.</p>
Level of implementation of ICT Strategies relevant to children, youth, disability and gender	<ul style="list-style-type: none"> The Department influenced ICT-related policies to ensure that these are inclusive of the needs of people with disabilities, young people, women and children 	<p>Implementation of the Disability and ICT strategy commenced</p>	<ul style="list-style-type: none"> The Disability and ICT Strategy was approved in August 2011. With regard to the implementation of the Disability and ICT Strategy, engagement took place with the Disability Sector to discuss possible implementation strategies on ICT Accessibility and Access to Broadcasting Services for persons with disabilities The Department supported the event hosted by the Ministry for the launch of the Lower Power Transmitter in Mpumalanga on 15 December, where a Centre for Persons with Disabilities was identified to be part of the program and television sets were donated to it by the SABC. The Department attended a meeting on Relay Services for Persons with Disabilities in Geneva, Switzerland as part of the consultation on the framework to consider the implementation of such services in South Africa. 	-
Level of implementation of ICT Strategies relevant to children, youth, disability and gender	<p>The Department influenced ICT-related policies to ensure that these are inclusive of the needs of people with disabilities, young people, women and children</p>	<p>Gender and ICT strategy developed, including finalisation of the gender audit, Mobinet portal developed and young women in ICT project implemented</p>	<ul style="list-style-type: none"> The Gender and ICT Strategy was approved in February 2012. The Department finalised a Gender Audit on policies and programs hosted by State Owned Enterprises The department entered into an MoU with Women's Net on the Mobinet Project, which aims at giving young girls and young women access to the internet and mobile technology that they can use to create positive content about issues they face on a daily basis. The project concept paper was developed in August 2011 and the MoU was finalised in March 2012. 	<ul style="list-style-type: none"> Delays in the Mobinet project were largely due to having to clarify some of the intended outcomes of the project with Women's Net.



PROGRAMME 2: ICT INTERNATIONAL AFFAIRS AND TRADE BRANCH

Purpose: Ensure alignment between South Africa's international activities and agreements in the field of ICT and South Africa's foreign policy.

This programme is divided into two (2) sub-programmes:

- **International Affairs** coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations.
- **ICT Trade/Partnerships** develops and advances South African interests in international trade forums through participation in World Trade Organisation ICT-related initiatives and other international trade agreements. The subprogramme also promotes the interests of the South African ICT sector and developing countries through these forums.

Strategic Objectives relevant to Programme 2:

- Contribute to increasing the ICT Skills base in South Africa and increase access to, and uptake and usage of ICTs.
- Support the African Agenda through active participation and implementation of African Multilateral and Bilateral ICT programmes in order to promote development.
- Consolidate South-South and North-South Relations to promote economic development.
- Develop Trade and Investment opportunities for the ICT sector in South Africa.
- Influence debates and decisions of multilateral summits, conferences and partnerships to promote development, and implement the outcomes thereof.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 2: ICT INTERNATIONAL AFFAIRS AND TRADE BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of bilateral cooperation with relevant countries regarding international training and development opportunities	<ul style="list-style-type: none"> Three position papers aimed at regional integration were developed On the African Union (AU) programme, the DoC lobbied for finalisation of the cyber-security framework, since South Africa is one of the few countries in Africa with a policy document. In an effort to strengthen bilateral relations with African countries, the Department successfully concluded and signed two bilateral relations agreements with key African countries: Egypt and Angola. 	<p>International training and development opportunities secured through bilateral cooperation with India, Cuba, South Korea and Mexico</p>	<ul style="list-style-type: none"> The Department was able to achieve its target regarding bilateral cooperation with relevant countries on international training and development opportunities during the reporting period. The MOUs on training and development opportunities were drafted and forwarded to the embassies of India and Mexico for their comments. In the case of Mexico, there has not been any response to date. This matter will be raised at the forthcoming South Africa/Mexico senior officials' consultations to be hosted by South Africa later during the 2011/13 financial year. At the South Africa/India joint working group (JWG) meeting, the parties agreed on a critical path with timelines for the digital repository project a digital archive was developed with India on the life of Mahatma Gandhi. A draft MOU was prepared and shared with South Africa's Mexican counterparts through DIRCO for their consideration. Engagements were held with the Mexican embassy to initiate negotiations on formalising bilateral relations with South Africa. The South Africa/India JWG meeting took place in November 2011; the project strategy was a revised and a new one was adopted for consideration by principals in the forthcoming South Africa/India Joint Ministerial Commission. The South Africa -India MOU underwent legal scrutiny by both the Department of Justice and DIRCO, after which a revised MOU was sent to India for a second opinion. As a result, new training areas were proposed by both parties during the JWG meeting in the areas of small, medium and micro enterprises (SMMME), free open source software (FOSS), e-health, cyber security and e-skills development. 	-
Support the African Agenda through active participation and implementation of African Multilateral and Bilateral ICT programmes in order to promote development in Africa	<ul style="list-style-type: none"> The DoC continues to participate actively in African multilateral spheres in order to achieve the millennium development goals, bridge the digital divide and enhance universal access. The DoC actively participated in the Southern African Development Community (SADC) ICT Ministerial meeting where the RSA position was developed and approved. 	<p>SADC ICT structures further strengthened in order to achieve socio-economic development and regional integration through submission of one SA Position Paper per meeting</p>	<ul style="list-style-type: none"> As part of strengthening SADC ICT structures in order to achieve socio-economic development and regional integration, the Department was able to achieve the target fully during the reporting period, as it developed a position paper on the SADC programme of action in relation to interconnection and a regulatory framework. This position paper was informed by a national preparatory meeting inclusive of SOEs in preparation for a meeting of SADC Ministers responsible for ICT, Communications, and Postal Services which was held from 14 to 16 June 2011 in Gaborone, Botswana. The Department also participated in the SADC Regional Infrastructure meeting and gave inputs towards the ICT infrastructure programme. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 2: ICT INTERNATIONAL AFFAIRS AND TRADE BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
<p>Level of influencing of relevant outcomes at international fora</p>	<ul style="list-style-type: none"> The DoC continues to participate in African multilateral spheres in order to achieve the millennium development goals, bridge the digital divide and enhance universal access The DoC actively participated in the SADC ICT Ministerial meeting where South Africa's position was developed and approved. 	<p>African Multilateral Organisations further strengthened through the influencing of outcomes at International fora</p>	<ul style="list-style-type: none"> The Department actively participated in the SADC ICT ministerial meeting in Gaborone, Botswana. The meeting adopted ten positions, out of which the DoC was appointed to the Africa desk as the Programme Management Officer (PMO) to lead the programme of SADC decisions. South African interests were reflected in the decisions of the SADC meeting. The DoC hosted the 1st Southern African Internet Governance Forum as per mandate of the SADC ICT Ministerial decision in preparation for the Global IGF hosted by Kenya in September 2011. South Africa's proposal to SADC ICT Ministers to develop an Institutional Mechanism in support of the SADC secretariat in the implementation of the Digital Broadcasting Migration Roadmap was concluded. South Africa developed the DIT draft terms of reference (TORs) for the establishment of the BDM Desk within the SADC Secretariat. Decision 16 of the SADC ICT Ministerial meeting on the e-SADC Initiative urged member states to set up Internet Exchange Points and a Regional Internet Exchange Point. South Africa compiled and also facilitated information from the African Union to assist in fast tracking the SADC POA and other SADC Member States in establishing their own IXPs. With regard to Regional Connection, South Africa also hosted the SADC regional infrastructure development master plan workshop to update the RSIDP. South Africa continued to Chair the SADC WRC-12 process during the Zambian SADC WRC-12 preparatory meeting. The region has finalised a common position on 34 agenda items. South Africa is among six SADC countries participating in the SADC-UNECA study examining e-Commerce Readiness in the Sub-Saharan region. With regard to roaming, South Africa has engaged industry on issuing policy directives on price structure. 	
			<ul style="list-style-type: none"> The DoC fully achieved the target as planned and it continues to play a pivotal role in the African Multilateral arena in order to strengthen and influence the outcome of International fora further. In this regard, the DoC developed a position paper for the AU Ministers of Communications and Information Technology (CIT) with the primary focus on the implementation of the Oliver Tambo Declaration. South Africa made a significant contribution to the Oliver Tambo Declaration at the AU Extraordinary Conference of Ministers of CIT, which it hosted in November 2009. Emanating from the South African position paper drafted for the SADC Ministerial meeting, the Ministers agreed to South Africa's proposals to host the Southern Africa IGF, the development of an institutional mechanism to facilitate the BDM roadmap, continue the chairing of the WRC-12 process and the hosting of the next SADC Ministerial meeting in 2012. 	

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 2: ICT INTERNATIONAL AFFAIRS AND TRADE BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of advocacy of proposed standards for international spectrum pricing in SADC and AU	<ul style="list-style-type: none"> The DoC actively participated in the SADC ICT Ministerial meeting where the South Africa's position was developed and approved, including its position on the Frequency Band Plan. The revised SADC Frequency Band Plan was agreed upon for adoption and harmonisation with the National Frequency Band Plan in the respective member-states. South Africa (DoC) hosted the CRASA Spectrum Management and Regulatory Workshop from 24 – 25 March 2011 to assist Member States Regulatory bodies and Policy makers in understanding modern models of spectrum management. 	<p>Proposed standards for international spectrum pricing in SADC and AU – (feasibility study to be conducted by SADC)</p>	<ul style="list-style-type: none"> The DoC played a key role in South Africa's position provided to the AU Commission (AUC) on the draft AU framework on cyber legislation. In July 2011 the DoC participated at the PPU Administration Council and African Support Committee, which South Africa chairs. A key outcome was the development of the PPU programme of action before the next UPU Congress in 2012. As part of supporting key outcomes of national and regional development, the DoC contributed to the implementation of the Oliver Tambo Declaration. The DoC submitted a South African proposal to the AU for the operation of DataAfrica. This will be operationalised by .ZADNA and supported by the DOC. The Department participated at the ATU Digital Migration and Policy Summit in Nairobi, Kenya from 29 November to 01 December 2011, where it showcased South Africa's progress in digital migration as well as positioned the country favourably as an electronic manufacturing hub. 	
			<ul style="list-style-type: none"> In efforts to promote standards for international spectrum pricing in SADC and AU the DoC fully achieved the target as planned. In this regard South Africa hosted a Spectrum Regulation and Management workshop to consider issues of spectrum farming, harmonization in spectrum migration and rationalization and reallocation of the digital dividend. South Africa (ICASA) hosted the Regional Alliance Task Team (RATT) meeting in Johannesburg in August 2011 to review the pilot test project for the SADC Home and Away Regulatory Impact Assessment (RIA II). The pilot testing on data collection was undertaken in Botswana, Lesotho and Tanzania. The template was rolled out to all SADC Member States and collected in December 2011. South Africa, through the chairing of CRASA, has been engaging mobile operators for data information. South African mobiles provide an sms service when roaming indicating the precise costs on calls and data. 	

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 2: ICT INTERNATIONAL AFFAIRS AND TRADE BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of NEPAD ICT programme	<ul style="list-style-type: none"> The DoC committed to promote the NEPAD principles and ensure that the NEPAD ICT programme is integrated into the African Agenda. In this regard, the DoC focused on three areas: <ul style="list-style-type: none"> – Programmatic support – Promotion of NEPAD principles – Support for implementation of the NEPAD programmes. Programmatic support for NEPAD was reviewed and annual support was affected. As a result, the NEPAD secretariat was able to convene one Inter-Governmental Assembly meeting, support the administration of the NEPAD secretariat and ensure that the two programmes adopted by the Heads of State and Government Implementation Committee are implemented. 	<p>2011/12 TARGETS</p> <p>Implementation of the NEPAD ICT programme monitored and assessed, including: strategic participation and increase of skills</p>	<ul style="list-style-type: none"> The target has been fully achieved by the Department. The NEPAD e-Africa Programme has been incorporated into the AU and NEPAD Planning and Coordination Agency (NPCA). Three meetings have subsequently been convened with NEPAD to address governance and programmatic support. The DoC continues to provide programmatic support to the NEPAD ICT programme. Accordingly, a workshop on harmonisation of regional and continental ICT programmes was convened in Johannesburg to address challenges on the duplication of regional and continental programmes. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 2: ICT INTERNATIONAL AFFAIRS AND TRADE BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of Strategic Partnerships/ Programmes	<ul style="list-style-type: none"> In an effort to strengthen bilateral relations with African countries, the Department successfully concluded and signed two MoUs with the following key African countries: Egypt and Angola. The MOU with Egypt aims to promote business investment and increase competition. It will also foster and promote innovative skills through cooperation in an e-skills programme, digital heritage and cultural documentation, as well as sharing of information and collaboration in international fora. The MOU with Angola aims to advance business investment in the telecoms and broadcasting industry. There will also be exchanges on training and skills development. 	<p>Bilateral relations with Priority countries further strengthened through the formation and implementation of Strategic Partnerships/ Programmes</p>	<ul style="list-style-type: none"> The Department achieved the target during the reporting period, and the following countries were engaged to strengthen relations further through the formation and implementation of strategic partnerships: <ul style="list-style-type: none"> Egypt – A Programme of Cooperation (PoC) was developed. Algeria - A PoC was developed. Angola - A PoC was developed. Mozambique - An MoU on ICT and a technical agreement on frequency spectrum collaboration were developed Ghana - An MoU on ICTs was developed Tunisia - An MoU on ICTs was developed. 	-
Level of implementation of the IBSA Information Society Working Group's Annual Programme of Action, targeting job creation, skills development and youth empowerment	<ul style="list-style-type: none"> A framework of cooperation has been agreed upon by the IBSA Countries. The Department secured a commitment from the Korean and Cuban authorities to formalise customised interventions in human capital development The DoC identified and facilitated the INSPIRE project between itself and Finland 	<p>IBSA Information Society Working Group Annual Programme of Action implemented</p>	<ul style="list-style-type: none"> The implementation of the IBSA Information Society Working Group's annual programme of action was partially achieved by the Department during the reporting period. South Africa's e-readiness measurement tool was developed. The appointment of a nodal point for the new sub-working group, which needs to be presented at the IBSA Ministerial Commission for ratification, was approved by Top Management. The next step is to submit the name of an official to be appointed as a Nodal Point for approval and Note Verbal to advise IBSA counterparts of South Africa's nomination. The submission will be presented at the forthcoming Top Management meeting. 	<p>Implementation of the IBSA Information Society Working Group's annual programme of action depends largely on consistent annual meetings of the JWG . Critical actions have been delayed by failure to hold meetings where reviews and monitoring processes are assessed. JWG meetings are extremely difficult to schedule if full attendance is to be achieved. India has been requested to host the next working group meeting before the end of the first half of the year.</p>

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 2: ICT INTERNATIONAL AFFAIRS AND TRADE BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of promotion of South-South bilateral relations	<ul style="list-style-type: none"> The Department secured a commitment from the Korean and Cuban authorities to formalise customised interventions in human capital development The DoC identified and facilitated the INSPIRE project between itself and Finland. 	<p>South-South bilateral relations promoted to advance information society development goals</p>	<ul style="list-style-type: none"> The promotion of South-South bilateral relations was achieved by the Department during the reporting period and substantial progress was made with regard to the South Africa/Cuba agreement on cooperation, which will pave the way for the implementation of the proposed training programme. A South African training programme needs assessment was conducted with a view to centralising ICT training and capacity-building at NEMISA. The training programme was implemented and officials attended training on e-Skills, broadband and DTI in partner countries. Furthermore, the implementation of the first phase of the training programme by South Koreans was facilitated and monitored and as a result two senior officials of the DoC were sent to Korea for training in broadband and digital convergence policy. The finalisation of arrangements for Koreans to train in South Africa will be discussed at the forthcoming South African/Korean policy consultative conference in the next financial year. 	-
Level of promotion of North-South bilateral Relations	<ul style="list-style-type: none"> The Department secured a commitment from the Korean and Cuban authorities to formalise customised interventions in human capital development The DoC identified and facilitated the INSPIRE project between itself and Finland 	<p>North-South bilateral relations promoted to advance information society development goals</p>	<ul style="list-style-type: none"> Although not fully achieved, substantial progress was made with regard to promoting North-South bilateral relations. Areas of collaboration were identified and an ODA strategy was developed, which identified relevant ODA projects that are in line with the DoC mandate. Furthermore, an ODA forum was established, which will be the oversight structure for all ODA activities in the DoC. 	Delays were experienced in the projects largely owing to HR capacity constraints.
Level of strategic trade and investment opportunities exploited	-	<p>Work closely with SOEs and ICT sector to exploit strategic trade and investment opportunities internationally, including participation in high-level delegations</p>	<ul style="list-style-type: none"> The target was achieved largely through the development of an ICT trade and investment strategy, which was formulated in consultation with Trade and Investment South Africa in the DTI so as to ensure alignment with the ICT trade-related projects in which the DTI is involved. The strategy therefore guides the DoC in engaging with the SOE and ICT industry, as well as in the exploitation of trade and investment opportunities and positioning the ICT industry. An implementation framework and a plan of action were also developed by the Department. Areas of ICT bilateral and multilateral trade cooperation in Africa were identified with Angola, Ghana and Egypt. MOUs were signed with the above-mentioned countries and POCs for Egypt and Angola were developed and communicated to them; the DoC is currently awaiting feedback from them. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of a programme for identification and positioning of candidature for election in multilateral organisations	<ul style="list-style-type: none"> Through the Department's initiatives, SADC endorsement was obtained for South Africa's candidature for the ITU council. A framework/strategy for the ITU PP 2010 election was developed. South Africa submitted its candidature for the ITU council to the ITU and the database of candidates and requests for support were regularly updated. With regard to the ITU plenipotentiary, the Department developed election plans with the Candidature committee of DIRCO to prioritise South Africa's voting intentions. South Africa's candidature was supported by DIRCO, and submitted to the ITU. 	<p>Programme for identification and positioning of candidates for election in multilateral organisations implemented.</p>	<ul style="list-style-type: none"> The Department also developed a SMIMEs development programme and as part of the implementation framework and implementation plan, the DoC lobbied the Department of Trade and Industry (DTI) to incorporate ICT SMIMEs in the Trade and Investment Initiative to Brazil that took place in Brazil from 12 to 16 March 2012. The DoC participated extensively in the United Nations Framework of Convention and Climate Change ITU meetings during COP17. The DoC is leading a process of advancing South Africa's interests through establishing a treaty on the protection of broadcasting organisations. In view of the convergence of technologies between telecommunication and broadcasting, the broadcasting business activities include ICT services trade. The treaty provides a framework to facilitate the trade ICT services relating to broadcasting. Several proposals have been made to WIPO, which have been adopted. The Department was able to achieve the target through the implementation of the Programme for identification and positioning of candidates for election in multilateral organisations for SA's Candidature for the UPU Council of Administration and the Postal Operations Council Long-term lobbying/election strategies were consequently implemented by preparing the project plan for UPU election and discussions were held with DIRCO and other Departments about candidature and international elections. The ASC meeting discussed African candidature for UPU positions. South Africa's candidature was announced by the Minister of Communications and DIRCO agreed to assist in securing the support of the AU for South Africa's candidature for the UPU Council of Administration, and to assist in international lobbying through South Africa's international missions abroad. 	

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Status of preferred candidates identified and placed in multilateral organisations	<ul style="list-style-type: none"> In its efforts to identify placement opportunities in relevant multilateral organisations, South Africa received invitations from PAPU and SADC to take up placement. The Department initiated a process to respond to this invitation through internal and sector-wide recruitment and is in the process of finalising appointments and resources. A process of recruitment for ITU was also established and ITU employment opportunities were circulated within the sector to stimulate interest. The Department also engaged multilateral organisations to evaluate the different types of recruitment. The placement strategy is continually implemented. 	<p>Placement opportunities in multilateral organisations identified and taken up</p>	<ul style="list-style-type: none"> The target for placement opportunities in multilateral organisations identified and taken up was achieved, as the Department engaged ITU and UPU on possible employment positions for South Africans. The proposal for greater South African participation in terms of employment in the ITU was received well, with the ITU indicating its support once positions become available. Opportunities for lower level positions were advertised through the DoC website and the draft placement strategy on international institutions by DIRCO was analysed. 	-

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of ITU and international resolutions	<ul style="list-style-type: none"> With regard to the position paper for Council – 10 in line with submission for ITU PP-10, the Department developed a position paper for the ITU council, which dealt with the issues going to PP-2010. The Department also hosted a national preparatory working group (NPWG) meeting to develop the position for ITU-PP. The Department hosted a SADC meeting to coordinate some of the key positions for the ITU-PP, including a South African draft resolution on 'Conformance and Interoperability', and positions on international telecommunication regulations, the regional presence of the ITU, cyber security and climate change. South Africa campaigned successfully for re-election to the council and during ITU PP-10, an effective alliance was developed within the African group, overcoming previous challenges, among key allies, for re-election. 	<p>2011/12 TARGETS</p> <p>Country position papers influencing the international ICT outcomes for WRC, WCIT, UPU developed, and implementation of ITU resolutions promoted</p>	<ul style="list-style-type: none"> During the reporting period the Department achieved the implementation of relevant international resolutions as planned. The DoC participated in the UPU council meetings in Bern and thereafter hosted the African support committee meeting in preparation for the UPU congress. The Department also attended the ITU council meeting in Geneva, which dealt with administrative/project matters in the lead-up to the ITU WRC, WCIT and WTSA, as well as the continued implementation of the outcomes of Guadalajara 2010 and the ongoing work programme of the ITU. South Africa hosted the ITU-Kaleidoscope Conference, which took place in December 2011. This event was intended to stimulate interest among academics in the work of the ITU and included awards for selected academic papers on standardisation issues. The Department participated in the ITU council meeting, which dealt with a number of the preparations for the World Radio Conference, the WCIT and WTSA and the implementation of the decisions of the PP-10 conference. A SADC position paper for WRC-12 was developed and South Africa's position was incorporated into the SADC position paper. The DoC participated in the WRC 2012 with a delegation led by the Minister. Draft African position papers for WCIT and WTSA were also developed and South Africa was the vice-chair of the WCIT and WTSA African preparatory meeting in Egypt. South Africa hosted and chaired the African support committee in preparation for the UPU congress. South Africa made key inputs for the UPU towards the development of a common African position. 	-

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of strategic multilateral engagements and partnerships	<ul style="list-style-type: none"> With regard to implementing a cooperation programme with the European Union (EU), South Africa submitted proposed areas for cooperation for further consideration by the EU. The Department commenced with an analysis of the WTO position with respect to ICIs and foreign ownership limitations. Negotiations in the UN Commission for Science and Technology for Development focused on the mid-term review of the WSIS outcomes, and especially on internet governance. South Africa was successful in negotiating measures to address the role of governments and their responsibility for public policies with respect to the internet, as well as developing text on broadband and development. 	<p>Strategic multilateral partnership implemented with EU, and beneficial engagement implemented with UNESCO and UNECA in line with WSIS outcomes</p>	<ul style="list-style-type: none"> The Department achieved the implementation of several strategic multilateral partnerships and engagements during the reporting period. Engagements took place with the European Commission in Brussels in June to discuss South Africa's proposals for cooperation and agreement was reached in principle on the contents of a draft action plan for inclusion in the Joint Cooperation Council report. The Department successfully participated in the UN Commission of Science and Technology for Development, with respect to implementation of WSIS outcomes. The DoC supported the hosting of the CIO Forum on Digital Switchover, which is an annual event in South Africa that provides a platform for South Africa to provide leadership among developing countries with respect to BDM. UNESCO's 36th General Conference took place in the third quarter. A South African delegation, including representation from the DoC, attended the conference that was led by the South African Minister of Basic Education. The Department participated in the Communication and Information Commission, which explored the role that the commission can play in building inclusive information and knowledge societies. 	-

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of participation in OECD	<ul style="list-style-type: none"> As part of the contribution to the development of international best practices and the development process in South Africa, a meeting was held with the National Treasury and OECD to strengthen the participation of line function departments within OECD committees and put in place measures to ensure greater access to OECD working documents, thus facilitating more effective participation by departments. The Department was able to obtain secure password access to all resources of the OECD obtainable through the OECD website, including all the relevant meeting documents and topical research documents that can be utilised by the DoC. The Department also participated in a survey on OECD and the South African government, which was designed to take stock of the views of different South African government practitioners on the future of relations with the OECD. 	<p>Participation in OECD strengthened to ensure more beneficial participation for South Africa so as to support development of the knowledge economy</p>	<ul style="list-style-type: none"> The DoC achieved the target by strengthening its participating in the OECD to ensure more beneficial participation for South Africa to support development of the knowledge economy. A ministerial delegation participated in an OECD ministerial meeting on the future of the internet. The South African position was informed by a previous position at the UN Commission for Science and Technology and Wsis. The Department participated in the OECD ministerial meeting to debate views of OECD countries on internet governance and cyber security. The Department participated in Telecom World, where inputs were made on issues ranging from broadband, ICIs and the environment and cyber security to BDM. Successful exhibitions were held with Sector participation including SITA, USAASA, ICASA, SABC, Nemisa, Sentech, Grintek Ewation, Plessey, Dark Fibre Africa and the DoC. ITU agreed to endorse the planned ICT Indaba in June 2012, thus securing speakers who can articulate international best practice across a broad range of ICT topics. 	-



PROGRAMME 3: ICT POLICY DEVELOPMENT BRANCH

Purpose: Develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for the accelerated and shared growth of the economy. Develop strategies that increase the uptake and usage of ICTs by the majority of the South African population, thus bridging the digital divide.

This programme consist of the following six (6) sub-programmes

- **ICT Policy Development** drafts legislation, regulations, policy and guidelines that govern the broadcasting, telecommunications, postal and IT sectors, thus ensuring broad based economic development within the ICT sector.
- **Economic Analysis, Market Modelling and Research** is responsible for economic analysis of the broadcasting, telecommunications, postal and IT sectors to determine trends and make growth projections. The sub-programme also undertakes market research to explore areas which require policy intervention.
- **ICT Uptake and Usage** ensures that the ICT industry adheres to and implements policy and legislation and undertakes research to determine the extent to which policies are being implemented in the broadcasting, telecommunications, postal and IT sectors.
- **Intergovernmental Relations** advises, coordinates and facilitates intergovernmental relations with all spheres of government in carrying out the departmental mandate.
- **South African Broadcasting Corporation: Community Radio Stations** makes transfers to the SABC for extending signal distribution to reach all communities and extending community multimedia services at selected nodal points.
- **South African Broadcasting Corporation: Programme Production** makes transfers to the South African Broadcasting Corporation and other entities for producing programmes with local content on issues relating to youth, women, children the disabled, and HIV and AIDS, for commercial and community radio stations.

