



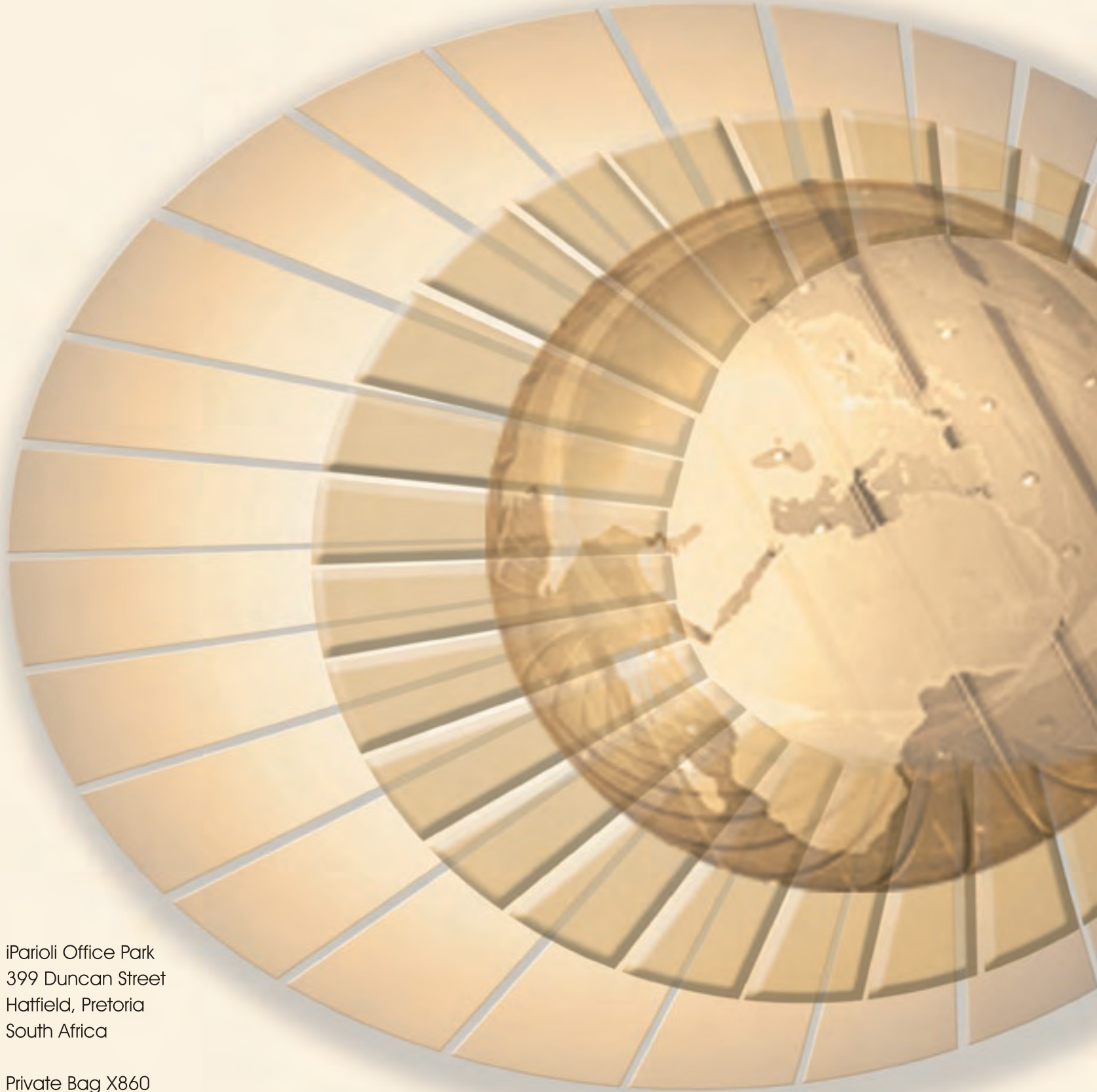
annual report

2008/09



the doc

Department:
Communications
REPUBLIC OF SOUTH AFRICA




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

RP 209/2009
ISBN: 978-0-621-38855-8



I have the honour of submitting the
2008/09 Annual Report of the Department of Communications
in terms of the Public Finance Management Act, 1999



GERDA GRÄBE
Acting Director-General


31 August 2009





TABLE OF CONTENTS

FOREWORD	1
GENERAL INFORMATION	
Organisational Structure	3
Vision and Mission	4
Legislative and Constitutional Mandate	5
Information on the Ministry	6
Institutions reporting to the Executive Authority	7
PROGRAMME PERFORMANCE	
Programme Overview	10
Voted funds	10
Key measurable objectives, programmes and achievements	10
Programme 1: Administration	14
Programme 2: ICT International Affairs and Trade	24
Programme 3: ICT Policy Development	30
Programme 4: ICT Enterprise Development	35
Programme 5: ICT Infrastructure Development	39
Programme 6: Presidential National Commission on Information Society and Development	43
HUMAN RESOURCE MANAGEMENT REPORT	
Human Resource Management Report	57
ANNUAL FINANCIAL STATEMENTS	
Report of the Audit Committee	90
Management report	91
Report of the Auditor-General	105
Statement of Accounting Policies	109
Appropriation Statement	116
Notes to the Appropriation Statement	131
Statement of Financial Performance	132
Statement of Financial Position	133
Cash Flow Statements	134
Statement of changes to Net Assets	135
Notes of the Annual Financial Statement	136
Disclosure notes	153
Annexures	164
Accronyms and Abbreviations	179



FOREWORD



An annual report gives us the opportunity to reflect on a year that has past, so that we can build on that for the future. The 2008/09 financial year will be remembered for a number of major events and developments.


The Department of Communications was proud to successfully host, on behalf of the South African Government, the World Telecommunication Standardization Assembly (WTSA-08), which was held from 21 to 30 October 2008. It was the first time that this Assembly took place on the African continent. The WTSA-08, which is held every four years is a key event on the International Telecommunications Union (ITU) calendar and was attended by nearly 100 countries. The ITU is a specialised United Nations agency for information and communication technologies, and its work spans three-core sectors: Radio-Communication (ITU-R), Standardisation (ITU-T) and Development. The aim of a WTSA is to define policy, review and adopt the working methods and procedures for the ITU-T, who focuses on developing internationally agreed upon technical and operating

standards and on formulating tariff and accounting principles for international telecommunication services. The ITU-T is the only standards organization where government and industry work together to foster seamless interconnection of the world's communication network and systems.

A key development of the reporting period is the approval by the Cabinet of the Broadcasting Digital Migration Policy. Broadcasting Digital Migration (BDM) is the process of converting the broadcast of television and sound broadcasting (radio) signals from analogue to digital technology. This is necessary due to the developments in telecommunications technologies, which enable a more efficient use of radio frequency spectrum as well as better quality pictures and sound. South Africa's migration to digital broadcasting started with the official switch-on of the digital signal on 30 October 2008. This took place during the closing ceremony of the WTSA-08, which was quite appropriate, as the migration to digital broadcasting is a decision taken by the ITU, of whom South Africa is a member.

In order for television-owning households to receive the digital signal in their current analogue TV sets, they will need to install Set-Top-Boxes (STBs) that convert the digital signal into analogue signal. The SABC and Sentech commenced with a pilot project to test STBs. The Broadcasting Digital Migration Policy provides that STBs shall be sourced primarily from South African manufacturers, thereby contributing to job creation and South Africa's global excellence in the manufacturing of STBs and growing the electronics industry. Furthermore, the Policy aims to maximise the opportunity of the migration process to bridge the digital divide by identifying the STB as a tool for improving the capacity of the State to deliver government information and services and proposing that there be a Scheme-for-Ownership-Support (SOS) of Set Top Box for the poor, thus increasing universal service and access to such services by vulnerable communities.

The Department is proud with the progress made in ensuring that South Africa meets the information technology and communication requirements for the 2010 FIFA World Cup, as enshrined in the ICT guarantees signed by government. We are confident that our readiness for 2010 will be experienced during the Confederations Cup in 2009.



In 2008/09 the Department also endeavored to broaden participation in the ICT sector and opening it up by encouraging the involvement of women, children, youth, and disabled persons.

Another achievement is the progress made with addressing the ICT skills shortage in South Africa. Our country does not compare well with other countries in terms of ICT skills availability. Although there are numerous initiatives in ICT skills training, there is a mismatch between what is taught and what skills are actually needed in the workplace. The Institute commenced with a process to collaborate with existing institutions of higher learning, the private sector and civil society organisations that will partner with it to develop frameworks that include research, curriculum planning and course development. During the reporting period the National e-Skills Dialogue Initiative (NeSDI) was launched to facilitate collaboration and to promote thought leadership in the ICT domain.

This Annual Report indicates all our achievements as well as the challenges of the 2008/09 financial year. Although it was not in all cases possible to achieve our set targets due to, among others, resource constraints, we are confident that what we achieved will go far towards achieving our vision of being a leader in the development and use of information and communication technologies for socio-economic development.

I am proud of each member of the DOC and their contributions towards our achievements, sometimes under trying circumstances. I know that we will remain committed to work even harder to ensure that we contribute towards making South Africa a better place for all its people.

The Department again received an unqualified Audit Report and I wish to commend our Audit Committee for the diligence they showed during the reporting period, under the leadership of the Chairperson, Ms Thebi Moja. The assistance received from both the Audit Committee and the Office of the Auditor-General is appreciated.

This reporting period ended on a sad note for us with the short illness and the untimely passing of our former Minister, Dr Ivy Matsepe-Casaburri on 6 April 2009. The DOC will remember the late Minister as one whose day to day work and life epitomised our vision – this was her passion, because of her love for the people of this country – and especially the poor and disadvantaged. We were fortunate that we were led by a Minister who was one of the longest serving ICT ministers on the continent which enabled her to champion ICTs for development in Africa and be a voice for the continent globally. We are committed to build on what we have learnt under the late Minister's leadership, so as to provide the best for our new leadership.

I would also like to thank the former Acting Minister, Dr Manto Tshabalala-Msimang and the former Deputy Minister, Mr Roy Padayachie for their support and leadership.

Looking back on the work done in 2008/09, we acknowledge that a lot still needs to be done. The DOC will, as in the past, work with the necessary resolve and tenacity to achieve the goals and priorities of the Department and the Government.

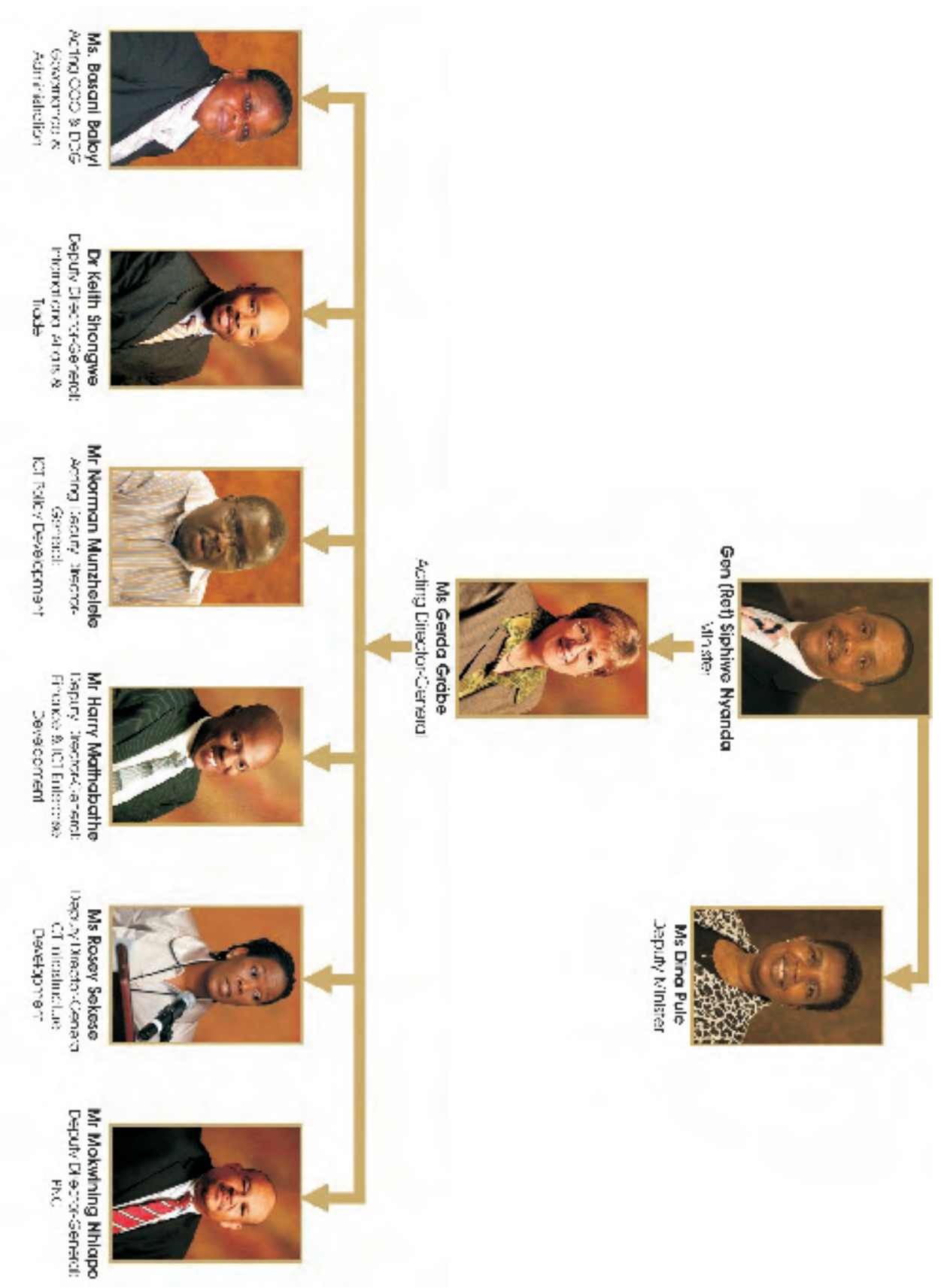


Gerda Gräbe
Acting Director-General



GENERAL INFORMATION

DEPARTMENT OF COMMUNICATIONS ORGANISATIONAL STRUCTURE





VISION

SA 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





LEGAL AND CONSTITUTIONAL MANDATES

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

“To create a favourable ICT environment that ensures South Africa has the capacity to advance its socio-economic development goals, support the renewal of Africa 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 strengthen both the ICT Regulator and 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 (SOEs) as the delivery arms of government; and
- To fulfil South Africa’s continental and international responsibilities in the ICT field.

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);
- Former States Broadcasting Reorganisation Act (Act 91 of 1996);
- 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);
- Telecommunications Act (Act 103 of 1996);
- Post Office Act (Act 44 of 1958);
- Postal Services Act (Act 124 of 1998); and
- Telegraph Messages Protection Act (Act 44 of 1963)

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, 1994 (Act 103 of 1994) as amended

INFORMATION ON THE MINISTRY

The main purpose of the Ministry is to render parliamentary, media liaison, administrative, secretariat and advisory support to the Minister and the Deputy Minister and to ensure that they are able to execute their governmental obligations and mandated functions effectively.

Ministerial visits abroad

The Minister, Dr Ivy Matsepe-Casaburri undertook the following visits in the reporting period:

DATE	COUNTRY	PURPOSE
17 -20 March 2008	Mauritius	Africa Americas Asia Business Summit
18 – 24 May 2008	USA	Honorary Doctorate Degree
16 – 18 June 2008	Seoul, South Korea	OECD Ministerial Meeting
07 – 13 July 2008	Accra, Ghana	1 st Ordinary Congress of the UCLGA
06 – 10 October 2008	Abuja, Nigeria	6th Annual CTO Forum & Council Meeting
22-24 January 2009	Mali, Timbuktu	State visit and inauguration of the New Ahmed Baba Institute of Timbuktu
9-13 February 2009	Cuba, Havana	To attend the 13 th Informatica 2009 Convention and International Fair

The Deputy Minister, Mr. Radhakrishna (Roy) Padayachie undertook the following visits in the reporting period:

DATE	COUNTRY	PURPOSE
25 to 31 July 2008	Geneva, Switzerland	<p>24th Universal Postal Union (UPU) Congress</p> <p>The UPU Congress meets every 4 years, bringing together 190 member countries to review the broader policy framework of the Union with its objective in developing social, cultural and commercial communication between people through the efficient operation of the postal service.</p> <p>The 2008 Congress adopted a World Postal Strategy that will serve as a roadmap for member countries until the next Congress in 2012.</p>
20 to 22 August 2008	Maputo, Mozambique	<p>5th session of the Joint Permanent Co-operation Commission (JPCC).</p> <p>The JPCC provided a forum for South Africa and Mozambique line function departments to deliberate on the progress made with the implementation of the bilateral co-operative initiatives.</p>
28 to 31 October 2008	Seoul, Korea	<p>2008 Korea-Africa Economic Cooperation (KOAFEC) Ministerial Conference</p> <p>The main objective of the conference was to strengthen the comprehensive cooperation among KOAFEC partners in pursuit of mutual benefits. The conference focused on, among other matters, fostering synergies between Africa and Korea in energy and the ICT sector.</p>
12-13 November 2008	Geneva, Switzerland	<p>High-Level Segment (HLS) of the International Telecommunications Union (ITU) Council</p> <p>During each Council session a HLS on topics of great current interest to the Union is held. The theme for the HLS was "ICTs and Climate Change, and Cyber security". Deputy Minister spoke at the session on Cyber security entitled "ITU Global Cyber security Agenda: Towards an International Roadmap for Cyber security" which looked at how the framework and expert proposals developed within the Global Cyber security Agenda can help South Africa promote cyber security.</p>



INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

The following portfolio organisations of the Department of Communications are the public enterprises (parastatals), which account to the South African Government through the Cabinet portfolio of the Ministry of Communications:

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. 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.

In her budget vote speech last year, the Minister declared that the Post Office would be the core ICT public access network and 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 for the next ten years.

South African Broadcasting Corporation

The South African Broadcasting Corporation (SABC) was established in terms of the Broadcasting Act (1936) as a government enterprise to provide radio and television broadcasting services to South Africa.

As provided for in the Broadcasting Amendment Act (2002), from October 2004 the SABC has been incorporated into a limited liability company with two operational divisions: public broadcasting services and commercial broadcasting services.

The SABC is South Africa's national public services broadcaster and operates 17 radio stations. Its operations are based on the broadcasting charter, which guarantees independence and freedom of expression in creative, journalistic and programming terms. The charter also requires the SABC to encourage South African expression by providing a wide range of programming in all official languages and provide sound and television broadcasting services. The charter further aligns the broadcasting system with democratic values of the Constitution and to enhance and protect the fundamental rights of citizens.

Sentech

Sentech Ltd was established in terms of the Sentech Act (1996) 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.

Last year in her budget vote speech the Minister declared Sentech as a core provider of wireless broadband in South Africa. The Cabinet this year confirmed that policy statement and declared that Sentech shall remain as a strategic State-Owned Enterprise.

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, creative multimedia and animation. The emphasis is on equipping students



to be market-ready in a wide range broadcasting discipline and to have the ability to work effectively in constantly changing conditions.

Universal Service and Access Agency of South Africa (USAASA)

The Universal Service and Access 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 in evaluating, monitoring and implementing schemes, which propose to improve universal access and service. In addition, it is involved in setting up telecentres, which provide ICT services, especially in rural areas, on a cost recovery basis.

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 cyberlabs (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 for the purpose of assuming responsibility for the .za Domain Name Space. The .za DNA was established in 2002 in terms of Chapter 10 of the Electronic Communications and Transactions Act (ECT), 2002.

The DoC currently provides funding for .za DNA and will continue its support and participation until the .za DNA is fully operational and sustainable. 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.

Independent Communications Authority of South Africa

The Independent Communications Authority of South Africa Act, (2000) provided for the merger of the South African Telecommunications Regulatory Authority and the Independent Broadcasting Authority to form the Independent Communications Authority of South Africa (ICASA).

ICASA is responsible for regulating the telecommunications and broadcasting industries in the public interest, to ensure affordable services of a high quality for all South Africans. In addition to developing regulations ICASA issues licenses to telecommunications and broadcasting service providers, enforces compliance with rules and regulations, protects consumers from unfair business practices and poor quality services hear and decide on disputes and complaints brought against licensees, and control and manage the frequency spectrum.



PROGRAMME PERFORMANCE



PROGRAMME OVERVIEW

VOTED FUNDS 2008/9

Appropriation	Main Appropriation R'000	Adjusted Appropriated R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
	1,723,605	2,331,509	2,328,611	2,898

Responsible Minister	Minister of Communications
Administering Department	Department of Communications
Accounting Officer	Director-General of Communications

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.

KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

KEY MEASURABLE OBJECTIVES

The following are the mid-term Key Focus Areas (KFAs) identified by the Department at the beginning of the year under review:

- *Achieve higher rates of investment in the economy;*
- *Increase competitiveness of the SA economy;*
- *Broaden participation in the economy;*
- *Improve the capacity of the state to deliver; and*
- *Contribute to a better world.*

PROGRAMMES

Programme 1: Administration:

Provide strategic support and overall management for the Department.



Programme 2: ICT International Affairs and Trade:

Give effect to South Africa's foreign policy on ICT-related matters, prioritising Africa's development. Establish a dynamic, effective and mutually beneficial multi-stakeholder partnership in the ICT sector that is reflective of, and responsive to South Africa's policy priorities.

Programme 3: ICT Policy Development:

Develop ICT policies and legislation that support the development of an ICT sector that creates conditions for 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.

Programme 4: ICT Enterprise Development

Oversee and manage government's shareholding interest, in public entities, in a manner that improves the capacity of the state to deliver on its mandate, and support the speedy attainment of national goals and priorities. Ensure, through the use of ICTs, the development of the small, medium and micro enterprise (SMME) sector.

Programme 5: ICT Infrastructure Development

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 South Africa and its citizens.

Programme 6: Presidential National Commission


Provide timely and informed advice to the President on matters related to the development of an inclusive information society. Facilitate the development of an integrated information society in South Africa and also support efforts aimed at making South Africa integral and equal members of the global Information Society.

KEY ACHIEVEMENTS

In the period under review, the Department focused, through various key projects, largely on increasing access to, and uptake and usage of ICTs, facilitating the modernization ICT infrastructure, building "Team DOC" as well as improving corporate governance, financial performance and alignment with government objectives by State Owned Entities (SOEs) reporting to the Minister. The Annual Performance of the Department for 2008/09 is detailed in this document, however the following can be viewed as key achievements:

ICT Guarantees for the 2010 FIFA World Cup

The Stadium grant, which covers the basic Information Technology and Telecommunication (IT&T) requirements inside the stadium, i.e. cable pathways and civil works to outside locations were allocated to all stadia. The Department clarified the stadium IT&T roles and responsibilities with the host cities and the LOC, which was captured in the DoC/LOC agreement. Furthermore the DoC also completed contracts with Sentech and Telkom regarding the implementation of the ICT guarantees.



On the issue of telecommunication infrastructure, the Access Network Infrastructure has been installed at both carrier rooms in all 4 stadia of the Confederations Cup, which will be handed over by the beginning of June 2009. The video adaptation equipment has been tested in February 2009, and will again be tested for the final time in May 2009.

Progress on the upgrade of the National Backbone was monitored through a Management, Accommodation, Ticketing, ICTs, Hand-in-Hand (MATCH) National Telecommunication Infrastructure (NTI) Audit and Monitoring Meetings. NTI is a structure chaired by the LOC, to monitor progress of the IT& T work-stream. The National Backbone upgrade is complete, except for 1 the link in Kwazulu/Natal at Mtunzini, where Telkom require permission from SANRAL to install the fiber cable.

The construction of the International Broadcasting Centre (IBC), which was formally launched on 21 April 2008, is on track. However a scaled-down version of the IBC (IBCC) will be implemented at Coca Cola Park (Ellis Park) for the Confederation Cup. The Overlay planning for the IBCC (Ellis Park) venue has been completed and the LOC will fund for the required cabling routes from their overlay budgets.

In respect of the protection of 2010 infrastructure, both physical and cyber security, a Communications Infrastructure Committee has been established by the NATJOC (National Joint Command Centre) and an Emergency communications plan has also been developed.

The Department, after extensive consultation, developed a 2010 Legacy plan which will ensure that all the IT&T infrastructure installed for 2010 i.e. Telkom, Sentech, and Host Cities are reused post 2010, thus leaving a legacy for South Africa.

Broadcasting Digital Migration

Following Cabinet's approval of the Broadcasting Digital Migration (BDM) process in the 2007/08 financial year, the Department prioritised extensive initiatives in this area. Considerable priority was given to the issue of BDM Public Awareness.

The Broadcasting Digital Migration Policy for South Africa was approved by Cabinet in August 2008. The technical specifications Set-Top-Boxes (STBs) were finalized and filed with the SABS for the development of a national standard. Stemming from extensive work of an Interdepartmental Task Team comprising the Departments of Communications, Trade and Industry, Science and Technology and the National Treasury, a draft Electronics Industry Development Strategy was developed, which will be submitted to Cabinet for approval. Furthermore, Cabinet also approved the approaches on government/industry partnership on the Electronics Industry Development Strategy to build capacity for local manufacturing of STBs and the Scheme for Ownership Support for STBs.

Following extensive stakeholder consultation, the Department developed the draft Digital and Local Content Strategy, which will be submitted to Cabinet for approval. This was preceded by an International benchmark study as well extensive work by an Interdepartmental Task Team, comprising of the Departments of Communications, Arts and Culture, Science and Technology as well as Trade and Industry as well as the Media Development and Diversity Agency (MDDA).

Furthermore, the Department also appointed the all the members of the Digital Dzonga Council, which is mandated to coordinate all BDM related initiatives in South Africa.

Corporate Governance Reviews of SABC and Sentech

In its efforts to monitor corporate governance practices within its SOEs, the Department, through a service provider, undertook an independent valuation of corporate governance practices at both the SABC and Sentech. Reports on Corporate Governance practices in both Sentech and the SABC submitted to the Minister of Communications. Plans of action to facilitate the implementation of recommendations of the reports are being developed, which will be implemented in the forthcoming financial year.



Promotion of the ICT Agenda across all spheres of Government

The Department participated in various Izimbizo and Government communication campaigns across numerous provinces, with specific focus on district and local municipalities. The Department, amongst others, facilitated engagements with the Western Cape and Northern Cape Provinces, which resulted in Izimbizo that focused on the switching-on of transmitters so as to enable communities to view SABC 1, 2 and as well as access signals for radio transmission. The Department also participated in the distribution of radios and televisions to the indigents in Moshaweng Local Municipality.

Furthermore, the Department developed an Inter-Governmental Relations Framework, which focuses largely on cascading and promoting priority ICT issues to all spheres of government.

Frequency Spectrum

The final review of the draft National Frequency Plan was successfully concluded and a draft report was compiled indicating numerous corrections and suggestions to improve the quality of the Plan. The Department also developed the first draft of the National Frequency Spectrum Policy Discussion Document. This Policy intends to address strategic decisions to ensure a positive contribution of the radio frequency spectrum to the promotion of national interest, socio-economical development and diversity.

World Telecommunications Standardisation Assembly (WTSA)

In October 2008, the Department hosted the International Telecommunication Union's (ITU) World Telecommunications Standardisation Assembly (WTSA), the first ever on South African soil. The ITU is the United Nation specialised agency for Telecommunications. The main work of the ITU is divided into three sectors, namely: The Radio communication Sector (ITU-R); the Development Sector (ITU-D); and the Telecommunication Standardisation Sector (ITU-T). The WTSA sets the overall direction and structure for the ITU-T and meets every four years.

The WTSA was attended by close to 100 countries with record participation from the developing world in particular African countries. Furthermore, the Assembly was chaired by the former Director-General, Ms Lyndall Shope-Mafole, which was significant in the history of the ITU as it was the first time that the WTSA was chaired by a woman.

The outcomes of the WTSA will influence the future of telecommunications not only in SA but globally.



PROGRAMME 1: ADMINISTRATION

PURPOSE

Administration provides strategic support and overall management for the Department.

MEASURABLE OBJECTIVES

- Provide effective strategic operational support to enable the Department to deliver on its own mandate;
- Provide professional and administrative services across the organization, to enable it to function smoothly, efficiently and professionally in service-delivery; and
- Facilitate organizational excellence through the coordination of the strategic and business planning process, to ensure alignment, linkages and integration across the whole of government.

SERVICE DELIVERY OBJECTIVES AND ACHIEVEMENTS

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 Minister administratively and also provide parliamentary and ministerial support services.
- **Management**: Provides support for the Office of the Director-General.
- **Operations**: Provides strategic administration and corporate services to the Department.
- **Property Management**: Provides for the management of the property of the Department.

KEY ACHIEVEMENTS

The following information reflects the achievements in terms of the Programme strategic objectives set for the period under review.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Communications and Marketing Services				
Operations (corporate services)	Broadcasting Digital Migration Public awareness Strategy and implementation plan	% increase in the level of BDM awareness and understanding	100% TV and Radio household covered by awareness campaign	In the period under review priority was given to the BDM Public Awareness Campaign, which focused largely on the utilisation of radio, television and print media to heighten awareness of the migration from analogue to digital signal distribution. The Department also appointed a service provider to assist the Department and the Digital Dzonga over the next three years to drive the public awareness campaign. The scope of work for the campaign, the tactical plan and campaign strategy were also finalized.
	Clear work flow processes and systems	Effective business management systems and processes in place	Effective business management systems and processes developed, implemented, monitored and reviewed	Various communication strategies were developed and implemented for a range of events including WfSA, World Post Day, the African ICT Achievers Awards, and several Minister's and Deputy Minister's izimbizo amongst others. Media plans were developed for the launch of the Meraka e-Skills Dialogue Initiative, the launch of the FET ICT hub and call centre and the African Information Ethics and E-Government Training Workshop.
Human Resource Management and Development				
Operations (corporate services)	Leadership charter integrated into the organizational culture and departmental performance	Level of integration of management compliance and good leadership values into the organizational culture of the department	100% management and improved in leadership dimension of the departmental culture and climate survey	<ul style="list-style-type: none"> A Departmental Managerial and Technical Competency Map was approved, job profiles of posts were conducted and the performance management policy was reviewed to strengthen the management of performance across all levels of the organization. The project was placed on hold in this financial year due to transformational changes the Department was undergoing. The project is to resume in the new financial year.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Human Resource Management and Development				
Operations (corporate services)	DoC value chain map	Approved DoC value chain map, aligned with all relevant legislation and policy	Departmental value chains mapped, implemented and monitored	The departmental Human Resource Value Chains were developed however progress was hampered due to HR capacity constraints hence the entire business chain function has been moved to the Operations Directorate and completion of the project is expected in the next financial year.
	Clear work flow processes	Optimally functional organisational structure	Effective Business Management Systems, and Processes and developed, implemented, monitored and reviewed	Stemming from the organizational re-design project that was conducted in the last financial year, the Department undertook a rigorous exercise to place the affected employees in suitable positions through the establishment of a Placement Committee. Most of the affected staff members were placed into suitable positions. A strategy on the absorption of those staff members, who have not yet been placed, has been developed.
	Clear work flow processes	Level of implementation of the wellness and health strategy	Effective Business Management Systems, and Processes and developed, implemented, monitored and reviewed	Furthermore, an Executive Health programme was integrated into the wellness and health programme and a comprehensive HIV and AIDS programme was implemented. In collaboration with the Department of Health, the Department conducted Voluntary Counselling and Testing (VCT).

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Human Resource Management and Development				
Operations (corporate services)	Reports on compliance with Cabinet directives on employment equity	% compliance with Cabinet directives	50% gender representivity at DoC	With regards to Compliance with the Employment Equity Act, the Employment Equity Plan was finalized. By the end of the reporting period the Department managed to achieve 44% gender representivity at SMS level in relation to the 50% required by Parliament
			2% representation of people with disabilities across the department	The required 2% representation of people with disabilities was achieved.
	Report on DoC Participation and contribution in Khaedu Project to MPSA	% of SMS and MMS members that have completed Khaedu Project	100% SMS members attended the Khaedu Project	2 SMS members attended Phase 1 (theoretical training) 1 SMS member attended Phase 2 (practical/deployment)
			50% of MMS members attended the Khaedu projects	The department did not achieve the target due to lack of attendance from SMS members which stemmed largely from their unavailability during Khaedu training due to other official business 5 MMS members attended Phase 1 (theoretical training) 1 MMS member attended Phase 2 (practical/deployment) The department did not achieve the target due to lack of attendance from SMS members which stemmed largely from their unavailability during Khaedu training due to other official business

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET		
			TARGET	ACTUAL	
Strategic Planning, Organisational Performance Monitoring and Reporting					
Operations (corporate services)	Clear work flow processes and systems	Effective business Management Systems, and processes in place	Effective Business Management Systems, and Processes and developed, implemented, monitored and reviewed	The Department fully complied with the requirements of section 27(4) read with 36(5) of the PFMA regarding the evaluation of the organizational performance. The electronic Organisational Performance Management System (e-OPMS) which was developed in the last financial year as an electronic reporting tool, was piloted and will be fully implemented in the next financial year.	
		% compliance with relevant legislation, policies and standards	100% compliance with relevant legislation, policies and standards	The Department further complied with PFMA requirements of developing the 2009-2012 Strategic Plan and subsequently developed 2009/10 Business and Operational Plans. The Department's 2007/08 Annual Report was timeously developed and tabled in Parliament. After extensive research and benchmarking, the Department further developed and approved a Project Management Framework and five (5) DoC flagship projects were identified, which would be piloted using the Project Management Framework in the next financial year.	
Financial Management					
Operations (corporate services)	Clear work flow processes and systems	Effective business Management Systems, and processes in place	Effective Business Management Systems, and Processes and developed, implemented, monitored and reviewed	Effective, efficient and transparent financial and other systems Annual financial statements were prepared and submitted on time to both National Treasury and the Auditor-General, and were further presented to the Audit Committee for endorsement. Only minimal audit queries were received from the Auditor-General due to an improved control environment.	
				The Department reviewed its internal controls and implemented the recommendations in line with the requirements of the PFMA and the Treasury Regulations (including the financial delegations). Additional control measures were introduced to ensure a controlled environment.	

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Operations (corporate services)	Financial Management			<p>The Risk Committee was established to assist the Department in the implementation of its Risk Management Strategy. In addition a Fraud Prevention Awareness booklet was published and distributed to all staff, aimed at educating them on issues of fraud and how to prevent it.</p> <p>The Department continued with the implementation of the Loss Management Policy and Procedure. Furthermore, the implementation of the Security Policy also continued, in line with Minimum Information Security Standards (MISS) and the Minimum Physical Security Standards (MPSS). Vetting of staff and pre-employment screening was facilitated via the National Intelligence Agency. Furthermore, the Department commenced with the installation of a new security system to better secure the assets and should be completed early in the new financial year.</p> <p>Effective, efficient and transparent supply chain management systems</p> <p>The following policies and procedures have been reviewed and implemented:</p> <ul style="list-style-type: none"> • Supply Chain Management (SCM) delegations, • Asset Management Policy and • Asset Management Strategy. <p>The following policies were also reviewed and will only be implemented in the first quarter of the new financial year:</p> <ul style="list-style-type: none"> • Cell Phone policy, • Transport Procedure manual and • Broad Based Black Economic Empowerment. <p>The assets have been effectively managed, which is evidenced of a successful process of disposal through donations to the following school: Lethamaga Secondary School, Ukukhanya Junior Secondary School and Thembalille Primary School and a donation of television sets to the community at Heuningsvlei, Kgalagadi in Northern Cape.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Operations (corporate services)	Financial Management			
				<p>The internal controls within the SCM were improved to ensure improved service delivery and the reduction of irregular expenditure. Furthermore, the management of service level agreements and contracts has been reviewed and recommendations implemented.</p> <p>Budget according to National and departmental priorities</p> <p>Budget and expenditure management improved significantly during the period under review. The Department spent 30,6% of its operational budget, excluding the R600 million for Telkom 2010 FIFA World Cup, which was transferred during the last quarter of the financial year. Furthermore, the Department surrendered only R2,898 million of its adjusted allocation (12% of the total budget) for the period under review. The under-spending was under 112 Emergency Call Centre and devolved funds which was mainly due to the reduction in maintenance costs for the 112 Emergency Call Centre and the efficiency savings under the devolved funds.</p> <p>The Department was successful in obtaining the following funding through the Adjustment Estimates:</p> <ul style="list-style-type: none"> • R600 million for the last mile Access Network between the 2010 FIFA World Cup stadium venues and the Telkom National Network. • R7,904 million for Universal Services and Access Agency of South Africa. <p>During the 2009 MTEF the Department received the following additional funding over the MTEF period:</p> <ul style="list-style-type: none"> • R330 million and R20,948 million for Sentech to cover the costs associated with the envisaged increase operational expenditure during the dual illumination period and for inflation related adjustment respectively. • R30 million to strengthen the Independent Communications Authority of South Africa's (ICASAs) monitoring capacity.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Operations (corporate services)	Financial Management			<ul style="list-style-type: none"> R55 million earmarked for capacitating the Universal Service and Access Agency of South Africa (USAASA) and the Universal Service and Access Fund (USAF) to procure the necessary supporting infrastructure in their quest to expand ICT access to South Africans in under-serviced areas. R600 million earmarked at the completion of all outstanding ICT connectivity requirements in fulfilment of the ICT guarantees signed between the FIFA and South Africa. R13,870 million on compensation of employees and R1,963 million on payments of capital assets related to inflation adjustment <p>Lastly, the department introduced the costing of operational plans, which resulted in budgeting that was informed by the plans. Most importantly the budget process has been implemented in line with the guidelines from Treasury and Financial Management Monitoring has been successfully conducted during the period under review.</p>
Operations (corporate services)	Information Technology			<p>In its efforts to be a leading department with regards to ICTs and become a paperless organization, the Department undertook the development and implementation of an Electronic Document Management System which went live from 01 Sep 2008. The EDMS was rolled out with two workflow processes which became functional namely the leave application process and the Director General approval process.</p> <p>Furthermore, the workflow system has been fully implemented in the system and the contract for the scanning of existing documents was finalized in November 2008. Process definition for scanning project was drafted targeting documents in 3 registries which were identified for scanning.</p>
	Clear work flow processes and systems	Effective business Management Systems, and processes in place	Effective Business Management Systems, and Processes and developed, implemented, monitored and reviewed	