Strategic Objectives relevant to Programme 3:

- Contribute to creating conditions for an accelerated and shared growth of the South African economy through the development and implementation of ICT policies, legislation and strategies that positively impacts on the quality of life of all our people.
- Support and enable the provision of a multiplicity of ICT applications and services through facilitating the modernisation and deployment of the infrastructure.
- Improvement with respect to cost, quality, availability and usage of ICTs in line with world class standards by 2014.
- Develop and implement national incentives for the ICT Industry.
- Develop programmes relevant to the emerging knowledge economy.
- Contribute to increasing the ICT skills base in South Africa and increase access to, and uptake and usage of ICTs.
- Promote the ICT Agenda across all stakeholders in order to ensure integrated and efficient service delivery to communities.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 3: ICT POLICY DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Approved ICT policy inclusive of four sectors (telecommunications, postal, broadcasting and e-commerce)	<ul style="list-style-type: none"> An international benchmarking exercise was conducted on national ICT policies, which informed the development of a concept document. Furthermore, an inter-branch task team was established to finalise the concept document and the logistics of the planned national colloquium on ICT policy were initiated. 	Integrated ICT policy framework, for a converged ICT environment approved	<ul style="list-style-type: none"> The Department achieved the planned target through conducting due diligence on different ICT policies, which were incorporated into an integrated ICT policy framework that identified the broad areas for the integrated ICT policy framework. The integrated ICT policy framework, for a converged ICT environment was approved and was further strengthened by extensive research, including the 14th AU summit regarding harmonisation of ICT policies in Sub-Saharan Africa, Seychelles, Kenya, Malaysia and Botswana. The approach of hosting a national ICT policy colloquium was adopted to scrutinise and strengthen the discussion document. Over and above the finalisation of the discussion document for gazetting prior to the national ICT policy colloquium, all logistical arrangements for the planned national colloquium on 19 and 20 April were finalised. 	-
Level of implementation of the SAPO Act	<ul style="list-style-type: none"> The SAPO Bill, which is aimed at developing a legislative framework for SAPO governance, was developed and submitted to Parliament. 	SAPO Bill enacted into law	<ul style="list-style-type: none"> The department fully achieved the target of enacting the SAPO Bill into law. The SAPO Bill was developed and underwent a legislative process, in which the Department extensively participated. Through the legislative process necessary changes were effected, after which the final SAPO Bill was signed into law by the President in December 2011. 	-
Level of implementation of the Postbank Act	<ul style="list-style-type: none"> The Postbank Bill was introduced to parliament and public hearings were conducted. The Bill was deliberated on and passed by the Portfolio Committee on Communications, National Assembly and the NCOP's Select Committee on Labour and Public Enterprises. The Bill was thereafter signed into law by the President. 	Postbank Act implementation monitored	<ul style="list-style-type: none"> Proclamation notice of the Postbank was prepared and it was signed by the President, after which the Postbank Act came into operation on the 22 July 2011. The Department achieved the target and monitored the implementation of the Postbank Act through actively participating in the Postbank working Committee and Operations Committee. 	-

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PROGRAMME 3: ICT POLICY DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of the Electronic Communications Act	<ul style="list-style-type: none"> The Electronic Communications Amendment Bill was developed 	<p>Electronic Communications Amendment Bill introduced to Parliament</p>	<ul style="list-style-type: none"> The Department was able partially to achieve the target of introducing the Electronic Communications Amendment Bill to Parliament The Department undertook a consultation process on the Electronic Communications Amendment Bill with USAASA and ICASA. The Electronic Communications Amendment Bill was gazetted for public comment; however, the Bill was thereafter withdrawn to allow further engagement with ICASA. The Department established a "war room" to deal specifically with the Electronic Communications Amendment Bill, where the proposed amendments to the Bill were deliberated on and agreement was reached to enable the redrafting of the Bill. 	<p>Consultations with ICASA on the proposed amendments took longer than expected to conclude, thus causing knock-on delays.</p>
Level of implementation of the ICASA Act	<ul style="list-style-type: none"> The ICASA Amendment Bill, which aims to strengthen the capacity of the Regulator, was finalised and approved by Cabinet for public consultation. The Bill was also published for public comment. 	<p>ICASA Amendment Bill introduced to Parliament</p>	<ul style="list-style-type: none"> The Department was partially able to achieve the target of introducing the ICASA Amendment Bill to Parliament The Department undertook extensive consultation on the ICASA Bill, including consultation with local economic regulators, other Chapter 9 Institutions as well as constitutional law experts. Furthermore, the Department conducted benchmarking and developed a comprehensive discussion document on improving the capacity of the regulator, which included the proposed areas for amendment to effect the desired impact of ICASA. 	<p>The Department was unable to conclude this project, largely owing to HR capacity constraints.</p>
Level of implementation of impact assessment recommendations	<ul style="list-style-type: none"> A RIA was conducted on the draft uptake and usage policy. The purpose of using this instrument is to support the development of evidence-based policies and legislation. 	<p>RIA conducted on the following Bills:- EC Amendment, ICASA Amendment, Postal Services Amendment, SABC Bill</p>	<ul style="list-style-type: none"> The Department fully achieved the target of conducting RIAs as planned. The DoC conducted RIA on the purpose and intended effect of the ICASA Amendment Bill. RIA was also conducted on the Post Services Amendment discussion document and a draft RIA report was developed on the EC amendment. With regard to conducting a RIA on the SABC Bill, the Department participated and made inputs on the SABC funding model, which forms a subset of the SABC Bill to be drafted; however, the scope of the project was altered to the development of a 'Position Paper on Public Broadcasting Bill', which does not require a RIA. 	<p>-</p>

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Position paper on broadcasting services approved	<ul style="list-style-type: none"> A second draft Bill was prepared for discussion and a separate money Bill on the funding of the public broadcaster was prepared. The draft Public Service Broadcasting Bill was presented to state law advisors and approval to conduct financial modelling was granted. Furthermore, an oral hearing on the second draft Bill was held in October 2010 in order to reignite public discussion on the Bill. 	Position paper on public broadcasting services developed	The Department was able to achieve the targets fully, as due diligence on the White Paper on Broadcasting Policy was conducted, after which a position paper on public broadcasting services was developed.	-
Level of implementation of the borrowing policy of the Postbank	-	Borrowing policy of the Postbank developed	<ul style="list-style-type: none"> Following extensive research, the Department developed the borrowing policy, which underwent stakeholder consultation with the National Treasury, Postbank and SAPO. The final borrowing policy was submitted to the Minister of Finance for concurrence. 	-
Level of implementation of the lending policy of the Postbank	-	Lending policy of the Postbank developed	<ul style="list-style-type: none"> Following extensive research, the Department developed the lending policy, which underwent stakeholder consultation with the National Treasury, Postbank and SAPO. The final lending policy was submitted to the Minister of Finance for concurrence. 	-
Level of implementation of the investment policy of the Postbank	-	Investment policy of the Postbank developed	<ul style="list-style-type: none"> Following extensive research, the Department developed the investment policy, which underwent stakeholder consultation with the National Treasury, Postbank and SAPO. The final Investment policy was submitted to the Minister of Finance for concurrence. 	-
Level of implementation of the ICASA performance management system (PMS)	The ICASA PMS was developed and approved by Exco.	ICASA PMS implemented and monitored	<ul style="list-style-type: none"> During the reporting period, the Department developed the PMS for ICASA councilors. The ICASA PMS was tabled in Parliament and subsequently approved. The PMS was formally adopted by Parliament and implementation and monitoring have commenced. 	-

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of the scheme for ownership support	<ul style="list-style-type: none"> Consultations with the National Treasury were conducted and a cabinet memorandum was prepared and submitted to the Cabinet; however the cabinet memorandum was subsequently withdrawn because of issues concerning the DTT standard. A scheme for STB ownership support discussion document was developed by the Department after consultation with the stakeholders. 	<p>Scheme for ownership support rollout plan approved by Cabinet</p>	<ul style="list-style-type: none"> The target was fully achieved, as Cabinet approved the scheme for ownership support in March 2012. The rollout of the scheme will only start once prospective manufacturers have been appointed. With regard to developing a means test for identifying poor TV-owning households and infrastructure for subsidy disbursement by USAASA, the Department engaged with USAASA several times to monitor progress against the SOS implementation plan and finalise the qualifying criteria for the subsidy scheme. 	-
Level of implementation of the STB manufacturing sector development strategy	<ul style="list-style-type: none"> The Department developed the STB manufacturing request for proposals; however, it was not issued. USAASA will be responsible for the identification and certification of STB installers. 	<p>STB manufacturing sector development strategy approved by Cabinet</p>	<ul style="list-style-type: none"> The target was fully achieved, as Cabinet approved the STB manufacturing sector development strategy in March 2012 and its implementation has commenced. A request for information on manufacturing was gazetted and a briefing session was scheduled for 11 April 2012. The digital migration project office structure was developed and approved. A technical advisor for digital migration was appointed and other key posts in the digital migration project office were advertised and interviews were conducted. A fully functional interim DTT project management office was set up and a war room on DTT was also established. Furthermore, a BDM public awareness campaign was launched in March 2012. 	-
Level of implementation of the programme of action on cost to communicate, quality, availability and usage of ICTs	<ul style="list-style-type: none"> The Department developed a programme of action to reduce the cost to communicate, which was submitted to Cabinet for noting. The Department reduced mobile termination rates (MTR) from a peak rate of R1.25 to 89 cents, which was implemented in 2010. The rates will be further reduced to 77 cents in the 2011/12 financial year. 	<p>Programme of action on cost to communicate, quality, availability and usage of ICTs implemented and monitored</p>	<ul style="list-style-type: none"> The Department achieved the implementation and monitoring of a programme of action on cost to communicate, quality, availability and usage of ICTs and as a result seven key interventions to reduce the cost of communication were identified. A process to enter into an MoU has been initiated with ICASA to implement a programme of action on cost of telephony in South Africa. Research on international best practice on business processing outsourcing was conducted and a development pricing strategy was developed with the DTI. Furthermore, an ICT data warehouse portal has been developed and populated with relevant ICT data regarding the performance of the ICT sector in general. 	-

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of the National Incentive Scheme	-	National Incentive Scheme document for the domestic industry developed	<ul style="list-style-type: none"> Research and analysis on the National Incentive Scheme framework was conducted The National Incentive Scheme was developed and approved for further engagement with the DIT and the Department of Science and Technology. 	-
Level of implementation of the Postal Services Act	-	Postal Services Amendment Bill developed	<ul style="list-style-type: none"> The target was achieved, as the Postal Services Amendment Bill was developed and consultations took place with ICASA and SAPO. 	-
Level of implementation of the local and digital content development strategy	<ul style="list-style-type: none"> The Department presented the draft local and digital content strategy at the Local Content Summit, after which a report was produced, which incorporated the views expressed at the summit. The summit endorsed the draft strategy for approval by the executive. A further workshop with key stakeholders was held as part of the process of soliciting views from the telecommunications industry. The draft local and digital content strategy was completed. 	Local and digital content development strategy approved by Cabinet	<ul style="list-style-type: none"> The target was partially achieved, as a draft local content development strategy was developed and underwent all internal approval processes. The Minister sought consultation with the Minister of Arts and Culture before tabling the strategy in Cabinet. The local digital content strategy was finalised and certain aspects of the strategy are being implemented and monitored. 	Because of the need for further consultation with the Ministry of Arts and Culture, submission of the strategy to Cabinet was delayed.
Number of application factories established	-	Three application factories (laboratories) established to promote innovation, entrepreneurship and the development of SMMEs	<ul style="list-style-type: none"> Three application factories have been incorporated as part of teaching and learning in three provincial e-skills knowledge production and coordination hubs. Strategic partners (i.e. international, continental and local) have committed themselves to support the establishment of the application factories. The Gauteng e-skills hub launched the innovation application factory in partnership with its strategic partner who will be contributing to the physical setup of the innovation application factory. As part of the e-skills national plan, a site in the Western Cape has been identified to support local innovation further at community level. Proof of concept planning started to test the virtual network architecture. 	-
Level of implementation of recommendations of the comprehensive report on green ICTs	-	Comprehensive report on green ICTs within the context of Green Economy developed, with specific focus on R&D, ICT infusion, skills and awareness and the potential for job creation	<ul style="list-style-type: none"> The Department conducted extensive research and a comprehensive report on Green ICTs was developed. This report will further inform the work of the department in the field of ICTs. 	-

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PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of the e-Skills Training programme	<ul style="list-style-type: none"> The e-Skills Research Network (ReSNES) was launched at the Research Colloquium on 26 July 2010. The website for ReSNES was launched and an MOU was signed with Vaal University of Technology (VUT) to join this project as well. The research responsibility was moved to the ReSNES as there are five universities contributing to the network resulting in a bigger research base. Furthermore, an e-skills programme aimed at capacitating communities was also developed. 	<p>Comprehensive report Developed on the strategic value and economic strength of SA's creative industry including its potential or job creation</p> <p>e-Skills pilot training programmes commenced</p>	<ul style="list-style-type: none"> The Department developed a concept paper on creative industries, which was approved for further consultation with industry. The Department facilitated the process of conducting environmental scans through the provincial e-skills knowledge production and coordination hubs, which identified new industry and service provision options that will create sustainable employment and increase the focus on national goals, i.e. e-skills for the creative industry. A pilot project is currently underway that will feed into the broader framework for e-skills for creative industries. <p>The commencement of the e-skills pilot training programmes was fully achieved by the Department during the reporting period through the following initiatives:</p> <ul style="list-style-type: none"> The Department conducted Free Open Source Software (FOSS) training. This was arranged by the Northern Cape hub and was also conducted in the North West Province and Eastern Cape Province, with participation from the Northern Cape. Two kiosk terminals were installed at Umsunduzi municipality. The purpose of the kiosk terminals is to provide the public within the municipality with access to rates statements, government information and services. Competency-based training was conducted with municipal technicians and marketing personnel by a South Korean IT company that installed the kiosk terminal. The Department deployed equipment at 20 FET colleges during the reporting period for the training of Cisco networking professionals. (Cisco Certified Networking Associate - CCNA+) Multimedia training courses were conducted at the following FET colleges:-- <ul style="list-style-type: none"> – Ekurhuleni East – Orbit FET – South West FET College – Capricorn FET. Furthermore, IT lecturers from Vaal University of Technology attended the embedded systems training. During the June/July winter vacation 29 lecturers from eight FET colleges went for training on the networking training programme. <p>A total of 40 students are currently enrolled in networking programme training, including Cisco Certified Networking Associate (CCNA), Information Technology Engineering (ITE) 1 and 2 etc. The following FET colleges have started with the networking training: Ekurhuleni, Elangeni, College of Cape Town, Ikhala, Orbit, Nkangala, Ishwame South.</p>	Delays were experienced because of HR capacity challenges, after which the project was transferred to an alternative branch.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 3: ICT POLICY DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
			<ul style="list-style-type: none"> • A total of 10 lecturers were trained on a networking programme during the summer school vacation at Nelson Mandela Metropolitan University and Central University of Technology on CCNA 1, 2, 3 and 4 and Information Technology Essentials (ITE) respectively. • The Department entered into an MoU with NEMISA to develop NQF Level 3 learning material and training of FET college lecturers on multimedia NQF level 3. • The first e-skills training course as part of the e-inclusion programme was developed and started by the Western Cape hub. It commenced at ten centres in the Northern Cape and Western Cape. Twenty e-centre managers (students) completed phase 1 of the course. This is the first course aligned to the NeSPA document and the goals of the MTSF. Project stakeholders are government (provincial and local), education departments, civil society and business. • The five provincial hubs are currently in the process of conducting provincial audits of all e-skills across business, government, education and civil society, conducting a gap analysis to address future needs in relation to the NeSPA, NGP, MTSF 2009-2014 and MDGs and to identify auxiliary projects and develop a process for collaboration across existing initiatives. • The Department has finalised a B-Level curriculum, which is ready to be offered. • The Department hosted a second research colloquium on 3 and 4 November in East London and recommendations stemming from the colloquium are being implemented at the five hubs. • The environmental scans at the hubs identified the following areas of curriculum requirements: <ul style="list-style-type: none"> - e-Skills for ICT FET college lecturers in the Eastern Cape - e-Skills for centre managers and innovators and a post-graduate diploma in e-skills development in the Western Cape - e-Skills for entrepreneurs in Gauteng - e-Skills for literacy in the Northern Cape • e-Skills for government services targeted at local authorities in KwaZulu-Natal (KZN.) 	



ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 3: ICT POLICY DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of e-skills awareness campaign	-	e-Skills awareness campaign developed and implemented	<ul style="list-style-type: none"> The Department, as part of the ICT Career Expo 2011, tested the use of social media to solicit input from stakeholders around the country on e-skills-related issues. An e-skills marketing plan was developed and presented to the knowledge production hubs. Implementation of the plan has started with the distribution of a monthly e-skills newsletter distributed to all stakeholders across business, government, education, civil society and global development partners. The e-skills multi-stakeholder collaborative forums at the provincial hubs have played a significant role in creating a platform to address e-skills interventions to meet provincial challenges. In some instances the work of the e-skills hubs has been endorsed formally at provincial government levels. Planning for the second e-skills national summit has commenced 	-
Level of implementation of e-skills awareness campaign	-	ICT Career Expo expanded upon	<ul style="list-style-type: none"> An expansion model for the ICT Career Expo was developed and discussed with relevant stakeholders, including Telkom and Young Engineers and Scientists of Africa, a non-profit organisation based in the Eastern Cape. The ICT Career Expo 2011 was held from 3 to 5 October 2011, in line with the expansion model. The main event was held in Olifantsfontein and an estimated 1 800 participants took part, including Grade 10-12 learners, IT graduates and FET college students. Parallel activities were also held in Port Elizabeth, the Free State, Durban and Cape Town. 	-
Level of expansion of networks with universities, FET colleges and corporate schools	-	Network of universities, FETs and corporate schools expanded by another 4 universities and / or corporate school and / FETs	<ul style="list-style-type: none"> The Department held initial multi-stakeholder interactions to determine the possibility of establishing a knowledge production hub in Limpopo as part of the Greater Tzaneen Municipality pilot project. Engagements have been initiated with North West University, the University of the Free State and University of Johannesburg to establish e-skills coordination and production hubs in the North West, Free State and Mpumalanga Provinces. Given the need for a virtual ICT collaborative network to support the activities of the e-Skills Institute, the Department is in the process of planning, designing and piloting a national virtual ICT collaborative network architecture that will foster collaboration across stakeholder groups and support the delivery of teaching and training, innovation and research. A national organisational and planning group was established, as well as a national curriculum development and training working group, in order to identify the areas of need and drive the development of a new curriculum. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 3: ICT POLICY DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of the DoC engagement model across three spheres of government	The IGR engagement model was dealt with in a workshop with SOEs.	DoC engagement model with Provinces implemented and monitored.	<ul style="list-style-type: none"> MoUs have been signed with the University of Limpopo and Free State in order to set up an e-skills coordination and production hub in the Limpopo Province. Provincial multi-stakeholder forums to address the e-skills challenges within the provinces and to strengthen the coordination of the e-skills intervention for impact have been established. Engagement with representatives in the North West, Free State and Mpumalanga is at an advanced stage. The Department fully achieved the target for the reporting period for monitoring and implementing the engagement model with Provinces. In implementing the IGR engagement framework, the Department engaged all provinces over the reporting period and established 7 structures where the Department can participate to promote the ICT agenda. The implementation of the IGR engagement framework was monitored through the operationalisation of the various committees proposed by the framework and successful and constructive functioning of these structures. The Department engaged Limpopo, North West, the Free State, KZN, Mpumalanga and the Eastern Cape on the engagement framework with particular focus on establishing provincial structures. In the Northern Cape it was agreed that in the absence of a clear structure, the Office of the Premier, Social Development, Economic Development and the Provincial Government Information Technology Committee (PGITOC) will constitute such a platform. In the Eastern Cape, the PGITOC forum will be used in the interim while a permanent forum where ICIs can be discussed is being established. The Department engaged the Free State ICT infrastructure committee to identify the relevant structure to be used as a platform for DoC engagement on ICIs. The Department engaged the Free State heads of department forum on its flagship projects. The Department also made good progress in terms of engaging the Director-General (DG) of the Mpumalanga Provincial government and the Acting DG of North West Provincial government to promote collaboration of the two spheres of government in the DoC's priority projects. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 3: ICT POLICY DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of the DoC engagement model across three spheres of government	-	Ensure that the processes of Ministry, Branches and SOEs are in compliance with the IGR Framework	<ul style="list-style-type: none"> The target to ensure that the processes of the ministry, branches and SOEs are in compliance with the IGR framework was fully achieved by the Department. The Department provided IGR advice and support to the relevant branches, Minister and Deputy Minister and supported the public participation programmes. The Department supported 17 events as part of the Minister and Deputy Minister's public participation programme during the reporting period. Among others, the Department participated in the following:-- <ul style="list-style-type: none"> Launch of computer laboratory for Maphophoma Higher Primary School in Nongoma, KZN, Launch of cyber laboratory at Mzwingezwi School in Naledwe, KZN by the Minister, The switching on of low transmitters in Tugela Ferry, Launch of Impendle ICT Access Centre by Minister in KZN, Launch of the RICA Blitz at Baragwanath Taxi Rank in Soweto, Launch of the Minister's Blanket Collection Initiative at Ekuphumleni Frail Care Centre in Gugulethu, RICA event in Newcastle, KZN and in Tembisa, Gauteng hosted by Deputy Minister, The Department also supported the work of the SOEs during the reporting period. ICASA was supported during its workshops to review licensing obligations and USAASSA was supported during its negotiations on broadband in Ermatleni in the Eastern Cape. Sentech was also supported to secure a site for a low power transmitter in kwaggafontein, Mpumalanga. 	-



PROGRAMME 4: ICT ENTERPRISE DEVELOPMENT BRANCH

Purpose: Oversee and manage government's shareholding interest in public entities. Facilitate growth and development of the small, medium and micro enterprises (SMMEs) in the ICT sector.

The programme consists of two sub-programmes:

- **Public Entity Oversight** provides oversight over state owned enterprises by managing government's shareholder interests in public enterprises in a manner that supports the attainment of key national goals and strategic priorities.
- **Small Medium and Micro Enterprise Development** focuses on facilitating the growth and development of ICT SMMEs.

Strategic Objectives relevant to Programme 4:

- Facilitate the growth and development of SMMEs as well as improve their sustainability through the use of ICTs.
- Provide efficient and effective oversight to SOEs and other entities.
- Effective monitoring and support of SOEs through corporate governance mechanism.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 4: ICT ENTERPRISE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Number of ICT business linkages facilitated	<ul style="list-style-type: none"> The Department focused on establishing ICT Hubs in under-served provinces. A model for the ICT hubs was developed. Suitable sites were identified in Free State Province and Limpopo Province. The Department appointed a service provider who developed an Export Readiness Methodology, which was thereafter implemented. There was a delay in facilitating the actual linkages. The Department developed a draft Action Plan to facilitate the involvement of SMMEs in the STB value chain, including the manufacturing, distribution, installation and maintenance of set-top boxes. 	<p>35 ICT business linkages facilitated</p>	<ul style="list-style-type: none"> The target was partially achieved and the Department focused on identifying, assessing and profiling the 35 participating companies in collaboration with ICT incubation hubs, after which 25 ICT business linkages were facilitated. Export training and technical support were given to the participating companies. The programme was successfully offered to SMMEs that were incubated at the SmartXchange incubation hub. The effectiveness of the programme was measured on the basis of the export opportunities that SMMEs are able to secure. In this regard, there was a process in place to send SMMEs on an export mission in partnership with the DTI. 	Delays were largely due to HR capacity constraints.
Level of implementation of the Action Plan to benefit SMMEs in the Broadcasting Digital Migration value chain	-	<p>Implementation of the action plan to benefit SMMEs in the Broadcasting Digital Migration value chain monitored (manufacturing, distribution, installation and maintenance)</p>	<ul style="list-style-type: none"> The target was partially achieved, as the Department developed a draft developmental plan for black economic empowerment enterprises, which was discussed with the DTI, after which an action plan was also developed. 	The plan could not be implemented because of delays in the broader BDM programme.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 4: ICT ENTERPRISE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Number of ICT hubs established in the country	<ul style="list-style-type: none"> The Department focused on establishing ICT Hubs in under-served provinces. A model for the ICT hubs was developed. Suitable sites were identified in the Free State and Limpopo Provinces. The Department appointed a service provider who developed an Export Readiness Methodology which was thereafter implemented. There was a delay in facilitating the actual linkages The Department developed a draft Action Plan to facilitate the involvement of SMEs in the STB value chain, including the manufacturing, distribution, installation, and maintenance of set-top boxes. 	<p>Establishment of two ICT hubs in two additional under-served Provinces facilitated (one per Province)</p>	<ul style="list-style-type: none"> The facilitation of the establishment of two ICT hubs in two additional under-served Provinces was partially achieved by the Department. The Department finalised a business plan for the roll-out of the ICT hubs, which was submitted to National Treasury so as to motivate for part of the money that was earmarked for 112 ECC to be reprioritised for the ICT Hubs project, as it is ready for implementation. However, there are budgetary constraints. Discussions were held with the Limpopo and Free State Provinces to secure their buy-in on the roll-out of hubs. 	Project was delayed by funding challenges.
Compliance with relevant policies, frameworks and legislative requirement	-	<p>Implement and ensure compliance with sound financial management practices and other related services, within prescribed legislative requirements</p>	<ul style="list-style-type: none"> In an effort to implement and ensure compliance with sound financial management practices and other related services, within prescribed legislative requirements, the Department reviewed relevant financial delegations and procedures and ensured that all transactions were undertaken in line with the provisions of the PFMA. Furthermore, the following policies were reviewed: <ul style="list-style-type: none"> - The cell phone policy - The entertainment and catering policy - The debt management policy - Banking and cash policy. The assets management strategy and the acquisition plan were approved and incorporated into the strategic plan of the Department. The 2010/11 annual financial statements were compiled and submitted to Treasury and the Auditor General. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 4: ICT ENTERPRISE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of alignment and implementation of SOE corporate/strategic plans	<ul style="list-style-type: none"> Workshops were held with the Chief Financial Officers and Company Secretaries of SOEs. Annual Report of SOEs were analysed and submitted to the Minister for tabling in the National Assembly. The financial expenditure of SOEs was monitored. <p>Instances of inability to spend funds, as per their expenditure projections, were addressed with the respective entities</p>	<p>Alignment of plans ensured, shareholder compacts signed and performance monitoring undertaken</p>	<ul style="list-style-type: none"> The target was fully achieved, as the Department facilitated the development of budgets for entities for the 2012 MTEF and engagements with SOEs to discuss their additional funding requirements. The Department conducted an analysis of SOEs' Quarterly reports and provided feedback to the SOEs. Annual Reports and Financial Statements of entities were submitted and tabled in Parliament by the Minister. Furthermore, the Department facilitated the development of strategic and corporate plans of USAASA, NEMISA, Sentech, SABC and SAPO. It communicated the strategic planning cycle to all SOEs to ensure alignment and compliance. 	-
Level of establishment of the branch to oversee compliance and ensure strategic alignment with government and DoC policies and strategies	-	<p>Branch in the Department established to oversee compliance and ensure strategic alignment with Government and DoC Policies and Strategies</p>	<ul style="list-style-type: none"> The new organisational structure has been developed and approved by the Minister, which will give effect to the establishment of the SOE oversight branch to oversee compliance and ensure strategic alignment with government and DoC policies and strategies. 	-
Reports on compliance with good corporate governance practices	<ul style="list-style-type: none"> Workshops were held with the Chief Financial Officers and Company Secretaries of SOEs. Annual Report of SOEs were analysed and submitted to the Minister for tabling in the National Assembly. The financial expenditure of SOEs was monitored. <p>Instances of inability to spend funds, as per their expenditure projections, were addressed with the respective entities.</p>	<p>Implementation of recommendations of previous corporate governance reviews monitored</p>	<ul style="list-style-type: none"> The implementation of recommendations of the report on compliance with good corporate governance practices was partially achieved, as the reviews of corporate governance systems, policies and procedures were monitored and the TORs for the reviews of corporate governance systems, policies and producers were developed. Collation of information on the implementation of corporate governance recommendations was concluded and further information on progress with the implementation of corporate governance recommendations was sought from SOEs. 	Delays in the project were largely due to HR capacity constraints.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 4: ICT ENTERPRISE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Reports on compliance with good corporate governance practices	<ul style="list-style-type: none"> Workshops were held with the Chief Financial Officers and Company Secretaries of SOEs. Annual Report of SOEs were analysed and submitted to the Minister for tabling in the National Assembly. The financial expenditure of SOEs was monitored. Instances of inability to spend funds, as per their expenditure projections, were addressed with the respective entities. 	Independent review of corporate governance practices commissioned	<ul style="list-style-type: none"> Substantial progress was not made; however, TORs were developed for the appointment of an independent evaluator of corporate governance practices in SOEs. 	This project was delayed by the fact that a service provider has not been appointed and a subsequent decision by the Department to put the project on hold.
Level of implementation of reviewed articles of association	<ul style="list-style-type: none"> Workshops were held with the Chief Financial Officers and Company Secretaries of SOEs. Annual Report of SOEs were analysed and submitted to the Minister for tabling in the National Assembly. The financial expenditure of SOEs was monitored. Instances of inability to spend funds, as per their expenditure projections, were addressed with the respective entities. 	Articles of association of SOEs reviewed	<ul style="list-style-type: none"> The articles of association were continuously monitored in liaison with company secretaries. Project Lateia in respect of the finalisation of the articles of Telkom is still under way. 	Challenges were experienced owing to HR capacity constraints.
Reports on compliance with good corporate governance practices	-	Development of Action Plans facilitated and implementation monitored to address specific audit findings of SOEs and ICASA so to prevent recurrence of adverse audit findings and PFMA transgressions	<p>The Department achieved the target as planned and in order to address the specific audit findings of SOEs and ICASA so as to prevent a recurrence of adverse audit findings and PFMA transgressions, did the following :-</p> <ul style="list-style-type: none"> Timeously submitted SOEs' Annual Reports Analysed adverse audit findings in the Annual Financial Statements Facilitated the submission of audited Annual Reports and financial statements of entities to National Treasury and the Department. Engaged SOEs to develop plans to mitigate a recurrence of adverse audit findings Ensured that entities were implementing action plans to make sure that there was no recurrence of adverse audit findings. 	-



PROGRAMME 5: ICT INFRASTRUCTURE DEVELOPMENT

Purpose: Promote investment in robust and reliable, secure and affordable ICT infrastructure that supports and enables the provision of a multiplicity of applications and services.

This ICT Infrastructure Development programme has the following sub-programmes

- **Applications and Research** is responsible for technology research and analysis, applications and content development; analysis of the legal environment to promote infrastructure technologies and managing the use of the National Frequency spectrum.
- **112 Emergency Call Centre** provides a single national emergency number, from which all emergency calls will be routed to the most suitable local response unit.
- **.za Domain Name Authority** is responsible for administering and managing the .za domain name space.