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Operations (corporate services)	Information Technology			
	Gender, Disability, Youth and Children	GDYC matters mainstreamed in the core business of DoC and its SOEs	Ensure uptake and usage of ICTs by designated groups for socio-economic development	In its efforts to develop the Departmental Youth and Information and Communication Technology (ICT) Strategy, the Department conducted extensive consultations which resulted in the development of the final draft of the Departmental Youth and Information and Communication Technology (ICT) Strategy, which was approved in principle. The Youth and ICT Strategy has an external focus, however internally it serves as a guide to assist the Department to implement its programmes in a manner that is youth centered and that adheres to the principal of integrated youth developments as per the National Youth Policy of the country. This would also guide consultations with ICT SOEs and other relevant stakeholders on the development of the Strategy Implementation Plan to be completed in the first quarter of the new financial year.
	National Youth and ICT Strategy			With regards to the E-cadre program, which is the Department's flagship program in support of the implementation of the National Youth Service Program (NYSP), the Department recruited unemployed matriculants from rural nodal district municipalities to be trained on the International Computer Drivers License (ICDL)- an end user computer course) and Life Orientation training that was conducted through partnerships with 15 Further Education and Training Colleges (FETs) in all nine provinces.
	National Disability Strategy			NYS induction sessions were hosted with all 15 participating FET colleges and 1000 young people to orientate them with regard to the NYSP that comprises of three components namely training, service deployment and exit strategies. Out of the 1000 young people recruited and targeted for the program, 875 young people completed the training component of the e-Cadre Program for the financial year 2008/09.
Operations (corporate services)	Information Technology			
				With regards to the development of the Departmental Disability and Information and Communication Technology (ICT) Strategy, extensive consultation was held with various stakeholders which resulted in an approved Disability and ICT Strategy for implementation by the Department and its SOEs. The strategy focuses on promoting access to and usage of accessible ICT equipment, products and services to persons with disabilities.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/ INDICATOR	TARGET	ACTUAL PERFORMANCE AGAINST TARGET	
				TARGET	ACTUAL
					<p>In addition, strategic and policy advice and support was provided to the Ministry, the Department and its SOEs and external partners on matters related to gender equality, disability mainstreaming, youth development and children empowerment and ICTs in various programs of the Department. Strategic advice was also provided to the international work of the Department, specific in relation to the participation of young people in the Africa ITU Telecommunication Youth Forum held in Egypt. In preparation of the hosting of the WTSA, the Department participated in the regional preparatory meeting held in Ghana, where the first discussions regarding a specific resolution on ICT accessibility for the standardization sector within the ITU commenced.</p> <p>The Department also participated in one of the Study Groups at the WTSA which dealt with Accessible ICT and Telecommunications for persons with disabilities.</p> <p>The Department also attended the 1st sitting of the UN Monitoring Committee of twelve experts on the UN Convention on disability where South Africa proposed that the guidelines for countries reporting to this committee include a guideline on ICT accessibility in February 2009.</p> <p>In terms of supporting and commemorating national and international days/month programmes on Gender, Youth, Children and Disability, the Department hosted the second Youth and ICT Expo as its dedicated program in support of Youth Month, where about 1 300 young people participated and 22 exhibitors, including all SOEs and private companies, exhibited study and career opportunities, new technologies and information relevant to young people at Elangeni FET College Pinetown, KwaZulu Natal Province.</p> <p>In support of national Women's Day, the Department hosted an ICT Seminar for rural and disabled women in Upington, Northern Cape province, where 100 women from across the country attended and shared their concerns on access to ICTs in rural areas and give input to the Gender and ICT Strategy.</p> <p>In support of the National Children's Day, the Department hosted a review session on the 5th World Summit on Media for Children and a consultative workshop on the Children and ICT Strategy in Limpopo Province, where 180 children and children's organizations in the media sector, children's rights organizations participated and gave their views on online protection of children, safe use of ICTs by children and the need to involve parents in the discussion on children and ICTs.</p> <p>In support of International Day for Persons with Disabilities the Department hosted an ICT Accessibility Symposium to promote the newly adopted WTSA ICT Resolution amongst persons with disabilities and their organizations.</p>



PROGRAMME 2: ICT INTERNATIONAL AFFAIRS AND TRADE

PURPOSE

Give effect to South Africa's foreign policy on ICT-related matters, prioritising Africa's development. Establish a dynamic, effective and mutually beneficial multi-stakeholder partnership in the ICT sector that is reflective of, and responsive to South Africa's policy priorities.

MEASURABLE OBJECTIVES

- Strengthen South-South co-operation by facilitating the implementation of memoranda of understandings by organizing and participating in the India-Brazil-South Africa and South Africa-South Korea working groups in 2008/09.
- Support the African Agenda by coordinating the active participation of the South African government in Specialised ICT Agencies in line with the meeting schedules provided by these bodies
- Facilitate the ratification by Parliament of agreements with the International Telecommunications Union (ITU), the ITU plenipotentiary conference of 2006, and the Universal Postal Union Congress of 2009.
- Signal South Africa's commitment to standardizing technologies by hosting and participating in the World Telecommunications Standardisation Assembly in October 2008.
- Support implementation of the New Partnership for Africa's Development (NEPAD), especially the Uhurunet submarine cable, Umojanet terrestrial cable, the NEPAD e-schools initiative and the NEPAD e-Africa cable.

SERVICE DELIVERY OBJECTIVES

This Programme is divided into two sub-programmes:

- **International Affairs** is responsible for co-coordinating the functions and responsibilities of the department to meet South Africa's international ICT obligations.
- **ICT Trade/Partnerships** is responsible for developing and advancing national interests in international trade forums through World Trade Organisation ICT-related initiatives and other international trade agreements, as well as for promoting the interests of the South African ICT sector and developing countries through these forums.

KEY ACHIEVEMENTS

The following information reflects the achievements in terms of the Programme strategic objectives set for the period under review.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
International Affairs	Greater effectiveness and efficiency in the implementation of NEPAD ICT Programmes	Level of impact of the work of the commission on the access to, availability, uptake and usage of ICTs on the continent	Increase in access to, availability, uptake and usage of ICTs on the continent	<p>The Minister of Communications, Minister who is a signatory to the Kigali Protocol, requested African countries who had not yet signed the Protocol to accede to it as a matter of urgency. As an ongoing activity the Department continuously lobbied for accession at the Inter-Governmental Assembly (IGA) meeting in April 2008, the African Union (AU) Meeting in and the Southern African Development Community (SADC) meeting both in May 2008.</p> <p>With regards to encouraging accession to the Kigali Protocol the Department provided ongoing support which resulted in 8 countries having ratified and 5 more who have indicated interest in acceding to the Protocol. Furthermore, ongoing support was also provided for the finalization of the NEPAD SPV shareholding structure in Baharicom. The support that the Department provided was in the form of meeting with and explaining to the different SADC countries who attended the SADC ICT ministers meeting as well as the IMC, the details of the NEPAD project as well as the benefits that the Project will have for themselves, the Region and the continent.</p> <p>As per above, the Department actively supported the NEPAD Resolution which was passed by SADC ICT Ministerial and IMC meeting. This resolution called on all SADC countries to support the NEPAD Infrastructure project.</p>
International Affairs	Access to robust, reliable and affordable intra-African and international broadband connectivity through UHURUnet and UMOJAnet	Level of implementation of UHURUnet and UMOJAnet develop plan	Finalisation of financial and other arrangements in preparation for construction according to plan Finalisation of studies and terrestrial network (UMOJAnet) Developmental Plan	<p>In its efforts to fast-track the implementation of UHURUnet, ongoing meetings were held with relevant State Owned Enterprises (SOEs) and input was made towards SENITECH's application for funding from Treasury. Since April 2008, the Interim Management of BAHARICOM (the company that will own UHURUnet), NEPAD e-Africa Commission and the DoC have been having separate meetings with various parties (SA Telcos, MAIN ONE of Nigeria, TEAMS of Kenya) to secure their financial commitment.</p> <p>Meetings are on-going and it's expected that a supply contract will be concluded in the third quarter 2009. Furthermore, SA Telcos have signed MOUs indicating their interest in participating in Baharicom and the ongoing participation of SA entities in the NEPAD SPV is continuously supported. In the meantime, on the 8th of April 2009, TelkomSA, MTN, Vodacom, Neotel and Infraco signed a supply contract agreement with Alcatel for the manufacture of the West African Cable System (WACS) which is a cable run by the private sector.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
International Affairs	Increase access to and quality education in Africa through ICTs	Level of Implementation of the NEPAD e-School Roll-out Plan and Implementation Plan	Policy Framework for the roll-out of NEPAD e-Schools completed and phase one of the Roll-out Plan commenced	<p>With regards to fast-tracking the implementation of UMOJAnet (the NEPAD terrestrial network) through providing support to the studies and Terrestrial Development Plan commissioned by the e-Africa Commission a PIM was agreed upon and signed by the DoC and DBSA on behalf of the NEPAD e-Africa Commission. The PIM will amongst other things, create a development plan for the operation of the Terrestrial Network (UMOJANET). Furthermore, a terrestrial study was commissioned and is expected to be complete by end of June 2009 which seeks to assess the viability of the project, as well as identify the various factors that need to be considered in the planning of UMOJAnet.</p> <p>An e-Schools stakeholder conference was successfully hosted in April 2008. This meeting was attended by 21 countries and was held to address two main objectives. The first was to get approval of the participating countries on the Business Plan for the project and the second was for an endorsement of the way forward for the project. The meeting resulted in the adoption of 7 resolutions. The key resolutions are the following: Countries are to commit for 50% of their secondary schools to be converted to NEPAD e-schools by 2015; endorsement of the business plan; the need to set up a National Implementation Agency in each country; and to collaborate in the provision of equipment and services for the project.</p> <p>On the issue of the implementation of Phase One of the NEPAD e-Schools roll-out, ongoing stakeholder buy-in was facilitated and several engagements were held to discuss the construction, operation, maintenance and participation by various stakeholders including SA telecoms and financing partners. These meetings are ongoing.</p> <p>With regards to providing support for effective organizational output for the e-Africa Commission, the DoC and e-Africa Commission agreed on a programme of action for 2008/2009 financial year and the Department tabled a report at the NEPAD e-Africa Commission Executive meeting held on 8 June 2008 on SAs support to NEPAD ICT programmes. This programme included funding support for the e-Africa commission office and the Project Implementation Memorandum for the NEPAD infrastructure project. The programme of action for the 2008/2009 financial year has been incorporated into the Business and operational plans of the Department.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
International Affairs	Improved continental performance, cooperation and development	Impact of contribution to the African Development agenda	African Multilateral organizations strengthened	<p>With regards to providing programmatic support for the AU Specialised Technical Committees on CIT (ICTs), the Department actively participated at the AU 2nd Session Conference of Ministers responsible for CIT. A number of outcomes resulted from this session, the most important being calling on governments to support the ARAPKE projects which in the main looks to develop ICT infrastructure in the continent.</p> <p>In its efforts to support relevant Africa ICT Programmes to promote Africa's development, the ARAPKE flagship programme was adopted by the AU Conference of Ministers on CIT and funding was received from European Union (EU) Partnership Dialogue for 3 of the 11 flagship projects.</p>
			SADC ICT structures strengthened	<p>DoC participated at the SADC Ministerial meeting and favourably influenced the outcomes of the meeting in support of the NEPAD ICT Broadband project. This decision was calling on all SADC countries to support the NEPAD Infrastructure project, and for countries that have not signed to accede to the Kigali Protocol.</p> <p>Furthermore, the Department coordinated a SADC ICT Consultative meeting in Sun City in October 2008 and made presentation on proposed ICT Priorities. At this meeting, the discussions centered on the strategic imperatives to be pursued for the ICT sector and to adopt a common understanding on the implementation of regional infrastructure programmes and priorities after which 6 Projects were adopted for DOC to champion and coordinate with SADC Secretariat. As a country we are well advanced in the implementation of two of these projects, namely Broadcasting Digital Migration (BDM) as well as the NEPAD Infrastructure network. South Africa is still in the formulation of process that will see the implementation on the other four.</p>
			Bilateral relations with other African countries strengthened	<p>Department participated in review sessions for Sudan, Rwanda and Guinea. A questionnaire was also drafted and circulated through the Department of Foreign Affairs (DFA) to Missions abroad to establish insight relating to ICTs developments in counterpart Ministries. The DOC is still awaiting the outcome and responses of the questionnaire after which it will act accordingly.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
ICT Trade/ Partnerships	Increased impact of the South on the determination of its own and global agenda	Impact of contribution of the South-South cooperation to the development agenda of the South	IBSA ICT Structures strengthened	<p>The DoC is engaged in Bilateral programmes which are ongoing with the following countries: Egypt, Ghana, Tunisia, Sudan, Guinea and the following MOUs were finalized for signing and implementation: Egypt, Tunisia and Rwanda however due to the 2009 National Elections, the Department will await the New Administration to provide guidance on the SA's ICT Minister to sign the MOUs on ICT's.</p> <p>With regards to contributing towards post conflict reconstruction and development in the continent the Department participated in the Guinea-SA review study visit and a draft MOU was agreed on by both parties and will be finalized in this financial year.</p> <p>Furthermore, the DoC visited the Government of Southern Sudan (GoSS) to explore technical assistance for ICT infrastructure development. The Department also participated in the SA – Zimbabwe JPCC in March 2009 and presented a proposed draft MOU on ICTs after which the Departments finalised the proposed Agreement on ICTs with the GoSS Administration and submitted to Department of Justice and Constitutional Development for legal scrutiny.</p> <p>With regards to finalizing and implementing the IBSA ICT implementation plan per project, draft implementations plans and project proposals were finalized. An IBSA Information Society Working Group meeting was held in India, in September 2008, to conduct a review of the Plan of Action and to prepare for the summit scheduled for October 2008. The summit endorsed the Information Society Plan of Action (POA).</p> <p>Furthermore, a Project review and a 2009/10 annual program was ratified at the IBSA Summit in Delhi and an IBSA e-Government Seminar was held which outlined key issues for consideration in IBSA countries. South Africa has been tasked with the development of an e-readiness report/ protocol to be submitted for adoption by the summit in 2009.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
			South-South bilateral relations strengthened	<p>The Department drafted an MOU with South Korea and Brazil which are in the process of being finalized with the various legal teams from all countries.</p> <p>Furthermore, South Africa formally accepted an offer from South Korea to jointly cooperate on the Information Communications Technology Communications Centre to promote e-skills development. Consultative meetings were held with Cuba to strengthen cooperation on human capital development after which agreement was reached on modalities of implementation for the Capacity Building programme facilitated by the two governments.</p> <p>Furthermore, the DoC finalised the Bilateral Engagement Plan and adopted the International Engagement Strategy which aims to harmonize and formalize the manner in which the DoC officials engage in all international fora.</p>
ICT Trade/ Partnerships	Increased Impact on ICT Institutions of Global Governance on the global agenda	Impact of contributions to ICT Institutions of global governance on the global agenda	Reforms of ICT Institutions of global governance to address current challenges and their impact on development strengthened	<ul style="list-style-type: none"> • Through fulfilling of all aspects of the host country agreement, the department successfully hosted the ITU World Telecommunications Standardisation Assembly (WTSA-08) in October 2008 • South Africa chaired the African Support committee to coordinate Africa's participation in the Universal Postal Union (UPU) Congress, and successfully hosted the final meeting in South Africa. • Key developing country positions were identified and advanced at the UPU Congress and the WTSA • South Africa was elected to the Postal Operations Council of the UPU following successful lobbying. • South Africa hosted an African training workshop in conjunction with UNESCO and leading academic institutions on Information Ethics and e-government, as part of the implementation of the outcomes of the World Summit on the Information Society.



PROGRAMME 3: ICT POLICY DEVELOPMENT

PURPOSE

Develop ICT policies and legislation that support the development of an ICT sector that creates conditions for 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.

MEASURABLE OBJECTIVES

- Contribute to the reduction of the cost of telecommunications by developing and implementing a programme of action to benchmark South Africa's telecommunications costs, availability, usage and quality with comparable countries by March 2009.
- Contribute to socio-economic development of all communities by developing policy guidelines on the roll-out of the national postal address system (NPAS) by March 2009.
- Improve access to and modernise broadcasting services in South Africa by facilitating the implementation of the Broadcasting Digital Migration Policy so that the digital switch-on occurs on 1 November 2008 and analogue switch-off on 1 November 2011.

SERVICE DELIVERY OBJECTIVES

This Programme has six sub-programmes:-

- **ICT Policy Development** is responsible for drafting legislation, regulations, policy and guidelines that will govern the broadcasting, telecommunications, postal and IT sectors, and for ensuring economic development in these sectors and expanded BEE.
- **Economic Analysis, Market Modelling and Research** is responsible for economic analysis of the broadcasting, telecommunications, postal and IT sectors in order to determine trends and make growth projections. The sub-programme also does market research to determine which areas need further development, which in turn informs further policy development.
- **ICT Uptake and Usage** is responsible for ensuring that the ICT industry adheres to and implements policy and legislation and does research to determine the extent to which policies are being implemented in the broadcasting, telecommunications, postal and IT sectors.
- **Intergovernmental Relations** is responsible for building, restoring and maintaining relationships with the three spheres of government.
- **South African Broadcasting Corporation: Community Radio Stations** focuses on 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 SABC 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.

KEY ACHIEVEMENTS

The following information reflects the achievements in terms of the Programme strategic objectives set for the period under review.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
ICT Policy Development	Policy guidelines and implementation plan for the rollout of the National Postal Address System (NPAS)	% of South African homes with postal addresses	3% reduction of South African homes without postal addresses	The Department conducted research through analyzing the extent of the current address rollout through reports received from SAPO. Draft policy guidelines were developed on the National Postal Address System, which underwent extensive stakeholder consultation. The policy guidelines are yet to be gazetted. It is anticipated that the final guidelines will be gazetted in the second quarter of 2009/10 financial year.
	Policy Guidelines for Rapid deployment of the Electronic Communications facilitated	Reduction, per type of facility in the number of days to receive authorization to roll out electronic communications facilities	25% reduction in the number of days to receive authorization to rollout electronic communications facilities	The Department developed draft Policy Guidelines on the rapid deployment of submarine cables, which were gazetted for public comments. Stakeholder consultation on the draft Policy Guidelines was undertaken after which the public comments were analysed and will feed into the finalisation of the guidelines. Progress was halted due to the fact that the department could not publish the final guidelines due to the legal issues raised during the public comments phase regarding the relevance of section 21 of the Electronic Communication Act. The department is seeking legal opinion regarding these concerns and will take necessary action based on the outcome of the legal opinion.
ICT Policy Development	Policy directions on the licensing framework for public and other entities	Number of policy Directions published	All necessary Policy Directions published	The DoC developed the Policy Directive on the licensing of INFRACO which was published in the Government Gazette for public comments after which comments were received in December 2008.
				The Department also undertook consultations with the Department of Public Enterprises during the development of the Policy Directive. Stemming from an analysis of the public comments, the Policy Directive was published in a government gazette in February 2009. A policy directive regarding individual electronic communications network service (I-ECNS) intending to use satellite infrastructure for the provisioning of broadcasting services, was finalized and published in a government gazette in January 2009.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	TARGET	ACTUAL PERFORMANCE AGAINST TARGET	
				TARGET	ACTUAL
					<p>The Department also developed a Policy Directive on the provision of telecommunications services to the poorest or un-served communities, parts of which were announced by the Minister during the Department's Budget Vote Speech. The final policy directive regarding this was gazetted in January 2009 for implementation by Independent Communications Authority of South Africa.</p> <p>Furthermore, the Department developed a Post Bank Bill will be tabled in Parliament before the end of the 2009 calendar year. The Bill aims to provide for the establishment of a stand-alone public company to be known as the South African Post Bank</p>
Economic Analysis, Market Modelling and Research	Programme of Action to benchmark telecom- munications performance indicators	Improvement with respect to cost, quality, availability and usage of ICTs in relation to Brazil, Chile, India, Malaysia and South Korea	15 % Improvement with respect to cost, quality, availability and usage of ICTs		<p>An extensive benchmarking exercise was undertaken with comparable countries through the assistance of a service provider which resulted in a comprehensive benchmarking report including various recommendations. The Department developed Policy proposals on the recommendations which will go through several phases of discussion with relevant stakeholders before adoption and implementation. The draft three-year programme of action to implement the recommendations was developed and was presented to the DoC's Executive Committee and the Economic Cluster for inputs in March 2009. The actual percentage of improvement will be measured after implementation of the programme of action.</p>
ICT Policy Development	Set-Top Box (STB) Manufacturing strategy and implementation plan	Number of STB manufactured in South Africa and distributed	STB Manufacturing Strategy and Implementation plan approved		<p>The Broadcasting Digital Migration Policy for South Africa was finalized and approved by Cabinet in August 2008. The technical specifications Set-Top-Boxes (STBs) were finalized and filed with the SABS for the development of a national standard. Stemming from extensive work of an Interdepartmental Task Team comprising the Departments of Communications, Trade and Industry, Science and Technology and the National Treasury, a draft Electronics Industry Development Strategy was developed, which will be submitted to Cabinet for approval. Furthermore, Cabinet also approved the approaches on government/industry partnership on the Electronics Industry Development Strategy to build capacity for local manufacturing of STB's and the Scheme for Ownership Support for STBs.</p> <p>Furthermore, the Department also appointed the all the members of the Digital Dzonga Council, which is mandated to coordinate all BDM related initiatives in South Africa.</p>