Strategic Objectives relevant to Programme 5:

- Contribute to creating conditions for an accelerated and shared growth of the South African economy through the development and implementation of ICT policies, legislation and strategies that positively impacts on the quality of life of all our people.
- Support and enable the provision of a multiplicity of ICT applications and services through facilitating the modernisation and deployment of the infrastructure.
- Improvement with respect to cost, quality, availability and usage of ICTs in line with world class standards by 2014.
- Increase Universal Access and Services to ICTs.
- Contribute to increasing the ICT skills base in South Africa and increase access to, and uptake and usage of ICTs.
- Enhance departmental performance through improving institutional processes and mechanisms.
- Influence debates and decisions of multilateral summits, conferences and partnerships to promote development, and implement the outcomes thereof.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 5: ICT INFRASTRUCTURE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of the policy on disposal of ICT waste	Study on the impact of ICTs on the environment conducted	Research report on the disposal of ICT waste developed	<ul style="list-style-type: none"> The Department achieved this target through analysing existing ICT waste policies and legislation, as well as research conducted by other leading countries in e-waste management. The Department thereafter developed a research report on the disposal of ICT waste. ICT waste disposal will be incorporated in the e-strategy programme as a sub-objective with the report developed as a basis. 	-
Percentage of household broadband penetration (4%)	The broadband policy was approved by Cabinet during the reporting period of the 2010/11 financial year.	Level of establishment of broadband access network determined (4 % household broadband penetration)	<ul style="list-style-type: none"> The Department developed a broadband strategy document together with the broadband implementation plan. A service provider was appointed to conduct an analysis of the current broadband status in South Africa. The project has commenced and is currently on schedule with five reports having been produced. The process to appoint a service provider to perform a feasibility study regarding the broadband public-private partnership process was stopped by DBAC pending approval by the new Minister. Among others the Department focused on the following broadband initiatives in the provinces:- <ul style="list-style-type: none"> An ICT infrastructure implementation plan was finalised for the Sisonke District Municipality and a wireless broadband network was deployed and launched by the end of July 2011. An ICT infrastructure implementation plan for the Msinga Broadband Initiative was finalised and a wireless broadband network was deployed and launched in October 2011. An implementation plan for the ICT infrastructure rollout was finalised and monitored for the Sisonke District Municipality and all municipal offices at Sisonke District Municipality now have VSAT infrastructure for data and voice communication. Currently VSAT infrastructure is being extended to local clinics and hospitals. Broadband ICT infrastructure rollout was monitored at Msinga, where SABC radio and TV coverage has been extended VSAT infrastructure has been deployed to connect local schools at Tugela Ferry, Pomeroy and Keith's Dift to internet. WiMax base stations are being constructed at the above-mentioned towns. Access network performance was monitored in the Free State Province where the Kokstad Local Municipality reported a 50% savings on cost to communicate. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 5: ICT INFRASTRUCTURE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of Amended ECA	The National Broadband legislation document was completed and will be incorporated as a section/ chapter into the ECA Amendment Bill.	Broadband related input provided into ECA amended process.	<ul style="list-style-type: none"> The target was achieved, as during the reporting period the broadband legislation was incorporated into the ECA Amendment Bill. This was subsequently published in the Government Gazette but later withdrawn. 	-
Level of implementation of National Broadband Legislation	Provincial and municipal guidelines have been developed and the document was presented to the provinces and other national departments, during the first meeting of the Broadband Intergovernmental Implementation Committee.	Broadband guidelines finalised	<ul style="list-style-type: none"> Provincial and Municipal Broadband guidelines were finalised and distributed via the Broadband Intergovernmental Implementation Committee and the implementation was monitored. 	-
Level of implementation of the e-Connectivity plan for schools and health centres	A draft Connectivity Plan for schools and health centres was developed; however, it was not finalised and hence it was not submitted to Cabinet for approval.	Integrated connectivity plan for health centres and schools developed and approved	<ul style="list-style-type: none"> Although an integrated Connectivity plan for schools and health centres was not developed, the department was able to develop separate plans for connecting schools and Health centres. 	Currently separate plans exist for schools and health centres, which will be integrated in future.
Percentage of population coverage of DTT infrastructure	Implementation of the DTT rollout plan by Sentech was monitored and according to information supplied by Sentech, the target of 60% population coverage was achieved at the end of March 2011.	Facilitation and monitoring of DTT infrastructure roll-out continued – 80% of population coverage achieved	<ul style="list-style-type: none"> The DoC continually facilitated and monitored the roll-out of DTT infrastructure. At the end of the reporting period, 60% of population coverage had been achieved. The low power transmitter roll-out was facilitated and monitored. Nineteen low power stations were established during the year: <ul style="list-style-type: none"> – Eastern Cape - 4 – Free State - 4 – Mpumalanga - 4 – KZN - 3 – Western Cape - 2 – Northern Cape - 1 – North West - 1 Field trips were undertaken to parts of the Eastern Cape to verify coverage in under-served areas and to ascertain existing infrastructure in the Makana, Sunday River Valley, Nkonkobe, Inxuba Yethemba, Tsolwana and Gariep Local Municipalities. Field trips were undertaken to identified, unserved areas in Limpopo, the North West, Northern Cape, Eastern Cape and Free State to investigate coverage challenges and identify any existing infrastructure. 	<ul style="list-style-type: none"> Delays in Sentech procurement procedures delayed DTT DVB-T2 transmission infrastructure rollout The Department directed Sentech to change its roll-out strategy of covering areas with high population density to roll-out on a provincial basis. This caused further delays.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 5: ICT INFRASTRUCTURE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of compliance of locally manufactured STBs to conformance standards	A discussion document on a scheme for STB ownership support was developed by the Department after consultation with the stakeholders.	Set Top Boxes standards conformance testing conducted	<ul style="list-style-type: none"> The target was partially achieved, as the Department embarked on a study of the requirements and existing capabilities in South Africa. A decision was taken that the DoC would not do conformance testing. The department signed an MoU with the SABS and DTI to establish a Set Top Box conformance authority in South Africa, which will focus on the testing of Set Top boxes and other related devices. In terms of this MoU, the DoC is committed to provide the SABS with R30million for establishment costs. The SABS is currently establishing the conformance laboratory. It is expected that this laboratory will be operational by September 2012. 	The entire scope of the project has changed from the DoC doing conformance testing to an MoU being concluded between the DoC and the SABS according to which the SABS will now establish a conformance testing laboratory where testing will be conducted. The SABS facility will be operational by September 2012.
Level of implementation of directives	-	Public telephone Network and Value Added Network Service Directives reviewed	During the reporting period the Public Telephone Network (PTN's) and Value Added Network Service (VANS) Directives were developed and consultation on these took place with government stakeholders.	-
Level of implementation of the amended ECT Act	-	Mobile, Fixed line and internet directives finalised	The target was achieved, as during the reporting period, Mobile, Fixed line and internet directives were developed.	-
	An initial draft issues paper was developed	Implement ECT Act provisions, inter alia cryptography, cyber inspectorate	<ul style="list-style-type: none"> The Department achieved the target of implementing relevant aspects of the ECT Act, as during the period under review, three new applications and nine renewals of registrations were processed All cryptography applications were processed in terms of the ECT Act and regulations thereof. With regard to cyber inspectors' training, three training modules were developed and the training was concluded on 17 February 2012. Four people were trained. 	-
		Review ECT Act with specific focus on cyber security	The Department reviewed the ECT Act amendment issues paper with specific focus on cyber security. The Department resolved not to gazette the issues paper, but only the draft amendment Bill.	-
Level of implementation of policy on use of satellites for communication	A draft policy on the use of satellites for communication was developed. The policy seeks to keep abreast of world trends in the development and creation of a framework that is conducive to international cooperation and best practices in space programmes for sustainable development.	Policy on use of satellites for communication approved	<ul style="list-style-type: none"> In March 2012 the draft satellite policy was approved for further consultation. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 5: ICT INFRASTRUCTURE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of Cyber Security Policy	The Department developed a draft cyber security policy framework that was approved by the JCPS cluster for presentation to Cabinet for final approval.	Cyber Security Policy approved and implementation commenced	<ul style="list-style-type: none"> The National Cyber security Policy Framework was approved by Cabinet on 8 March 2012 and implementation has commenced in conjunction with the CSIR. 	-
Level of implementation of measures to improve spectrum usage	<ul style="list-style-type: none"> The National Radio Frequency Spectrum Policy was issued on 16 April 2010. The Draft Policy Directions for Spectrum Usage was developed and notice for publication in Government Gazette was also prepared. 	Current National Radio Frequency Spectrum Plan validated from 20GHz to 100GHz	<ul style="list-style-type: none"> The target was partially achieved by the Department, as the process of appointment of a service provider to audit the national radio frequency spectrum between 500 MHz and 1000 GHz, was concluded and work in this regard has commenced. 	<p>The contract to audit the spectrum in the range between 500 MHz and 1000 GHz was signed in January 2012. This implies that the project deliverables and milestones will overlap to 2012/13, as the project was estimated to be completed in six months.</p> <p>The Minister granted an extension of 30 days from 14 January 2012 for public comment.</p> <p>A report was compiled after an analysis of submissions by interested persons.</p> <p>The policy directives are now expected to be published on 30 May 2012.</p>
Level of implementation of measures to improve spectrum usage	The National Radio Frequency Spectrum Policy was issued on 16 April 2010. The Draft Policy Directions for Spectrum Usage was developed and notice for publication in the Government Gazette was also prepared.	Policy directions issued to Independent Communications Authority of South Africa	<ul style="list-style-type: none"> The target was partially achieved, as appropriate policy directions were developed and gazetted for public comment. The public comments were analysed and recommendations were accordingly drafted on amendments to the policy directions. 	<p>ISSA was not fully capacitated as originally envisaged and this had a negative impact on the projects.</p> <p>As a result of the consolidation of units in the DoC with common ICT e-skills targets, it has been decided to incorporate ISSA into the e-skills programme</p>
Level of implementation of ISSA programme	Online applications were developed for the ICT SMME portal	ISSA capacitated and programme implemented focusing on: <ul style="list-style-type: none"> Software development and research Joint software engineering mentorship programme 	<ul style="list-style-type: none"> The implementation of ISSA programmes was partially achieved during the reporting period. One online ICT SMME portal was developed. With regard to the establishment of software application laboratories in the context of existing laboratories, possible areas of collaboration have been identified to support the broader e-Skills Programme with specific focus on Innovation application factories. Furthermore, core focus area and technical competencies for the ISSA software unit were defined to address future needs/requirements for Online Government applications. 	

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 5: ICT INFRASTRUCTURE DEVELOPMENT BRANCH

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Improved departmental efficiency and effectiveness through optimised corporate service	<p>The Knowledge and Information Management (KIM) strategy was developed and implemented. Furthermore a Knowledge Centre was established and is fully operational.</p> <p>The Department website was redesigned and is up and running and updates are being done on a regular basis.</p>	<p>Secured and robust IT infrastructure and business systems implemented to enable ease of access and use of departmental information</p>	<ul style="list-style-type: none"> • The Department fully achieved the target of implementing IT systems to enable ease of access and use of departmental information. • With regard to the Electronic Document Management System (e-DMS), three processes have been developed, tested and signed off by process owners. • The following IT Policies were developed and approved: <ul style="list-style-type: none"> o IT Disaster Recovery policy o IT Governance Policy o E-mail and internet policy o IT Security Policy • IT Strategy was developed and approved. • The following procedures were developed, approved and implemented: <ul style="list-style-type: none"> o Sever room access procedures. o IT access control procedures 	-
Level of implementation of outcomes WRC, WISA and WTDC	<ul style="list-style-type: none"> • A 5th meeting of the NPWG was held on 30 July 2010 to prepare for ITU-R and WRC-12. • A concise report containing draft national common positions was prepared and circulated to all members of the group. • National Draft Common Preliminary views were compiled for all WRC-12 Agenda items to guide the ITU World Radio. 	<p>Preparation for WRC-12 continued at regional and national level</p>	<p>The Department fully achieved the target of continuing the preparations for the WRC-12 at regional and national level. In preparing for WRC-12, which took place in January and February 2012, the Department undertook the following:</p> <ul style="list-style-type: none"> • National common positions for WRC-12 were developed through the National Preparatory Working Group (NPWG) in its 7th Working Meeting. • Southern African Development Community (SADC) draft Common Positions and Sub-regional Common Positions were developed for WRC-12 • SADC Common Position (NCP) papers were developed, submitted and presented at WRC-12. • African Common Group position papers and contributions were developed, submitted and presented at WRC-12. 	-



PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

Purpose: Facilitate the development of an inclusive information society by promoting the uptake and usage of ICT for improved socio-economic development and research.

- **Planning, Coordination and Evaluation (PCE)** ensures that South Africa has proactive and progressive national plans on Information Society and Development, with sectoral, provincial and local government inputs. It also assesses whether policies and legislation are conducive to development of an inclusive Information Society, and assesses the impact of ICT programmes and projects.
- **Information Society and Development (ISAD) Cluster** supports the effective and efficient functioning of the ISAD institutional mechanisms such as the ISAD Inter-Governmental Relations Forum (IGRF) and the IGRF Technical Committee.
- **e-Applications** facilitates the implementation of Information Society related projects and programmes in order to attain the sectoral targets of the ISAD Plan and maximises the benefits of the Information Society for the development of women, children, youth, people with disabilities as well as poor communities.
- **Presidential National Commission Operations** provides responsive, timely and comprehensive strategic and administrative support that strengthens the PNC on ISAD as a knowledge-driven organisation.

Strategic Objectives relevant to Programme 6:

- Contribute to creating conditions for an accelerated and shared growth of the South African economy through the development and implementation of ICT policies, legislation and strategies that positively impacts on the quality of life of all our people.
- Support and enable the provision of a multiplicity of ICT applications and services through facilitating the modernisation and deployment of the infrastructure.
- Contribute to increasing the ICT skills base in South Africa and increase access to, and uptake and usage of ICTs.
- Facilitate the growth and development of SMMEs as well as improve their sustainability through the use of ICTs.
- Promote the ICT Agenda across all stakeholders in order to ensure integrated and efficient service delivery to communities.
- Enhance departmental performance through improving institutional processes and mechanisms.
- Influence debates and decisions of multilateral summits, conferences and partnerships to promote development, and implement the outcomes thereof.
- Facilitate and promote Information Society development programme to accelerate socio-economic development.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of ICT Rural Development Strategy	<p>The ICT Rural Development Strategy was developed and consultations with the Department of Rural Development and Land Affairs were conducted.</p>	<p>ICT Rural Development strategy developed and implemented</p>	<ul style="list-style-type: none"> The target was achieved, as the ICT Rural Development Strategy was developed and presented to the ISAD Multi-stakeholder Forum in April 2011 and Outcome 7 Executive Implementation Committee for discussion. The strategy was further presented at the DG's Implementation Cluster Committee and was adopted An implementation plan was developed, and its implementation has commenced. 	-
Level of implementation of health content framework	<p>In order to guide health content for the public health television channel, the Department developed a draft health television content framework. Consultations on the framework were held with the Department of Health and as a result the final draft health content strategic framework was developed.</p> <ul style="list-style-type: none"> The TORs for a health steering committee were also developed and incorporated into the final draft of the health broadcast content framework. The health steering committee is a subcommittee of the National Broadband Committee in pursuit of an integrated approach to broadband 	<p>Health content framework adopted and implementation facilitated</p>	<ul style="list-style-type: none"> The Health Content Framework was approved in August 2011 for further consultation. Implementation of the Health Content Framework has commenced with key health stakeholders. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of the e-Health Strategy	<ul style="list-style-type: none"> Research on the current connectivity status in health facilities in South Africa was conducted, a GIS database of health facilities was compiled and mapping of the facilities was done. A draft connectivity plan was developed and presented to the Human Development Cluster, after which a draft MOU between the DoC and Department of Health on the connectivity plan was developed. 	<p>e-Applications for health identified and implemented</p>	<ul style="list-style-type: none"> The consultations with the national and provincial Departments of Health during a meeting of the National Health Information Systems Committee of South Africa held on 20 and 21 June 2011 resulted in buy-in by provinces and the national Department of Health on the project. This led to the Department of Health providing information required for the audit on e-applications. An audit on current e-applications in health was conducted in provincial Departments of Health and an audit report was prepared and analysed. The report was used to determine the extent of implementation of e-applications (health information systems) in the nine provinces. It was determined that with the exception of the Western Cape, there were no information systems catering for primary health care in most provinces; justifying the need for an open source primary health care information system prototype, which was subsequently developed in-house. The proof of concept (the primary health care information system solution that was developed) for e-applications was tested on Joomla Open Source and in the internal test environment it was demonstrated to be feasible. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of incorporation of e-services on the e-government platform	<ul style="list-style-type: none"> The Department established an e-government task team comprising the Department of Home Affairs, e-Skills Institute, Presidential National Commission and the DoC e-Government Component (Infrastructure) to facilitate the implementation of the e-government blueprint. The Department hosted a workshop and worked with South Korean experts to identify priority e-government services from the ICIS project and local government for implementation of the e-government framework. The Department also collected 70% of information and collated all data into an integrated citizens information system Project audit report. This report will be used to gather e-government data scheduled for the 2011/2012 financial year. 	<p>e-Government services repository portal developed</p>	<ul style="list-style-type: none"> Consultation with relevant stakeholders such as DPSA and SITA were held, after which the project was discontinued as the Department chose to collaborate with the DPSA in line with the e-government policy that it developed. 	<p>The Department will continue collaboration with the DPSA on this initiative.</p>
Number of young people who participated in the e-Literacy training programme	<ul style="list-style-type: none"> The roll-out plan for the e-literacy training programme for children in conflict with the law was developed. The Department together, with Microsoft and Penduka Consulting, commenced with the implementation of the training programme, which resulted in 100 youth offenders being trained in prisons in the Northern Cape, KZN and Gauteng. A graduation ceremony was sponsored by the DCS in February 2011. 	<p>e-Literacy training for 1100 youths implemented</p>	<ul style="list-style-type: none"> The Department partially achieved the target for an e-literacy training programme of young people, as 1050 young people participated in the e-literacy training programme during the reporting period. 	<p>The focus of the project changed from training to deployment of youth who were already qualified. This was done to cut down on training costs and instead focus on people who were already qualified.</p>

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Number of additional Youth owned and managed e-Cooperative enterprises facilitated	-	Entry of 60 additional youth owned and managed e-Cooperative enterprises facilitated. Only 9 existing e-Cooperatives were linked to ICT business opportunities in the e-Government sector	<p>The project for facilitating the e-Cooperative Enterprise was partially realised during the reporting period.</p> <ul style="list-style-type: none"> The Department developed a concept document on a Youth Computer Refurbishment programme. In partnership with the University of Johannesburg, 36 young people were thereafter trained on A+ skills, enabling them to dismantle and assemble computers. The aim was to give them skills to start computer refurbishment ventures. An workshop on ICT skills for unemployed youths was held at the University of Johannesburg. This workshop was attended by 400 young people, including young entrepreneurs. These young people were capacitated with basic ICT skills, thus increasing the level of uptake and usage of ICTs. The annual women's month workshop on ICT skills was hosted on 23 August 2011 at the University of Johannesburg; a total of 211 women entrepreneurs and 372 girl children attended it. The impact is that women entrepreneurs were capacitated with ICT skills, enabling them to use ICTs in the running and management of their enterprises. Young girls are now able to use ICT (increased ICT uptake) Nine e-Cooperatives have been linked to ICT opportunities in the e-Government sector to develop and maintain websites. The currently established e-Cooperatives who are developing websites are still being supported to ensure their sustainability. 	The project was largely hampered by budgetary constraints.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
<p>Number of additional Youth owned and managed e-Cooperative enterprises facilitated</p>	<ul style="list-style-type: none"> The Department developed a draft Sustainability Strategy focusing on youth e-Cooperatives. To facilitate the development of e-cooperative computer refurbishment hubs, the Department developed the computer refurbishment business model. Stakeholders for the project were mobilised which included the National Youth Development Agency (NYDA), the Department of Environmental Affairs, Tshwane University of Technology and the University of Johannesburg's Centre for Small Business Development (CSBD). These stakeholders formed the Computer Refurbishment Project Steering Committee. Potential unemployed graduates have been recruited and a database of potential beneficiaries has been finalised. Lessons learnt from the Brazilian model have provided further input on the way in which projects can be implemented, especially computer refurbishment projects. 	<p>Report on the status and impact of the existing e-Cooperative enterprises developed</p>	<ul style="list-style-type: none"> The target was achieved, as surveys on 50 e-Cooperatives and members were undertaken and data collected on 20 e-Cooperatives. The report on the status and impact of e-Cooperatives has been finalised. The report revealed that lack of access to business opportunities has had a negative impact on the sustainability and viability of e-Cooperatives. Only those that have been linked to business opportunities are still in existence. Most have closed down. 	<p>-</p>

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Number of priority sectors operationalised	<ul style="list-style-type: none"> As part of facilitating the development of an e-Commerce platform for SMIMEs in Tourism, Agriculture, and Arts and Craft, the Department developed an SMIME e-Commerce model in the first quarter of the reporting period. The development of the e-Commerce platform was completed in the last quarter of the reporting period and the Department will decide on URL and e-broker services to prepare the platform for piloting and testing. 	<p>e-Commerce platform for SMIMEs developed and operationalised</p>	<ul style="list-style-type: none"> A workshop was held in Nelspruit, Mpumalanga Province by SMIMEs from the tourism, arts and craft sectors. The Department coordinated, collated and uploaded relevant content for the three identified sectors. Content for arts, craft and Tourism SMIMEs in Mpumalanga has been collated and uploaded into the e-commerce platform. 	-
Level of implementation of Provincial ISAD Plan	<ul style="list-style-type: none"> The Department developed the draft Provincial ISAD Guidelines to support provinces in their development and implementation of ICT Programmes. The draft Guidelines are awaiting approval by the Minister. The framework/guidelines will be discussed by the ISAD IGRF at its next meeting in the 2011/12 financial year. 	<p>Provincial ISAD Framework adopted and promoted</p>	<ul style="list-style-type: none"> The Provincial ISAD Framework has been developed and approved. The Framework has been promoted through various Working Groups in 5 Provinces (Free State, KZN, Eastern Cape, Northern Cape and Limpopo) as well as through the IGRF. 	-
Level of implementation of the uptake and usage strategy	-	<p>Uptake and usage strategy developed with a focus on business Small, Medium Micro Enterprise (SMIMEs), government and individuals</p>	<ul style="list-style-type: none"> The uptake and usage strategy has been developed and approved. Furthermore, an implementation plan was developed, which identifies relevant implementation areas. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Improved departmental efficiency and effectiveness through optimised corporate services	The Department implemented Open Source Software security by up-scaling servers and desktop security. It also installed and tested the OSSEC application in both the client and server environment and identified and downloaded four applications (MySurveillance, MySuriguard, Netwatch and SpamGuard). The OSS extensive server security and OSS desktop security were implemented and the telephone management system was also upgraded.	Effective business, project management and knowledge and processes developed, implemented, monitored and reviewed	<ul style="list-style-type: none"> During the reporting period a Disaster Recovery Plan was developed and various other IT initiatives were undertaken including IT data migration to a new server. 	-
Level of implementation of WSIS-related programmes	Country Position Paper for the WTDC-10 was developed and the DoC led a delegation to the conference which took place in Hyderabad, India from 24 May to 4 June 2010. The delegation included the Deputy Minister and representatives from the SOEs. <ul style="list-style-type: none"> The Department's participation led to the adoption of a pro-developing country global cyber security agenda. 	WSIS-related programmes from WTDC-10 identified and reported on for implementation	<ul style="list-style-type: none"> The WSIS coordinating mechanism was developed and key WSIS (ISAD) programmes were collated. WSIS related programmes based on the outcomes of WTDC-10 were developed together with the implementation plan and institutional mechanism. A National Report on WSIS (ISAD) Programmes was developed. 	-
Published information readiness report	e-Readiness Report finalized for publication	Country Information Society Readiness report produced	<ul style="list-style-type: none"> The Country information society report was prepared and published in August 2011. The report included primary studies in sectors where secondary data were unavailable. 	-
Level of implementation of ISAD Research Programme	<ul style="list-style-type: none"> The Department developed the draft Provincial ISAD Guidelines to support provinces in their development and implementation of ICT Programmes. The draft Guidelines are awaiting approval by the Minister. The framework/guidelines will be discussed by the ISAD IGTF at its next meeting in the 2011/12 financial year. 	ISAD Research Framework Adopted	<ul style="list-style-type: none"> The ISAD Research Framework was prepared and adopted during the reporting period. 	-

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
<p>Level of implementation of Digital content programme for military veterans</p>	<ul style="list-style-type: none"> The concept for military veterans was developed and a workshop with stakeholders was held on 15 June 2010. The NDR portal was adapted to accommodate the military veterans content. Furthermore, the process of profiling and documenting the experiences and history of members of the liberation organisations was conducted. Identification and training of military veterans were completed and the database of trained military veterans is available. 	<p>Collection of digital military veterans heritage content</p>	<ul style="list-style-type: none"> Recruitment guidelines for the training of military veterans were developed A workshop was hosted for the military veterans who are participating in the project, where they were trained on the deployment programme in provinces. This project was implemented and content was collected during the reporting period. 	<p>-</p>
<p>Level of roll-out of Centres of Excellence for all prioritized sectors</p>	<ul style="list-style-type: none"> Research on the Centres of Excellence model was concluded and a Framework developed. An MOU for establishing a Centre of Excellence at the University of Johannesburg was signed. 	<p>Centre of Excellence model adopted and implemented in Free State and KZN provinces</p>	<ul style="list-style-type: none"> The target was partially achieved by the Department during the reporting period, as the Centre of Excellence model was developed in consultation with relevant stakeholders and implementation in KZN has commenced. 	<p>Centres of Excellence in e-Education have not been established as yet.</p>
<p>Level of roll-out of Centres of Excellence for all prioritized sectors</p>	<ul style="list-style-type: none"> Research on the Centres of Excellence model was conducted and a Framework was developed. An MOU for establishing a centre of excellence at the University of Johannesburg was signed. However, MoUs for the Universities of Pretoria and KZN are yet to be signed. 	<p>5-10 year Foresight and Planning report on the building of the Information Society produced</p>	<ul style="list-style-type: none"> The target was partially achieved by the Department during the reporting period, as an analysis of the top ten ICT countries in the world was completed for benchmarking. 	<p>Stemming from the analysis of the top ten countries, the requisite expertise needed to be sourced, which caused delays in the project.</p>

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of e-Skills Council, PIAC, ISAD Multi-stakeholder Forum, IGRF and ISAD Council meeting POAs	<ul style="list-style-type: none"> The ISAD-IGRF was convened in September 2010 and was a success. A report for the Forum was produced. The ISAD multi-stakeholder forum was convened in March 2011. In order to make the South African e-Skills Council and Working Group effective to carry out the national ISAD programme, the Department organised working groups and council meetings and compiled the reports for these. The e-Skills Council met on 17 May 2010 and developed the PoA for the council. The Department compiled the TORs for the national e-skills framework and the draft work programme for the working group according to the thematic areas of the e-skills report. The work programme was used to establish the work committees. With regard to the analysis of labour market intelligence, a meeting was held with the National Treasury and relevant stakeholders to discuss the development of the forecast instrument. 	<p>South African e-Skills Council institutionalised and operationalised</p>	<ul style="list-style-type: none"> Although the target was not fully achieved, Terms of Reference for the Council were compiled, together with options of relevant members. 	<p>The Department needs to align this initiative with the National HRD Council. It is working towards this goal.</p>



ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
Level of implementation of e-Skills Council, PIAC, ISAD multi-stakeholder forum, IGRF and ISAD Council meeting POAs	<ul style="list-style-type: none"> In order to make the South African e-Skills Council and Working Group effective to fulfil the National ISAD Programme, the Department organised Working Groups and Council Meetings and also compiled reports for these. A POA for the council was developed on 17 May 2010. The Department compiled Terms of Reference for the national e-skills framework and the draft work programme for the working group according to the thematic areas of the e-Skills Report. The work programme was used to establish the work committees. 	National ISAD Council institutionalised and operationalised	No substantial progress has been made in this regard.	Challenges were experienced in establishing the e-Skills Council, which affected this process.
Level of implementation of e-Skills Council, PIAC, ISAD multi-stakeholder forum, IGRF and ISAD Council meeting POAs	-	International Advisory Panel of experts constituted to advise on ICT	The Department has not made substantial progress with constituting the International Advisory Panel of experts to advise on ICT; however a Terms of Reference were developed in this regard.	A decision was taken to review the number of structures advising to the Minister.

ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS

PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON ISAD

PERFORMANCE INDICATORS	BASELINE (Actual Output 2010/11)	2011/12 TARGETS	ACTUAL PERFORMANCE AGAINST TARGETS	REASON FOR VARIANCE
<p>Number of Provinces for which Provincial content is captured into the NDR</p>	<ul style="list-style-type: none"> The Department developed a concept for the NDR Project as well as content collation guidelines. NEMISA developed a platform for public uploading of digital heritage content as part of an agreement with the Department. Content (25 stories) was collected in the following provinces: Mpumalanga, Gauteng, KZN and Limpopo. These stories have been uploaded to the NDR portal. The Thabo Mofutsanyane documentary was finalised and plans for the launch event of the documentary were approved by the Minister. <p>The 251 youth trained for NDR are currently used to collect content. These youth were trained by NEMISA in digital media skills between October and December 2010.</p>	<p>Digital content for the NDR portal collated in 3 targeted Provinces</p>	<ul style="list-style-type: none"> The collation of digital content for the NDR portal in three targeted provinces was not achieved; however, a process of collating content has commenced through soliciting proposals from young people in this regard. 	<p>There were internal delays, the contract only being signed towards the end of the financial year.</p>





4. ANNUAL FINANCIAL STATEMENTS

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee members and attendance

The audit committee consists of the members listed hereunder and should meet at least three times per annum as per its approved terms of reference. During the year under review five meetings were held.

Name of Member	Date of appointment	No. of Meetings Attended
Ms Janice Meissner (Chairperson)	1 July 2011	5
Ms Phumzo Noxaka	1 July 2011	5
Adv. Collen Weapond	1 July 2011	5
Mr Tshepo Mofokeng	1 August 2011	3
Mr William Huma*	9 September 2011	3
* Also appointed as Chairperson of Risk Management Committee		

Audit Committee responsibility

The Audit Committee reports that it has in most cases effectively complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.


The effectiveness of internal control

There were significant improvements on the system of internal control especially from a monitoring perspective. However, during the year under review, several deficiencies and deviations in the system of internal control were reported by the internal auditors and the Auditor General - South Africa. In most instances, the matters reported previously, have been fully and satisfactorily addressed.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor General and the Accounting Officer;
- reviewed the Auditor General's management report and management's responses thereto;
- reviewed changes in accounting policies and practices;
- reviewed the Department's compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.



The Audit Committee concurs with and accepts the Auditor General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.

Internal Audit

The Audit Committee was concerned about the internal audit function's capacity at the start of the financial year and certain corrective actions were implemented. This had an effect on the impact of the addressing all key risks pertinent to the Department during the year, although there was significant improvement in the effective operation of the internal audit during the latter part of the financial year.

Auditor General - South Africa

The Audit Committee did meet with the Auditor General - South Africa during the 2011/2012 financial year to ensure that there were no unresolved issues.



MR WILLIAM HUMA
CHAIRPERSON OF THE AUDIT COMMITTEE
31 July 2012



DEPARTMENT OF COMMUNICATIONS VOTE 27

MANAGEMENT REPORT

FOR THE YEAR ENDED 31 MARCH 2012

Report of the Accounting Officer to the Executive Authority and Parliament of South Africa.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 IMPORTANT POLICY DECISIONS AND STRATEGIC ISSUES FACING THE DEPARTMENT

Broadcasting Digital Migration

In March 2012, Cabinet approved the Scheme for Ownership Support (SOS) of Set Top Boxes (STBs) which makes provision for Government to provide 70% as an incentive towards the cost of the STB for the poorest TV owning households. The objectives of the SOS is to act as a national initiative to help the country in its efforts to build an information society and bridge the digital divide by using TV as a platform to improve access to services for poor communities. The Scheme will also accelerate the uptake of DTT in the country so as to meet the South African Digital Migration time lines and directly benefit poor TV households.

Cabinet also approved the STB Manufacturing Sector Development Strategy in March 2012. The Strategy seeks to achieve the following objectives:

- To revitalise the electronics manufacturing industry;
- To create a competitiveness electronic industry and related supporting industries;
- To create sustainable jobs in the industry;
- To bring about transformation in the electronics industry;
- To promote innovation and research and development; and
- Building South African excellence in electronics manufacturing.

As part of the implementation of the Broadcasting Digital Migration Policy, the Department will in the 2012/13 financial year focus on, amongst others, rolling out the Scheme for Ownership Support (SOS) and implementing the STB Manufacturing Sector Development Strategy.

Broadband

The National Broadband Policy was approved by the Cabinet in June 2010. The vision of this policy is to ensure universal access to Broadband by ensuring that South Africans are able to access Broadband either individually, or as a household, subscribe to a Broadband service, or are able to access a Broadband service directly or indirectly at a private or public access point. The objective of the National Broadband Policy is to facilitate the provisioning of affordable, accessible, universal access to Broadband infrastructure to citizens, business, communities and the three spheres of Government, and to stimulate the usage of Broadband services - in order to promote economic development and growth and act as an enabler for further social benefits.

In the 2012/13 financial year, the Department will focus on the Implementation of the Broadband Master Plan which includes the review of the Broadband Policy, taking into consideration the recommendations of the broadband study that is expected to be finalised in the first quarter of the 2012/13 financial year.

National Comprehensive ICT Policy Review

The Department has commence with the process of a National comprehensive ICT Policy Review which will focus on a review of existing policies pertaining to telecommunications, broadcasting, e-commerce and postal among others. This comprehensive policy review aims to achieve the countries socio economic goals and to ensure that the ICT sector continues to support country's long-term competitiveness. The comprehensive review process will feed into the development of a National ICT Policy Green Paper followed by a National ICT Policy White Paper.

1.2 SIGNIFICANT EVENTS THAT HAVE TAKEN PLACE DURING THE YEAR

Global Internet Governance Forum

The Global Internet Governance Forum (IGF), which was established by the World Summit on Information Society (WSIS), took place in September 2011 in Kenya. The Global Internet Governance Forum allowed stakeholders to engage on a multi-stakeholder forum on key issues facing internet governance.

The South African delegation, which was led by the Minister, participated extensively in terms of putting forward the South African position on internet governance related matters.

Telecom World – 2011

The Telecom World 2011, which is an International Telecommunications Union (ITU) Event, took place in October 2011 in Geneva. The event allowed exhibitors to showcase key developments and innovation in the field of ICTs.

The Department promoted the South African position through participating in international debates on key ICT related matters ranging from ICT Policy, ICTs and the environment, Cybersecurity, Broadband and Broadcasting Digital Migration, amongst others.

World Radio Conference - 2012

The World Radio Conference – 2012 (WRC-12), which is an International Telecommunications Union (ITU) event, took place in January and February 2012 in Geneva. The key purpose of the event was to update the ITU Radio Regulations which is an international treaty.

South Africa, together with SADC, developed positions of all 40 agenda items of the WRC-12. The most significant outcome of the event was the allocation of the band 694 – 790 MHz for the mobile service with effect from 2015.

1.3 MAJOR PROJECTS UNDERTAKEN OR COMPLETED IN THE YEAR

South African Post Office (SAPO) Bill

During the reporting period, the Department developed the SAPO Bill which underwent the legislative process. The Department extensively participated in this legislative process after which the necessary changes were affected to the SAPO Bill. In December 2011, the SAPO

Bill was signed into law by the President.

Broadcasting Digital Migration (BDM)

The Department finalised the Scheme for Ownership Support which was approved by Cabinet in March 2012. It is envisaged that the rollout of the scheme will start once prospective manufacturers have been appointed.

The Department finalised the STB Manufacturing Sector Development Strategy which was approved by Cabinet in March 2012 and its implementation has commenced. Furthermore, Request for Information (RFI) on Manufacturing was gazetted and a briefing session is scheduled for 11 April 2012.

Broadband

During the reporting period, the Department developed a Broadband Strategy document together with the Broadband Implementation Plan. Furthermore, a service provider was appointed to conduct an analysis of the current Broadband status in SA and perform a feasibility study regarding the Broad Band Public Private Partnership (BB PPP) process. This study is nearing completion and is expected to be concluded in the first quarter of the 2012/13 financial year.


The Department, during the reporting period, also delivered on various broadband initiatives through facilitating the roll-out of wireless broadband networks in several municipalities.

Country e-Readiness Report

During the reporting period, the Department developed and published the e-Readiness Report in August 2011. The report was developed using the e-Barometer tool and provides an analysis of the country's ICT penetration in 5 sectors so as to support evidence based-policy making. Furthermore, the report included primary studies in sectors where secondary data was unavailable.

SOE Oversight

As part of fulfilling its SOE oversight function, the Department facilitated the development of budget for entities for the 2012 MTEF and engagements with SOEs were facilitated to discuss their additional funding requirements. As part of its monitoring and evaluation role, the Department conducted an analysis of SOEs Quarterly reports and provided feedback to the SOEs with recommendations.



Furthermore, the Department facilitated the development of strategic and corporate plans of USAASA, NEMISA, Sentech, SABC, and SAPO and also communicated the Strategic Planning Cycle to all SOEs to ensure alignment and compliance. The Department also reviewed the Articles of Association which were continuously monitored in liaison with Company Secretaries.

International Programme

As part of strengthening SADC ICT structures in order to achieve socio-economic development and regional integration, the Department developed a position paper on the SADC Programme of Action in relation to Interconnection and regulatory framework.

The Department continues to play a pivotal role in African Multilateral arena in order to further strengthen and influence the outcome of the International foras. In this regard, the DoC developed a position paper for the AU Ministers of Communications and Information Technology (CIT) with the primary focus towards the implementation of the Oliver Tambo Declaration.

During the reporting period, the Department developed an ICT trade and investment strategy which was consulted with the Trade & Investment South Africa (TISA) in the DTI so as to ensure alignment with the ICT trade related projects that the DTI is involved in. The strategy therefore guides the DoC in engaging with the SOEs and ICT Industry as well as the exploitation of trade and investment opportunities and position the ICT Industry. Furthermore, an Implementation Framework and Plan of Action were also developed by the Department.

South Africa hosted and chaired the African Support committee in preparation for the UPU Congress. SA made key inputs for the UPU towards the development of a common African position.

1.4 SPENDING TRENDS

The Department's final allocation for the 2011/12 financial year amounted to R2,002 billion, which is made up of a baseline of R1,889 billion and Adjusted Estimates allocation of R113,8 million.

The Adjusted Estimates include a rollover of R112,2 million (R109,9 million for Sentech: roll-out of Digital Terrestrial Television infrastructure and R2,4 million for projects that were in progress) and a rollover of R1,5 million for salary adjustments.

The total spending for the period under review amounted to R1,792 billion, representing 89.5% with the underspending of R210,9 million (10.5%). The underspending is made up as follows:

- R21,6 million for compensation of employees due to the organisation review and staff resignation.
- R187,6 million for goods and services mainly for 112 Emergency Call Centre and Broadband, which emanated from the delay by National Treasury in providing the department with approvals on the project feasibility on 112 Emergency Call Centre and the delay by the Departmental Bid Adjudication Committee in approving the tender for Broadband.

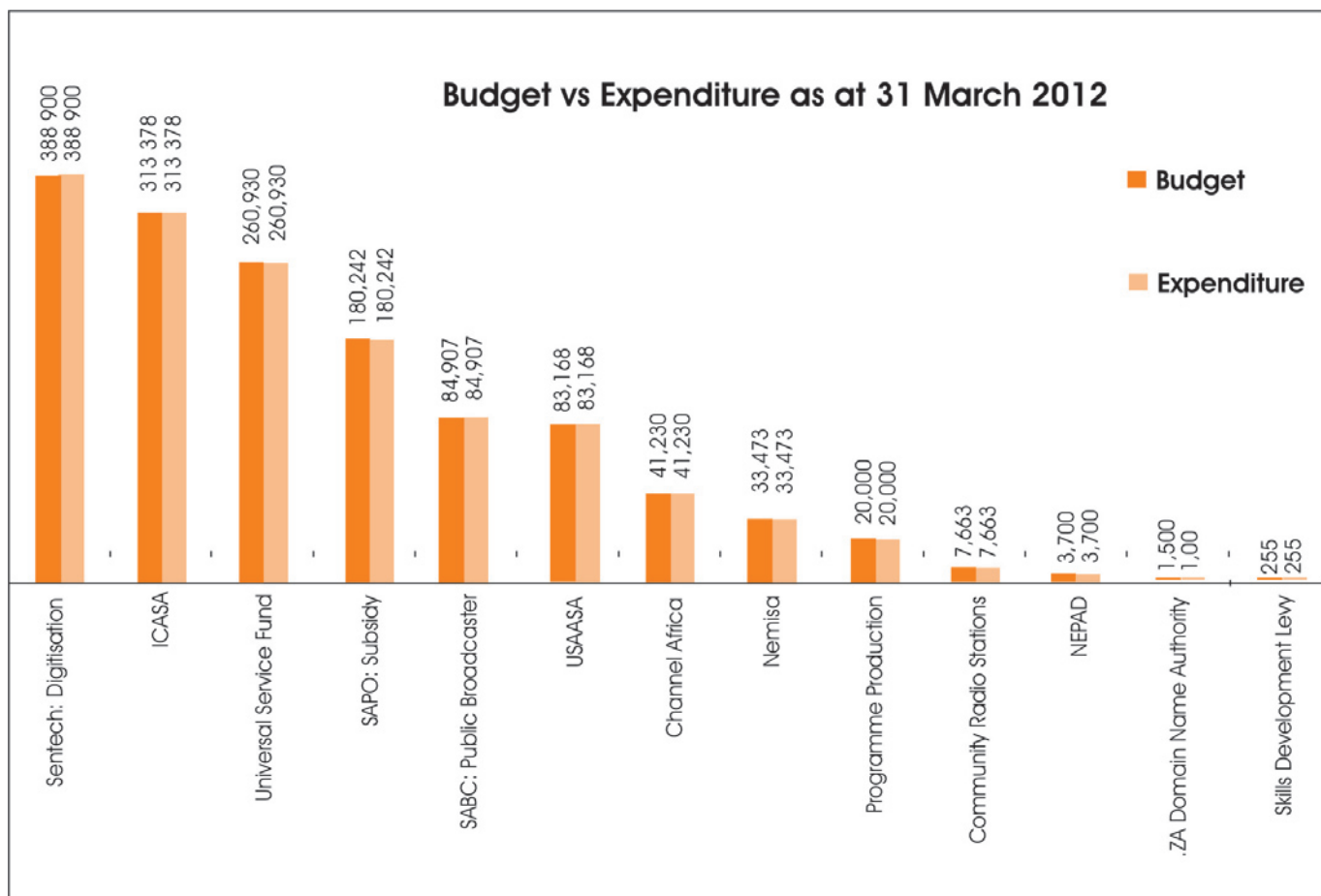
A request was made in terms of chapter six of Treasury Regulations to rollover R4,250 million for completion of the Broadband Penetration, Speed and Coverage Study project which is underway.

The Department is structured into six programmes: Administration, ICT International Affairs and Trade, ICT Policy Development, ICT Enterprise Development, ICT Infrastructure Development and Presidential National Commission. The ICT Enterprise Development programme account for the highest budget allocation of 70% of the total budget of the Department. This is mainly due to transfer payments to public entities in the Department's portfolio namely, Independent Communications Authority of South Africa (ICASA), Universal Service and Access Fund (USAF), Universal Service and Agency of South Africa (USAASA), South African Post Office (SAPO), Sentech, the National Electronics Media Institute of South Africa (NEMISA) and SABC.



The transfers constitute 99% of the programme's expenditure and are made up as follows:

Entity	Allocated funds	Expenditure as at 31 March 2012
	R'000	R'000
Independent Communications Authority of South Africa	313,378	313,378
Universal Service and Access Funds	260,930	260,930
Sentech	388,900	388,900
South African Post Office	180,442	180,442
South African Broadcasting Corporation: Public Broadcaster	84,907	84,907
South African Broadcasting Corporation: Channel Africa	41,230	41,230
Universal Service and Access Agency of South Africa	83,168	83,168
National Electronic Media Institute of South Africa	33,473	33,473
Total	1 386,428	1 386,428





Programme	Final allocation	Expenditure as at 31 March 2012	Variance	% Spent
	R'000	R'000	R'000	
Administration	168,070	156,192	11,878	92.9%
ICT International Affairs and Trade	41,822	41,612	210	99.5%
ICT Policy Development	88,080	81,124	6,956	92.1%
ICT Enterprise Development	1 403,801	1 403,801	-	100%
ICT Infrastructure Development	259,444	67,884	191,560	26.2%
Presidential National Commission	41,648	41,341	307	99.3%
Total	2 002,865	1 791,954	210,912	89.5%

1.5 VIREMENT

Virement was effected from programmes 3 and 5 to programmes 1, 2, 4, and 6 on all items to defray excess expenditure. Virement was in accordance with section 43 (1,2, and 4) of the Public Finance Management Act (PFMA) and was effected as follows:

Programme 1: Administration

	Adjusted Allocations	Expenditure	Variance	Virement	Final Allocation	Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	70,809	58,598	12,211	(607)	70,202	11,604
Goods and service	77,634	94,338	(16,704)	16,703	94,337	(1)
Interest	-	15	(15)	15	15	-
Financial assets	-	2,122	(2,122)	2,122	2,122	-
Transfers	225	377	(152)	152	377	-
Capital	1,017	742	275	-	1,017	275
Total	149,685	156,192	(6,507)	18,385	168,070	11,878



Programme 2: ICT International Affairs and Trade

	Adjusted Allocations	Expenditure	Variance	Virement	Final Allocation	Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	11,219	11,826	(607)	607	11,826	-
Goods and service	25,844	26,003	(159)	159	26,003	-
Transfers	3,700	3,704	(4)	4	3,704	-
Capital	627	79	548	(338)	289	210
Total	41,390	41,612	(222)	432	41,822	210

Programme 3: ICT Policy Development

	Adjusted Allocations	Expenditure	Variance	Virement	Final Allocation	Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	33,412	34,370	(958)	1,265	34,677	307
Goods and service	43,964	28,051	15,913	(9,262)	34,700	6,649
Transfers	17,663	17,665	(2)	-	17,665	-
Capital	700	1,038	(338)	338	1,038	-
Total	95,739	81,124	14,615	(7,659)	88,080	6,956

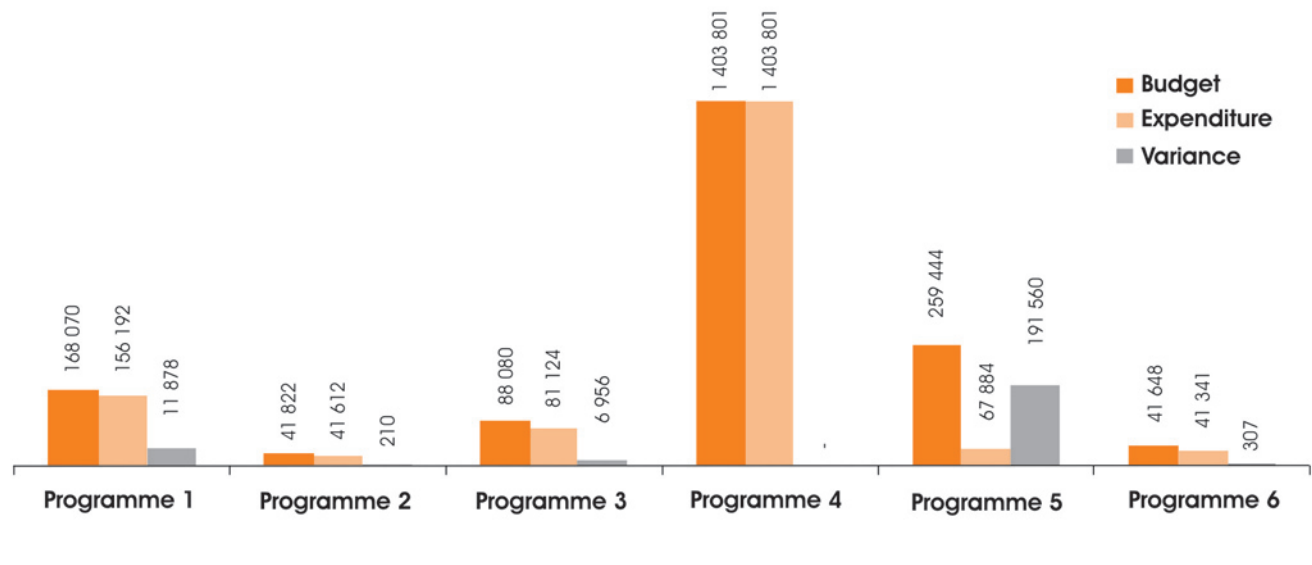
Programme 4: ICT Enterprise Development

	Adjusted Allocations	Expenditure	Variance	Virement	Final Allocation	Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	7,082	4,392	2,690	-	7,082	2,690
Goods and service	5,542	12,773	(7,231)	4,485	10,027	(2,746)
Transfers	1,386,428	1,386,428	-	-	1,386,428	-
Capital	264	208	56	-	264	56
Total	1,399,316	1,403,801	(4,485)	4,485	1,403,801	-

Programme 5: ICT Infrastructure Development

	Adjusted Allocations	Expenditure	Variance	Virement	Final Allocation	Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	32,287	25,515	6,772	-	32,287	6,772
Goods and service	247,222	40,698	206,524	(22,600)	224,618	183,920
Transfers	1,500	1,504	(4)	-	1,504	-
Capital	1,035	167	868	-	1,035	868
Total	282,044	67,884	214,160	(22,600)	259,444	191,560

Budget vs Expenditure as at 31 March 2012



Programme 6: Presidential National Commission

	Adjusted Allocations	Expenditure	Variance	Virement	Final Allocation	Balance
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	18,404	16,882	1,522	(1,265)	17,139	257
Goods and service	15,671	23,651	(7,980)	8,222	23,450	(201)
Transfers	-	443	(443)	-	443	-
Capital	616	365	251	-	616	251
Total	34,691	41,341	(6,650)	6,957	41,648	307

1.6 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure incurred during the 2007/2008 financial year and the following years until 2010/2011, which were disclosed under current assets has been written off in the 2010/2011 financial year and is disclosed under note 10.2 of the annual financial statements. Fruitless and wasteful expenditure for the 2011/2012 financial year amounting to R13 478 019.31 million is disclosed in disclosure note 36 of the financial statements.

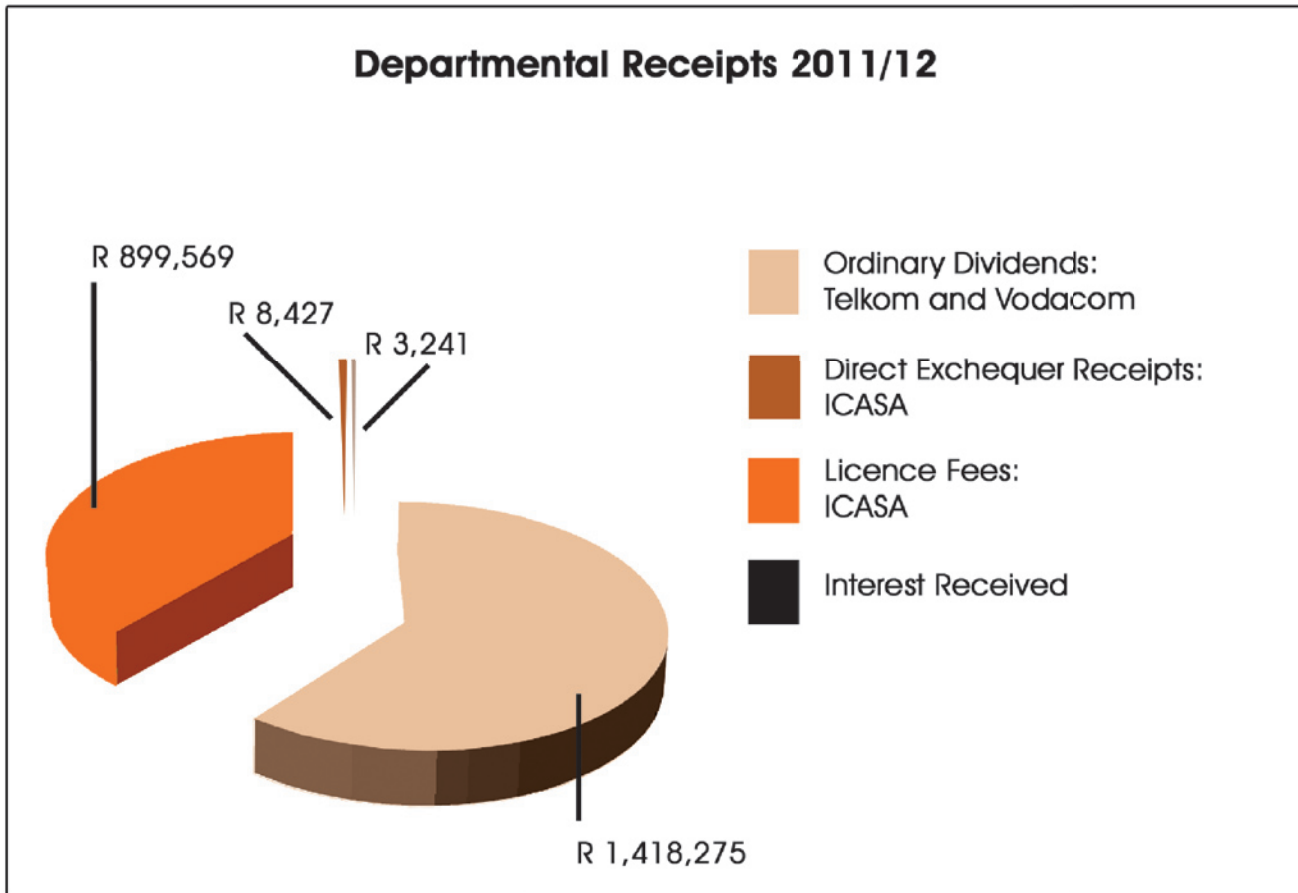
1.7 DEPARTMENTAL RECEIPTS

The Departmental receipts for the 2011/12 financial year amounted to R2,329 billion of which R899,569 million is license fees collected by the Independent Communications Authority of South Africa and is made up as follows:

- R19,119 million for Post Office license fees;
- R372,192 for Telecommunications service providers;
- R1,040 million for cellular network license;
- R382,562 million for private television stations;
- R150 thousands for unreserved postal service registration fees; and
- R7,920 million for telephone equipment licenses.

The balance of the receipts is made up as follows:

- R8,427 million direct exchequer receipts : ICASA
- R300,219 million ordinary dividend from Telkom;
- R1,118,056 billion ordinary dividend from Vodacom;
- R690 thousands interest on Nedbank account;
- R1,780 million interest from SABC loan;
- R22 thousands for interest on debts;
- R20 thousands for electronic accreditation fee;
- R98 thousands for rental of office building;
- R8 thousands for cryptography fees;
- R34 thousands for commission insurance; and
- R589 thousands for financial transactions in assets and liabilities.



2. SERVICES RENDERED BY THE DEPARTMENT

2.1 The Department's core business is policy formulation for the Information Communications Technology sector. In addition, the Department controls and manage shareholding in SAPO, NEMISA, Sentech, and USAASA. Detailed descriptions of services provided by different programmes are covered later in this report.

2.2 TARRIF POLICY

A decision was taken to cancel all testing and close down the ISSA test facilities at ISSA. No testing was done during the period under review.


2.1 FREE SERVICES

The Department does not provide any free services.

3. CAPACITY CONSTRAINTS

In April 2010, the Department identified a need to conduct an organizational review and re-alignment which was prompted by numerous challenges that face the Department (i.e. structural challenges, systems, duplications and overlapping of functions etc.).

However, during the reporting period, the organizational review and re-alignment process did interrupt the recruitment process which was put on hold until the organizational review and re-alignment process is finalised. The Doc top level (3 tiers) was subsequently approved on 07 June 2012.



The next phase of the project is the migration of staff from old structure to the newly approved structure and as a result a moratorium was placed on the filling of positions. At the same time the Department cannot function without workforce therefore, various positions that could not be affected by the migration process were identified and prioritised to be filled in the financial year 2011/2012.

4. UTILISATION OF DONOR FUNDS

The balance of R1,792 million donation (R1,760 million from Vodacom and R32 thousands from Post Office) which has been in the books has been surrendered to the Reconstruction and Development Programme Fund (RDP Fund) in line with requirement of the RDP Act. The department received an amount of R240 thousands from Finland towards the end of the March 2012. This fund also will be surrendered to The RDP Fund in line with the Act.