ACTUAL PERFORMANCE AGAINST TARGET				
SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	TARGET	ACTUAL
			ICT Policy Development	Local and Digital Content Development Strategy (L&DCDS) and implementation plan
South African Broadcasting Corporation: Community Radio Stations	Sustainability of Community Radio Stations	Extending signal distribution to reach all communities, and extending community multimedia services at selected nodal points	Community Radio Infrastructure rollout programme implemented	As part of the community radio programme, the department rolled out broadcasting equipments to 19 newly licensed community radio stations and provided computer workstation and digital mixes to 8 existing community radio stations. All the 19 community radio stations are on air. As part of the programme production, and in collaboration with MDDA, twelve (12) community radio stations were assisted financially to the tune of R9 million to develop capacity to produce quality content. These stations are located in remote rural areas.
Inter-governmental relations	Implementation of the DoC Intergovernmental Relations Framework	ICT agenda integrated across all spheres of Government	Promote the ICT Agenda across all spheres of Government in order to ensure integrated and efficient service delivery to communities	In its efforts to promote ICTs across all levels of Government, the Department participated in various Imbizo and Government communication campaigns across numerous provinces, with specific focus on district and local municipalities. In support of the Minister and Deputy Minister's visits to Provincial Cabinet and other relevant fora, the Department, amongst others, facilitated engagements with the Western Cape Province, which resulted in an Imbizo which took place on 10 April 2008 in Prince Albert. The focus of this Ministerial Imbizo was the switch-on of transmitters for the provision of broadcast signals for SABC 1, SABC2 and Radio Sonder Grense, thus facilitating access to these services by the communities around Prince Albert. Similarly, engagements were facilitated with the Northern Cape, which resulted in a Ministerial Imbizo which was held in Heuningvlei in the Kgalagadi District. The Imbizo focused on the switching-on of transmitters in Kgalagadi District to enable the communities in the Heuningvlei, Loopeng, Severn and Laxey to view SABC 1, 2 and 3 and to receive signals for Radio Motsweding.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
				<p>The Department also participated in the distribution of radios and televisions to the indigents in the Moshaweng Local Municipality.</p>
				<p>The Department extensively participated at the Inanda, Ntuzuma, Kwa-Mashu (INK) Joint Government Technical Forum meetings, where the challenges and projects for the development of these nodes were discussed and focus was given to the ISRDP and URP communication campaign. Furthermore, the Department participated in the Working Session on National Development Planning and Implementation which was coordinated by the DPLG, where a platform for integrating ICTs into PGDS and IDPs was created.</p>
				<p>The Department developed an Inter-Governmental Relations Framework, which focuses largely on cascading and promoting priority ICT issues to all spheres of government.</p>



PROGRAMME 4: ICT ENTERPRISE DEVELOPMENT

PURPOSE

Oversee and manage government's shareholding interest, in public entities, in a manner that improves the capacity of the state to deliver on its mandate, and support the speedy attainment of national goals and priorities. Ensure, through the use of ICTs, the development of the small, medium and micro enterprise (SMME) sector.

MEASURABLE OBJECTIVES

- Contribute to meeting universal service and access objectives by monitoring the progress of the SA Post Office's rollout of 85 branches and 81 upgrades or relocations by March 2009.
- Improve broadcasting services in South Africa by overseeing Sentech's rollout of 175 digital ready transmitters by March 2009.
- Monitor corporate governance in line with the King II Report by reviewing all five public entities before the beginning of the financial year.
- Align the business and investment plans of public entities with the strategic objectives of the Department of Communications by producing yearly oversight reports before the beginning of the financial year.
- Contribute to improved financial management within the department by ensuring that all public entities reporting to the Ministry of Communications receive unqualified annual audits from the auditor-general.
- Encourage the use of ICTs by SMMEs by developing 10 000 e-commerce websites by 2010/11.

SERVICE DELIVERY OBJECTIVES

The ICT Enterprise Development Programme has 2 sub-programmes:

- **Public Entity Oversight** oversees state owned enterprises in a manner that improves government's capacity to deliver on its mandate, and manages government's shareholder interests in public enterprises in a manner that supports the speedy attainment of national goals and priorities. This sub-programme is a consolidation of the individual sub-programmes relating to the transfer of funds to public entities. It also includes a financial management component related to public entity oversight.
- **Small Medium and Micro Enterprise Development's** primary focus is to ensure, through the use of ICT'S, the development of the small, medium and micro enterprises (SMME) sector.

KEY ACHIEVEMENTS

The following information reflects the achievements in terms of the Programme strategic objectives set for the period under review.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Public Entity Oversight	Strategic policy leadership to SAPO's roll-out of Thusong Post Offices	Number of Thusong Post Office rolled out and postal outlets upgraded	Roll-out Thusong Post Office outlets in 100 communities and the upgrade and relocation of 81 Post Office outlets	The Department monitored the roll-out of Thusong Post-Offices through analysing reports provided by SAPO. As at 31 March 2009 43 new Thusong Post Offices have been rolled out. In addition to the new Thusong Post Offices established during the year, 71 existing Post Offices have been upgraded and/or relocated.
Small Medium and Micro Enterprise Development	SMME ICT Strategy Implementation Plan	Level of implementation of the SMME ICT Strategy Implementation Plan	SMMEs aware of benefits of using ICTs for their growth	<p>A Plan of Action was put in place regarding the development of e-commerce websites for SMMEs in tourism, arts and craft sectors. Monitoring of the website development was conducted. NEMISA and Tourism Enterprise Partnership was contracted to deliver on the websites development. 500 tourism enterprises have been identified in all nine provinces to participate in the tourism project, and 3000 women in construction are currently being identified through partners to be assisted with business development web portal. Discussions are underway with two craft hubs to introduce the ICT incubator model in both Kwazulu Natal and the Eastern Cape.</p> <p>An agreement with SmartXchange, an ICT Hub in Kwazulu Natal has been finalized. The purpose of this agreement is to ensure that 45 SMMEs housed at the hub are assisted with the resources centre which will provide, amongst others, the following services: government tenders and private tenders; links to business opportunities both locally and internationally; access to research documents to enable SMMEs to be aware of developments in the ICT Sector; access to government incentive programmes; E-learning material, both technical and business topics; and subscriptions to key ICT Magazines.</p> <p>A business model for the National Database has been finalized and will be implemented together with key stakeholders, including National Treasury and Small Enterprises Development Agency, a member of the dti group.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Public Entity Oversight	Report on governance review of SOEs	Number of SOEs reviewed	Corporate governance review conducted on 2 SOEs	Department through a service provider undertook an independent valuation of corporate governance practices at both SABC and Sentech.
		% unqualified audit reports from five SOEs	100% unqualified audit reports from five SOEs	The service provider interviewed Board members and members of the Executive Committees of both SABC and Sentech and reviewed key governance documentation and instruments of governance. This extensive process resulted in the development of reports on Corporate Governance practices in both Sentech and SABC. Reports of these reviews were finalized and submitted to the Minister of Communications. Plans of action to facilitate the implementation of recommendations of the reports are currently under development. This is being done in conjunction with the respective SOEs and will be implemented in the forthcoming financial year.
	SOE Shareholder Compacts and Strategic Plans aligned with government priorities	Alignment of SOE Shareholder Compacts and Strategic Plans with government priorities	All Shareholders Compacts signed and Strategic Plans approved, as appropriate, in line with government priorities	Corporate Plans of SAPO, Sentech, NEMISA and USAASA were aligned with Government priorities and approved by the Minister. Shareholder Compacts of SAPO, SABC and Sentech were signed off by Minister and Chairperson of the Boards. Reports for the Minister have been delayed due to delays in the submission of quarterly reports by the entities. Reports for the Minister were submitted in early January 2009. The Department facilitated the appointment of the Board members of Sentech, NEMISA and ICASA Councillors and an executive member of SAPO Board. With regard to Sentech, the Cabinet decision was to defer the appointment of Board members pending a report on challenges facing Sentech. With regards to NEMISA, inductions have taken place since most board members have had their terms renewed. Furthermore, the framework of the remuneration of board members was reviewed and discussions were held with Sentech and SAPO on the system that is being used in evaluating performance of board members. The term of office of the Chairperson of Telkom was extended in order to align it with her term of office as a non-executive director to the Board. USAASA and Sentech had two non-executive members each appointed to board.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
	SOE funding secured	Funding appropriated	SOEs funding request appropriated	<p>The Articles of Association of the SOEs were reviewed and some of the amendments were finalized, except those of the SABC. The delay in amending the SABC Articles of Association was necessitated by the need to ensure that these Articles reflect the particular nature of the SABC. Furthermore, in view of amendments to the Broadcasting legislation, it became necessary not to pre-empt the legislative process by amending the Articles.</p> <p>The Department facilitated a workshop with all the SOEs to discuss Government's Budgeting processes and cycles and to agree on the processes and timelines to be followed in finalising the year's MTEF Budget submission to the National Treasury. Sentech, SABC, ICASA and USAF submitted their infrastructure funding proposals for consideration in the 2009 MTEF.</p> <p>The financial expenditures of SOEs as they relate to programmes and projects funded directly from the fiscus were monitored. Instances of inability to spend funds, as per their expenditure projections, were addressed with the respective entities. This inability is mainly as a result of entities not introducing sufficient rigour in designing their expenditure projections. This has had an impact on the DoC's ability to adhere to its own expenditure projections because SOEs funds are voted under the DoC Vote 24.</p>



PROGRAMME 5: ICT INFRASTRUCTURE DEVELOPMENT

PURPOSE

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 South Africa and its citizens.

MEASURABLE OBJECTIVES

- Facilitate the efficient and effective use of the Radio Frequency Spectrum by developing a national frequency strategy and phased implementation plan, taking into account decisions of the ITU's world radio communication by March 2009.
- Contribute to increased access, speed, uptake and usage of broadband by developing a comprehensive broadband strategy and phased implementation plan by March 2009.
- Support the implementation of a national information society and development plan to provide connectivity for education, health and government offices by developing an integrated ICT infrastructure plan and initiating phased implementation by March 2009.
- Ensure the fulfilment of government ICT guarantees for the 2010 FIFA World Cup by co-ordinating specific deliverables of all stakeholders and relevant public entities by January 2010.

SERVICE DELIVERY OBJECTIVES

- **Applications and Research** is responsible for technology research and analysis, applications and content development; analysing the legal environment to promote infrastructure technologies and managing the use of the spectrum;
- **Meraka Institute** does research and develops ICT applications that aim to benefit all citizens.
- **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.

KEY ACHIEVEMENTS

The following information reflects the achievements in terms of the Programme strategic objectives set for the period under review.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Applications and Research	National Radio Frequency Spectrum usage policy	Number of decision on Frequency Spectrum usage	Decisions on 50% of all services requiring policy on spectrum usage	The Department analysed and proposed corrections to the Draft Frequency Plan developed by ICASA. The Department also developed the first draft of the National Frequency Spectrum Policy Discussion Document. This Policy intends to address strategic decisions to ensure a positive contribution of the radio frequency spectrum to the promotion of national interest, socio-economical development and diversity.
	Mapped existing and planned ICT Infrastructure	Extent of coordination and integration of the roll-out of ICT Infrastructure with other infrastructure development	25% increase in the integration of infrastructure planning	Subsequent to the development of a Project Plan the Department established a Steering Committee to lead the project. In its efforts to develop and integrated ICT Infrastructure Plan, the DoC gathered 60% of government information on ICT infrastructure and services such as access points (telecentres, cyberlabs, Public Internet Terminals, radio and television transmitters, etc). Despite the efforts, the acquisition of ICT infrastructure information from operators is still a challenge mainly due to the technical complexity, security and confidentiality of the information required.
	2010 ready ICT infrastructure in accordance with the guarantees	Number of stadia with ICT guarantees fulfilled	All 5 Confederations Cup stadia with ICT Guarantees fulfilled	The Stadium grant, which covers the basic information Technology & Telecommunication (IT&T) requirements inside the stadium i.e. cable pathways and civil works to outside locations, were allocated to all stadia. The Department clarified the stadium IT&T roles and responsibilities with the host cities and the Local Organising Committee (LOC), which was captured in the DoC/LOC agreement. Furthermore the DoC also completed contracts with Sentech and Telkom regarding the implementation of ICT guarantees. On the issue of telecommunication infrastructure, the Access Network infrastructure has been installed at both carrier rooms in all 4 stadia for the Confederations Cup, which will be handed over by the beginning of June 2009. The video adaptation equipment has been tested in February, and will again be tested for the final time in May 2009. Furthermore, Satellite infrastructure has been procured and will be installed in April 2009. Operational costs and user charge-back negotiations are still ongoing with FIFA.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
				<p>Progress on the upgrade of the National Backbone was monitored through a Management, Accommodation, Ticketing, ICTs, Hand-in-Hand (MATCH) Audit and National Telecommunication Infrastructure (NTI) Audit and Monitoring Meetings. NTI is a structure chaired by the LOC, to monitor progress of the IT& T work-stream. The National Backbone upgrade is complete, except for 1 the link in Kwazulu/Natal at Mtunzini, where Telkom require permission from SANRAL to install the fiber cable. Funds for the 2nd Teleport and Satellite Backup project were transferred to Sentech in August 2008, after which Sentech placed orders for the 2nd teleport equipment. This equipment will first be installed in May 2009 at Ellis Park, as this will be the IBCC location and after the Confederation Cup Games, it will be removed and transported to NASREC.</p> <p>The construction of the International Broadcasting Centre (IBC), which was formally launched on 21 April 2008, is on track. However a scaled-down version of the IBC (IBCC) will be implemented at Coca Cola Park (Ellis Park) for the Confederation Cup. The Overlay planning for the IBCC (Ellis Park) venue has been completed and the LOC will fund for the required cabling routes from their overlay budgets.</p> <p>In respect of the protection of 2010 infrastructure, both physical and cyber security, a Communications Infrastructure Committee has been established by the NATJOC (National Joint Command Centre) and an Emergency communications plan has also been developed.</p> <p>The Department, after extensive consultation, developed a 2010 Legacy plan which will ensure that all the IT&T infrastructure installed for 2010 i.e. Telkom, Sentech, and Host Cities are reused post 2010, thus leaving a legacy for South Africa.</p> <p>Sentech's rollout plan for the project was put in place and the procurement of the required equipment was to commence once funding was secured. Progress on the project was largely affected by the lack of funding considering that only R150 million of the requested R266 million was allocated as a result of which the estimated 56% coverage was reduced to 45% of the population by end of March 2009. Furthermore, all stakeholders are awaiting the finalization of the digital broadcasting frequency plan by ICASA.</p>
	Digital Broadcasting Infrastructure	% of public broadcasting infrastructure digitized as per Sentech's plan for digital signal coverage of the population	50% of transmitters for public broadcasting digitized	

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
	Strategic Leadership to Sentech's national wireless broadband rollout	Number of schools and surrounding government sites connected	250 Dinaledi schools and surrounding sites connected	<p>The Department received user requirements and GIS data sets on government institutions which have been collated and mapped. 233 Dinaledi Schools were prioritized for the 1st phase of implementation. Government institutions in the surrounding area of Dinaledi schools have been identified and Sentech's Network Design and Rollout Plan was also finalized. Furthermore, a Memorandum of Understanding between DoC and DST on interconnectivity of Wireless Mesh Network with WiMax was drafted. Some of the key challenges however in this project were the lack of funding and the finalization of the User Requirement Specifications (URS's).</p> <p>While some capital funding was made available for this project the operational costs of the services was to be carried by the clients on the network. Unfortunately money was not available from the various departments for this service cost. This issue is closely related to the finalization of the URS's as the requirements for services are also dependant on the cost and affordability thereof. As such great difficulty surrounded the completion of requirements. The capital funding available proved to be insufficient for the scope of the project and clarification of potential funding strategies needs to be investigated before the envisaged technical solution can be implemented.</p>



PROGRAMME 6: PRESIDENTIAL NATIONAL COMMISSION ON INFORMATION SOCIETY AND DEVELOPMENT

PURPOSE

Provide timely and informed advice to the President on matters related to the development of an inclusive information society. Facilitate the development of an integrated information society in South Africa and also support efforts aimed at making South Africa integral and equal members of the global Information Society.

Measurable Objective

- Co-ordinate the building of an information society in South Africa by facilitating and monitoring the implementation of 40 identified projects of the information society and development (ISAD) plan.
- Ensure alignment of South Africa's information society programmes with the outcomes of the World Summit on Information Society by facilitating the implementation of the programmes of the Forum of South African Directors-General (FOSAD) ISAD cluster by March 2009.
- Measure the impact of the implementation of the ISAD plan by publishing the annual e-Barometer, which measures the improvement in ICT connectivity in various sectors, starting in March 2009.

Service Delivery Objectives and Achievements

The Programme is divided into the following seven sub-programmes:

- **Policy, Planning and Foresight** aims to ascertain that South Africa has proactive and progressive national plans, with sectoral, provincial and local government components.
- **Policy Co-ordination and Integration** makes sure that the national Information Society and Development (ISAD) plan is implemented in a co-ordinated way, and that policies, legislation and programmes are well co-ordinated, integrated, and complementary, and aligned with development plans.
- **Policy Evaluation and Impact Assessment** assesses whether policies and legislation support or hinder the development of an inclusive information society, and assesses the impact of ICT programmes and projects.
- **Special and Flagship Projects** co-ordinates and develops special programmes to maximize the benefits of the information society for women, children, youth, people with disabilities and poor communities.
- **Communication and Stakeholder Management** ensures that all spheres of government participate in the Presidential National Commission's national ISAD plan.
- **Organisational Excellence** provides responsive, timely and comprehensive strategic administrative support.
- **Research** is responsible for doing organisation specific research to inform strategic decision making aimed at building an inclusive information society.