5. TRADING ENTITIES AND PUBLIC ENTITIES

5.1 NATIONAL ELECTRONIC MEDIA INSTITUTE OF SOUTH AFRICA (NEMISA)

The National Electronic Media Institute of South Africa (NEMISA) was established as a non-profit institute of education by the Department of Communications in terms of the Companies Act (1973). Formed as part of a government initiative in 1998, in response to the White Paper on Broadcasting Policy, the institute's main purpose is to train previously disadvantaged individuals, particularly women, to equip them with the necessary skills to play significant roles in the constantly changing broadcasting environment.

The institute offers hands-on training in the electronic media, including content design and production, technical operations and content transmission. The institute provides skills training at an advanced level for the broadcasting industry. It offers national certificates and short courses. National certificates are offered in the areas of television production, animation and radio production. Between 2008/09 and 2011/12, the institute trained 268 learners in strategic partnerships and special multimedia projects. The number of students trained in electronic media increased from 118 in 2008/09 to 131 in 2011/12 and is expected to increase further to 171 by 2014/15 driven by growth in demand for courses in the areas of television production, radio production, design and animation.

5.2 UNIVERSAL SERVICE AGENCY AND ACCESS OF SOUTH AFRICA – AGENCY AND THE FUND (USAASA AND USAAF)

The Universal Service and Access Agency of South Africa, is established in terms of section 80 of the Electronic Communications Act Number 36 of 2005 as a statutory body. Its sole mandate is to promote universal service and universal access to electronic communications services, electronic communications network services and broadcasting services. The agency is responsible for managing the Universal Service and Access Fund.

In terms of the act, the fund receives contributions from licensed telecommunications providers and broadcasters which are used to fulfil universal access obligations in under-served areas. The agency plays a key role in facilitating the achievement of 100 per cent ICT penetration by 2020. Between 2008/09 and 2011/12, 54 access centres were established. In addition, 267 schools and 56 further education and training institutes were provided with internet connectivity over the same period. Over the medium term, the fund expects to deploy 600 cyber labs to under-served areas by 2014/15.

5.3 SOUTH AFRICAN POST OFFICE (SAPO)

The South African Post Office was established in accordance with the Post Office Act (1958) as a government business enterprise to provide postal and related services to the public. It was granted an exclusive mandate to conduct postal services in the country by the Postal Services Act (1988). This act makes provision for the regulation of postal services and operational functions of the postal company, including universal service obligations and the financial services activities of Postbank. The Post Office Act (1958) will be repealed and replaced by the Post Office Bill and the Postbank Bill, which have been enacted into law by March 2012. With the imminent corporatisation of Postbank into a separate entity, more previously disadvantaged communities will have access to banking services.

The South African Post Office has a retail post office infrastructure of 2 487 service points, which deliver postal, courier, financial and Postbank services. To increase access to its services, 129 new service points were opened between 2008/09 and 2011/12, and the entity expects to open an additional 150 new points of presence by 2014/15 financial year. Between 2008/09 and 2011/12, the South African Post Office rolled out more than 4.9 million new addresses. Between 2008/09 and 2011/12, the Postbank depositor's funds increased from R3.2 million to at least R3.9 million. The depositor's book is expected to grow to R5.2 million by 2014/15.



5.4 SENTECH

Sentech Limited is a state owned enterprise established in terms of the Sentech Act (1996) and the Sentech Amendment Act (1999) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). Its mandate is to provide broadcasting signal distribution for broadcasting licensees. In 2002, Sentech was awarded value added network service licences for its multimedia and carrier of licences, thus allowing for converged ICT solutions. In 2009, these licences were converted to individual electronic communications network service and individual electronic communications service licences under the Electronic Communications Act (2005).

Sentech is responsible for migrating signal distribution infrastructure from analogue to digital in line with technological developments and agreements with the International Telecommunications Union for worldwide migration to digital. Sentech's activities will ensure that the digital terrestrial television network is ready in time to meet the December 2013 analogue switch-off deadline. Sentech's national wholesale broadband network develops innovative products, rolls out the national wholesale broadband network and extends social value projects. Sentech has continued to exceed network performance (the quality of a signal product as seen by the customer) targets set over the past three years and ensured that it was possible to ensure overall network availability of the analogue terrestrial television broadcast network. This is despite interruptions caused by mains power failures and inclement weather.

5.5 SOUTH AFRICAN BROADCASTING CORPORATION (SABC)

The South African Broadcasting Corporation's mandate is set out in its charter and in the Broadcasting Act (1999), which require it to: provide its services to all South Africans in all the official languages; provide programming that informs, educates and entertains and which reflects the diversity of South Africans; and maintain freedom of expression and journalistic, creative and programming independence. The corporation's service and broadcasting activities are regulated through the licence conditions issued by the Independent Communications Authority of South Africa for each of its radio and television services. It reports to the authority quarterly to comply with licence conditions. The corporation is further bound to meet licence conditions set for its individual radio stations and television channels, and has to abide by regulations set by the Independent Communications Authority of South Africa outlining minimum quotas and standards in areas such as local content.

The corporation became a limited liability company in 2004, with two operational divisions: public broadcasting services and commercial broadcasting services. As a national public service broadcaster, the corporation operates 18 radio stations and three television stations, reaching about 24 million people daily. The South African Broadcasting Corporation continued preparation for the migration to digital terrestrial television which will allow the corporation to increase the number of channels it offers as well as enhance its public broadcasting services by offering content in areas such as children's programming, news, sport, regional content, youth, women and education, as well as more comprehensive services in all languages and to communities with disabilities.

The corporation continues to promote universal access to broadcasting services by switching on lower power radio and television transmitters. These low power transmitters broadcast television and radio signals at a very low cost to communities in historically marginalised communities and rural areas. Between 2008/09 and 2011/12, the corporation has switched on 1 216 lower power television transmitters and 557 lower power radio transmitters. During the 2008/9 financial year, the SABC faced a severe financial crisis alongside a serious corporate governance crisis. A guarantee of R1 billion was granted to the SABC. A monitoring task team continues to monitor the performance of the SABC against the Government Guarantee targets.

5.6 INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA (ICASA)

The Independent Communications Authority of South Africa was established in terms of the Independent Communications Authority of South Africa Act (2000). The authority makes regulations and issues communications licences in terms of the Electronic Communications Act (2005) and Postal Services Act (1998). In addition, the authority enforces compliance with rules and regulations, protects consumers from unfair business practices and poor quality services, hears and decides on disputes and complaints brought against licenses, and controls and manages the frequency spectrum.

ICASA completed the conversion of licenses issued under repealed legislation to licences that comply with the prescripts of the Electronic Communications Act (2005). In the first year of this conversion, the authority issued 189 licenses. Between 2008/09 to 2011/12, the authority completed 4 538 inspections of distribution and sealing of electronic equipment. Over the same period, the authority received, analysed and closed 11 464 spectrum licensing applications.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

6.1 PROGRAMME PRODUCTION

An amount of R5 million was transferred to National Electronic Media Institute of South Africa (NEMISA) to fund the coordination and development of capacity building for the community radio stations on the Department's community radio broadcasting support programme and implement content production programme. R5 million was transferred to SABC for radio programme production.



6.2 COMMUNITY RADIO STATIONS:

An amount of R7,663 million was transferred to SABC for upgrading of the existing stations and providing additional infrastructure to stations that currently have single studios.

6.3 .ZA DOMAIN NAME:

.za Domain Name Authority was established in terms of chapter 10 of the Electronic Communication and Transactions (ECT) Act of 2002 to take responsibility for the .za Domain Name Space. The Department has been funding the .za Domain Name Authority since its inception. An amount of R1.5 million has been allocated for the 2011/12 financial and transferred to this organisation.

6.4 NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT e-AFRICA (NEPAD)

The Department of Communications provides programmatic support to the NEPAD e-Africa Commission (called NEPAD e-Africa Programme). The programmatic support is geared to support the implementation of NEPAD e-Africa Programmes

The 1st programme is aimed at supporting regional connectivity: The NEPAD ICT infrastructure programme seeks to facilitate the accelerated development of ICT infrastructure deployment in Africa through submarine and terrestrial linkages. The programme seeks to integrate the African continent by harmonizing ICT infrastructure initiatives through one cohesive policy and regulatory framework (the Kigali Protocol) in order to enable trade, social and cultural interchange and reduce cost to communicate. The programme has three components: promotion of submarine network to encircle the continent and connect Africa to the rest of the world; promotion of terrestrial cross-border networks to interconnect countries; and the harmonization of legal and regulatory frameworks in Africa.

The 2nd programme seeks to provide capacity building and e-skills: The NEPAD programme geared towards achieving the Connect Africa Goal 4 of supporting the development of a critical mass of ICT skills required by the knowledge economy, notably through the establishment of a network of ICT Centres of Excellence in each sub-region of Africa and ICT capacity-building and training centres in each country, with the aim of achieving a broad network of inter-linked physical and virtual centres, while ensuring coordination between academia and industry by 2015.

The 3rd programme is promoting governance and partnership: harmonization of continental and regional ICT policies; supporting policies and programmes developed that empower ICT-enabled socio-economic development that is led and sustained by local communities (including the development of Internet Governance protocols and implementation of strategies) as well as promoting African positions on ICT developments in preparation for global forums.

The Department's support of these programmes, through the transfer is to achieve the following developmental objectives:

- Promote the developmental agenda of African Union and aligned to/support the AU CIT priority projects;
- Promote, support and benefit the SADC ICT priority programmes;
- Adhere to NEPAD Principles as well as to the Connect Africa Goals;
- Anchor the development of human capital skills and resources, and promote partnership between South Africa and Africa.

7. PUBLIC PRIVATE PARTNERSHIP (PPP)

The Department appointed a Transaction Advisor (TA) for the 112 Emergency Call Centre project. The Department obtained approval of the project feasibility and output specifications from the Treasury PPP unit, allowing the Department to advertise the 112 tender. The tender for the project has been advertised, with the procurement process expected to be completed in the 2012/2013 financial year.

8. CORPORATE GOVERNANCE ARRANGEMENTS

8.1 AUDIT COMMITTEE

The Audit Committee is established in accordance with section 76 and 77 of the PFMA. The committee operates in accordance with an approved audit committee charter as its terms of reference. During the period in review the committee had five (5) meetings and two special meetings, one with the Director-General and one with the Minister.



8.2 ENTERPRISE RISK MANAGEMENT

8.2.1 Risk management committee

Previously Audit and Risk Committee was the oversight body for the Department's risk management processes. A Risk Management Committee (RMC) was formally established during the current financial year with two (2) independent non-executive members with one chairing the Committee. Other members of the Committee consists of seven (7) internal senior management members formally appointed by the Accounting Officer from different programmes within the Department with a blend of skills and knowledge.

The Risk Management Committee operates in terms of its terms of reference developed in the Department's approved Risk Management Committee Charter. The Committee meets on a regular basis and shares its reports with the Audit Committee. It continues to provide objective oversight and advice on embedding of risk management culture throughout the Department.

8.2.2 Enterprise risk management

Management of risks has become essential for any institution and the Department of Communications is no exception. In carrying out its mandate, Department of Communications is faced with challenges, internally and externally and these challenges carry with them risks as well as opportunities.

The Accounting Officer is also required in terms of Section 38 (1)(a)(i) of the PFMA to have and maintain effective, efficient and transparent systems of financial and risk management and internal control. Treasury Regulation (TR) 3.2.1 requires the Accounting Officer to ensure that a risk assessment is conducted regularly to identify emerging risks for the Department. However, the extension of general responsibilities in terms of Section 45 of the PFMA to all managers within the Department implies that responsibility for risk management vests at all levels of management and that it is not limited to only the Accounting Officer.

Risk management within the Department is not only about compliance with laws and regulations but also to ensure that the risks so brought about by its challenges are reduced to acceptable appetites and tolerance levels. Thus, a comprehensive and rigor risk assessment approach has been implemented throughout the Department to ensure that all the major risks facing the Department are identified and managed. With this approach, the Department enhances its ability to fulfil its mandate and achieve its strategic goals and objectives.

The Department has continued to cultivate a culture of risk management through the ongoing support and initiatives of its Risk Management (RM) Directorate. A Risk Management Strategy and Policy have been implemented throughout the Department and encourages the integration of risk management principles in the Department's day-to-day activities/operations.

Continued integration of risk management into key decision-making processes of the Department was also achieved with the explicit inclusion of risk management principles into the Department's strategic and business planning processes.

8.2.3 Fraud prevention

Parliament has passed various laws and regulations to support the Government's fight against fraud and corruption, including but not limited to the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004), the Promotion of Administration of Justice Act (No. 3 of 2000), the Protected Disclosure Act (No. 26 of 2000), etc. In developing and implementing the Department's Fraud Prevention Strategy, the Accounting Officer has taken into consideration the above and other relevant laws and regulations.

The Department acknowledges that fraud prevention is imperative for responsible management of public funds to ensure effective service delivery, protection of public interest and maintenance of public trust. The Department has implemented a Fraud Prevention Strategy throughout the year. The Strategy is continuously reviewed and updated to take into account the Department's fraud risk profile and its stance on mitigating them.

8.3 INTERNAL AUDIT

The Department has an internal audit function that is responsible for providing assurance on risk management, governance and internal control to Management of the Department and the Audit Committee. Internal Audit reports administratively to the Accounting Officer and functionally to the Audit Committee. During the period under review, Internal Audit operated according to terms of reference and risk based internal audit plan approved by the Audit Committee. The internal audit plan was satisfactorily executed using a combination of internal and consultant's resources.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

None



10. NEW/PROPOSED ACTIVITIES

None

11. ASSET MANAGEMENT

The Asset Management Register fully complies with the minimum requirements set out in the Asset Management Framework.

12. INVENTORIES

Inventory opening and closing balances, together with movements for the year is reflected in the Annexure on Inventory. Inventory on hand was verified in April 2012 observed by the Office of the Auditor-General. Two minor discrepancies were identified and rectified immediately .

The total inventory on hand at year-end of R1,133,000, comprised mainly stationery and printing is included in the Annexure to the annual financial statements.

13. EVENTS AFTER THE REPORTING DATE

No significant events occurred after the closing date.

14. INFORMATION ON PREDETERMINED OBJECTIVES

The strategic planning process allows for the development of a 3-year Strategic Plan which is further unpacked into internal Annual Business Plans which unpacks year one targets into quarterly milestones, thus allowing for clear alignment between individual and organisational performance reporting.

The Department conducts quarterly performance monitoring and evaluation against the quarterly milestones as committed to in the Business Plan. Furthermore, the Department has established an Organisational Performance Assessment Board which interrogates organisational performance reports on a quarterly basis and makes recommendations to eliminate challenges and bottlenecks so as to improve organisational performance. The performance reports contain detailed analysis of the organizations performance and include dashboards and graphs depicting progress against the achievement of the quarterly targets as well as identification of challenges hindering performance and corrective measures.

These Quarterly performance reports are thereafter consolidated and submitted to the Minister via the Accounting Officer. The purpose of quarterly performance monitoring is to track progress against the targets committed to in the Departments' APP, report on achievements, and highlight major challenges experienced during the reporting period as well as mitigating measures in addressing these challenges.

Furthermore, evidence against all achievements are also collected as a means of conducting verification and integrity testing against reported achievements. Such evidence is also provided to the Auditor-General during its audit of performance information.

During the 2012/13 financial year, the Department plans to fully roll-out an improved electronic Organisational Performance Monitoring system which will allow for accurate and more effective management of performance information as well as related expenditure.

15. SCOPA RESOLUTIONS

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
None	None	None

16. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
None	None	None

17. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

None.

18. OTHER

Investigations


Investigations were carried out into alleged financial misconduct by the chief operations officer and chief director: finance. The matter was settled out of court on 19 January 2012 and 27 March 2012 subsequently.

19. APPROVAL

The Annual Financial Statements set out on pages 110 to 175 have been approved by the Accounting Officer.



Ms Rosey Sekese
DIRECTOR-GENERAL
31 August 2012



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 27: DEPARTMENT OF COMMUNICATIONS FOR THE YEAR ENDED 31 MARCH 2012

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Communications (DoC) set out on pages 104 to 157, which comprise the appropriation statement, statement of financial position as at 31 March 2012, the separate statement of financials performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information, and the accounting officer's report.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these separate financial statements in accordance with The Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999)(PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these separate financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Communications as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and in the requirements of the PFMA.

Emphasis of matter

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Material under spending of the budget

7. As disclosed in the appropriation statement, the department has materially under spent the budget vote by R211 million. As a consequence, the department has not achieved its objectives of developing ICT policies and legislation that stimulate and improve the sustainable economic development of all South Africans.



Irregular, fruitless and wasteful expenditure

8. As disclosed in note 30 irregular expenditure was incurred in as proper procurement procedures were not followed. An amount of R20 054 000 was incurred in the current year and R95 485 000 was incurred in previous years but identified in current year. As disclosed in note 31, fruitless and wasteful expenditure to the amount of R764 000 was incurred due to duplicate air ticket, damaged car rentals, international calls by hackers. An amount of R12 714 000 was incurred in the previous years but identified in the current year.

Additional matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

10. The supplementary information set out on pages 158 to 175 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the Department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they "present fairly". Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

PAA REQUIREMENTS

12. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 30 to 81 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.
15. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflect the facts (i.e. whether it is valid, accurate and complete).
16. There were no material findings on the annual performance reporting concerning the usefulness and reliability of the information.

Additional matter

17. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter below.

Achievement of planned targets

18. Of the total number of planned targets, only 69 targets were achieved during the year under review. As a result 70% of the total planned targets were achieved during the year under review. This was due to the vacancies at the department.



Compliance with laws and regulations

19. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA as follows:

Annual financial statements

20. The accounting officer submitted financial statement for auditing that were not prepared in all material aspects in accordance with generally accepted accounting practice (and supported by full and proper records) as required by section 40(1)(a) of the PFMA. The material misstatement identified by AGSA with regard to irregular expenditure disclosure was subsequently corrected.

Procurement and contract management

21. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
22. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids as required by Treasury Regulations 16A6.1.

Expenditure management

23. Contractual obligations and money owed by the department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the Public Finance Management Act and Treasury Regulation 8.2.3.
24. The accounting officer did not take effective steps to prevent irregular expenditure and fruitless expenditure as required by per section 38(1)(c)(ii) of the PFMA and TR 9.1.1.

Human resources management and compensation

25. Funded vacant posts were not filled within 12 months as required by Public Service Regulation 1/VII/C.1A.2.
26. Employees received overtime compensation in excess of 30% of their monthly salaries, in contravention of Public Service Regulation I/V/D.2(d).
27. Senior Managers did not sign performance agreement for the current performance period, in contravention of Public Service Regulation iiiA.
28. Appointments were made into posts which are not approved and funded as per requirements of PSR 1/III/F(a) and F(d).

Internal control

29. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for opinion, the findings of the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

30. Inadequate implementation by HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.
31. Decisive action was not taken to address appointment of employees who are outside the HR structure.

Financial and performance management

32. Decisive action was not taken in response to the risk of non-compliance with supply chain management regulations highlighted by external audit finding, by implementing controls to prevent the occurrence of irregular expenditure and fruitless and wasteful expenditure.

Governance

33. The executive authority did not take corrective action to prevent non-compliance in the human resource division by filling all critical vacancy positions during the year.

OTHER REPORTS

Investigations

34. Forensic investigation was instituted by the department to investigate the irregular expenditure reported in the auditor's report in the 09/10 financial year. They concluded that the report of Auditor-General was factually correct and they identified additional irregular, fruitless and wasteful expenditure not disclosed.

Auditor-General

Pretoria

31 July 2012



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



DEPARTMENT OF COMMUNICATIONS VOTE - 27

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2012

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.



DEPARTMENT OF COMMUNICATIONS VOTE - 27

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2012

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.



DEPARTMENT OF COMMUNICATIONS VOTE - 27

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2012

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.



DEPARTMENT OF COMMUNICATIONS VOTE - 27

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2012

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.



DEPARTMENT OF COMMUNICATIONS VOTE - 27

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2012

4.8.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.



DEPARTMENT OF COMMUNICATIONS VOTE - 27

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2012

5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

**Vote 27: Communications
Appropriation Statement
for the year ended 31 March 2012**

Appropriation per programme									
2011/12									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	148,443	-	16,112	164,555	152,952	11,603	92,9%	148,882	143,637
Transfers and subsidies	225	-	152	377	377	-	100,0%	352	351
Payment for capital assets	1,017	-	-	1,017	742	275	73,0%	993	918
Payment for financial assets	-	-	2,121	2,121	2,121	-	100,0%	708	708
	149,685	-	18,385	168,070	156,192	11,878		150,935	145,614
2. ICT International Affairs And Trade									
Current payment	37,063	-	766	37,829	37,829	-	100,0%	40,605	31,689
Transfers and subsidies	3,700	-	4	3,704	3,704	-	100,0%	3,500	3,500
Payment for capital assets	627	-	(338)	289	79	210	27,3%	513	34
	41,390	-	432	41,822	41,612	210		44,618	35,223
3. ICT Policy Development									
Current payment	77,376	(2)	(7,997)	69,377	62,421	6,956	90,0%	87,615	67,296
Transfers and subsidies	17,663	2	-	17,665	17,665	-	100,0%	22,033	22,033
Payment for capital assets	700	-	338	1,038	1,038	-	100,0%	582	383
	95,739	-	(7,659)	88,080	81,124	6,956		110,230	89,712

Appropriation per programme (continued)										
4. ICT Enterprise Development	Current payment	12,624	-	4,485	17,109	17,165	(56)	100,3%	13,036	8,725
	Transfers and subsidies	1,386,428	-	-	1,386,428	1,386,428	-	100,0%	1,604,731	1,074,831
	Payment for capital assets	264	-	-	264	208	56	78,8%	225	50
		1,399,316	-	4,485	1,403,801	1,403,801	-		1,617,992	1,083,606
5. ICT Infrastructure Development	Current payment	279,509	(4)	(22,600)	256,905	66,213	190,692	25,8%	177,519	42,452
	Transfers and subsidies	1,500	4	-	1,504	1,504	-	100,0%	1,556	1,556
	Payment for capital assets	1,035	-	-	1,035	167	868	16,1%	1,081	834
		282,044	-	(22,600)	259,444	67,884	191,560		180,156	44,842
6. Presidential National Commission	Current payment	34,075	(443)	6,957	40,589	40,533	56	99,9%	33,343	27,248
	Transfers and subsidies	-	443	-	443	443	-	100,0%	2	52
	Payment for capital assets	616	-	-	616	365	251	59,3%	725	180
		34,691	-	6,957	41,648	41,341	307		34,070	27,480
TOTAL	2,002,865	-	-	2,002,865	1,791,954	210,911	89,5%	2,138,001	1,426,477	
Reconciliation with Statement of Financial Performance										
Add: Departmental receipts					2,321,086				1,528,347	
Direct Exchequer receipts				8,427					366,509	
Aid assistance				240					-	
Actual amounts per Statement of Financial Performance (Total Revenue)				4,332,618					4,032,857	
Actual amounts per Statement of Financial Performance Expenditure					1,791,954					1,426,477

Appropriation per Economic Classification									
2011/12									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	173,213	-	-	173,213	151,585	21,628	87,5%	164,614	145,083
Goods and services	415,877	(449)	(2,293)	413,135	225,514	187,621	54,6%	336,020	175,648
Interest and rent on land	-	-	15	15	15	-	100,0%	316	316
Transfers & subsidies									
Provinces & municipalities	-	-	7	7	7	-	100,0%	7	6
Departmental agencies & accounts	692,674	-	-	692,674	692,674	-	100,0%	610,467	430,467
Universities & technikons	-	100	-	100	100	-	100,0%	-	-
Foreign governments & international organisations	-	-	6	6	6	-	100,0%	5	5
Public corporations & private enterprises	713,142	-	49	713,191	713,191	-	100,0%	1,017,873	667,973
Non-profit institutions	3,700	300	15	4,015	4,015	-	100,0%	3,723	3,723
Households	-	49	79	128	128	-	100,0%	149	149
Payment for capital assets									
Machinery & equipment	4,259	(186)	-	4,073	2,412	1,661	59,2%	4,009	2,301
Software & other intangible assets	-	186	-	186	186	-	100,0%	110	98
Payment for financial assets									
	-	-	2,122	2,122	2,121	1	100,0%	708	708
Total	2,002,865	-	-	2,002,865	1,791,954	210,911	89,5%	2,138,001	1,426,477

**Detail per programme 1 – Administration
For the year ended 31 March 2012**

Details per Sub Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Ministry									
Current payment	3,494	-	-	3,494	3,622	(128)	103,7%	3,312	3,317
1.2 Management									
Current payment	39,691	2,000	3,008	44,699	44,379	320	99,3%	39,587	36,937
Transfers and subsidies	-	-	114	114	114	-	100,0%	87	87
Payment for capital assets	610	-	-	610	534	76	87,5%	496	496
1.3 Operations									
Current payment	97,872	(2,000)	13,104	108,976	97,779	11,197	89,7%	99,052	90,294
Transfers and subsidies	225	-	38	263	263	-	100,0%	265	264
Payment for capital assets	407	-	-	407	208	199	51,1%	497	422
Payment for financial assets	-	-	2,121	2,121	2,121	-	100,0%	708	708
1.4 Property Management									
Current payment	7,386	-	-	7,386	7,172	214	97,1%	6,931	13,089
Total	149,685	-	18,385	168,070	156,192	11,878	92,9%	150,935	145,614

**Detail per programme 1 – Administration
For the year ended 31 March 2012**

Programme 1 Per Economic classification	2011/12							2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments										
Compensation of employees	70,809	-	(607)	70,202	58,598	11,604	83.5%	59,782	54,627	
Goods and services	77,634	-	16,703	94,337	94,339	(2)	100.0%	88,784	88,694	
Interest and rent on land	-	-	15	15	15	-	100.0%	316	316	
Transfers & subsidies										
Provinces & municipalities	-	-	7	7	7	-	100.0%	7	6	
Departmental agencies & accounts	225	-	-	225	225	-	100.0%	125	125	
Foreign governments & international organisations	-	-	6	6	6	-	100.0%	5	5	
Public corporations & private enterprises	-	-	49	49	49	-	100.0%	78	78	
Non-Profit institutions	-	-	15	15	15	-	100.0%	-	-	
Households	-	-	75	75	75	-	100.0%	137	137	
Payment for capital assets										
Machinery & equipment	1,017	-	-	1,017	742	275	73.0%	993	918	
Payment for financial assets										
	-	-	2,122	2,122	2,121	1	100.0%	708	708	
Total	149,685	-	18,385	168,070	156,192	11,878	92.9%	150,935	145,614	

**Detail per programme 2 – ICT International Affairs and Trade
For the year ended 31 March 2012**

Details per Sub Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 International Affairs									
Current payment	14,267	(1,424)	137	12,980	12,980	-	100,0%	17,359	8,812
Transfers and subsidies	3,700	-	2	3,702	3,702	-	100,0%	3,500	3,500
Payment for capital assets	418	-	(338)	80	38	42	47,5%	264	34
2.2 ICT Trade/Partnerships									
Current payment	22,796	1,424	629	24,849	24,849	-	100,0%	23,246	22,877
Transfers and subsidies	-	-	2	2	2	-	100,0%	-	-
Payment for capital assets	209	-	-	209	41	168	19,6%	249	-
Total	41,390	-	432	41,822	41,612	210	99,5%	44,618	35,223

**Detail per programme 2 – ICT International Affairs and Trade
For the year ended 31 March 2012**

Programme 2 Per Economic Classification	2011/12							2010/11	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	11,219	-	607	11,826	11,826	-	100,0%	15,632	10,075
Goods and services	25,844	-	159	26,003	26,003	-	100,0%	24,973	21,614
Transfers & subsidies									
Non-profit institutions	3,700	-	-	3,700	3,700	-	100,0%	3,500	3,500
Households	-	-	4	4	4	-	100,0%	-	-
Payment for capital assets									
Machinery & equipment	627	-	(338)	289	79	210	27,3%	513	34
Total	41,390	-	432	41,822	41,612	210	99,5%	44,618	35,223

**Detail per programme 3 – ICT Policy Development
For the year ended 31 March 2012**

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 ICT Policy Development									
Current payment	51,715	(3,104)	(1,556)	47,055	43,797	3,258	93,1%	62,596	50,671
Transfers and subsidies	-	-	-	-	-	-	-	143	143
Payment for capital assets	700	-	184	884	884	-	100,0%	462	338
3.2 Economic Analysis, Market Modelling And Research									
Current payment	9,464	866	(3,702)	6,610	5,943	667	89,9%	7,762	5,444
Transfers and subsidies	-	2	-	2	2	-	100,0%	-	-
Payment for capital assets	-	-	8	8	8	-	100,0%	74	-
3.3 ICT Update And Usage									
Current payment	6,193	814	-	7,007	4,129	2,878	58,9%	6,678	4,159
Transfers and subsidies	-	-	-	-	-	-	-	40	40
Payment for capital assets	-	-	-	-	-	-	-	8	8
3.4 Intergovernmental Relations									
Current payment	10,004	1,422	(2,721)	8,705	8,552	153	98,2%	10,579	7,022
Payment for capital assets	-	-	146	146	146	-	100,0%	38	37
3.5 SABC: Community Radio Stations									
Transfers and subsidies	7,663	-	-	7,663	7,663	-	100,0%	6,850	6,850
3.6 SABC: Programme Production									
Transfers and subsidies	10,000	-	-	10,000	10,000	-	100,0%	15,000	15,000
Total	95,739	-	(7,659)	88,080	81,124	6,956	92,1%	110,230	89,712

**Detail per programme 3 – ICT Policy Development
For the year ended 31 March 2012**

Programme 3 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	33,412	-	1,265	34,677	34,371	306	99,1%	34,737	34,249
Goods and services	43,964	(2)	(9,262)	34,700	28,051	6,649	80,8%	52,878	33,047
Transfers & subsidies									
Public corporations & private enterprises	17,663	-	-	17,663	17,663	-	100,0%	21,853	21,853
Non-profit institutions	-	-	-	-	-	-	-	173	173
Households	-	2	-	2	2	-	100,0%	7	7
Payment for capital assets									
Machinery & equipment	700	-	338	1,038	1,037	1	99,9%	582	383
Total	95,739	-	(7,659)	88,080	81,124	6,956	92,1%	110,230	89,712

**Detail per programme 4 – ICT Enterprise Development
For the year ended 31 March 2012**

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Public Entity Oversight									
Current payment	5,837	(630)	-	5,207	4,073	1,134	78,2%	5,751	5,026
Transfers and subsidies	1,386,428	-	-	1,386,428	1,386,428	-	100,0%	1,604,731	1,074,831
Payment for capital assets	-	22	-	22	22	-	100,0%	20	17
4.2 Small Medium And Micro Enterprise Development									
Current payment	6,787	630	4,485	11,902	13,092	(1,190)	110,0%	7,285	3,699
Payment for capital assets	264	(22)	-	242	186	56	76,9%	205	33
Total	1,399,316	-	4,485	1,403,801	1,403,801	-	100,0%	1,617,992	1,083,606

**Detail per programme 4 – ICT Enterprise Development
For the year ended 31 March 2012**

Programme 4 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	7,082	-	-	7,082	4,392	2,690	62,0%	6,784	4,241
Goods and services	5,542	-	4,485	10,027	12,773	(2,746)	127,4%	6,252	4,484
Transfers & subsidies									
Departmental agencies & accounts	690,949	-	-	690,949	690,949	-	100,0%	608,842	428,842
Public corporations & private enterprises	695,479	-	-	695,479	695,479	-	100,0%	995,887	645,987
Household	-	-	-	-	-	-	-	2	2
Payment for capital assets									
Machinery & equipment	264	(186)	-	78	22	56	28,2%	190	27
Software & other intangible assets	-	186	-	186	186	-	100,0%	35	23
Total	1,399,316	-	4,485	1,403,801	1,403,801	-	100,0%	1,617,992	1,083,606

**Detail per programme 5 – ICT Infrastructure Development
For the year ended 31 March 2012**

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Applications And Research									
Current payment	162,019	(4)	(3,608)	158,407	62,903	95,504	39,7%	65,619	40,294
Transfers and subsidiaries	-	4	-	4	4	-	100,0%	56	56
Payment for capital assets	1,035	-	-	1,035	167	868	16,1%	1,081	834
5.2 112 Emergency Call Centre									
Current payment	117,490	-	(18,992)	98,498	3,310	95,188	3,4%	111,900	2,158
5.3 Za Domain Name Authority									
Transfers and subsidiaries	1,500	-	-	1,500	1,500	-	100,0%	1,500	1,500
Total	282,044	-	(22,600)	259,444	67,884	191,500	26,2%	180,156	44,842

**Detail per programme 5 – ICT Infrastructure Development
For the year ended 31 March 2012**

Programme 5 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	32,287	-	-	32,287	25,515	6,772	79,0%	30,287	26,007
Goods and services	247,222	(4)	(22,600)	224,618	40,698	183,920	18,1%	147,232	16,445
Transfers & subsidies									
Departmental agencies & accounts	1,500	-	-	1,500	1,500	-	100,0%	1,500	1,500
Public corporations & private enterprises	-	-	-	-	-	-	-	55	55
Households	-	4	-	4	4	-	100,0%	1	1
Payment for capital assets									
Machinery & equipment	1,035	-	-	1,035	167	868	16,1%	1,006	759
Software & other intangible assets	-	-	-	-	-	-	-	75	75
Total	282,044	-	(22,600)	259,444	67,884	191,560	26,2%	180,156	44,842

**Detail per programme 6 – Presidential National Commission
For the year ended 31 March 2012**

Details per Sub-Programme	2011/12							2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
6.1 Planning Coordination and Evaluation										
Current payment	6,484	(3,298)	(307)	2,879	2,833	46	98,4%	4,237	2,541	
Payment for capital assets	195	-	-	195	-	195	-	114	-	
6.2 E-Application										
Current payment	15,285	2,895	(393)	17,787	17,577	210	98,8%	17,359	14,889	
Transfers and subsidiaries	-	200	-	200	200	-	100,0%	-	50	
Payment for capital assets	-	-	-	-	-	-	-	114	-	
6.3 ISAD Cluster										
Current payment	3,726	2,503	7,657	13,886	14,086	(200)	101,4%	4,956	3,969	
Transfers and subsidiaries	-	200	-	200	200	-	100,0%	-	-	
Payment for capital assets	361	(305)	-	56	-	56	-	116	-	
6.4 PNC Operations										
Current payment	8,580	(2,543)	-	6,037	6,037	-	100,0%	6,791	5,849	
Transfers and subsidiaries	-	43	-	43	43	-	100,0%	2	2	
Payment for capital assets	60	305	-	365	365	-	100,0%	381	180	
Total	34,691	-	6,957	41,648	41,341	307	99,3%	34,070	27,480	

**Detail per programme 6 – Presidential National Commission
For the year ended 31 March 2012**

Programme 6 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	18,404	-	(1,265)	17,139	16,883	256	98,5%	17,392	15,884
Goods and services	15,671	(443)	8,222	23,450	23,650	(200)	100,9%	15,901	11,364
Transfers & subsidies									
Universities & technicians	-	100	-	100	100	-	100,0%	-	-
Non-profit institutions	-	300	-	300	300	-	100,0%	50	50
Households	-	43	-	43	43	-	100,0%	2	2
Payment for capital assets									
Machinery & equipment	616	-	-	616	365	251	59,3%	725	180
Total	34,691	-	6,957	41,648	41,341	307	99,3%	34,070	27,480



Vote 27 - COMMUNICATIONS
Notes to the Appropriation Statement
For the year ended 31 March 2012

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in the note to Financial transactions in assets and liabilities to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after virement):

4.1

Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%

Administration	168,070	156,192	11,878	92,9%
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The under spending is mainly under compensation of employees. This is due to the moratorium held in the department. The department only started with the filling of the positions towards the end of the financial year hence the under spending in this programme.

ICT International Affairs and Trade	41,822	41,612	210	99,5%
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ICT Policy Development	88,080	81,124	6,956	92,1%
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The under spending is on goods and services due to the market study on Broadcasting that was not conducted as planned, the finalization of the Electronic Communications Amendment Bill and a study on the alternative funding model were delayed. No projects were rolled out in the Uptake and Usage due to the chief directorate not having warm bodies.

ICT Enterprise Development	1,403,801	1,403,801	-	100,0%
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ICT Infrastructure Development	259,444	67,884	191,560	26,2%
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The bulk of the under spending is goods and services as a result of the non-implementation of 112 Emergency Call Centre due to the delay by National Treasury in providing approval on the project feasibility and also on Broadband allocation due to the delay by the Departmental Bid Adjudication Committee in approving the tender.

Presidential National Commission	41,648	41,341	307	99,3%
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Vote 27 - COMMUNICATIONS
Notes to the Appropriation Statement (continued)
For the year ended 31 March 2012

4.2	Per economic classification:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	%
	Current expenditure				
	Compensation of employees	173,213	151,585	21,628	87,5%
	Goods and services	413,135	225,514	187,621	54,6%
	Interest and rent on land	15	15	-	100,0%
	Transfers and subsidies				
	Provinces and municipalities	7	7	-	100,0%
	Departmental agencies and accounts	692,674	692,674	-	100,0%
	Universities and technikons	100	100	-	100,0%
	Foreign governments and international organisations	6	6	-	100,0%
	Public corporations and private enterprises	713,191	713,191	-	100,0%
	Non-profit institutions	4,015	4,015	-	100,0%
	Households	128	128	-	100,0%
	Payments for capital assets				
	Machinery and equipment	4,073	2,412	1,661	59,2%
	Software and other intangible assets	186	186	-	100,0%
	Payments for financial assets	2,122	2,121	1	100,0%

The main under spending is on 112 Emergency Call Centre as well as Broadband due to the non-implementation of 112 Emergency Call Centre due to the delay by National Treasury in providing approval on the project feasibility and also on Broadband allocation due to the delay by the Departmental Bid Adjudication Committee in approving the tender. The under spending on compensation of employees is due to the moratorium held as well as revised organizational structure on non-sms level which is still on process.



Vote 27 - COMMUNICATIONS
Statement of Financial Performance
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	1	2,002,865	2,138,001
Departmental revenue	2	2,321,086	1,528,347
Direct Exchequer Receipts	3	8,427	366,509
Aid assistance	4	240	-
TOTAL REVENUE		4,332,618	4,032,857
EXPENDITURE			
Current expenditure		377,114	321,047
Compensation of employees	5	151,585	145,083
Goods and services	6	225,514	175,648
Interest and rent on land	7	15	316
Transfers and subsidies		1,410,121	1,102,323
Transfers and subsidies	9	1,410,121	1,102,323
Expenditure for capital assets		2,598	2,399
Tangible capital assets	10	2,412	2,301
Software and other intangible assets	10	186	98
Payments for financial assets	8	2,121	708
TOTAL EXPENDITURE		1,791,954	1,426,477
SURPLUS/(DEFICIT) FOR THE YEAR		2,540,664	2,606,380
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		210,911	711,524
Annual appropriation	18	210,911	711,524
Departmental revenue	19	2,321,086	1,528,347
Direct Exchequer Receipts	3	8,427	366,509
Aid Assistance	4	240	-
SURPLUS/(DEFICIT) FOR THE YEAR		2,560,664	2,606,380



Vote 27 - COMMUNICATIONS
Statement of Financial Position
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current Assets		216,049	722,008
Cash and cash equivalents	12	205,891	712,085
Prepayments and advances	14	2,049	630
Receivables	15	8,109	9,293
Non-Current Assets		14,472,822	14,472,822
Investments	16	14,445,160	14,445,160
Loans	17	27,391	27,391
Other financial assets	13	271	271
TOTAL ASSETS		14,688,871	15,194,830
LIABILITIES			
Current Liabilities		213,300	720,788
Voted funds to be surrendered to the Revenue Fund	18	210,911	711,524
Departmental revenue to be surrendered to the Revenue Fund	19	1,926	2,728
Direct Exchequer Receipts to be surrendered to the Revenue Fund	20	150	4,176
Payables	21	73	568
Aid assistance unutilised	4	240	1,792
TOTAL LIABILITIES		213,300	720,788
NET ASSETS		14,475,571	14,474,042
Represented by:			
Capitalisation reserve		14,472,551	14,472,551
Recoverable revenue		3,020	1,491
TOTAL		14,475,571	14,474,042



Vote 27 - COMMUNICATIONS
Statement of Changes in Net Assets
For the year ended 31 March 2012

		2011/12	2010/11
	Note	R'000	R'000
Capitalisation Reserves			
Opening balance		14,472,551	14,472,551
Transfers:			
Other movements		-	-
Closing balance		<u>14,472,551</u>	<u>14,472,551</u>
Recoverable revenue			
Opening balance		1,491	1,124
Transfers		1,529	367
Irrecoverable amounts written off	8.2	-	79
Debts recovered (included in departmental receipts)		(306)	(885)
Debts raised		1,835	1,173
Closing balance		<u>3,020</u>	<u>1,491</u>
TOTAL		<u><u>14,475,571</u></u>	<u><u>14,474,042</u></u>



Vote 27 - COMMUNICATIONS
Cash Flow Statement
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2,914,342	3,039,029
Annual appropriated funds received	1.1	2,002,865	2,138,001
Departmental revenue received		902,810	534,519
Direct Exchequer receipts	3	8,427	366,509
Aid assistance	4	240	-
Net (increase)/ decrease in working capital		(730)	(2,097)
Surrendered to Revenue Fund		(3,045,865)	(2,184,142)
Surrendered to RDP Fund/Donor		(1,792)	(1,097)
Current payments		(377,114)	(321,047)
Payments for financial assets		(2,121)	(708)
Transfers and subsidies paid		(1,410,121)	(1,102,323)
Net cash flow available from operating activities	22	(1,923,401)	(572,385)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	10	(2,598)	(2,399)
Net cash flows from investing activities		(2,598)	(2,399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		1,418,276	993,828
Increase/ (decrease) in net assets		1,529	367
Net cash flows from financing activities		1,419,805	994,195
Net increase/ (decrease) in cash and cash equivalents		(506,194)	419,411
Cash and cash equivalents at beginning of period		712,085	292,674
Cash and cash equivalents at end of period	12	205,891	712,085



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements
For the year ended 31 March 2012

1 Annual Appropriation

1.1 Annual Appropriation

2011/12

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ R'000	Appropriation Received 2010/11 R'000
Administration	168,070	168,070	-	159,001
ICT International affairs and trade	41,822	41,822	-	44,618
ICT Policy development	88,080	88,080	-	102,164
ICT Enterprise development	1,403,801	1,403,801	-	1,617,992
ICT Infrastructure development	259,444	259,444	-	180,156
Presidential National Commission	41,648	41,648	-	34,070
Total	2,002,865	2,002,865	-	2,138,001

2 Departmental Revenue

	Note	2011/12 R'000	2010/11 R'000
Sales of goods and services other than capital assets	2.1	889,729	531,258
Interest, dividends and rent on land	2.2	1,420,768	996,294
Financial transactions in assets and liabilities	2.3	589	709
Transfer received	2.4	-	86
Total revenue collected		<u>2,321,086</u>	<u>1,528,347</u>
Departmental revenue collected		<u>2,321,086</u>	<u>1,528,347</u>

Sales of goods and services other than capital assets: The increase is mainly due to the implementation of the General License Fees Regulations by ICASA.

Interest, dividends and rent on land: The increase is mainly due to the dividend rate per share of Telkom SA Limited that increased from 125 cents per share to 145 cents per share and Vodacom Group Limited that increased from 175 cents per share to 280 cents per share in July 2011 and 260 cents per share in December 2011.



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		899,729	531,258
Sales by market establishment		98	70
Administrative fees		899,597	531,079
Other sales		34	109
Sales of scrap, waste and other used current goods		-	-
Total		899,729	531,258
2.2 Interest, dividends and rent on land	2		
Interest		2,492	2,466
Dividends		1,418,276	993,828
Total		1,420,768	996,294
2.3 Transactions in financial assets and liabilities	2		
Receivables		127	473
Other Receipts including Recoverable Revenue		462	236
Total		589	709
2.4 Transfers received	2		
Public corporations and private enterprises		-	86
		-	86
3 Direct Exchequer Receipts			
Transfers received		8,427	4,176
Interest and dividends		-	362,333
		8,427	366,509
<p>The decrease is mainly due to no special dividends received from Telkom or Vodacom. The amount of R8, 427 is in respect of revenue received by ICASA which could not be allocated.</p>			
4 Aid Assistance			
4.1 Aid assistance received in cash from RDP			
Local			
Opening Balance		1,792	1,792
Revenue		-	-
Surrendered to RDP Fund		(1,792)	-
Closing Balance		-	1,792



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
4.2 Aid assistance received in cash from RDP			
Foreign			
Opening Balance		-	-
Revenue		240	-
Surrendered to the Donor		-	-
Closing Balance		240	-
4.3 Aid assistance received in cash from other sources			
Local			
Opening Balance		-	1,097
Revenue		-	-
Surrendered to the Donor		-	(1,097)
Closing Balance		-	-
4.4 Total			
Opening Balance		1,792	2,889
Revenue		240	-
Surrendered/Transferred to retained funds		(1,792)	(1,097)
Closing Balance		240	1,792
4.5 Analysis of balance			
Aid assistance repayable		240	1,792
RDP		240	1,792
Other sources		-	-
Closing balance		240	1,792
Unspent donor funds of SA Post Office Ltd and Vodacom surrendered to the RDP Fund in accordance with section 5 of the RDP Act.			
5 Compensation of Employees			
5.1 Salaries and wages			
Basic salary		95,069	90,255
Performance award		3,524	3,074
Service Based		157	516
Compensative/circumstantial		3,661	2,945
Periodic payments		-	274
Other non-pensionable allowances		31,720	31,857
Total		134,131	128,921



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
5.2 Social Contributions			
Employer contributions			
Pension		12,576	11,853
Medical		4,862	4,292
Bargaining council		16	17
Total		17,454	16,162
Total compensation of employees		151,585	145,083
Average number of employees		314	305
6 Goods and services			
Administrative fees		2,423	960
Advertising		9,100	7,390
Assets less than R5,000	6.1	993	564
Bursaries (employees)		414	375
Catering		2,178	1,546
Communication		5,055	5,912
Computer services	6.2	3,345	6,104
Consultants, contractors and agency/outsourced services	6.3	72,320	44,023
Entertainment		126	109
Audit cost – external	6.4	6,241	3,304
Fleet services		553	70
Inventory	6.5	5,636	5,661
Operating leases		36,901	39,554
Property payments	6.6	9,340	10,604
Rental and Hiring		1,481	1,668
Travel and subsistence	6.7	35,770	25,535
Venues and facilities		8,139	2,768
Training and staff development		10,827	4,400
Other operating expenditure	6.8	14,672	15,101
Total		225,514	175,648

Administrative fees: Increase mainly due to fees payable to travel agency.

Advertising: The increase is mainly due to recruitment advertisements.

Training and staff development: The increase is mainly due to training of non-employees on training programme ICT Reporting - Highway Africa Conference 2011, of youth and entrepreneurs in ICT skills, e-literacy programme for youth offenders, E-Caders.



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
6.1 Assets less than R5,000	6		
Tangible assets		993	538
Machinery and equipment		993	538
Intangible assets		-	26
Total		993	564
6.2 Computer services	6		
SITA computer services		2,248	2,046
External computer service providers		1,097	4,058
Total		3,345	6,104
<p>External computer service providers: The decrease is mainly due to the development of an e-commerce platform for small enterprises in the 2010/2011 financial year.</p>			
6.3 Consultants, contractors and agency/outsourced services	6		
Business and advisory services		57,099	34,640
Legal costs		1,172	3,328
Contractors		14,012	4,412
Agency and support/outsourced services		37	1,643
Total		72,320	44,023
<p>Business and advisory services: The increase is mainly due to: (a) MoU signed for R30 million (2011/12 paid R10 million) between the department and SABS to perform hardware and software conformance tests of locally manufactured Set Top Boxes and to advise; (b) MoU signed for R 44,5 million (2011/12 paid R10 million) between the department and CSIR to manage the a "Cybersecurity Hub" project on behalf of the department; (c) Agreements signed for R12 million (R3 million each) with Walter Sisulu University, University of Pretoria, Vaal University of Technology and Durban University of Technology to manage the e-Skills knowledge Production and Coordination Hubs; and (d) A payment to Media Corner for R5 million to undertake and exercise of profiling and show-case the work of SOEs within the Communications Portfolio for 24 months.</p> <p>Legal costs: The decrease is mainly due to invoices of approximately R1.8 million in respect of 2009/10 paid in 2010/11.</p> <p>Contractors: The increase is mainly due to the 2011 ICT Career Expo and ICT Indaba. A payment of R10 Million was made to Carol Bower Productions based on a MOU that was signed on the 12 January 2012 as a contribution to the hosting of an ICT Indaba in the country. The Department partnered with Carol Bower Productions.</p>			
6.4 Audit cost – external	6		
Regularity audits		3,671	2,869
Performance audits		666	-
Investigations		1,904	435
Total		6,241	3,304
<p>The increase is mainly due to forensic investigations by Gobodo and performance audits by Hopelafleur HCN Communications Network of the National Radio Frequency Spectrum between 500 MHz and 1000 GHz conducted at the department.</p> <p>Regularity audits: R1,7 million is in respect of previous year audit invoices.</p>			



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
6.5 Inventory	6		
Fuel, oil and gas		4	661
Other consumable materials		155	101
Maintenance material		41	15
Stationery and printing		5,435	4,883
Medical supplies		1	1
Total		5,636	5,661
6.6 Property Payments	6		
Municipal services		2,945	4,112
Property maintenance and repairs		564	228
Other		5,831	6,264
Total		9,340	10,604
The cleaning and security services for the property are included under other.			
6.7 Travel and subsistence	6		
Local		22,207	13,771
Foreign		13,563	11,764
Total		35,770	25,535
The increase in is mainly due to:			
(a) the 2011 ICT career expo;			
(b) the ICT Colloquium;			
(c) the Global Internet Governance Forum that took place in September 2011 in Kenea;			
(d) the Telecom World – 2011 which is an International Telecommunication Union event that took place in October 2011 in Geneva;			
(e) World Radio Conference – 2012 which is an International Telecommunication Union event that took place in January 2012 and February 2012 in Geneva; and			
(f) various other projects that were launched for previously disadvantage communities.			
6.8 Other operating expenditure	6		
Learnership		1,951	285
Professional bodies, membership and subscription fees		11,967	14,471
Resettlement costs		-	23
Other		754	322
Total		14,672	15,101
Other operating expenditure: The decrease is mainly due to membership fees to Universal Postal Union paid in the 2012/2013 financial year.			



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
7 Interest and Rent on Land			
Interest paid		15	316
		15	316
The decrease is mainly due to an improvement in turnaround times of paying suppliers.			
8 Payments for financial assets			
Material losses through criminal conduct		1,273	2
Theft	8.3	1,273	2
Other material losses written off	8.1	842	543
Debts written off	8.2	-	159
Forex losses	8.4	6	4
Total		2,121	708
8.1 Other material losses written off	8		
Nature of losses			
Recruitment advertisements		327	-
Vehicle excess payments		11	11
No shows		41	6
Interest on late payment – Bankfin		-	2
Cancellation fee		26	1
Interest on late payment of UPU membership fees		-	520
Damaged rented vehicles		425	-
Damaged departmental vehicles		4	-
Other		8	3
Total		842	543

The increase is mainly due to fruitless and wasteful expenditure with regard to recruitment advertisements written off and damages to a rented vehicle.



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
8.2 Debts written off	8		
Nature of debts written off			
Recoverable revenue written off	<i>Stat Chg in NA</i>		
Test debtors		-	75
Income tax		-	4
Total		<u>-</u>	<u>79</u>
Other debts written off			
Income tax		-	1
Salary overpayments		-	50
Interest on late payment		-	29
Total		<u>-</u>	<u>80</u>
Total debt written off		<u><u>-</u></u>	<u><u>159</u></u>
8.3 Details of theft	8		
Nature of theft			
Cellular phone		-	2
Voice recorder		1	-
International Calls on departments PABX system		1,272	-
		<u>1,273</u>	<u>2</u>
International calls to the amount of 1 272 002.81 made from the Departments PABX system by hackers was written off in the 2011/2012 financial year. This matter was reported and investigated by the NPA.			
8.4 Forex losses	8		
Nature of losses			
Foreign exchange - travel and subsistence		6	4
Total		<u>6</u>	<u>4</u>
9 Transfers and Subsidies			
Provinces and municipalities	<i>Annex 1A</i>	7	6
Departmental agencies and accounts	<i>Annex 1B</i>	692,674	430,467
Public corporations and private enterprises	<i>Annex 1C</i>	713,192	667,973
Non-profit institutions	<i>Annex 1 D</i>	3,700	3,500
Households	<i>Annex 1E</i>	127	125
Gifts, donations and sponsorships made	<i>Annex 1F</i>	421	252
Total		<u><u>1,410,121</u></u>	<u><u>1,102,323</u></u>

Departmental Agencies and Accounts: The increase is mainly due to subsidise set top boxes for poor households by the Universal Services and Access Fund.



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
10 Expenditure for capital assets			
Tangible assets		2,412	2,301
Machinery and equipment	37.1	2,412	2,301
Software and other intangible assets		186	98
Computer software	38.1	186	98
Total		2,598	2,399

10.1 Analysis of funds utilised to acquire capital assets - 2011/12

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	2,412	-	2,412
Machinery and equipment	2,412	-	2,412
Software and other intangible assets	186	-	186
Computer software	186	-	186
Total	2,598	-	2,598

10.2 Analysis of funds utilised to acquire capital assets - 2010/11

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	2,301	-	2,301
Machinery and equipment	2,301	-	2,301
Software and other intangible assets	98	-	98
Computer software	98	-	98
Total	2,399	-	2,399

11 Fruitless and wasteful expenditure

11.1 Reconciliation of fruitless and wasteful expenditure

Opening balance	-	526
Less: Amounts condoned	-	(526)
Current	-	(526)
Fruitless and wasteful expenditure awaiting condonement	-	-



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	2011/12	2010/11
Note	R'000	R'000
12 Cash and Cash Equivalents		
Consolidated Paymaster General Account	203,765	694,762
Cash on hand	35	35
Cash with commercial banks (Local)	2,091	17,288
Total	205,891	712,085

The decrease is mainly due to under spending of voted funds in the 2010/2011 financial year for the department. See the notes to the appropriation statement for under spending figures and explanations per programme and economic classification for the 2011/2012 financial year.

13 Other Financial Assets

Non-Current

Local

Deposits	200	200
Total	200	200

Foreign

Deposits	71	71
Total	71	71

Total Non-Current other financial assets

271	271
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Foreign: Deposits paid by International Relations on hired accommodation for an employee stationed in Paris, France.

14 Prepayments and Advances

Travel and subsistence	691	301
Advances paid to other entities	1,358	329
Total	2,049	630

The increase is mainly due to advances paid to other departments such as International Relations and Cooperations and Government Communication and Information Systems for rendering services and payments on behalf of the department as well as an increase in the number of T&S advances issued by 31 March 2012.



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12			Total R'000	2010/11 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
15 Receivables						
Claims recoverable	15.1 Annex 4	-	-	-	-	55
Recoverable expenditure	15.2	-	1,649	-	1,649	2,921
Staff debt	15.3	56	44	33	133	631
Other debtors	15.4	1,601	2,393	2,333	6,327	5,686
		1,657	4,086	2,366	8,109	9,293
					2011/12	2010/11
				Note	R'000	R'000
15.1 Claims recoverable				15		
National departments					-	12
Public entities					-	43
Total					-	55
15.2 Recoverable expenditure				15		
Disallowance payments - fraud					1,649	2,921
					1,649	2,921
Fraudulent orders and invoices from Uniglobe to the amount of R1 649 120.49.						
15.3 Staff debt				15		
Debt accounts					133	631
Total					133	631
The decrease is mainly due to the overpayment of the 10% HOD non pensionable allowance payable to two acting Director Generals of which amounts were recovered in the 2011/2012 financial year.						
15.4 Other debtors				15		
Ex-employees					938	780
Test equipment					-	144
Suppliers					5,158	3,505
Clearing accounts					-	983
SARS income tax					221	274
Non-employees					10	-
Total					6,327	5,686

Suppliers: The increase is mainly due to interest charged on debts in respect of the travel agency Templemore Trading (Uniglobe) pending a court case and an overpayment of R 1.3 million to Eclipse Networks



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
16 Investments			
Non-Current			
Shares and other equity			
Telkom SA Limited		2,070,380	2,070,380
South African Post Office Limited		200,940	200,940
Sentech (Pty) (Ltd)		1	1
Vodacom Group Limited		12,173,839	12,173,839
Total		14,445,160	14,445,160
Total non-current		14,445,160	14,445,160
Analysis of non-current investments			
Opening balance		14,445,160	14,445,160
Non-cash movements		-	-
Closing balance		14,445,160	14,445,160
<p>In the 2004/2005 financial year an amount of R750 million was paid to the South African Post Office to facilitate the corporatization of the Postbank. The issuing of the shares in this regard however is not permitted in terms of the Post Office Act. The Post Office have disclosed the funds under capital and reserves as funds received from the shareholder until such time as the necessary changes have been made to the Post Office Act to permit the issuing of shares by the company.</p>			
17 Loans			
Public corporations		27,391	27,391
Total		27,391	27,391
Analysis of Balance			
Opening balance		27,391	27,391
Closing balance		27,391	27,391
<p>The amount of R27,4 million was made available to the SABC as permanent capital and is not repayable. Interest at 6% per annum is payable on the loan amount. Section 30 (2) of the Exchequer Act, (Act No 66 of 1975) refers.</p>			
18 Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		711,524	168,582
Transfer from statement of financial performance		210,911	711,524
Paid during the year		(711,524)	(168,582)
Closing balance		210,911	711,524
<p>The decrease is mainly due to under spending of voted funds in the 2010/2011 financial year for the department. See the notes to the appropriation statement for under spending figures and explanations per programme and economic classification for the 2011/2012 financial year.</p>			



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	2011/12	2010/11
Note	R'000	R'000
19 Departmental revenue to be surrendered to the Revenue Fund		
Opening balance	2,728	127,608
Transfer from Statement of Financial Performance	2,321,086	1,528,347
Paid during the year	(2,321,888)	(1,653,227)
Closing balance	1,926	2,728

The decrease is as a result of revenue paid in time to the department's bank account by ICASA and subsequently transferred to the National Revenue Fund before 31 March 2012.