Key Achievements

The following information reflects the achievements in terms of the Programme strategic objectives set for the period under review.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Policy Co-ordination and Integration	PGDSs and IDPs fully integrated with the ISAD plan and documented accordingly	Number of provinces and district municipalities that have integrated the ISAD Plan in their PGDSs and IDPs	3 additional provinces supported to incorporate the ISAD Plan into provincial development plans	<p>PNC in its efforts to integrate PGDSs and IDPs with the ISAD Plan, developed a position paper containing examples of recommended statements and practice on how best the provinces can incorporate ISAD imperatives in the PGDS, in-line with the guidelines from the Presidency. This was made within the context of an INSPIRE Agreement signed between the South African Government and the Finnish Embassy. INSPIRE initiative is aimed at providing technical support to the Northern Cape and Limpopo in their efforts to develop their provincial Information Society strategies.</p> <p>The PNC participated at all INSPIRE Steering committee meetings and made strategic inputs to support the successful implementation of the programme. In addition, assistance was also provided in terms of transfer of programme funds from Government of Finland to the National Treasury and thereafter Provincial Treasuries. In both provinces the project concept documents were compiled which would inform Provincial ISAD strategy formulation.</p> <p>Whilst the Finnish Embassy confined its technical support to the Limpopo and Northern Cape provinces only, the PNC facilitated, within the ISAD Intergovernmental Relations Forum (IGRF), the sharing of experience gained with the other provinces. Emanating from this interaction at the Forum meetings, the PNC was requested to develop a framework to assist other provincial governments in formulating their ISAD strategies, taking into account the experiences of Limpopo and Northern Cape provinces. It is envisaged that the draft framework would be adopted at the first sitting of the ISAD IGRF meeting in 2009 calendar year.</p>
Policy Co-ordination and Integration	Professional and secretarial support frameworks implemented	Degree of effectiveness and alignment of the ISAD IGRFs meeting agenda to the ISAD Plan	ISAD IGRF agenda fully aligned to the strategic imperatives of the ISAD Plan, monitoring on outcomes ensured and secretarial support provided	<p>The ISAD Intergovernmental Relations Forum (IGRF) is one of the ISAD Institutional Mechanisms aimed at ensuring a coordinated implementation of the national ISAD Plan.</p> <p>In order to ensure effective and efficient functioning of the ISAD IGRF, the PNC coordinated and provided professional and secretarial support services to the ISAD IGRF meetings which took place during the year under review. These high-level and powerful meetings were coordinated efficiently as evidenced by the attendance of the then newly appointed Minister of Public Service and Administration who is the Deputy Chairperson of the ISAD IGRF, to chair the meeting in the absence of Minister of Communications.</p>

ACTUAL PERFORMANCE AGAINST TARGET				
SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	TARGET	ACTUAL
			Policy Co-ordination and Integration	Professional and secretariat support frameworks implemented
Policy Co-ordination and Integration	Professional support Framework implemented	Degree of effectiveness and alignment of PIAC an ISAD meeting with government information Society Imperatives	PIAC on ISAD meeting agenda fully aligned to the government Information Society imperatives, monitoring on outcomes ensured	PNC provided professional support to the 8 th annual meeting of the Presidential International Advisory Council (PIAC) on ISAD which was held as from the 5 th to 7 th September 2008. This meeting, chaired by the President of the Republic of South Africa, and attended by internal advisors, considered the following matters: key developments in the ICT sector in the past year; achievements and challenges of PIAC since its inception in 2001; a presentation on scorecard that looks at the enabling factors, institutional matters and desired outcomes; a comprehensive brief on the work of the South African e-Skills Council that is the brainchild of PIAC as well as broadband initiatives and programmes implemented in South Africa. In terms of its role, the PNC ensured that first the South African e-Skills Council was able to present a thorough and comprehensive work-programme at the PIAC. The presentation on the work-programme of the South African e-Skills Council was particularly important given that the international advisors had recommended that as per best practice around the world, there be a high level structure that benchmarks SA's e-skills programmes and accordingly makes specific recommendations to the country on how to accelerate the building of an e-skills base in the country.

ACTUAL PERFORMANCE AGAINST TARGET				
SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	TARGET	ACTUAL
Policy, Planning and Foresight	Professional and secretariat support Framework implemented	Status in the alignment, and implementation of e-Skills Council meeting agenda and its recommendations	e-Skills Council Agenda fully aligned to its mandate and implementation of recommendations facilitated	<p>The South African e-Skills Council was established by the Presidential International Advisory Council on Information Society and Development (PIAC on ISAD) in February 2008. It is a partnership between government, the private sector, educators and other established government institutions that provide strategic advice on services and programmes that would impact on ICT skills development. Its establishment was facilitated and supported by the PNC on ISAD by developing the Terms of Reference and its operational structure.</p> <p>The South African e-Skills Council is composed of relevant Ministers and internationally-based advisors as follows:</p> <ul style="list-style-type: none"> • Minister of Communications (Chairperson) • Minister of Education (Alternate Chairperson) • Ministers of Labour; Science and Technology; Trade and Industry and Public Service and Administration • International ICT skills development experts nominated by the President's Advisors and Chairperson of South African e-Skills Working Group • Deputy Ministers are the alternates of the Ministers in the e- Skills Council. <p>The e-Skills Working Group is a structure that provides technical support to the work of the e-Skills Council thereby ensuring effective and efficient functioning of the Council. It is comprised of representatives from South African stakeholders, namely government, ICT sector, academia, researchers and civil society. The Working Group is further divided into sub-committees which focused on the six themes which are key to the development of the ICT sector, namely, Information Technology, Telecommunications, Communications, Electronics, Multimedia and Postal.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
				<p>Subsequent to its establishment, the council developed a Strategic Framework which outlines the work packages and deliverables towards an e-Skills development concept for South Africa. A Task Team, constituting of four international advisors, was nominated to develop a concept framework on the work of the e-Skills Council. The framework proposed focus areas of research that needed to be undertaken so as further develop a scenario for the e-skills vision for the country as follows:</p> <ul style="list-style-type: none"> • Providing an overview on expected demand for ICT skills in SA as well as key trends in information society that will impact the demand in the future; • Analysis of "supply-side" with regard to the levels of different skills need by business and the economy, focusing at schools and community, post secondary school education, connectivity, labour and research related topics; and • Deep-dive analysis of policies, programs and learnings of a selected group of countries considered relevant benchmarks for the SA model <p>Furthermore the PNC provided strategic and administrative support to the e-Skills Working Group's commissioning of a study to benchmark South Africa with six countries; namely Finland, India, Ireland, Mexico, Vietnam and Cuba. Accordingly, the Council developed recommendations on the interventions which the country could consider to address the challenge of the ICT skills shortage. The report was presented to the PIAC on ISAD meeting in August 2008, which endorsed all the recommendations.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/ INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Research	Wireless mesh networking technology developed and piloted in targeted areas	Status of wireless mesh networking technology roll-out	Development of wireless mesh networking technology at the Meraka Institute and piloting at half of the Dinaledi Schools facilitated	<p>A schools network pilot project run by the Meraka Institute (supported by Motorola) built a 400km backbone linking schools as far as Hendrik Makapan School (near Polokwane) to Lomahasha School (near border with Swaziland and Mozambique), both schools being NEPAD e-School demo sites. In the Nkangala District of Mpumalanga, 10 Dinaledi schools have been linked into this backbone which consists of 8 high masts linked and spurs from the towers linking into local areas (with one or more schools linked in WMNs).</p> <p>This backbone has the potential to connect most parts of Mpumalanga with options to upgrade current 10 Mbit/s bidirectional capacity to 50 Mbit/s. The total cost of the network equipment is less than R3m, and now provides free broadband connectivity to the participating schools.</p> <p>Lastly, the Department of Science and Technology continued to monitor the Wireless Mesh Network initiative with the participation of other members of the Research and Innovation (R&D) Subcommittee of the ISAD Cluster</p>
Special Flagship and Projects	Uptake and usage of ICT by Youth accelerated	Status in the establishment of the Youth ISAD Village	Phase 1 of the ISAD Village launched	A draft concept document was developed however progress was hindered by the lack of funding.
Special Flagship and Projects	Sustainable youth ICT SMMEs	Status in the establishment of youth e-cooperatives enterprises and their sustainability	Youth e-cooperatives enterprises established prioritizing the coverage area of the Dinaledi Schools network	The youth e-Cooperative programme which is aimed at accelerating the entry and active participation of young people in the mainstream ICT sector began in 2007 and, is implemented in two phases. Phase 1 which began in the first quarter of 2007 saw a total of 420 youths with matric (a requirement) identified/recruited in municipalities from all nine provinces and a total of 46 e-Cooperatives (youth ICT small enterprises) formed.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
				<p>Phase 2 which began in 2008, saw a total of 1200 young people identified through municipalities nationally, leading to the formation of an additional 50 youth e-Cooperatives through the Companies and Intellectual Property Registration Office (CIPRO). As with the first group, about 500 of these young people (selected from each of the 50 youth e-Cooperatives) underwent training on basic ICT skills through TUT. They were further taken through the website development and maintenance programme as provided by ISSA. The total number of young people who are beneficiaries in the programme is approximately 1600 nationally, with the total number of e-Cooperatives registered through CIPRO being approximately 96.</p> <p>One of the opportunities identified for the e-Cooperative enterprises was the development and maintenance of websites in municipalities. In the 2008/09 financial year, e-Cooperatives from the North West and Mpumalanga provinces were deployed in select municipalities where they developed websites. Each of these e-Cooperatives (ICT small enterprises) was paid an amount of between R30 000 and R50 000 for the services provided. In the 2009/10 financial e-Cooperatives will be deployed to develop websites in municipalities in Limpopo, Northern Cape, Eastern Cape and KwaZulu Natal and Free State are progressing. In order to address the challenge of access to funding which impacts on the development and sustainability of e-Cooperatives, basic ICT equipments (e.g. computers, printers, scanners, fax machines etc.) will be deployed to 60 e-Cooperatives nationally, helping them to start youth owned and managed Community Digital Centres (CDCs). The deployment process will be undertaken in collaboration with the National Youth Development Agency. In addition, a sustainability strategy will be developed, covering issues of access to business opportunities (at local and provincial level) and monitoring and evaluation aspects.</p>
Policy, Planning and Foresight	Targeted Jobs-For-Growth model implemented	Number of locations where Jobs-For-Growth initiatives are implemented	Jobs-for-growth initiatives piloted in 20 locations within the coverage of the Dinaledi Schools network	Substantial progress was not made with regards to the target due to budgetary constraints as well as poor stakeholder support however, women owned agricultural/gardening projects were identified in Limpopo, Mpumalanga and KwaZulu Natal.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Policy, Planning and Foresight	e-Education policy implemented in targeted schools	Number of schools using ICTs for teaching & learning	Implementation of the e-Education Policy in the 500 Dinaledi Schools focusing on: Teacher training and development of Maths & Science content	This work is done under the e-Education sub-committee of the FOSAD ISAD Cluster. Guidelines for Teacher Training in ICT have been developed and teachers are currently trained on IT related skills. The Thutong Portal is the platform used to develop the digital content for maths and science.
Policy Coordination and Integration	ICT equipment deployed in the Dinaledi schools	Number of schools fully equipped with ICTs	ICT equipment deployed in 250 Dinaledi Schools	The Apex Project 3 is aimed at connecting 233 Dinaledi schools and providing them with appropriate ICT equipment. Working with the national and provincial heads of the Department of Education, the schools were identified and approved from each province. The verification of the e-Readiness status, checking the connectivity and availability of IT equipment in the Dinaledi schools has been completed. Progress was however hindered due to the delays in the connectivity of the Dinaledi schools project which directly affected the implementation of this target
Policy, Planning and Foresight	School management and administration system ICT enabled	No. of Schools using ICTs for administration & management	Capability to enable e-Administration between 250 schools, districts and provincial offices in coverage area of the Dinaledi schools network developed	This work was done under the e-Education sub-committee of the FOSAD ISAD Cluster. Schools with computers are being provided with the School Administration Management System (SA-SAMS) and the "Learner Tracking System" (LURTIS) to connect the learner information with the district, provincial and other related government offices
Policy, Planning and Foresight	e-Cadre programme implemented	Number of schools where e-cadre programme is implemented	Education sector e-cadre programme in 250 schools in the coverage area of the Dinaledi schools network implemented	The Youth e-Literacy Programme has been implemented by training 377 young people and deploying 201 as volunteers for community service in schools and health centres. In seven provinces young people have been deployed to do community service as volunteers providing IT support to the health centres, Dinaledi schools and other schools. Reports have been received from these provinces and the management of the payments of stipends for the volunteers is handled very smoothly. As part of the exit strategy, information sessions will be held in the provinces which are aimed to present the young people with information on further careers and opportunities that exist in each Province.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Special and Flagship Projects	NEPAD e-schools established	Level of roll-out of the NEPAD e-schools initiative	Phase 1 of NEPAD e-School Initiative rolled out	The target is implemented within the e-Education Subcommittee. A proposal has been submitted that request the inclusion of the NEPAD e-Schools to the list of the Dindledi schools to ensure sustainability in the NEPAD e-schools. The project is driven from the NEPAD e-Africa Commission and is dependant entirely on the programme of the Commission.
Policy, Planning and Foresight	Fully equipped ECD centres with ICTs	Number of ECD centres with ICT equipment for teaching & learning	ICT equipments provided to 10 ECD centers in the coverage area of the Dindledi Schools network	The PNC on ISAD initiated a project to provide an opportunity to expose children to ICTs prior to school going age. The project focuses on Early Childhood Development and seeks to address the challenge of a lack of access and exposure to technology in schools. The target was children in Early Childhood Development Centres, also referred to as pre-schools, which are within the coverage area of Dindledi schools network. In partnership with the Department of Education (DoE), ten registered ECD centers, classified under quintile 1 of the poverty range, were identified. The project provided 100 educational toy laptops to children in Grade R, in order to encourage them to investigate, create, discover and motivate them using ICT related toys. The PNC also facilitated the development of the discussion document on ways to effectively integrate ICTs in Early Childhood Education.
Policy, Planning and Foresight	Support programmes to increase ICT literacy	Number of literacy campaigns implemented	ICT literacy campaigns in the coverage area of the 20 Dindledi Schools network piloted	The PNC facilitated the implementation of the Youth e-Literacy Programme. Working with the National Youth Service (NYS) and Tshwane University of Technology (TUT), 377 young people were recruited and trained on ICT related skills and life skills. From each province 50 people were identified through the Provincial Youth Commissions to participate in the programme. The main requirement to participate in the programme was that the young persons should be unemployed, be between the ages of 18 – 35 years and possess a matriculation certificate. The programme ensured that young people with disabilities were also included. As required by the National Youth Service Programme, upon completion of training, these trained young people were deployed to undertake community development work as volunteers in the hospitals, clinics, health district offices, FET Colleges and at the Dindledi Schools. The community service commenced in April 2008 and ended on the 31st March 2009. In recognition of their commitment to the health and educational institutions through the community development service, the PNC on ISAD awarded the participants with Certificates of Participation upon completion of the community service. The certification was ceremony was held in March 2009 in e-Thekwini, KwaZulu-Natal province.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Policy Coordination and Integration	Cultural Heritage digital repository developed and operational	Status in the establishment of a national digital repository	A national digital repository developed and content captured in the coverage area of the Dinaledi Schools network.	<p>The PNC on ISAD initiated the National Digital Repository (NDR) on Cultural Heritage in order to preserve, promote and disseminate South Africa's cultural heritage. It is also meant to reinforce the national imperatives of fostering national identity and social cohesion. This project encourages South Africans to appreciate and understand who they are and where they come from. It will also assist global society to understand South Africa's cultural diversity. Thus the strategic thrust of the project is to facilitate the development of a National Digital Repository (NDR) on arts, culture and heritage.</p> <p>In order to ensure that the NDR portal had relevant, comprehensive cultural and heritage content, the PNC, working in partnership with NEMISA, identified and trained youth to facilitate the development of the South African story as told by youth through local content.</p> <p>In the year under review the PNC facilitated the training of the core 20 young people on the technical development of the portal which has been populated with stories collected from North West Province where the Repository was launched as the NW Chapter of the NDR. Thus far the project has already recruited 465 young people due to be trained in second phase of the project.</p>
Policy Coordination and Integration	Number of Websites developed for SMMEs in tourism, arts and craft sectors.	Status of Website development in the targeted sectors	Websites developed for SMMEs in tourism, arts and craft sectors prioritising 250 areas of the Dinaledi School Network.	<p>The SMME Sub-Committee has developed 200 websites for SMMEs operating in the creative industry. NEMISA has been appointed as the preferred service provider to develop 500 websites for SMMEs in tourism.</p>
Policy Coordination and Integration	Professional and secretariat support frameworks for the FOSAD ISAD cluster implemented	Degree of effectiveness and alignment of the FOSAD ISAD Cluster programme of action to the ISAD strategic imperatives of government.	FOSAD ISAD Cluster Programme of Action fully aligned to ISAD strategic imperatives of government and secretariat support provided.	<p>FOSAD ISAD Cluster met regularly during the period under review. ISAD Cluster workshops were held in June and August 2008. Secretariat provided consistent communication through formal correspondence to Cluster Departments. Professional support to Cluster subcommittees has been provided including communicating the outcomes of the IMC meeting. Bilateral discussions on the Cabinet memo preparations were held and professional inputs were provided to the draft Cabinet memos in support of the work done by subcommittees of the Cluster. The reports of all Cluster meetings have been prepared timeously thus ensuring effective functioning of the Cluster</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Policy Coordination and Integration	Professional and secretariat support frameworks implemented	Degree of effectiveness and alignment of the ISAD IGRF Technical Committee's agenda to the ISAD Plan	ISAD IGRF Technical Committee meeting agenda fully aligned to the strategic imperatives of the ISAD Plan, monitoring, on outcomes ensured and secretariat support provided	The ISAD Technical Committee met regularly during the period under review. Professional and secretariat support was provided. The last ISAD Technical Committee held in February 2009 focused on preparing for the Forum meeting and also finalizing the consolidated Report for the new Administration. The Committee also looked at the preparation for the Municipal ICT Workshop. Participation of provinces, especially HoDs, in the Technical Committee still remains a challenge.
Policy Evaluation and Impact Assessment	Credible and reliable e-Barometer system and information communicated	Status in the development of the e-Barometer Report and impact assessment report Level of data quality enhanced	e-Barometer published	The PNC made inputs towards the ISAD monitoring and evaluation strategy of Limpopo, Northern Cape and Gauteng Province. The indicators database was shared with the PIAC task team that was mandated to develop the ICT score card.
Policy Coordination and Integration	Electronic TB register and chronic diseases patient information systems implemented in all clinics in targeted areas	Degree of implementing electronic TB register in clinics of the targeted areas	Electronic TB register and chronic diseases patient information systems implemented in all clinics in the coverage area of the 250 Dindledi school network	Tuberculosis is one of the most critical communicable diseases in South African. Data collection is a challenge in the management of TB especially due to under-reporting and lack of notification. The project aims to provide clinics with electronic tools to capture the TB register and clinical information on chronic diseases. This requires that the clinic should have the necessary connectivity as well as ICT equipment. The PNC facilitated the development and mapping of a database of all health facilities in the coverage area of the 233 Dindledi schools network. A questionnaire was developed to assess the status of connectivity at clinics and health professionals' ICT skills to serve as baseline data. The questionnaire was presented to the provincial meeting in October 2008 and provinces have started with the data collection. Delays were experienced in terms of the submission of the data from provinces due to internal processes within provinces since this data needs to be signed off and verified by the Heads of Departments. The data would be used to determine the availability of network connectivity at the clinics within the Dindledi Schools where the Electronic tools for electronic capturing of TB cases would have been deployed.