20 Direct Exchequer receipts to be surrendered to the Revenue Fund		
Opening balance	4,176	-
Transfer from Statement of Financial Performance	8,427	366,509
Paid during the year	(12,453)	(362,333)
Closing balance	150	4,176

The decrease is as a result of direct exchequer revenue paid in time to the department's bank account by ICASA and subsequently transferred to the National Revenue Fund before 31 March 2012.

21 Payables - current			
Clearing accounts	21.1	25	39
Other payables	21.2	48	529
Total		73	568
21.1 Clearing accounts	21		
Clearing amounts		25	39
		25	39
21.2 Other payables	21		
Salary deductions		5	27
SARS – USF License fees		15	502
State Guarantee refund		28	-
Total		48	529

The decrease is mainly due to Universal Service Fund contributions of R0,502 thousand rand paid into the Departments account on 31 March 2011 by ICASA which could not be transferred to the South African Revenue Services on or before 31 March 2011.



Vote 27 - COMMUNICATIONS
Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	2011/12	2010/11
Note	R'000	R'000
22 Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	2,540,664	2,606,380
Add back non cash/cash movements not deemed operating activities	(4,464,065)	(3,178,765)
(Increase)/decrease in receivables – current	1,184	(2,715)
(Increase)/decrease in prepayments and advances	(1,419)	652
(Increase)/decrease in other current assets	-	526
Increase/(decrease) in payables – current	(495)	(560)
Proceeds from sale of investments	(1,430,729)	(1,356,161)
Expenditure on capital assets	2,598	2,399
Surrenders to Revenue Fund	(3,033,412)	(1,821,809)
Surrenders to RDP Fund/Donor	(1,792)	(1,097)
Net cash flow generated by operating activities	(1,923,401)	(572,385)
23 Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General account	203,765	694,762
Cash on hand	35	35
Cash with commercial banks (Local)	2,091	17,288
Total	205,891	712,085



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements
For the year ended 31 March 2012

		2011/12	2010/11
		R'000	R'000
		Note	
24	Contingent liabilities		
	Liable to	Nature	
	Housing loan guarantees	Employees	
		<i>Annex 3A</i>	219 332
	Other guarantees		
		<i>Annex 3A</i>	973,995 1,090,332
	Claims against the department		
		<i>Annex 3B</i>	400,607 381,453
	Other departments (interdepartmental unconfirmed balances)		
		<i>Annex 5</i>	- 96
	Total		1,374,821 1,472,213

The decrease is mainly due to repayments by the SABC on the Nedcor bank loan. See annexure 3 for more detail of the loan.

25	Commitments		
	Current expenditure	71,951	30,093
	Approved and contracted	65,706	13,812
	Approved but not yet contracted	6,245	16,281
	Capital Expenditure	1,536	1,294
	Approved and contracted	1,536	-
	Approved but not yet contracted	-	1,294
	Total Commitments	73,487	31,387

Commitments for longer than a year:

Order Number	Expiry Date	Amount
OR-008107	2013-04-30	R1,613
OR-008203	2013-12-31	R1,162
OR-008363	2013-06-30	R2,093
OR-008809	2012-09-30	R7,929
OR-008838	2012-12-31	R5,500
OR-008839	2014-01-01	R12,690
OR-008881	2012-06-01	R489
OR-008972	2015-08-31	R9,500
Total		R40,976



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

26 Accruals

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	9,037	9,079	18,116	5,461
Capital assets	-	-	-	87
Total	9,037	9,079	18,116	5,548

Listed by programme level	Note	2011/12 R'000	2010/11 R'000
Administration		5,720	2,507
ICT International Affairs and Trade		3,765	845
ICT Policy Development		992	374
ICT Enterprise Development		134	23
ICT Infrastructure Development		2,510	1,264
Presidential National Commission		4,995	535
Total		18,116	5,548

Reasons for material accruals:	Amount
Payment not processed due to bank detail not active	R1,903
Payment not processed due to address and entity name	R3,447
Payment not processed due to funds	R3,614
Total	R8,964

Confirmed balances with departments	Annex 5	388	754
Total		388	754

27 Employee benefits

Leave entitlement	4,049	3,464
Service bonus (Thirteenth cheque)	3,421	3,269
Performance awards	3,483	3,074
Capped leave commitments	2,734	2,606
Total	13,687	12,413



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

28 Lease commitments

28.1 Operating leases expenditure

2011/12	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	2,596	2,596
Later than 1 year and not later than 5 years	-	-	2,661	2,661
Total lease commitments	-	-	5,257	5,257

2010/11	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	1,953	1,953
Later than 1 year and not later than 5 years	-	-	2,444	2,444
Total lease commitments	-	-	4,397	4,397

	Note	2011/12 R'000	2010/11 R'000
29 Receivables for departmental revenue			
Sales of goods and services other than capital assets		8,189	6,933
		8,189	6,933

The increase is mainly due to revenue collected before 31 March 2011 by ICASA paid over to the departments account before 31 March 2011.

29.1 Analysis of receivables for departmental revenue

	Note	2011/12 R'000	2010/11 R'000
Opening balance		6,933	-
Less: Amounts received		6,933	-
Add: Amounts recognised		8,189	6,933
Closing balance		8,189	6,933

30 Irregular expenditure

30.1 Reconciliation of irregular expenditure

	Note	2011/12 R'000	2010/11 R'000
Opening balance		32,516	28,111
Add: Irregular expenditure - relating to prior year		95,485	1,557
Add: Irregular expenditure - relating to current year		20,054	2,848
Less: Amounts condoned		(31,354)	-
Less: Amounts not recoverable (not condoned)		-	-
Irregular expenditure awaiting condonation		116,701	32,516



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	2011/12	2010/11
Note	R'000	R'000
Analysis of awaiting condonation per age classification		
Current year	115,473	4,405
Prior years	1,228	28,111
Total	116,701	32,516

The increase is mainly due to the irregular appointment of travel agencies in the past. See details in 30.2 below.

A complete irregular expenditure register exist with detail information with regard to the above.

		2011/12
		R'000
30.2 Details of irregular expenditure – current year		
Incident	Disciplinary steps taken/criminal proceedings	
Current year		
Treasury Regulation 12.1.2 not adhered to. Exceed the R250 000 limit	In process	5
Procurement procedures not followed	In process	160
Overtime exceeding 30% of monthly salary	In process	108
Employees appointed on additional posts	In process	11,463
Employees appointed on unfunded posts	In process	2,476
Procurement procedures not followed	In process	842
Procurement procedures not followed	In process	5,000
Previous financial year		
Procurement procedures not followed - trip not authorized	In process	26
Procurement procedures not followed - irregular appointment of travel agents	In process	66,698
Procurement procedures not followed - irregular appointment of special advisor	In process	1,069
Procurement procedures not followed - Did not obtain approval for deviation of additional amount paid	In process	8,701
Avis car rental – Unauthorized trip	In process	4
Procurement procedures not followed - transactions on American express card due to irregular appointment of travel agent.	In process	18,987
		115,539



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

		2011/12
		R'000
Previous years:		
Lease: 112 Call centre	In process	7,095
Plan B subletting: 112 Call center	In process	1,042
Uniglobe: Nepad conference	In process	1,657
International calls made from the Departments PABX system by hackers	None. Amount written off. See note 8.3	1,272
Overpayment to Eclipse Networks.	In process. The amount was transferred to receivables for recovery from the supplier. See note 15.4 of the notes to the financial statements.	1,330
Total		13,478

See also note 11 to the notes to the financial statements

32 Related party relationships

Investment entities:

Telkom SA Limited
 South African Post Office Limited;
 Vodacom Group Limited; and
 Sentech

See also Annexure 2 and Management report in this regard.

33 Key management personnel

	No. of <i>Individuals</i>	2011/12 R'000	2010/11 R'000
Political office bearers	4	3,604	3,469
Officials:			
Level 15 to 16	10	9,098	12,651
Level 14	9	5,460	5,272
Family members of key management personnel	-	-	-
Total		18,162	21,392

The decrease is mainly due to officials that have left the department.



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
34 Impairment			
Other		-	1,272
Total		-	1,272
35 Provisions			
Debtors		2,333	416
Total		2,333	416
36 Non-adjusting events after the reporting date			
Payment of settlement agreements of two SMS members after 31 March 2012		1,001	-
		1,001	-

The above expenditure is regarded as fruitless and wasteful and payment thereof in the 2012/2013 financial year will be disclosed as such.

37 Moveable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Current year adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	55,528	-	2,890	763	57,655
Transport assets	2,349	-	-	-	2,349
Computer equipment	27,746	-	2,353	763	29,336
Furniture and office equipment	8,600	-	307	-	8,907
Other machinery and equipment	16,833	-	230	-	17,063
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	55,528	-	2,890	763	57,655



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

37.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash R'000	Non- cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
MACHINERY AND EQUIPMENT	2,412	478	-	-	2,890
Computer equipment	2,075	278	-	-	2,353
Furniture and office equipment	269	38	-	-	307
Other machinery and equipment	68	162	-	-	230
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2,412	478	-	-	2,890

37.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	-	763	763	-
Computer equipment	-	763	763	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	763	763	-

37.3 Movement for 2010/11

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	57,033	2,423	3,928	55,528
Transport assets	2,463	-	114	2,349
Computer equipment	30,215	1,251	3,720	27,746
Furniture and office equipment	7,801	876	77	8,600
Other machinery and equipment	16,554	296	17	16,833
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	57,033	2,423	3,928	55,528



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

37.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER OF THE DEPARTMENT FOR 31 MARCH 2012

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	50	-	10,857	-	10,907
Current year adjustments to prior year balances	-	-	586	-	586
Additions	-	-	175	-	175
Disposals	-	-	43	-	43
TOTAL MINOR ASSETS	50	-	11,575	-	11,625

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	185	-	185
Number of minor assets at cost	15	-	4,734	-	4,749
TOTAL	15	-	4,919	-	4,934

37.5 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	50	-	12,316	-	12,366
Current year adjustments to prior year balances	-	-	69	-	69
Additions	-	-	357	-	357
Disposals	-	-	1,885	-	1,885
TOTAL MINOR ASSETS	50	-	10,857	-	10,907

Number of R1 minor assets	-	-	185	-	185
Number of minor assets at cost	15	-	4,463	-	4,478
TOTAL	15	-	4,648	-	4,663



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

37.6 MOVEABLE ASSETS WRITTEN OFF

MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	56	-	56
TOTAL MOVEABLE ASSETS WRITTEN OFF	-	-	56	-	56

MOVEABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2011

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	96	-	96
TOTAL MOVEABLE ASSETS WRITTEN OFF	-	-	96	-	96

38 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	10,751	(1,330)	186	-	9,607
TOTAL INTANGIBLE CAPITAL ASSETS	10,751	(1,330)	186	-	9,607

38.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-cash	(Develop- ment work- in-progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	186	-	-	-	186
TOTAL INTANGIBLE CAPITAL ASSETS	186	-	-	-	186



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

38.2 Movement for 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	10,653	98	-	10,751
TOTAL	10,653	98	-	10,751

39 Immoveable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Current year adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	18	-	-	-	18
Non-residential buildings	18	-	-	-	18
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	18	-	-	-	18

39.1 Movement for 2010/11

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	18	-	-	18
Non-residential buildings	18	-	-	18
TOTAL TANGIBLE CAPITAL ASSETS	18	-	-	18



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

40 TRANSFER OF FUNCTIONS
None

40.1 Statement of Financial Position

		Balance per Dept.	Functions per Dept.	Functions per Dept.	Functions per Dept.	2010/11 Balance after transfer
	Note	2010/11 AFS before transfer	(Trans- ferred)/ received	(Trans- ferred)/ received	(Trans- ferred)/ received	2010/11 R'000
		2010/11 R'000	2010/11 R'000	2010/11 R'000	2010/11 R'000	2010/11 R'000
ASSETS						
Current Assets		722,008	-	-	-	722,008
Cash and cash equivalents	12	712,085	-	-	-	712,085
Prepayments and advances	14	630	-	-	-	630
Receivables	15	9,293	-	-	-	9,293
Non-Current Assets		14,472,822	-	-	-	14,472,822
Investments	16	14,445,160	-	-	-	14,445,160
Loans	17	27,391	-	-	-	27,391
Other financial assets	13	271	-	-	-	271
TOTAL ASSETS		15,194,830	-	-	-	15,194,830
LIABILITIES						
Current Liabilities		720,788	-	-	-	720,788
Voted funds to be surrendered to the Revenue Fund	18	711,524	-	-	-	711,524
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	2,728	-	-	-	2,728
Direct Exchequer Receipts to be surrendered to the Revenue Fund	20	4,176	-	-	-	4,176
Payables	21	568	-	-	-	568
Aid assistance unutilised	4	1,792	-	-	-	1,792
Non-Current Liabilities		-	-	-	-	-
Payables		-	-	-	-	-
TOTAL LIABILITIES		720,788	-	-	-	720,788
NET ASSETS		14,474,042	-	-	-	14,474,042



Vote 27 - COMMUNICATIONS
Disclosure Notes to the Annual Financial Statements (continued)
For the year ended 31 March 2012

40.2 Disclosure notes

		Balance per Dept.	Functions per Dept.	Functions per Dept.	Functions per Dept.	2010/11
	Note	2010/11 AFS before transfer	(Trans- ferred)/ received	(Trans- ferred)/ received	(Trans- ferred)/ received	Balance after transfer
		2010/11 R'000	2010/11 R'000	2010/11 R'000	2010/11 R'000	2010/11 R'000
Contingent liabilities	24	1,472,213	-	-	-	1,472,213
Commitments	25	31,387	-	-	-	31,387
Accruals	26	5,548	-	-	-	5,548
Employee benefits	27	12,886	-	-	-	12,886
Lease commitments - operating lease	28	4,397	-	-	-	4,397
Receivables for departmental revenue	29	6,933	-	-	-	6,933
Irregular expenditure	30	32,516	-	-	-	32,516
Fruitless and wasteful expenditure	31	1,564	-	-	-	1,564
Impairment and other provisions	34, 35	1,688	-	-	-	1,688
Movable tangible capital assets	37	55,528	-	-	-	55,528
Immovable tangible capital assets	39	18	-	-	-	18
Intangible capital assets	38	10,751	-	-	-	10,751

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For the year ended 31 March 2012

ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2010/11 Total Available R'000	
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
Cape Town	-	-	-	-	1	-	-	-	-	2
Tshwane	-	-	-	-	6	-	-	-	-	4
	-	-	-	-	7	-	-	-	-	6

Vehicle licenses.

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2010/11 Appropriation Act
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Universal Service and Access Agency of South Africa	83,168	-	-	83,168	83,168	100%	66,704
Universal Service and Access Fund	260,930	-	-	260,930	260,930	100%	38,613
Independent Communications Authority of South Africa	313,378	-	-	313,378	313,378	100%	290,923
National Electronic Media Institute of SA	33,473	-	-	33,473	33,473	100%	32,602
.ZA Domain Name Authority	1,500	-	-	1,500	1,500	100%	1,500
ISETT SETA (Skills development levy)	225	-	-	225	225	100%	125
	692,674	-	-	692,674	692,674		430,467

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For the year ended 31 March 2012

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE			2010/11 Appropriation Act R'000
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred R'000	Capital R'000	Current R'000	
Public Corporations									
Transfers									
SABC: Public Broadcaster	84,907	-	-	84,907	84,907	100%	-	84,907	230,014
SABC: Channel Africa	41,230	-	-	41,230	41,230	100%	-	41,230	38,896
SABC: Programme Production	10,000	-	-	10,000	10,000	100%	-	10,000	15,000
SABC: Community Radio Stations	7,663	-	-	7,663	7,663	100%	-	7,663	6,850
Sentech Digitisation	159,000	109,900	-	268,900	268,900	100%	268,900	-	71,000
Sentech Digital Terrestrial Television	120,000	-	-	120,000	120,000		120,000	-	-
Subsidies									
SA Post Office	180,442	-	-	180,442	180,442	100%	-	180,442	306,077
Total	603,242	109,900	-	713,142	713,142		388,900	324,242	667,837
Private Enterprises									
Transfers									
Alexander Forbes	-	-	-	-	-	-	-	-	136
Claims against the State (Mohlaba & Moshwana Inc)	-	-	-	-	5	-	-	5	-
Claims against the State (Woodford Car & Bakkie Hire)	-	-	-	-	15	-	-	15	-
Claims against the State (Mooney Ford Attorneys - CMH Car Hire (Pty Ltd))	-	-	-	-	35	-	-	35	-
TOTAL	603,242	109,900	-	713,142	713,192		388,900	324,292	667,973

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For the year ended 31 March 2012

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2010/11 Appropriation Act R'000
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred	
						%	
Transfers							
New Partnership for Africa's Development e-Africa Commission (Contributions to operations)	3,700	-	-	3,700	3,700	100%	3,500
Total	3,700	-	-	3,700	3,700		3,500

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ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
H/H EMPL S/BEN:LEAVE GRATUITY	-	-	-	-	103		-
H/H PMT/REFUND&REM-ACT/GRACE	-	-	-	-	24		-
H/H EMPL S/BEN:INJURY ON DUTY	-	-	-	-	-		1
H/H:CLAIMS AGAINST STATE(CASH)	-	-	-	-	-		124
Total	-	-	-	-	127		125

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ANNEXURE 1F		2010/11	
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		R'000	
NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
		R'000	R'000
Received in kind			
Oracle SA	Participation in the e-Skills Summit (payment for international speakers, printing, banners, technology rentals, daily fees for civil society and video recording)	-	57
Telkom SA Ltd	Participation in the e-Skills Summit (payment for international speakers, printing, banners, technology rentals, daily fees for civil society and video recording)	-	114
Jlipsa	Participation in the e-Skills Summit (payment for international speakers, printing, banners, technology rentals, daily fees for civil society and video recording)	-	200
Microsoft	technology rentals, daily fees for civil society and video recording)	-	57
City of Cape Town	Participation in the e-Skills Summit (payment for international speakers, printing, banners, technology rentals, daily fees for civil society and video recording)	-	150
South Korea	Computer equipment with regard to the ITCC project - In terms of the MoU the equipment after the finalisation of the project became the assets of the Department.	278	-
South Korea	Furniture and office equipment with regard to the ITCC project - In terms of the MoU the equipment after the finalisation of the project became the assets of the Department.	38	-
South Korea	Other machinery and equipment with regard to the ITCC project - In terms of the MoU the equipment after the finalisation of the project became the assets of the Department.	162	-
TOTAL		478	578

South Korea – See also disclosure note 37.1

Vote 27- COMMUNICATIONS

Annexures to the Annual Financial Statements

For the year ended 31 March 2012

ANNEXURE 1G

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Finland	Provincial Information Society Strategy Programme	-	240	-	240
TOTAL		-	240	-	240

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ANNEXURE 1H		
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE		
NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
	R'000	R'000
Paid in cash		
Gifts for Minister's counterparts in Cuba	-	2
Gifts for Minister and Deputy Minister's counterparts during meetings or official trips for the year 2010	-	4
Sponsorship of competition prizes for the Mechatronics/Robotics competition during the ICT Career Expo, 2009	-	83
Sponsorship to SANGONeT for the conference on "Fundraising in the Digital World"	-	100
Sponsorship for the ICT Stakeholder dinner for Eastern Cape Provincial Local and Digital content Summit	-	40
Gifts for the Deputy Minister of Communication from Japan	-	1
Gifts for the Speakers participating in the "Take a Girl Child to Work Day" campaign program	-	1
Gifts for 30 pupils and 3 coordinators from Boikanyo Primary, Garankuwa as a small token of appreciation who performed during the World Aids day event at no cost	-	1
Sponsorship to Denzhe Arts and Culture for hosting of Limpopo traditional music tour	100	-
Sponsorship to SANGONeT for the hosting of an ICT for Rural Development conference - "Rural Realities, Real Solutions"	100	-
Gifts for Minister's counterparts during meetings or official trips for the year 2011	7	-
Sponsorship to the University of Johannesburg's Centre for Small Business Development for upcoming conference on "Transforming Townships into economic powerhouses"	100	-
Donation of 2 laptops to Disabled Children Action Group organisation	15	-
Donation of 20 computers to support Mahlale High School	99	-
Subtotal	421	232

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ANNEXURE 1H (Continued)		
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE		
NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
	R'000	R'000
Made in kind		
During the 2010/2011 financial year:		
- Various redundant furniture items with no book value donated to Umnqophiso Primary School	-	-
- Various redundant furniture items with no book value donated to Simanyene Secondary School	-	-
- Various redundant furniture items with no book value donated to Temperance Primary School	-	-
- Various redundant furniture items with no book value donated to Gordon High School	-	-
- Various redundant furniture items with no book value donated to Masana Primary School	-	-
- Outdated computer equipment and with no book value donated to Zabalaza Combined School	-	-
- Various redundant furniture items and outdated computer equipment with no book value to Hoofweg Primary School	-	-
- Various redundant furniture items and outdated computer equipment with no book value to Silukhanyo Primary School	-	-
- Various redundant and outdated computer equipment with no book value to Manyano High School	-	-
- Various redundant and outdated computer equipment with no book value to Siviwe School of Skills	-	-
- Outdated computer equipment and with no book value donated to Suryaville Primary School	-	-
- Various redundant furniture items and outdated computer equipment with no book value to ACJ Pakade Primary School	-	-

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ANNEXURE 1H (Continued)
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

	2011/12		2010/11	
	R'000		R'000	
During the 2010/2011 financial year:				
None	-	-		
Subtotal				-
Remissions, refunds and payments made as an act of grace				
Condolence donations in respect of officials who passed away		24		20
Subtotal		24		20
TOTAL		445		252

Vote 27: Communications

Annexure to the Annual Financial Statements

For the year ended 31 March 2012

ANNEXURE 2

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES AS AT 31 MARCH 2012

(Only Public and Private Entities)

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 11/12	% Held 10/11	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed
				2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	
National/Public Entity												
Universal Service and Access Agency of South Africa	3A	100%	100%	-	-	-	-	-	-	-	(2,433)	No
Universal Service and Access Fund	3A	100%	100%	-	-	-	-	-	-	-	(12,498)	No
Telkom SA Limited	2	39,8%	39,8%	207,038,058	207,038,058	10	10	-	-	-	1,342,000	No
South African Post Office Ltd	2	100%	100%	200,939,821	200,939,821	1	1	-	-	-	152,749	No
Independent Communications Authority of South Africa	1	100%	100%	-	-	-	-	-	-	-	10,973	No
South African Broadcasting Corporation	2	100%	100%	-	-	-	-	-	-	-	(129,271)	No

Vote 27: Communications

Annexure to the Annual Financial Statements

For the year ended 31 March 2012

ANNEXURE 2 (Continued)
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES AS AT 31 MARCH 2012
 (Only Public and Private Entities)

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 11/12	% Held 10/11	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed Yes/No
				2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	
National Electronic Media Institute of South Africa	3A	100%	100%	-	-	-	-	-	-	-	(4,290)	No
Sentech (Pty) Ltd	3B	100%	100%	998	998	1	1	-	-	-	172,919	No
Vodacom Group Limited	2	13.90%	13.90%	207,038,059	207,038,059	59	59	-	-	-	7,979,000	No
Total				615,016,936	615,016,936	71	71	-	-	-	9,509,149	

In the 2004/2005 financial year an amount of R750 million was paid to the South African Post Office to facilitate the corporatisation of the Postbank. The issuing of the shares in this regard however is not permitted in terms of the Post Office Act. The Post Office have disclosed the funds under capital and reserves as funds received from the shareholder until such time as the necessary changes have been made to the Post Office Act to permit the issue of shares by the company.

Vote 27: Communications

Annexure to the Annual Financial Statements

For the year ended 31 March 2012

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	original guaranteed capital amount R'000	Opening balance 1 April 2011 R'000	Guarantees draw downs during the year R'000	Guaranteed repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing balance 31 March 2012 R'000	Guaranteed interest for year ended 31 March 2012 R'000	Realised losses not recoverable i.e. claims paid out R'000
	Housing								
ABSA		97	97	-	20	-	77	-	-
African Bank Limited		9	9	-	9	-	-	-	-
Nedcor Bank		84	84	-	84	-	-	-	-
Standard Bank		142	142	-	-	-	142	-	-
	Subtotal	332	332	-	113	-	219	-	-
	Other								
	(SABC Loan - 17 December 2009)	1,000,000	1,000,000	-	111,111	-	888,889	-	-
	TOTAL	1,000,332	-	-	111,224	-	889,108	-	-

* The loan is repayable over a five year period (a) on the basis of a two year capital moratorium on the Capital amount of R1,000,000.00 (b) quarterly or monthly amortising capital repayments starting in the first month of year three, for the remaining three year period (c) interest to be services on a quarterly or monthly basis over the five year period (d) Pricing to a maximum of an All rate of one month JIBAR + 180 Basis Points.

Vote 27: Communications

Annexure to the Annual Financial Statements

For the year ended 31 March 2012

ANNEXURE 3A (Continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	original guaranteed capital amount R'000	Opening balance 1 April 2011 R'000	Guarantees draw downs during the year R'000	Guaranteed repayments/cancelled/reduced/released during the year R'000	Revaluations R'000	Closing balance 31 March 2012 R'000	Guaranteed interest for year ended 31 March 2012 R'000	Realised losses not recoverable i.e. claims paid out R'000
	Other								
Telkom SA Ltd	Natexis Banque	70,254	16,923	-	1,048	(8,649)	7,226	-	-
	Natexis Banque	177,196	73,406	-	-	4,472	77,878	2	-
	Subtotal	247,450	90,329	-	1,048	(4,177)	85,104	2	-
	Total	247,450	90,329	-	1,048	(4,177)	85,104	2	-

Vote 27: Communications
Annexure to the Annual Financial Statements
For the year ended 31 March 2012

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of liability	Opening balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Possible legal claim	26	-	-	-	26
Possible legal claim	627	-	357	266	4
Possible legal claim	137	-	-	-	137
Possible legal claim	375,500	-	-	-	375,500
Possible legal claim	500	-	-	-	500
Possible legal claim	923	1,884	20	2,863	(76)
Possible legal claim	2,000	-	-	-	2,000
Possible legal claim	797	-	69	-	728
Possible legal claim	600	-	-	-	600
Possible legal claim	-	21,108	-	-	21,108
Possible legal claim	-	80	-	-	80
TOTAL	381,110	23,072	446	3,129	400,607

Nature of liabilities recoverable	Opening balance 1 April 2011	Details of liability and recoverability	Movement during the year	Closing balance 31 March 2012
	R'000		R'000	R'000
Outstanding invoices payable to Uniglobe	1,521		1,342	2,863
	1,521		1,342	2,863

Vote 27: Communications
Annexure to the Annual Financial Statements
For the year ended 31 March 2012

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012 R'000	31/03/2011 R'000	31/03/2012 R'000	31/03/2011 R'000	31/03/2012 R'000	31/03/2011 R'000
Department						
Presidency	-	12	-	-	-	12
Government Communication and Information systems	293	-	-	-	293	-
International Relations and Cooperations	-	-	1,065	329	1,065	329
Subtotal	293	12	1,069	329	1,358	341
Other Government Entities						
Council for Scientific and Industrial Research - CSIR	-	43	-	-	-	43
Subtotal	-	43	-	-	-	43
TOTAL	293	55	1,065	329	1,358	384

Vote 27: Communications
Annexure to the Annual Financial Statements
For the year ended 31 March 2012

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
GOVERNMENT ENTITY						
DEPARTMENTS						
Current						
Justice and Constitutional Development	388	-	-	-	388	-
The Presidency	-	72	-	-	-	72
Public Service and Administration	-	682	-	89	-	771
Subtotal	388	754	-	89	388	843
OTHER GOVERNMENT ENTITY						
Current						
Public Administration Leadership and Management Academy	-	-	-	7	-	7
Subtotal	-	-	-	7	-	7
TOTAL	388	754	-	96	388	850



Vote 27 - COMMUNICATIONS

Annexures to the Annual Financial Statements

For the year ended 31 March 2012

ANNEXURE 6

INVENTORY	Note	2011/12		2010/11	
		Quantity	R'000	Quantity	R'000
Inventory					
Opening balance		15,521	1,276	15,532	1,034
Add: Additions/Purchases - Cash		39,573	4,924	35,020	3,336
(Less): Issues		(44,174)	(5,067)	(35,031)	(3,099)
Add/(Less): Adjustments		-	-	-	5
Closing balance		10,920	1,133	15,521	1,276



5. HUMAN RESOURCE MANAGEMENT REPORT



1. Service delivery

The Department does not have in place an approved Service Delivery Improvement Plan (SDIP) however during the reporting period; it has developed a draft through engagement with the Department of Public Service and Administration (DPSA). The Department does acknowledge the urgency and critical need to finalise its SDIP and therefore through further engagements with DPSA, intends finalising and implementing its approved SDIP in the next financial year.

2. Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 2.1 – Personnel costs by programme, 2011/12

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Branch 1: Governance and Administration	156,192	58,598	2,753	3,161	37.5	409
Branch 2: ICT International Affairs and Trade	41,612	11,826	38	283	28.4	657
Branch 3: ICT Policy Development	81,124	34,370	1,005	14,944	42.4	716
Branch 4: Finance and ICT Enterprise Development	1,403,801	4,392	161	9,059	0.3	549
Branch 5: ICT Infrastructure Development	67,884	25,515	432	27,309	37.6	510
Branch 6: Presidential National Commission	41,341	16,883	6,346	3,514	40.8	482
Total	1,791,954	151,585	10,735	58,270	8.5	502

TABLE 2.2 – Personnel costs by salary bands, 2011/12

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	2,737	1.8	161
Highly skilled production (Levels 6-8)	20,967	13.8	262
Highly skilled supervision (Levels 9-12)	49,398	32.6	470
Senior management (Levels 13-16)	66,907	44.1	836
Contract (Levels 3-5)	172	0.1	86
Contract (Levels 6-8)	382	0.3	127
Contract (Levels 9-12)	2,392	1.6	399
Contract (Levels 13-16)	7,630	5	848
Abnormal Appointment (Interns)	1,000	0.7	56
Total	151,585	100	502

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2011/12

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Branch 1: Governance and Administration	51,646	88.1	600	1	883	1.5	2,044	3.5
Branch 2: ICT International Affairs and Trade	10,450	88.4	40	0.3	161	1.4	361	3.1
Branch 3: ICT Policy Development	30,510	88.8	28	0.1	363	1.1	1,021	3
Branch 4: Finance and ICT Enterprise Development	3,923	89.3	60	1.4	164	3.7	143	3.3
Branch 5: ICT Infrastructure Development	22,655	88.8	11	0.04	307	1.2	748	2.9
Branch 6: Presidential National Commission	14,947	88.5	0	0	117	0.7	545	3.2
Total	134,131	88.5	739	0.5	1,995	1.3	4,862	3.2

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2011/12

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0	0
Skilled (Levels 3-5)	1,729	1.1	50	0.03	160	0.1	327	0.2
Highly skilled production (Levels 6-8)	14,194	9.4	386	0.3	666	0.4	1,347	0.9
Highly skilled supervision (Levels 9-12)	45,527	30.0	303	0.2	620	0.4	1,671	1.1
Senior management (Levels 13-16)	63,675	42	0	0	545	0.4	1,389	0.9
Contract (Levels 3-5)	125	0.08	0	0	2	0.001	11	0.007
Contract (Levels 6-8)	353	0.2	0	0	2	0.001	8	0.005
Contract (Levels 9-12)	1,869	1.2	0	0	0	0	54	0.04
Contract (13-16)	6,561	4.3	0	0	0	0	55	0.04
Abnormal Appointment (Interns)	98	0.06	0	0	0	0	0	0
Total	134,131	88.5	739	0.5	1995	1.3	4862	3.2



3. Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2012

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Branch 1: Governance and Administration	187	143	23.5	9
Branch 2: ICT International Affairs and Trade	24	18	25	1
Branch 3: ICT Policy Development	71	48	32.4	9
Branch 4: Finance and ICT Enterprise Development	11	8	27.3	0
Branch 5: ICT Infrastructure Development	79	50	36.7	10
Branch 6: Presidential National Commission	58	35	39.7	1
Total	430	302	29.8	30

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2012

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	18	17	5.6	4
Highly skilled production (Levels 6-8)	114	80	29.8	10
Highly skilled supervision (Levels 9-12)	164	105	36	8
Senior management (Levels 13-16)	134	80	40.3	5
Contract (Levels 3-5)	0	2	0	0
Contract (Levels 6-8)	0	3	0	1
Contract (Levels 9-12)	0	6	0	1
Contract (Levels 13-16)	0	9	0	1
Total	430	302	29.8	30



TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2012

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative Related	105	81	22.9	6
Communication and Information Related	7	3	57.1	0
Finance and Economics Related	2	2	0	0
Finance and Related Professionals	8	6	25	0
Financial clerks and credit controllers	1	1	0	0
General legal administration & Related Professionals	1	1	0	0
Head of Department/ Chief Executive Officer	1	1	0	0
Other Occupations (Minister and Deputy Minister)	2	2	0	0
Human Resources and Organisational Development	10	9	10	0
Human Resources Clerks	1	1	0	1
Human Resources Related	10	8	20	0
Information Technology Related	5	4	20	0
Language Practitioners Interpreters and Other Communication Related	5	5	0	0
Library Mail and Related Clerks	7	7	0	0
Logistical Support Personnel	13	12	7.7	4
Messengers Porters and Deliverers	6	5	16.7	0
Other Administrative and Related Clerks and Organisers	102	72	29.4	13
Other Information Technology Personnel	14	7	50	0
Secretaries and other Keyboard Operating Clerks	12	9	25	1
Senior Managers	118	66	44.1	5
Total	430	302	29.8	30

The information in each case reflects the situation as at 31 March **2012**. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.



4. Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.1 – Job Evaluation, 1 April 2010 to 31 March 2012

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	17	1	5.9	0	0	0	0
Highly skilled production (Levels 6-8)	114	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	164	0	0	0	0	0	0
Senior Management Service Band A	92	0	0	0	0	0	0
Senior Management Service Band B	32	4	12.5	0	0	0	0
Senior Management Service Band C	8	9	112.5	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
Total	430	14	3.3	0	0	0	0

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2012

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2011/12				None

Table 4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

5. Employment changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These “critical occupations” should be the same as those listed in Table 3.3).

TABLE 5.1 – Annual turnover rates by salary band for the period 1 April 2011 to 31 March 2012

Salary Band	Number of employees per band as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	19	2	1	5.3
Highly skilled production(Levels 6-8)	83	4	4	4.8
Highly skilled supervision(Levels 9-12)	112	9	12	10.7
Senior Management Service Band A	57	4	5	8.8
Senior Management Service Band B	26	2	4	15.4
Senior Management Service Band C	7	0	1	14.3
Senior Management Service Band D (Include Minister and Deputy Minister)	3	3	2	66.7
Total	307	24	29	9.4

TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 April 2011 to 31 March 2012

Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	70	7	10	14.3
Communication and Information Related	3	0	0	0
Finance and Economics Related	2	0	0	0
Finance and Related Professionals	7	0	1	14.3
Head of Department/Chief Executive Officer (Include Minister and Deputy Minister)	2	2	2	100
Human Resources and Organisational Development	7	0	0	0
Human Resources Clerks	1	0	0	0



Occupation:	Number of employees per occupation as on 1 April 2011	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Human Resources Related	6	1	0	0
Information Technology Related	4	2	1	25
Language Practitioners Interpreters and Other Communication Related	4	0	0	0
Legal Related	0	0	0	0
Library Mail and Related Clerks	3	1	0	0
Logistical Support Personnel	13	0	0	0
Messengers Porters and Deliverers	5	2	1	20
Other Administrative and Related Clerks and Organisers	81	2	4	4.9
Other Information Technology Personnel	6	0	0	0
Secretaries and other Keyboard Operating Clerks	7	0	0	0
Senior Managers	86	7	10	11.6
Total	307	24	29	9.4

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	1	3.4
Resignation	6	20.7
Expiry of contract	10	34.5
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfers to other Public Service Departments	12	41.4
Other	0	0
Total	29	100
Total number of employees who left as a % of the total employment		9.4



Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 1 April 2011	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administrative Related	70	1	1.4	51	72.9
Communication and Information Related	3	0	0	3	100
Finance and Economics Related	2	1	50	1	50
Finance and Related Professionals	7	0	0	6	85.7
Head of Department/ Chief Executive Officer	2	1	50	0	0
Human Resources and Organisational Development	7	0	0	6	85.7
Human Resources Clerks	1	0	0	1	100
Human Resources Related	6	0	0	6	100
Information Technology Related	4	1	25	4	100
Language Practitioners Interpreters and Other Communication Related	4	0	0	2	50
Library Mail and Related Clerks	3	0	0	3	100
Logistical Support Personnel	13	0	0	7	53.8
Messengers Porters and Deliverers	5	0	0	4	80
Other Administrative and Related Clerks and Organisers	81	1	1.2	56	69.1
Other Information Technology Personnel	6	0	0	3	50
Secretaries and other Keyboard Operating Clerks	7	0	0	6	85.7
Senior Managers	86	0	0	39	45.3
Total	307	5	1.6	198	64.5



Table 5.5 – Promotions by salary band

Salary Band	Employees 1 April 2011	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	18	0	0	12	66.7
Highly skilled production (Levels 6-8)	82	2	2.4	53	64.6
Highly skilled supervision (Levels 9-12)	107	2	1.9	81	75.7
Senior management (Levels 13-16)	85	1	1.2	46	54.1
Contract (Levels 3-5)	1	0	0	1	100
Contract (Levels 6-8)	1	0	0	0	0
Contract (Levels 9-12)	5	0	0	0	0
Contract (Levels 13-16)	8	0	0	5	62.5
Total	307	5	1.6	198	64.5

6. Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2012

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	28	3	3	8	24	2	0	1	69
Professionals	10	0	0	2	23	2	1	6	44
Technicians and associate professionals	42	0	1	5	36	2	3	3	92
Clerks	22	0	0	0	56	8	0	4	90
Elementary occupations	4	0	0	0	3	0	0	0	7
Total	106	3	4	15	142	14	4	14	302
Employees with disabilities	2	0	0	0	2	1	0	0	5



6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (L15-L16) (Include Minister and Deputy Minister)	2	1	0	1	3	0	0	1	8
Senior Management(L13-L14)	37	2	3	8	28	2	1	0	81
Professionally qualified and experienced specialists and mid-management	39	0	0	6	50	5	2	7	109
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	16	0	1	0	53	6	1	6	83
Semi-skilled and discretionary decision making	11	0	0	0	7	1	0	0	19
Unskilled and defined decision making	1	0	0	0	1	0	0	0	2
Total	106	3	4	15	142	14	4	14	302

6.3 – Recruitment for the period 1 April 2011 to 31 March 2012

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	1	0	1	2	0	0	0	5
Senior Management	4	0	0	0	2	0	0	0	6
Professionally qualified and experienced specialists and mid-management	2	0	0	0	5	1	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	2	0	0	0	4
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Total	10	1	0	1	11	1	0	0	24
Employees with disabilities	0	0	0	0	0	0	0	0	0



6.4 – Promotions for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	1	0	0	1	0	1	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	1	0	0	2	0	1	0	5
Employees with disabilities	0	0	0	0	0	0	0	0	0

6.5 – Terminations for the period 1 April 2011 to 31 March 2012

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	1	0	0	0	0	1	4
Senior Management	2	2	1	1	2	0	0	1	9
Professionally qualified and experienced specialists and mid-management	4	0	1	1	4	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	1	1	0	0	0	2
Semi-skilled and discretionary decision making	3	0	0	0	0	0	0	1	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	11	2	3	3	7	0	0	3	29
Employees with disabilities	1	0	0	1	0	0	0	0	2



6.6 – Disciplinary action for the period 1 April 2011 to 31 March 2012

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	19	1	0	0	6	0	0	0	

6.7 – Skills development for the period 1 April 2011 to 31 March 2012

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	43	0	1	4	27	2	2	2	81
Professionals	16	0	1	2	17	0	0	1	37
Technicians and associate professionals	0	0	0	0	0	1	0	0	1
Clerks	24	0	1	2	38	4	0	2	71
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	83	0	3	8	82	7	2	5	190
Employees with disabilities	2	0	0	1	1	1	0	0	5

7. Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 6.1), salary bands (table 6.2) and critical occupations (Table 6.3).



TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	44	106	41.5	1,043	23.693
Female	79	142	55.6	1,575	19.934
Asian					
Male	2	4	50	73	36.503
Female	3	4	75	63	20.895
Coloured					
Male	0	3	0	0	0
Female	10	14	71.4	165	16.520
White					
Male	7	15	46.7	278	39.676
Female	13	14	92.9	253	19.480
Total	158	302	52.3	3,449	21.830
Employees with a disability	0	6	0	0	0

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	11	17	64.7	84	7636	0.06
Highly skilled production (Levels 6-8)	65	80	81.3	908	13969	0.6
Highly skilled supervision (Levels 9-12)	70	105	66.7	1787	25529	1.2
Contract (Levels 3-5)	0	2	0	0	0	0
Contract (Levels 6-8)	0	3	0	0	0	0
Contract (Levels 9-12)	0	6	0	0	0	0
Total	146	213	63.2	2779	19034	12.6



TABLE 7.3 – Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative Related	36	81	45	1,055	29,306
Communication and Information Related	2	3	66.7	82	41,000
Finance and Economics Related	1	2	50	36	36,000
Finance and Related Professionals	5	6	83.3	90	18,000
Financial clerks and credit controllers	1	1	100	11	11,000
General legal administration & related professionals	1	1	100	81	81,000
Head of Department/ Chief Executive Officer	0	1	0	0	0
Other Occupations (Minister and Deputy Minister)	0	2	0	0	0
Human Resources and Organisational Development	6	9	66.7	94	15,667
Human Resources Clerks	0	1	0	0	0
Human Resources Related	6	7	85.7	217	36,167
Information Technology Related	2	4	50	45	22,500
Language Practitioners Interpreters and Other Communication Related	4	5	80	89	22,250
Library Mail and Related Clerks	2	7	28.6	11	5,500
Logistical Support Personnel	11	12	91.7	177	16,091
Messengers Porters and Deliverers	3	5	60	25	8,333
Other Administrative and Related Clerks and Organisers	60	72	83.3	871	14,517
Other Information Technology Personnel	6	7	85.7	101	16,833
Secretaries and other Keyboard Operating Clerks	4	9	44.4	45	11,250
Senior Managers	8	67	11.9	419	52,375
Total	158	302	52.3	3449	21829



TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	9	58	15.5	502	55,778	0.3
Band B	3	23	13	168	56,000	0.1
Band C	0	5	0	0	0	0
Band D	0	3	0	0	0	0
Total	12	89	13.5	670	55833.3	0.4

8. Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

TABLE 8.1 – Foreign Workers, 1 April 2011 to 31 March 2012, by salary band

Salary Band	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

TABLE 8.2 – Foreign Worker, 1 April 2011 to 31 March 2012, by major occupation

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
None	0	0	0	0	0	0
Total	0	0	0	0	0	0

9. Leave utilisation for the period 1 January 2011 to 31 December 2011

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.



TABLE 9.1 – Sick leave, 1 January 2011 to 31 December 2011

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	88	73.9	14	5.9	6	32
Highly skilled production (Levels 6-8)	565	78.1	73	30.5	8	356
Highly skilled supervision (Levels 9-12)	504	66.7	88	36.8	6	691
Senior management (Levels 13-16)	367	77.7	55	23	7	1,055
Contract (Levels 6-8)	14	57.1	2	0.8	7	8
Contract (Levels 9-12)	20	85	3	1.3	7	23
Contract (Levels 13-16)	11	81.8	4	1.7	3	31
Total	1569	74	239	100	7	2196

TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2011 to 31 December 2011

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	13	100	1	100	13	8
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	13	100	1	100	13	8

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.



TABLE 9.3 – Annual Leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	0	0
Skilled Levels 3-5)	331	19
Highly skilled production (Levels 6-8)	1658	20
Highly skilled supervision(L Levels 9-12)	2270	21
Senior management (Levels 13-16)	1581	19
Contract (Levels 3-5)	3	3
Contract (Levels 6-8)	28	9
Contract (Levels 9-12)	43	6
Contract (Levels 13-16)	77	11
Total	5991	20

TABLE 9.4 – Capped leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2011
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	0	0	0
Highly skilled production (Levels 6-8)	1	1	6
Highly skilled supervision(L Levels 9-12)	7	4	13
Senior management (Levels 13-16)	2	2	39
Total	10	3	21

TABLE 9.5 – Leave payouts for the period 1 April 2011 to 31 March 2012

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2011/12 due to non-utilisation of leave for the previous cycle	93	7	13286
Capped leave payouts on termination of service for 2011/12	130	9	14444
Current leave payout on termination of service for 2011/12	0	5	0
Total	223	21	10619

10. HIV and AIDS & health promotion programmes

TABLE 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The age group that was screened and tested was between the ages 20-40 during the financial year 2010/2011 & 2011/2012.	<p>Programmes are available 24/7/365</p> <ul style="list-style-type: none"> • 24-hour toll free number call centre which provides telephonic counselling, and advice on a variety of wellbeing issues including health, financial, legal, family care, HIV and AIDS and TB. • Face-to-face counselling. • Trauma management. • HIV and AIDS and TB Programme. • Health promotion and life management programme. • Electronic health information and monthly health newsletter. • Access to counselling and support is also available to dependants of employees. • Encourage and support staff to participate in sports activities.

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		The Chief Director: HR is managing and overseeing the function.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The function is performed under the Directorate: Organizational Development, Employment Equity and Change Management. There are 2 x dedicated staff members. The budget is R 1,000 000 .
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		<ul style="list-style-type: none"> • A 24-hour toll free number call centre which provides telephonic counselling, and advice on a variety of wellbeing issues including health, financial, legal, family care, HIV and AIDS and TB. • Face-to-face counselling. • Trauma management. • HIV and AIDS and TB Programme. • Health promotion and life management programme. • Electronic health information and monthly health newsletter. • Access to counselling and support is also available to dependants of employees. • Encourage and support staff to participate in sports activities.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		No	



Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		No	
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		<ul style="list-style-type: none"> An HIV and AIDS and TB (HCT) screening and testing were conducted in 2010/2011 to establish prevalence rates, taking into account variables such as age and gender. Condom distribution to all business units and utilisation of campaign. Counselling and support through the Employee Assistance Programme.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		An HIV and AIDS and TB (HCT) screening and testing were conducted in 2010/2011 to establish prevalence rates, taking into account variables such as age and gender.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		<ul style="list-style-type: none"> Implement HCT campaigns and other Wellness campaigns. Implement Employee Wellness programme.

11. Labour relations

The following collective agreements were entered into with trade unions within the department.

TABLE 11.1 – Collective agreements, 1 April 2011 to 31 March 2012

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	2	100
Total	2	100

TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
None		
Total		



TABLE 11.4 – Grievances lodged for the period 1 April 2011 to 31 March 2012

	Number	% of Total
Number of grievances resolved	11	84.61
Number of grievances not resolved	2	15.38
Total number of grievances lodged	13	100.00

TABLE 11.5 – Disputes lodged with Councils for the period 1 April 2011 to 31 March 2012

	Number	% of Total
Number of disputes upheld	1	33.3
Number of disputes dismissed	2	66.6
Total number of disputes lodged	3	100

TABLE 11.6 – Strike actions for the period 1 April 2011 to 31 March 2012

Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

TABLE 11.7 – Precautionary suspensions for the period 1 April 2011 to 31 March 2012

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	2778
Cost (R'000) of suspensions	R3 713 327.40

12. Skills development

This section highlights the efforts of the department with regard to skills development.

12.1 – Training needs identified 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	0	63	7	70
	Male	57	0	65	16	81
Professionals	Female	29	0	28	14	42
	Male	34	0	42	9	51
Technicians and associate professionals	Female	110	0	3	0	3
	Male	39	0	2	0	2
Clerks	Female	0	0	59	12	71
	Male	3	0	18	7	25
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0



Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	174	0	153	33	186
	Male	133	0	127	32	159
Total		307	0	280	65	345

12.2 – Training provided 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	0	44	20	64
	Male	57	0	49	36	85
Professionals	Female	29	0	31	13	44
	Male	34	0	37	13	50
Technicians and associate professionals	Female	110	0	1	0	1
	Male	39	0	0	0	0
Clerks	Female	0	0	85	15	100
	Male	3	0	45	14	59
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	174	0	161	48	209
	Male	133	0	131	63	194
Total		307	0	292	111	403

13. Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 1 April 2011 to 31 March 2012

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

14. Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Legal firm to advise the Minister on his legislative powers over SABC	3	4 days	R91 200,00
Transactional advisory service for the 112 PPP Project	8	4 Months	R5 814 000
Review of Financial Projections for SABC	5	3 days	R587 100
Appointment of a service provider to render Forensic Investigation	3	4 weeks	R1 947 432,82
PSP to render capacity to 35 ICT companies to access and compete in export markets	5	6 Months	R2 320 470
Service provider to train 400 youth offenders	13	6 Months	R1 726 530
PSP: Spectrum Audit	13	14 weeks	R7 929 042
PSP: Broadband	5	300 days	R5 500 000
Internal Audit co - sourcing	6	4 Months	R1 050 877,10
Review of articles of association	8	5 months	R501 700
PSP: Alternative funding model	7	3 Months	R1 174 200
PSP: Advisory services on the proposed transaction between Telkom and KT Corporation	4	3 weeks	R13 465 680
PSP: Non Executive Directors of the Department's SOE	5	5 months	R2 625 000



Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
PSP: ICT Lawyers	1	20 Days 40 Days 75 Days There are three projects each to cover the above stipulated days. The whole assignment should be completed by 31 August 2012.	R1 612 644
Separation of Assets between SAPO and Post Bank	5	4 Months	R873 124
Comprehensive Rural Development Project	8 full time and 40 data collectors in various wards	5 Months	R5 372 136,00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
16	99 Full time and 40 data collectors	51 Months and 15 days	R 52 251 301.92

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Legal firm to advise the Minister on his legislative powers over SABC	40 % HDI	40%	2
Transactional advisory service for the 112 PPP Project	26,47	26.47	5
Review of Financial Projections for SABC	100	100	6
Appointment of a service provider to render Forensic Investigation	100	100	5
PSP to render capacity to 35 ICT companies to access and compete in export markets	100	100	5
Service provider to train 400 youth offenders	83,5	83,5	8
PSP: Spectrum Audit	100	100	6
PSP: Broadband	30,5		3
Internal Audit co - sourcing	100	100	6
Review of articles of association	100	100	8
PSP: Alternative funding model	100	100	6

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
No donor funds used	0	0	0

Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
No donor funds used	0	0	0



6. OTHER INFORMATION



ACRONYMS AND ABBREVIATIONS

AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency
ATU	African Telecommunications Union
AU	African Union
AUC	African Union Commission
AU CIT	African Union Centre for Information Technology
BB PPP	Broadband Public Private Partnership
BDM	Broadcasting Digital Migration
BPO	Business Processing Outsourcing
CARA	Criminal Assets Recovery Account
CCNA	Cisco Certified Networking Associate
CIT	Communications and Information Technology
CRASA	Communication Regulators' Association of Southern Africa
CSIR	Council for Scientific and Industrial Research
CSBD	Centre for Small Business Development
CTO	Commonwealth Telecommunications Organisation
DBAC	Departmental Bids Adjudication Committee
DCS	Department of Correctional Services
DG	Director-General
DIRCO	Department of International Relations and Cooperation
DoC	Department of Communications
DPSA	Department of Public Service and Administration
DTI	Department of Trade and Industry
DTT	Digital Terrestrial Television
DVB	Digital Video Broadcasting
DVB-T	Digital Video Broadcasting - Terrestrial
ECC	Emergency Call Centre
ECA	Electronic Communications Act
ECT	Electronic Communications and Transactions Act
e-DMS	Electronic Document Management System
e-OPMS	Electronic Performance Management System
EU	European Union
FET	Further Education and Training
FIFO	First In First Out
FPB	Film and Publications Board
FOSAD	Forum of South African Director Generals
FOSS	Free and Open Source Software
GHs	Giga Hertz
GIS	Geographic Information System
HIV	Human Immunodeficiency Virus
HOA	Home Owners Allowance
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
IBSA	India, Brazil and South Africa
ICASA	Independent Communications Authority of South Africa
ICDL	International Computer Driver's Licence
ICIS	Integrated Citizens Information System
ICT	Information Communications and Technology
IGF	Intergovernmental Framework
IGR	Intergovernmental Relations
IGRF	Intergovernmental Relations Forum



INSPIRE	Information Society Strategy Programme in the Republic of South Africa
ISAD	Information Society and Development
ISSA	Institute for Software and Satellite Applications
IT	Information Technology
ITCC	Information Technology Certification Council
ITE	Information Technology Engineering
ITU	Information Telecommunication Union
ITU-PP	Information Telecommunication Union Plenipotentiary
ITU-R	Information Telecommunication Union – Radio-communication Sector
IXPs	Internet Exchange Points
JCPS	Justice, Crime Prevention and Security Cluster
JWG	Joint Working Group
KIM	Knowledge and Information Management Strategy
KZN	Kwa-Zulu Natal
LRIC	Long Run Incremental Cost
MHz	Mega Hertz
MoU	Memorandum of Understanding
MTR	Mobile Termination Rates
MTSF	Medium Term Strategic Framework
NC	Northern Cape
NCP	SADC Common Position
NCOP	National Council of Provinces
NDR	National Digital Repository
NEMISA	National Electronic Media Institute of South Africa
NeSPA	National e-Skills Plan of Action
NEPAD	New Partnership for Africa's Development
NGP	New Growth Path
NPCA	NEPAD Planning and Coordinating Agency
NPWG	National Preparatory Working Group
NYDA	National Youth Development Agency
ODA	Official Development Assistance
OECD	Organisations for Economic Co-operation and Development
OSS	Open Source Software
OSSEC	Open Source Host-based Intrusion Detection System
PAA	Public Audit Act
PAPU	Pan African Postal Union
PCE	Planning, Coordination and Evaluation
PFMA	Public Finance Management Act
PGITOC	Provincial Government Information Technology Committee
PIAC	Presidential International Advisory Council
PMO	Programme Management Officer
PMS	Performance Management System
PNC	Presidential National Commission
PPP	Public Private Partnerships
Public	Service Co-ordinating Bargaining Council
PTNs	Public Telephone Networks
POA	Programme of Action
POC	Programme of Cooperation
RATT	Regional Alliance Task Team
RIA	Regulatory Impact Analysis
RICA	Regulation of Interception of Communications and provision of communication-related information Act
RSA	Republic of South Africa
ReNES	e-Skills Research Network
R&D	Research and Development



SA	South Africa
SABC	South African Broadcasting Corporation
SABS	South African Bureau of Standards
SADC	South African Development Community
SAPO	South African Post Office
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SMMEs	Small Medium Micro Enterprises
SMS	Senior Management Service
SOEs	State Owned Enterprises
SOS	Scheme for Ownership Support
STB	Set-Top-Box
T&S	Travel & Subsistence
TB	Tuberculosis
TORs	Terms of References
TV	Television
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
UN CSTD	United Nations Commission on Science and Technology for Development
UPU	Universal Postal Union
URL	Uniform Resource Locator
USAASA	Universal Service and Access Agency of South Africa
USAF	Universal Service and Fund
VANS	Value Added Network Service
VSAT	Very Small Aperture Terminal
VUT	Vaal University of Technology
WC	Western Cape
WCTI	World Conference on International Telecommunications
WIPO	World Intellectual Property Organisation
WRC	World Radio Conference
WSIS	World Summit on Information Society
WSP	Workplace Skills Plan
WTDC	World Telecommunications Development Conference
WTO	World Trade Organisation
WTSA	World Telecommunications Standardisation Assembly
.za DNA	Domain Name Authority

**iParioli Office Park
399 Duncan Street
Hatfield, Pretoria
South Africa**

**Private Bag X860
Pretoria, 0001
South Africa**

**Telephone: +27 12 427 8000
Fax: +27 12 427 8016**

URL: www.doc.gov.za

RP283/2012

ISBN: 978-0-621-41262-8