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	ACTUAL PERFORMANCE AGAINST TARGET	
			TARGET	ACTUAL
Policy Coordination and Integration	ICT equipment deployed in targeted public Health Care Centres and training provided to support improvement of service delivery	Status in the deployment of ICT equipments and training at PHC centres.	Support the management of the Primary Health Care delivery in the public PHC centres in the coverage area of the 250 Dinaledi Schools network through deployment of ICT equipment and training	<p>South Africa has 4000 clinics which provide primary health care services. Nearly all of these clinics do not have ICT infrastructure for the collection of data, access to internet and clinical management of patients through Telemedicine. All data capturing and collation in clinics is currently made manually.</p> <p>It is important to collect data to measure health services and also make informed decisions on the allocation of resources. The focus of the project was on the capturing of statistical data on the activities of the clinics using the District Health Information Software (DHIS software). This would ensure that data is available online and on time for health professionals to ensure improvement in the management of the health services.</p> <p>The PNC facilitated the detailed costing of computer equipment software customisation, training and change management, including DHIS usage and maintenance costs. The costing formed part of the total budget for the Apex Priority Project 3. The total costs for the project was estimated at R56 million. The FOSAD Cluster e-Health sub-committee meetings were held as scheduled and provinces were accordingly consulted. The consultation with the provinces was centred on the Apex Priority Project 3 to support the implementation thereof. This includes verifying equipment requirements, human resources as well as funding issues. Funding from the Department of Health to provide ICT infrastructure in health facilities remains a challenge, however, other avenues including, donor funding, is being investigated to fund this project.</p>
Policy Planning and Foresight	ICT equipment deployed in Thusong Post Offices	Degree of ICT equipment deployed	ICT equipments in all Thusong Post Offices in the coverage area of the 250 Dinaledi schools network deployed	<p>The PNC was unable to deliver on this target as funding was the major challenge to the project.</p>

SUB-PROGRAMME		ACTUAL PERFORMANCE AGAINST TARGET	
PERFORMANCE MEASURE/INDICATOR	OUTPUT	TARGET	ACTUAL
Status in the development and implementation of e-applications in support of APEX Project 3	APEX Project 3 effectively and efficiently implemented through the e-applications deployment	e-Applications for government departments to support the delivery on APEX Project 3 developed and rolled out	<p>Apex Priority Project 3 is one of the 24 Apex Project 3 that were announced by the State President in the 2008 State of the Nation Address (SONA). The strategic intent of this project was to implement the national Information Society and Development (ISAD) Plan and increasing the uptake and usage of Information Communication Technologies (ICTs) by individuals and government. The DOC viewed this project as catalytic and the depth of its impact would directly contribute towards the criteria as set out by the Presidency.</p> <p>Apex Priority Project 3 is centred on building an inclusive Information Society by providing connectivity to 500 Dinalledi schools first and the rest of the schools in the long term. Dinalledi schools are schools that meet the criteria set by the national Department of Education, amongst these being the fact that they produce more African learners passing matric with higher grade Mathematics and Science. The overall aim of the project is to contribute towards increasing the ICT skills based in the country and to ensure that government works in a more collaborative and integrated manner to impact on the poor, women and youth.</p> <p>The building of an inclusive Information Society hinges on four main factors: the provision of infrastructure in term of broadband connectivity; content development, skills development as well as using appropriate applications such as e-Education, e-Health etc. To start the project it was decided that Sentech use the R500 million allocated to it to roll out Broadband infrastructure to the Dinalledi schools and surrounding government sites. The government sites within 15 km radius of a Dinalledi to be connected would include the following:</p> <ul style="list-style-type: none"> • Other schools • Health centres • Science and research centres • Government offices • Police stations • Post Offices • Libraries • Thusong Service Centres • Heritage Sites • Tribal Offices <p>These nodal points of connectivity would be referred to as Information Society Hubs.</p>

SUB-PROGRAMME	OUTPUT	PERFORMANCE MEASURE/INDICATOR	TARGET	ACTUAL PERFORMANCE AGAINST TARGET	
				TARGET	ACTUAL
				<p>Sentech was requested to compile a project plan that will detail the rollout of its Wireless Broadband to the identified Dinalledi schools. In its proposal, Sentech identified a number of critical milestones for the project. The two most important that were completed in the year under review were:</p> <ul style="list-style-type: none"> • Topographic data collection to determine the location of Dinalledi schools and related government sites • User requirements for schools <p>Using young people who were part of the Youth e-Literacy Programme, the data on the location of all Dinalledi Schools and related government sites were collected in all the nine provinces. The PNC also facilitated, within the e-Education Subcommittee of the ISAD Cluster, the user requirements for schools which is critical to determine the bandwidth that will be needed.</p>	
Policy Planning and Foresight	Fully functional municipal interactive websites	Number of Provinces with fully functional municipal websites	All Municipalities in 3 provinces with functional interactive website prioritizing the coverage area of the 250 Dinalledi Schools network	<p>Websites for 13 municipalities have been developed in Mpumalanga and North West Provinces. Deployment of e-Cooperatives from the Free State, Northern Cape and Limpopo provinces is in progress however lack of cooperation by some of the municipalities remains a challenge</p>	
Policy Planning and Foresight	Integrated citizen information system in place	Status of integration of citizen information system	Integrated citizen information system piloted in the coverage area of the 250 Dinalledi Schools network	<p>The e-documentation subcommittee in line with the implementation of the e-Documentation Strategic Framework Phase 1 hosted two international workshops. The XML workshop held from the 17th-20th June 2008 at Tshwane university of Technology and the 2nd ODF workshop held from the 9th - 10th October 2008 at the department of science and technology.</p> <p>In line with the implementation of the e-Documentation Strategic Framework Phase 2: In September 2008 the Department of Health and Department of Home Affairs convened a meeting with key players to conceptualize on the Apex project 3 (Integrated Citizen Information System). To date a document with recommendations has been developed.</p>	
Organisational Excellence	Optimally functional organisation	Compliance with relevant policies, legislation and standards	Effective business management systems and processes	<p>During the reporting period the PNC improved organisational performance largely through focusing on:</p> <ul style="list-style-type: none"> • Implementation of the Master Systems Plan (MSP) • Implementation of the Knowledge Management Strategy • Improving project management practices • Development and implementation of a Communication Strategy 	



HUMAN RESOURCES MANAGEMENT REPORT

1. SERVICE DELIVERY

In 2007 after the receipt of feedback from the DPSA indicating that the Department's 2006-2007 Service Delivery Plan did not meet their stipulated requirements, efforts have been made by the Department to obtain guidance on the development of a Service Delivery Improvement Plan for the 2008-2009 financial year.

The Department of Public Service and Administration was invited for a detailed discussion on the feedback received in 13 August 2007. The meeting did take place on 14 September 2007 as requested with Top Management of the Department of Communications. The detailed feedback that was expected was not provided as the officials sent through by the DPSA indicated that they were not briefed correctly therefore they were not prepared for the session. An agreement was reached that they will come back at a later date to provide guidance. The Department of Public Service and Administration later indicated that this matter will be resolved at Director-General level. To date no feedback was received from the Department of Public Service and Administration.

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, 2008/09						
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	147,431	46,970	2,206	3,884	31.86	430.9
Branch 2: ICT International Affairs and Trade	53,479	6,705	12	4,477	12.54	478.9
Branch 3: ICT Policy Development	71,491	17,624	445	12,717	24.65	451.9
Branch 4: Finance and ICT Enterprise Development	1,918,413	3,459	23	2,231	0.18	76.9
Branch 5: ICT Infrastructure Development	94,849	22,687	1,103	18,832	23.92	365.9
Branch 6: Presidential National Commission	42,948	10,508	2,286	9,646	24.47	284
Total	2,328,611	107,953	6,075	51,787	4.64	352.8

TABLE 2.2

Personnel costs by salary bands, 2008/09			
Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	104	0.1	104
Skilled (Levels 3-5)	1,664	1.5	111
Highly skilled production (Levels 6-8)	16,360	15.2	177.8
Highly skilled supervision (Levels 9-12)	35,761	33.1	316.5
Senior management (Levels 13-16) (Minister & Deputy Minister included)	50,110	46.4	374
Contract (Levels 6-8)	290	0.3	290
Contract (Levels 9-12)	1,667	1.5	416.8
Contract (Levels 13-16)	1,997	1.8	399.4
Total	107,953	100	352.8

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, 2008/09								
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	29,135	62.03	140	0.30	396	0.84	1,528	3.25
Branch 2: ICT International Affairs and Trade	3,433	51.20	12	0.18	97	1.45	179	2.67
Branch 3: ICT Policy Development	11,446	64.95	5	0.03	147	0.83	479	2.72
Branch 4: Finance and ICT Enterprise Development	2,091	60.45	0	0	69	1.99	114	3.30
Branch 5: ICT Infrastructure Development	14,645	64.56	9	0.04	179	0.79	553	2.44
Branch 6: Presidential National Commission	6,941	66.05	21	0.20	87	0.80	362	3.44
Total	67,691	62.70	187	0.17	972	0.90	3,215	2.98

TABLE 2.4

Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2008/09								
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)	72	0.07	0	0	9	0.01	9	0.01
Skilled (Levels 3-5)	1,159	1.07	6	0.01	54	0.05	113	0.10
Highly skilled production (Levels 6-8)	8,958	8.30	90	0.08	376	0.35	940	0.87
Highly skilled supervision (Levels 9-12)	20,824	19.29	89	0.08	262	0.24	1,158	1.07
Senior management (Levels 13-16)	34,242	31.72	1	0.001	265	0.25	974	0.9
Contract (Levels 6-8)	239	0.22	1	0.001	6	0.01	11	0.01
Contract (Levels 9-12)	939	0.87	0	0	0	0	10	0.01
Contract (Levels 13-16)	1,258	1.17	0	0	0	0	0	0
Total	67,691	62.70	187	0.17	972	0.9	3,215	2.98

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 2009				
Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Branch 1: Governance and Administration	152	109	28.3	7
Branch 2: ICT International Affairs and Trade	24	14	41.7	1
Branch 3: ICT Policy Development	68	39	42.6	6
Branch 4: Finance and ICT Enterprise Development	50	45	10	5
Branch 5: ICT Infrastructure Development	79	62	21.5	11
Branch 6: Presidential National Commission	56	37	33.9	2
Total	429	306	28.7	32

TABLE 3.2

Employment and vacancies by salary bands, 31 March 2009				
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	1	0	1
Skilled (Levels 3-5)	15	15	0	6
Highly skilled production (Levels 6-8)	117	92	21.4	12
Highly skilled supervision (Levels 9-12)	163	113	30.7	9
Senior management (Levels 13-16)	134	75	44	4
Contract (Levels 6-8)	0	1	0	0
Contract (Levels 9-12)	0	4	0	0
Contract (Levels 13-16)	0	5	0	0
Total	429	306	28.7	32

TABLE 3.3

Employment and vacancies by critical occupation, 31 March 2009				
Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative Related	96	83	13.5	24
Communication and Information Related	12	9	25	0
Finance and Economics Related	6	6	0	0
Finance and Related Professionals	6	6	0	0
Head of Department/Chief Executive Officer	1	1	0	0
Human Resources and Organisational Development	8	7	12.5	0
Human Resources Clerks	3	3	0	0
Human Resources Related	9	8	11.1	0
Information Technology Related	5	4	20	0
Language practitioners Interpreters and Other Communication Related	7	7	0	0
Legal Related	1	1	0	0
Library Mail and Related Clerks	1	1	0	0
Logistical support personnel	12	12	0	4
Messengers porters and deliverers	7	5	28.6	0
Other Administrative and Related Clerks and Organisers	70	41	41.4	0
Other Information Technology Personnel	10	5	50	0
Other occupations	2	2	0	0
Secretaries and other keyboard operating clerks	44	33	25	0
Senior Managers	129	77	40.3	4
Total	429	306	28.7	32

The information in each case reflects the situation as at 31 March 2009. 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 2006 to 31 March 2009							
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)	16	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	115	3	2,6%	0	0	0	0
Highly skilled supervision (Levels 9-12)	164	7	4,6%	0	0	0	0
Senior Management Service Band A	92	2	2,2%	0	0	0	0
Senior Management Service Band B	31	0	0	0	0	0	0
Senior Management Service Band C	8	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
Total	429	12	9,4%	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 2006 to 31 March 2009					
Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	0	0	3
Male	6	0	0	2	8
Total	9	0	0	2	11
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 2008 to 31 March 2009 (in terms of PSR 1.V.C.3)				
Occupation	Number of employees	Job evaluation	Remuneration level	Reason for deviation
Chief Director	2	14	15	Retention of personnel with appropriate skills and competencies.
Deputy Director	1	13	14	Personal Notch as a result of previous performance management system which placed the employee out of adjustment.
Deputy Director	2	11	12	Attraction of personnel with appropriate skills and competencies.
Deputy Director	2	11	13	Personnel Notch as a result of previous performance management system which placed the employee out of adjustment.
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2008/09		7		
Percentage of total employment		2.3%		

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 2008 to 31 March 2009 (in terms of PSR 1.V.C.3)					
Beneficiaries	African	Asian	Coloured	White	Total
Female	1	1	0	0	2
Male	1	0	0	4	5
Total					7
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 2008 to 31 March 2009				
Salary Band	Number of employees per band as on 1 April 2008	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	2	0	0	0
Skilled (Levels 3-5)	23	3	1	4.3
Highly skilled production(Levels 6-8)	81	14	8	9.9
Highly skilled supervision(Levels 9-12)	112	22	18	16.1
Senior Management Service Band A	40	3	1	2.5
Senior Management Service Band B	14	4	1	7.1
Senior Management Service Band C	5	0	0	0
Senior Management Service Band D	1	0	0	0
Minister and Deputy Minister	2	0	0	0
Contract (Levels 3-5)	1	0	0	0
Contract (Level 6-8)	1	0	0	0
Contract (Level 9-12)	2	0	0	0
Contract (Level 13-16)	2	2	0	0
Total	286	48	29	10.1

TABLE 5.2

Annual turnover rates by critical occupation for the period 1 April 2008 to 31 March 2009				
Occupation:	Number of employees per occupation as on 1 April 2008	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related	84	23	18	21.4
Communication and Information Related	9	0	0	0
Finance and Economics Related	6	0	0	0
Financial and Related Professionals	4	0	1	25
General Legal Administration and Related Professionals	1	0	0	0
Head of Department/Chief Executive Officer	1	0	0	0
Human Resources and Organisational Development Related	6	2	0	0
Human Resources Clerks	5	0	0	0
Human Resources Related	7	0	2	28.6
Information Technology Related	3	0	0	0
Language Practitioners Interpreters and other Communication Related	10	0	1	10
Legal Related	1	0	0	0
Library Mail and Related Clerks	1	0	0	0
Logistical Support	12	0	0	0
Messengers Porters and Deliverers	5	0	1	20
Other Administrative and Related Clerks and Organisers	62	9	0	0
Other Information Technology Personnel	5	0	1	20
Other Occupations	2	0	0	0
Secretaries and Other Keyboard Operating Clerks	3	5	3	100
Senior Managers	59	9	2	3.4
Total	286	48	29	10.1

Table 5.3 identifies the major reasons why staff left the department.

TABLE 5.3

Reasons why staff are leaving the department		
Termination Type	Number	% of total
Death	1	3.4
Resignation	19	65.5
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	3.4
Transfers to other Public Service Departments	8	27.6
Other	0	0
Total	29	
Total number of employees who left as a % of the total employment		10.1

TABLE 5.4

Promotions by critical occupation					
Occupation	Employees as at 1 April 2008	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	84	18	21.4	61	72.62
Communication and Information Related	9	0	0	5	55.56
Finance and Economics Related	5	1	20	5	100
Financial and Related Professionals	4	1	25	3	75
Head of Department/Chief Executive Officer	1	0	0	1	100
Human Resources and Organisational Development Related	6	4	66.7	3	50
Human Resources Clerks	5	0	0	5	100
Human Resources Related	7	0	0	7	100
Information Technology Related	3	1	33.3	2	66.7
Language Practitioners Interpreters and other Communication Related	10	0	0	5	50
Legal Related	1	0	0	1	100
Library Mail and Related Clerks	1	0	0	0	0
Logistical Support	12	4	33.3	7	58.33
Messengers Porters and Deliverers	5	2	40	1	20
Other Administrative and Related Clerks and Organisers	62	8	12.9	16	25.81
Other Information Technology Personnel	5	2	40	4	80
Other Occupations	2	2	100	0	0
Secretaries and Other Keyboard Operating Clerks	3	11	366.67	3	100
Senior Managers	59	14	23.7	51	86.44
Total	286	68	23.8	180	62.94

TABLE 5.5

Promotions by salary band					
Salary Band	Employees 1 April 2008	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)	2	0	0	0	0
Skilled (Levels 3-5)	23	2	8.7	9	39.1
Highly skilled production (Levels 6-8)	81	31	38.3	38	46.9
Highly skilled supervision (Levels 9-12)	112	21	18.8	62	57.4
Senior management (Levels 13-16)	60	14	23.3	67	108.1
Minister and Deputy Minister	2	0	0	0	0
Contract (Levels 3-5), Permanent	1	0	0	0	0
Contract (Levels 6-8), Permanent	1	0	0	1	100
Contract (Levels 9-12), Permanent	2	0	0	1	50
Contract (Levels 13-16), Permanent	2	0	0	2	100
Total	286	68	23.8	180	63.6

6. EMPLOYMENT EQUITY

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

TABLE 6.1

Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2009									
Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	27	2	6	10	28	2	1	2	78
Professionals	44	1	1	9	48	5	2	8	118
Technicians and associate professionals	17	1	1	1	59	7	1	7	94
Clerks	8	0	0	0	7	0	0	0	15
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	1	0	0	0	1
Total	96	4	8	20	143	14	4	17	306
Employees with disabilities	3	0	0	1	1	1	0	0	6

TABLE 6.2

Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2009									
Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	1	1	0	3	0	0	1	9
Senior Management	24	1	5	10	25	2	1	1	69
Professionally qualified and experienced specialists and mid-management	44	1	1	9	48	5	2	8	118
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	17	1	1	1	59	7	1	7	94
Semi-skilled and discretionary decision making	8	0	0	0	7	0	0	0	15
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	96	4	8	20	143	14	4	17	306

TABLE 6.3

Recruitment for the period 1 April 2008 to 31 March 2009									
Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	2	4	1	0	2	9
Professionally qualified and experienced specialists and mid-management	10	1	1	0	9	0	0	1	22
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	12	1	0	0	14
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	12	1	1	2	27	2	0	3	48
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 6.4

Promotions for the period 1 April 2008 to 31 March 2009									
Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	7	0	1	0	5	0	0	0	13
Professionally qualified and experienced specialists and mid-management	10	0	0	2	6	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	0	21	1	0	1	31
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	27	0	1	2	36	1	0	1	68
Employees with disabilities	1	0	0	0	0	0	0	0	1

TABLE 6.5

Terminations for the period 1 April 2008 to 31 March 2009									
Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	3	0	0	0	13	1	1	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	6	1	0	0	8
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	1	0	0	20	2	1	0	29
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 6.6

Disciplinary action for the period 1 April 2008 to 31 March 2009									
	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	0	0	0	0	4	0	0	0	4

TABLE 6.7

Skills development for the period 1 April 2008 to 31 March 2009									
Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	32	3	3	6	29	1	1	1	76
Professionals	13	1	0	3	20	1	1	1	40
Technicians and associate professionals	2	0	0	0	1	1	0	0	3
Clerks	28	1	1	3	77	4	0	9	123
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	75	5	4	12	127	7	2	11	243
Employees with disabilities	2	0	0	1	0	1	0	0	4

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 2008 to 31 March 2009					
	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	66	96	68.8	2,301	34,862
Female	107	143	74.83	3,463	32,361
Asian					
Male	4	8	50	218	54,575
Female	3	4	75	69	22,990
Coloured					
Male	3	4	75	232	77,260
Female	14	14	100	220	15,714
White					
Male	10	20	50	645	64,518
Female	16	17	94.12	655	40,940
Employees with a disability	0	2	0	0	0
Total	223	306	80.53	7,802	34,988

TABLE 7.2

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)	1	1	100	1	1,000	1.00
Skilled (Levels 3-5)	11	15	73.33	95	8,636	5,71
Highly skilled production (Levels 6-8)	82	92	89.13	879	10,720	5,37
Highly skilled supervision (Levels 9-12)	86	113	76.11	2,466	28,674	6,90
Contract (Levels 6-8)	1	1	100	10	10,000	3,45
Contract (Levels 9-12)	1	4	25	18	18,000	1,08
Total	182	226	82.35	3469	19060	6,21

TABLE 7.3

Performance Rewards by critical occupations, 1 April 2008 to 31 March 2009					
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	80	96.38	74.1	1,850	23,125
Communication and Information Related	8	9	88.8	223	27,880
Finance and Economics Related	5	6	83.3	147	29,400
Financial and Related Professionals	3	6	50	43	14,333
Head of Department/Chief Executive Officer	1	1	100	252	252,000
Human Resources and Organisational Development Related	7	7	100	235	33,570
Human Resources Clerks	3	3	100	110	15,714
Human Resources Related	7	8	87.5	462	66,000
Information Technology Related	2	4	50	73	36,500
Language Practitioners Interpreters and other Communication Related	5	7	71.43	6	1,200
Legal Related	1	1	100	47	47,000
Library Mail and Related Clerks	1	1	100	7	7,000
Messengers Porters and Deliverers	4	5	80	22	5,500
Other Administrative and Related Clerks and Organisers	33	41	80.49	384	11,636
Other Information Technology Personnel	5	5	100	240	48,000
Other Occupations	2	2	100	0	0
Senior Managers	46	77	52.5	3,227	70,150
Total	223	306	74.1	7800	34978

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	21	47	44.68	1,593	7,586	7,47
Band B	12	23	52.7	1,334	11,117	7,48
Band C	7	7	100	1,154	16,486	12,99
Band D	1	3	33.33	252	25,200	6,21
Total	41	80	51.25	4333	10568.3	9,84

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 2008 to 31 March 2009, by salary band						
Salary Band	1 April 2008		31 March 2009		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 2008 to 31 March 2009, by major occupation						
Major Occupation	1 April 2008		31 March 2009		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 2008 TO 31 DECEMBER 2008

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 2008 to 31 December 2008						
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)	75	62.7	10	4.7	8	21
Highly skilled production (Levels 6-8)	499	72.3	74	35.1	7	241
Highly skilled supervision (Levels 9-12)	489	66.7	81	38.4	6	490
Senior management (Levels 13-16)	202	71.3	41	19.4	5	456
Contract (Levels 6-8)	7	57.1	1	0.5	7	3
Contract (Levels 9-12)	44	86.4	3	1.4	15	30
Contract (Levels 13-16)	1	0	1	0.5	1	2
Total	1317	69.9	211	100	6	1243

TABLE 9.2

Disability leave (temporary and permanent), 1 January 2008 to 31 December 2008						
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)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	94	100	1	100	94	229
Total	94	100	1	100	94	229


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 2008 to 31 December 2008		
Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	10	10
Skilled Levels 3-5)	274	17
Highly skilled production (Levels 6-8)	1934	19
Highly skilled supervision(Levels 9-12)	2204	18
Senior management (Levels 13-16)	1563.6	20
Contract (Levels 6-8)	27	27
Contract (Levels 9-12)	73	24
Contract (Levels 13-16)	48	10
Total	6133.6	19

TABLE 9.4

Capped leave, 1 January 2008 to 31 December 2008			
SALARY BANDS	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	0	0	0
Highly skilled production (Levels 6-8)	2	1	6
Highly skilled supervision(Levels 9-12)	7	2	11
Senior management (Levels 13-16)	45	9	29
Total	54	5	16



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

TABLE 9.5

Leave payouts for the period 1 April 2008 to 31 March 2008			
REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2008/09 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2008/09	0	0	0
Current leave payout on termination of service for 2008/09	311	35	8,886
Total	311	35	8,886

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
An HIV and AIDS business impact study was conducted in 2007 to establish prevalence rates, taking into account variables such as age, gender, race and occupational level. The information is still relevant as the model delivers a five-year forecast of critical HIV and AIDS impact, and findings were therefore used to guide the reduction of risk of occupational exposure. Support staff were identified to be at high risk, not due to their levels, but based on other variables such as age and gender. The findings are in line with the national risk profile.	<ul style="list-style-type: none"> • Condom distribution and utilisation campaigns; • Peer education programme; • Sexually Transmitted Infections (STIs) awareness; • Access to HIV and AIDS information through the electronic health programme; pamphlets and posters; • Voluntary Counselling and Testing (VCT) drives; • Counselling and support through the Employee Assistance Programme

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.	X		Ms Allie Mnisi Director: Employee Wellness and Health Programme
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.	X		An Employee Wellness and Health Programme Directorate located in the HRM Chief Directorate is the dedicated unit that promotes the health and well being of employees. Two staff members are involved in this programme. The programme is headed by a Director, supported by an Administrative Officer. The Counselling component of the unit has been outsourced to build capacity to deal with a variety of health and wellness challenges. The annual budget allocated for the health promotion programme is R500,000
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.	x		The key elements of the programme include: <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, etc. • Face-to-face counselling • Trauma management • HIV and AIDS 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.

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

Question	Yes	No	Details, if yes
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.	x		<p>The department has selected and trained wellness champions that are actively involved in the programme.</p> <ul style="list-style-type: none"> • Lindiwe Madi • Robert Makatu • Tlago Modise • Gabisile Buhali • Clement Padi • Allie Mnisi • Louisa Kgang • Moeletsi Moleleki • Promise Makina • Sewela Letsoalo • Jill Ramfumedzi • Ishmael Malebye <p>The members represent the Branches within the Department and the Employee Wellness and Health Programme.</p>
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.	x		<p>Employee Wellness and Health Programme policy HIV and AIDS Policy</p>
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.	x		<p>The HIV and AIDS policy protects staff members against discrimination.</p> <p>The HIV and AIDS programme is informed by the policy. Wellness Champions play a critical role of educating staff on HIV and AIDS in order to address stigma and discrimination, encouraging living positively and speaking openly about HIV and AIDS.</p> <p>The Employee Wellness and Health Programme provides training, education counselling, support, and information to address misconceptions about HIV and AIDS.</p> <p>Prohibition of unfair discrimination is integrated in some of the important HR policies such as Recruitment & Selection, Incapacity Policy, PILIR, Leave Policy etc</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x		<p>Voluntary Counselling and Testing was conducted in the department on World AIDS Day 2008.</p>
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		<p>Programme utilisation statistics; feedback from staff utilising the services, trends analysis of problem handled by the EWHP service provider, and surveys. Further, HIV and AIDS has been incorporated in the Human Resources Plan of the Department as a priority area to ensure that a response to the pandemic is effectively addressed.</p>

11. LABOUR RELATIONS

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

TABLE 11.1

Total collective agreements	None
------------------------------------	-------------

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 2008 to 31 March 2009		
Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	1	25
Final written warning	1	25
Suspended without pay	2	50
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	4	100

TABLE 11.3

Types of misconduct addressed at disciplinary hearings		
Type of misconduct	Number	% of total
Gross insubordination	1	25
Unlawfully distribution of pornographic material	1	25
Unlawfully receipt of social grant	1	25
Insubordination	1	25
Total	4	100

TABLE 11.4

Grievances lodged for the period 1 April 2008 to 31 March 2009		
	Number	% of Total
Number of grievances resolved	2	33.3
Number of grievances not resolved	4	66.6
Total number of grievances lodged	6	100

TABLE 11.5

Disputes lodged with Councils for the period 1 April 2008 to 31 March 2009		
	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	0	0

TABLE 11.6

Strike actions for the period 1 April 2008 to 31 March 2009	
Total number of person working days lost	
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 2008 to 31 March 2009	
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

12. SKILLS DEVELOPMENT

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

TABLE 12.1

Training needs identified 1 April 2008 to 31 March 2009						
Occupational Categories	Gender	Number of employees as at 1 April 2008	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	16	0	78	3	81
	Male	31	0	107	2	109
Professionals	Female	105	0	117	4	121
	Male	77	0	54	3	57
Technicians and associate professionals	Female	0	0	8	0	8
	Male	0	0	2	0	2
Clerks	Female	41	0	176	6	182
	Male	10	0	51	1	52
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	3	0	0	0	0
	Male	3	0	0	0	0
Sub Total	Female	165	0	379	13	392
	Male	121	0	214	6	220
Total		286	0	593	19	612

TABLE 12.2

Training provided 1 April 2008 to 31 March 2009						
Occupational Categories	Gender	Number of employees as at 1 April 2008	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	16	0	78	9	87
	Male	31	0	87	6	93
Professionals	Female	105	0	50	5	55
	Male	77	0	39	6	45
Technicians and associate professionals	Female	0	0	5	0	5
	Male	0	0	3	0	3
Clerks	Female	41	0	159	10	169
	Male	10	0	69	1	70
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	3	0	0	0	0
	Male	3	0	0	0	0
Sub Total	Female	165	0	292	24	316
	Male	121	0	198	13	211
Total		286	0	490	37	527



13. INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 13.1

Injury on duty, 1 April 2008 to 31 March 2009		
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
Appointment of a service provider for placement of adverts and temporary staff for the Doc for a period of two years	2	24 months	R2 Million
Peer benchmarking study on the cost to communicate in South Africa	1	5 months	R2.5 Million
Appointment of a service provider to undertake a study of digital local contents and uptake rates	1	6 months	R528 390.00
Appointment of a service provider to assist the department in conducting an independent evaluations of corporate governance practices in SABC and Sentech	1	6 months	R956 692.00
Balanced scorecard for PNC	1	3 months	R414 960.00
Training of young graduates	1	2 months	5 809 227.00
Broadcasting Digital migrations public awareness	1	36 months	R20 Million
Establishment of Digital "CTH" Dzonga as a Legal Entity	1	6 months	R250 000
Implementation of National Tourism SMME portal	1	1 month	R2 451 339.26
Advisors for unbundling Telkom stake	1		R10 440.000.00
ICT Achievers Awards	1	1 day	R1 368 000.00
Research work for Meraka e-skills	1		R248 520.00
Training for ICDL drivers	1		R1 984 740.00
Event organiser for WTSA	1	9 months	R13 975 692.06
Highway Africa	1	3 months	R2 111 075.00
Development of HR manuals	1	5months	R437 800.00
Legal advisors to the Minister	1	2 months	R1 Million
Appointment of a service provider to render advise to the Minister relating to Doc's SOEs	1	2 months	R147 744.00
Training for young graduates	1	1 month	R1 724 650.00
Training on file plan	1	2 months	R680 000.00
Balanced scorecard for PNC on ISAD	1	10 weeks	R373 464.00
Appointment of a service provider to advise the Minister amongst other things the current administrative, governance and managerial problems facing the SABC	1	6 months	R1.5 Million
Appointment of a service provider to do research for the establishment of Meraka e-skills institute	1	24 months	R10 Million
Payments of stipends for young graduates	1	8 months	R 3 567 000,00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
24	25	3214	R 81 969 295,82

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
File plan training	100	100	1
Recruitment and placement	100	100	Between 2-5
Peer benchmarking study on cost to communicate in SA	100	90	4
Study on digital local content and uptake rates	43	43	4
Conducting an independent evaluation of corporate governance practices in SABC and Sentech	49	49	6
Balanced scorecard for PNC	100	100	2
Training of young graduates	University (TUT)	-	3
Broadcasting Digital Migrations public awareness	51	49	3
Establishment of Digital "CTH" Dzonga as a Legal Entity	60	60	3
Implementation of National Tourism SMME portal	100	100	4
Advisors for unbundling Telkom stake	50	50	6
ICT Achievers Awards	100	100	1
Research work for Meraka e-skills	(Professors) (UWC)		45
Training for ICDL drivers	FET	-	2
Event organiser for WTSA	50	50	1
Highway Africa	University (Rhodes)	-	4
Development of HR manuals	51	51	1
Legal advisors to the Minister	60	60	2
Appointment of a service provider to render advise to the Minister relating to Doc's SOEs	60	60	4
Appointment of a service provider to advise the Minister amongst other things the current administrative, governance and managerial problems facing the SABC	50	50	4
Payments of stipends for young graduates	100	100	1



ANNUAL FINANCIAL STATEMENTS

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2009.

Audit Committee Members and Attendance:

The audit committee consists of the members listed hereunder and should meet 2 times per annum as per its approved terms of reference. During the current year 4 meetings were held.

Name of Member	Number of Meetings Attended
MF Moja (Chairperson)	3
B Francis	3
S Hari	4
A Mawela	3

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of **Section 38(1)(a)** of the Public Finance Management Act, No. 1 of 1999 and **Treasury Regulation 3.1**. We further report that we conducted our affairs in compliance with this charter, although limited, due to the scope of work performed.

The effectiveness of internal control

The Internal Audit Unit was not adequately resourced during the year and hence limited area and scope of work was performed. We are therefore unable to give an informed opinion with regards to the effectiveness of internal control systems implemented by management.

Evaluation of Financial Statements

We have:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General South Africa and the Accounting Officer.
- Reviewed the Auditor-General South Africa's management report and management's response thereto;
- Reviewed the department's compliance with legal and regulatory provisions
- Reviewed adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted read together with the report of the Auditor-General South Africa.

Internal audit

As we have indicated above, the Internal Audit Unit was not adequately resourced during the year. However, management has since addressed the matter and the recruitment process commenced.

Auditor-General South Africa

We have met with the Auditor-General South Africa to ensure that there are no unresolved issues.



Ms Thebi Moja
Chairperson of the Audit Committee
19 August 2009



DEPARTMENT OF COMMUNICATIONS

VOTE 24

MANAGEMENT REPORT

FOR THE YEAR ENDED 31 MARCH 2009

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

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

1.1 IMPORTANT POLICY DECISIONS AND STRATEGIC ISSUES FACING THE DEPARTMENT

In 2008 financial year, Cabinet approved the Broadcasting Digital Migration Process (BDM) which amongst others included approval of the switch on date of the digital signal and the switch off date of the analogue signal as well as the period of dual illumination. This approval by Cabinet resulted in the Department undertaking the following initiatives in the area of Broadcasting Digital Migration:

- The Cabinet approved the Broadcasting Digital Migration (BDM) Policy which was gazetted in September 2008. The Policy provides the migration of South African broadcasting systems from analogue technology to digital;
- The Cabinet also approved the approaches on government - industry partnership on the Electronics Industry Development Strategy to build capacity for local manufacturing of STB's and the Scheme for Ownership Support for STBs. The draft strategy has been developed and will be submitted to Cabinet for approval;
- Following extensive stakeholder consultation, the draft Digital and Local Content Strategy is being developed. Considering that compelling content is seen as a major driver in the uptake of digital television signal by the population, the strategy focuses largely on, amongst others, the conversion of existing content into digital platforms so that it can remain usable in the digital era to guard against it being lost as well as the need to increase the country's content output to meet the expected high demand concomitant with broadcasting digital migration; and
- The Department also appointed the full quota of the Digital Dzonga Council. This Council is mandated to coordinate all BDM related initiatives in South Africa.

Furthermore, the Department also issued a Policy Directive to ICASA for implementation, which was aimed at addressing self provisioning by Broadcasters.

1.2 SIGNIFICANT EVENTS THAT TOOK PLACE DURING THE YEAR

The Department hosted the World Telecommunications Standardisation Assembly (WTSA) in October 2008. This event takes place every 4 years and focuses on the management and administration of the work of the ITU-T as developed in the various Study Groups.


The WTSA was attended by delegates from 100 countries with record participation from the developing world in particular African countries. Furthermore, the Assembly was chaired by the former Director-General: Ms Lyndall Shope-Mafole which was significant in the history of the ITU as it was the first time that the WTSA was chaired by a woman.

Outcomes of the WTSA will influence the future of telecommunications not only in SA but Globally.

1.3 MAJOR PROJECTS UNDERTAKEN OR COMPLETED DURIN THE YEAR

1.3.1 2010 FIFA WORLD CUP

The Stadium grant which covers the basic IT&T requirements inside the stadium i.e. cable pathways and civil works to outside locations were allocated to all stadia. The Department clarified the stadium IT&T roles and responsibilities with the host cities and the LOC, which was captured in the DoC-LOC agreement. Furthermore the DoC also completed contracts with Sentech and Telkom.



On the issue of telecoms infrastructure, the Access Network infrastructure has been installed at both carrier rooms in all 4 stadia which will be handed over by the end of May or beginning of June 2009. The video adaptation equipment has been tested in February, and will again be tested for the final time in May 2009. Furthermore, Satellite infrastructure has been procured, however FIFA is considering the use of an alternative solution with Eurovision, due to the space segment costs. Operational costs and user charge-back negotiations are still ongoing with FIFA. To date, Department has conducted 4 Monitoring and Evaluation sessions with Telkom and Sentech, and all the relevant reports, as per signed contracts, have been provided.

With regards to monitoring the upgrade of the National Backbone, progress on the upgrade is monitored through a Management, Accommodation, Ticketing, ICTs, Hand-in-Hand (MATCH) audit and NTI processes. National Backbone upgrade is complete, except only for 1 link in Kwazulu Natal at Mtunzini, where Telkom require permission from SANRAL to install the fiber cable. Funds for the 2nd Teleport and Satellite Backup project were transferred to Sentech in August 2008 after which Sentech placed orders for the 2nd teleport equipment. This equipment will first be installed in May 2009 at Ellis Park, as this will be the IBCC location and after the Confederation Cup Games, it will be removed and transported to NASREC.

The construction of the IBC which was formally launched on 21 April 2008 is on track. A scaled-down version of the IBC (IBCC) will be implemented at Coca Cola Park (Ellis Park) for the Confederation Cup. The Overlay planning for the IBCC (Ellis Park) venue has been completed and the LOC will fund for the required cabling routes from their overlay budgets.

On the protection of 2010 infrastructure, both physical and cyber security, a Communications infrastructure committee has been established by NATJOC. (National Joint Command Centre) and an Emergency communications plan has also been developed. The DoC has facilitated inter-action with National Intelligence Agency (NIA), LOC Security Workstream, Sentech and Telkom in order to address all security (physical and Cyber) issues.

Lastly, the Department, after extensive consultation, developed a 2010 Legacy plan. Furthermore, a project charter document detailing the 2010 legacy portal project implementation processes and budget was also drafted which will be used to engage National and Provincial Government to obtain the necessary approvals and budget for implementation, however such implementation will only take place after the 2010 games.

1.3.2 BROADCASTING DIGITAL MIGRATION


Following Cabinet's approval of the Broadcasting Digital Migration (BDM) process in the 2007/08 financial year, the Department prioritised extensive initiatives in this area. Considerable priority was given to the issue of BDM Public Awareness which included the development of an interim BDM Communications Strategy, including a media campaign with an implementation plan which was also shared with the GCIS. The implementation of the interim public awareness campaign focused largely on the utilisation of radio, television and print media to heighten awareness of the migration from analogue to digital signal distribution. The implementation of this strategy involved amongst others:

- Hosting of a media conference;
- 13 media interviews (print, news and broadcast media);
- Constant sharing of information with journalists to inform their articles on broadcasting digital migration; and
- The production of advertorials in 11 newspapers covering all Provinces.

Furthermore, an external service provider was appointed to assist the Department over the next three years to drive the public awareness campaign which will be monitored by the DoC and the Digital Dzonga. The scope of work for the campaign, the tactical plan and campaign strategy were also finalized.

On the issue of the manufacturing of Set-Top-Boxes (STBs), the technical specifications were finalized and filed with the SABS for approval as a national standard for the DTT box. An Interdepartmental Task Team comprising of DOC, Dti, DST, and NT was established and input on the Electronics Industry Development Strategy was received after which a draft strategy was developed. Furthermore, Cabinet also approved the approaches on government - industry partnership on the Electronics Industry Development Strategy to build capacity for local manufacturing of STB's and the Scheme for Ownership Support for STBs. The draft strategy has been developed and will be submitted to Cabinet for approval.

With regards to the development of a Digital and Local Content Strategy, following extensive stakeholder consultation, the Department developed the draft Digital and Local Content Strategy which is to be submitted to Cabinet for approval. This was preceded by an International benchmark study as well extensive work by an interdepartmental task team comprising of DOC, DAC, PNC, MDDA, DST and DTI.



Furthermore, the Department also appointed the full quota of the Digital Dzonga Council which is mandated to coordinate all BDM related initiatives in South Africa.

1.3.3 ROLL OUT OF THUSONG POST OFFICES

The Department, together with SAPO and GCIS designed the rollout plan of the new Thusong Post Offices which included the alignment of these postal outlets with the GCIS plan on Thusong Service Centers. Monitoring of Thusong Post Offices was undertaken through reports provided by SAPO and interactions with the officials responsible for managing the project.

Through its monitoring function, the DoC established that 29 new Thusong Post Offices have been rolled out. A list, indicating the location and physical addresses of the 29 Thusong Post offices, has been procured with a view to making a selection of sites on which to undertake visits for monitoring purposes. Furthermore, the Department established that a total of 39 existing Post Offices have been upgraded and relocated.

1.3.4 CORPORATE GOVERNANCE REVIEW OF SABC AND SENTECH

In its efforts to stringently monitor corporate governance practices within its SOEs, the Department through a service provider undertook an independent valuation of corporate governance practices at both SABC and Sentech. Following the development of a project plan that indicated expected deliverables and timelines, weekly meetings were undertaken to monitor progress of the corporate governance review, report on challenges and identify mitigating actions.

Through the service provider, interviews were completed with all relevant stakeholders and key governance documentation and instruments of governance from both SABC and Sentech were obtained after which, the assimilation and consideration of the information was undertaken. This extensive process resulted in the development of corporate governance review reports for both Sentech and SABC.

1.3.5 PROMOTION OF THE ICT AGENDA ACROSS ALL SPHERES OF GOVERNMENT

In its efforts to promote ICTs across all levels of Government the Department participated in various Izimbizo and Government communication campaigns across numerous Provinces with specific focus on District and Local Municipalities. In support of the Minister and Deputy Minister's visits to Provincial Cabinet and other relevant fora, the Department, amongst others, facilitated engagements with the Western Cape Province and Municipality as well as other neighbouring municipalities. The Ministerial Imbizo in Heuningvlei focused on the switching-on of transmitters in Kgalagadi District to enable the communities in the Heuningvlei, Loopeng, Severn and Laxey to view SABC 1, 2 and 3 and to receive signals for Radio Motsweding. The department also participated in the distribution of radios and televisions to the indigents in Moshaweng Local Municipality.

Furthermore, after extensive consultation, the Department developed a draft Inter-Governmental Relations Framework, which focuses largely on cascading and promoting priority ICT issues to all spheres of government.

1.3.6 NATIONAL FREQUENCY SPECTRUM

The Department held a three day workshop with ICASA in order to discuss and make corrections to the Band plan prior to publication for public comment after which the DoC undertook further analysis and correction to the Band plan and results thereof were submitted to ICASA for incorporation into the Draft SATFA. The final review of the SATFA was then successfully concluded and a draft report was compiled indicating numerous corrections and suggestions to improve the quality of the Plan. For the first time, current frequency usage by security services was obtained.

The Department developed the first draft of the National Frequency Spectrum Policy discussion document. This document underwent extensive stakeholder consultation which led to the development of the final draft National Frequency Spectrum Policy. This Policy intent to address strategic decisions to ensure a positive contribution of the radio frequency spectrum to the promotion of National interest, socio-economical development and diversity.

1.3.7 WORLD TELECOMMUNICATIONS STANDARDISATION ASSEMBLY (WTSA)

South Africa was given the honour by the ITU, to be the first African country to play host to the World Telecommunications Standardisation Assembly – 2008. Following the signing of the Host Country agreement the DoC prioritized various initiatives so as to ensure a successful event. This was largely done through the establishment of an Inter-departmental logistics committee which was in constant contact with the ITU with regards to their specific requirements. The Department also developed an official website and logo and handled all logistical arrangements.

A National programme on WTS-08 Content was compiled and implemented in National and Regional consultative workshops which were held in preparation for the WTS-08 where the Department actively participated through successfully coordinating National and Regional positions. Furthermore, a National preparatory working group was established, consisting of all key ICT stakeholders and technical content proposals and position papers were also developed. The Department also established the WTS-08 Subcommittee on Cyber Security & Internet Governance to develop SA positions/proposal in this regard.

Lastly, according to the ITU, WTS-08 was one of the best organized WTS to date which was attended by close to 100 countries with record participation from the developing world in particular African countries. Outcomes of the WTS-08 will influence the future of telecommunications, not only in SA but Globally.

1.4 SPENDING TRENDS

The Department's approved budget allocation for the 2008/09 financial year amounted to

R2 331, 5 billion, made up of a baseline allocation of R1 723,6 billion and Adjustment Estimates allocation of R607,9 million.

The Adjustment Estimates include an additional allocation of R600 million for access network between the 2010 FIFA World Cup stadia venues and the Telkom National Network and R7,094 million for Universal Services and Access Agency of South Africa (USAASA).

Spending for the 2008/09 financial year amounts to R2 328,6 billion and the under spending of R2,9 million that represents 0,12% of the total budget and is made up as follows:

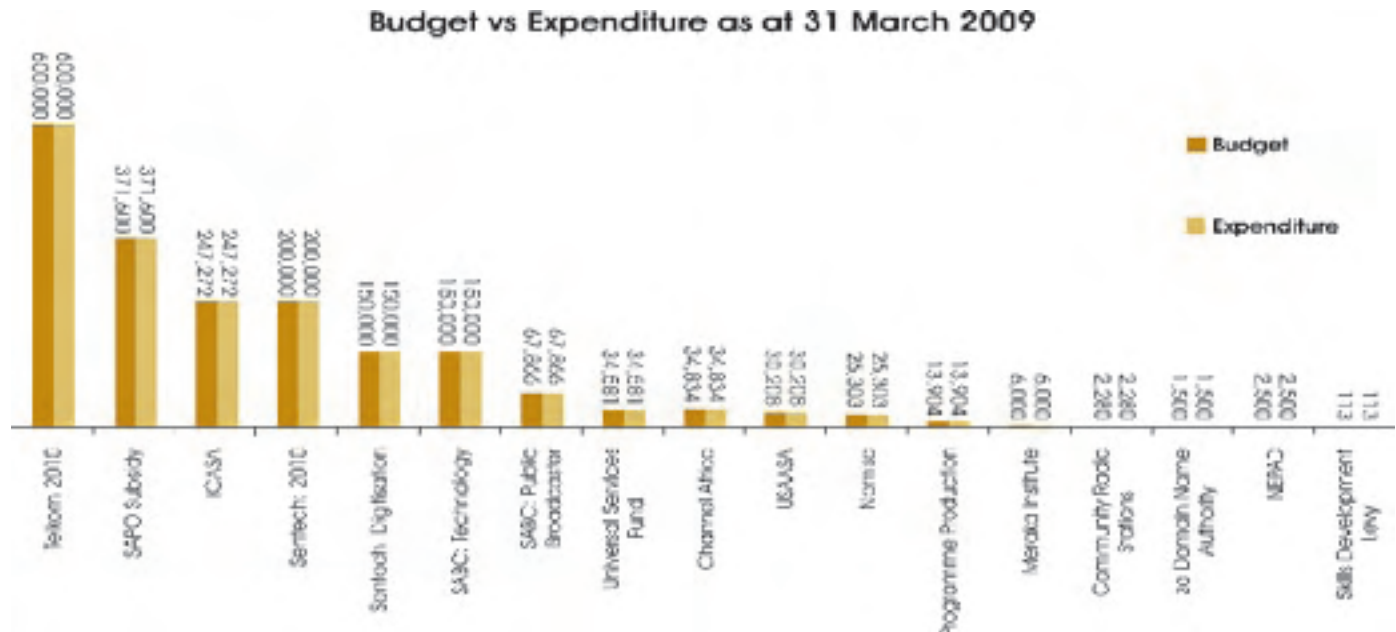
- R2,898 million for goods and services mainly for 112 Emergency Call Centre and for Devolved funds. The under spending under these projects is mainly due to the reduction in maintenance costs for the 112 Emergency Call Centre, the efficiency savings under the devolved funds which could not be redirected as they are earmarked.

The Department is structured into six programmes namely: Administration, ICT International Affairs and Trade, ICT Policy Development, ICT Enterprise Development, ICT Infrastructure Development and Presidential National Commission. The ICT Enterprise Development branch accounts for the highest budget allocation of 82,3% of the total budget of the department. This is mainly due to the transfer payment to entities in the Department's portfolio namely; Independent Communications Authority of South Africa (ICASA), South African Post Office (SAPO), South African Broadcasting Corporation (SABC), Sentech, Universal Services and Access Agency of South Africa (USAASA), Universal Services and Access Fund (USAF), The National Electronic Media Institute of South Africa (NEMISA) and a new transfer for Telkom for the fulfilment of the 2010 FIFA World Cup guarantees.

The transfers constitute 99,7% of the programme expenditure and are made up as follows:

Entity	Allocated funds	Expenditure as at 31 March 2009
	R'000	R'000
National Electronic Media Institute of South Africa	25,303	25,303
Universal Services and Access Agency of South Africa	30,208	30,208
Universal Services and Access Fund	34,581	34,581
Independent Communication Authority of South Africa	247,272	247,272
South African Post Office	371,600	371,600
South African Broadcasting Corporation	252,700	252,700
Sentech	350,000	350,000
Telkom	600,000	600,000
Total	1 911,664	1 911,664

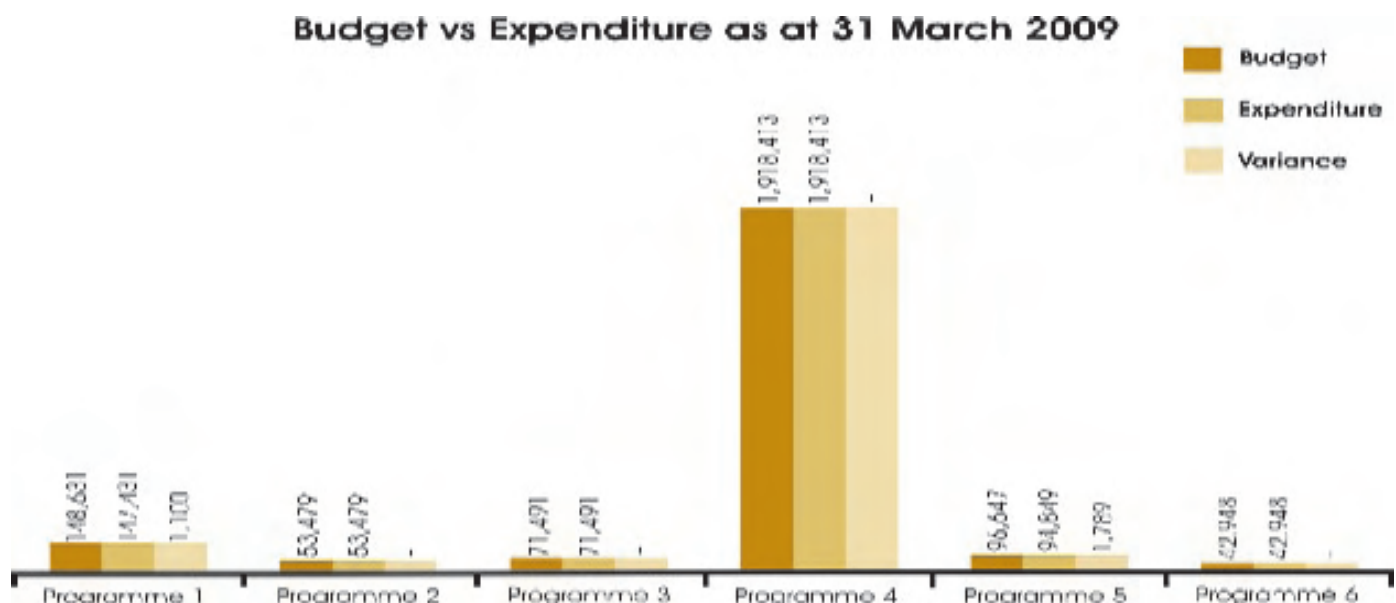
Graph 1: Budget vs Expenditure



The table below illustrates the department's budget against the actual expenditure for the 2008/09 financial year.

Programme	Final allocation	Expenditure as at 31 March 2009
Administration	148,531	147,431
ICT International Affairs and Trade	53,479	53,479
ICT Policy Development	71,491	71,491
ICT Enterprise Development	1 918,413	1 918,413
ICT Infrastructure Development	96,647	94,849
Presidential National Commission	42,948	42,948
Total	2 331,509	2 328,611

Graph 2:



1.5 VIREMENT

Virement was effected on programmes, 3,4 and 6 to programmes 1 ,2 and 5. The virement from programme 1 on compensation of employees was to defray excess expenditure under programme 2 goods and services related to the World Telecommunication Standardisation Assembly (WTSA) and also to programme 1 goods and services related to Broadband Digital Migration awareness. National Treasury granted approval to virement funds from compensation of employees to goods and service.

Virement to programme 5 was due to implementation of the Electronic Document Management System (EDMS). Virement is in compliance to section 43 (1) of the PFMA.

1.6 FRUITLESS AND WASTEFUL EXPENDITURE

The fruitless expenditure, which was incurred during the 2007/08 financial year and is disclosed under current assets, is mainly as the result of interest charged by the International Telecommunications Union (ITU) and Universal Postal Union (UPU) to which the Department subscribes annually as a member. The interest charged was due to late payment of membership fees. The interest charged amounts to R11 thousand and R520 thousand respectively. The Department is in discussion with the UPU to reverse the interest of R520 thousand.

Fruitless expenditure for the 2008/09 financial year amounts to R3 thousand and is mainly as a result of interest charge on the late payment of the Bankfin account. Transactions were captured on the register for Fruitless and Wasteful expenditure and are currently under investigation. See disclosure note 35 to the financial statements.

1.7 DEPARTMENTAL RECEIPTS

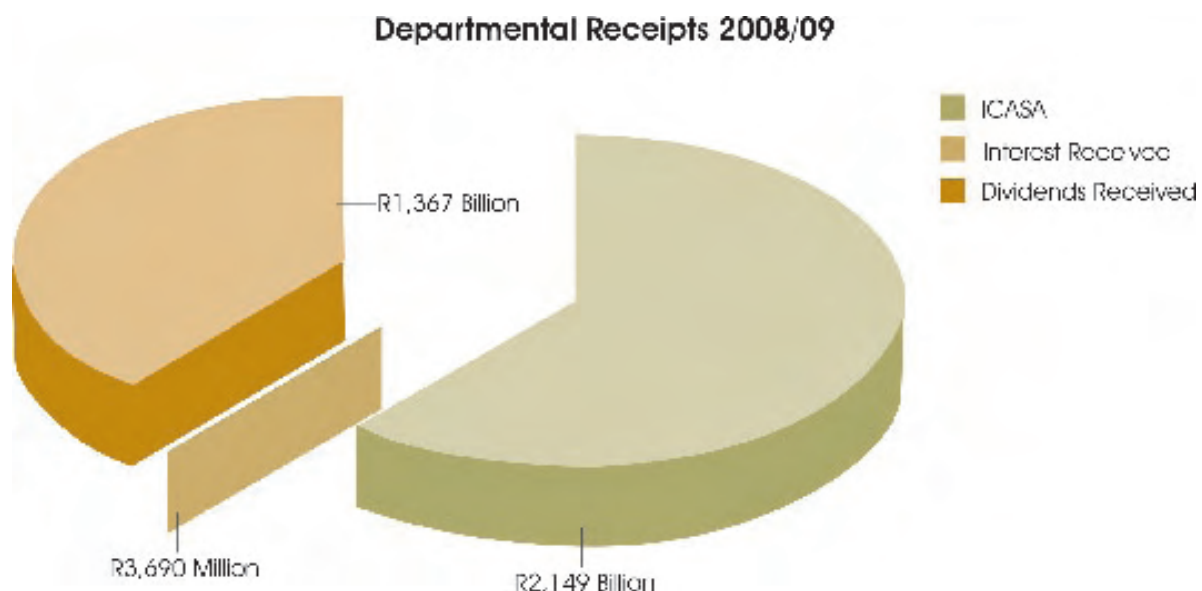
The Department receipts for the year under review amount to R3,520 billion of which R2,149 billion is license fees collected by the Independent Communications Authority of South Africa and is made up as follows:

- R33,485 million from telecommunication service providers;
- R1,813 billion from cellular companies for cellular network licenses;
- R254,412 million for private radio stations licenses;
- R22,837 million for private television licenses;
- R7,306 million for telephone equipments licenses; and
- R17,479 million for Post Office license fees.

The balance of the receipts is made up as follows:

- R1,367 billion ordinary dividend payout from shareholding in Telkom SA Ltd;
- R1,780 million for interest on SABC loan;
- R1,825 million interest from Nedbank account; and;
- R85 thousands interest on debts.

Graph 3: Departmental Receipt



2. SERVICE RENDERED BY THE DEPARTMENT

The Department's core business is policy formulation for the Information Communications Technology sector. In addition, the Department controls transfers to and manages shareholding in SAPO, SABC, ICASA, NEMISA, Sentech and USAASA. Detailed descriptions of services provided by the different programmes are listed in the report.

2.1 TARRIF POLICY

In view of the imminent transfer of the facilities at the Institute for Satellite and Software Applications (ISSA), including the Electromagnetic Compatibility Test facility, to the South African Space Agency (SASA) under the Department of Science and Technology (DST), a proposal has been forwarded to National Treasury to maintain the existing tariff structure until the transfer has been finalised and the laboratory accredited under DST.

2.2 FREE SERVICES

There is no free service delivery provided by the Department.

2.3 INVENTORIES BALANCES ON HAND AT YEAR END

Inventory verification on hand was undertaken in March 2009 in the presence of the Auditor General and there were no discrepancies. There are internal controls in place to ensure that stock controls are performed effectively and efficiently.

3. CAPACITY CONSTRAINTS

The Department filled critical SMS positions which were prioritised based on the available resources. There have been challenges in filling some of the positions; however this did not have a significant impact in meeting the set objectives.

4. UTILISATION OF DONOR FUNDS

The balance on the donation forwarded to the 2008/09 financial year amounts to R2,9 million (R97 thousand from Information System, Electronic and Telecommunications Technologies Sector Education and Training Authority (Isett-Seta), R2,76 million from Vodacom and R32 thousand from Post Office. The Department did not receive any donation during the 2008/09 financial year.

5. TRADING ENTITIES/ PUBLIC ENTITIES

5.1 NEMISA

NEMISA was established by the DoC with a mandate to provide individuals from previously disadvantaged communities with expertise in the various fields within the electronic media sector. Its principal activity is the development of skills in the electronic media industry for the benefit of South Africa.

Strategic Objectives

NEMISA's main corporate objectives as outlined in its 2008/09 Strategic Plan were to establish NEMISA as a practically oriented electronic media skills developer. Establish and nurture strategic alliances to foster industry workplace skills development and content generation.

Funding Allocation and performance

For the 2008/09 financial year, NEMISA's baseline allocation amounted to R25.3 million. The funds were mainly for operational activities. The major expenditures for the entity are staff costs, rental costs, lecture/facilitation costs as well as student accommodation.

The following training programmes were offered during 2008/09 financial year:

Radio Production Learnership Programme. Out of 25 students registered for the programme only one student was declared incompetent. Participation in industry activities resulted in the scripts and audio products by three of NEMISA students being exhibited at City Festival (Arts Alive) in Johannesburg. Two of the three students walked away with top prizes in the film and broadcast category. Students attended the first South African Radio Forum. This gave them access to workshops hosted by overseas professionals. Students visited the studios of Radio 702 in order to receive insight into the workings of Talk Radio. Out of this exercise one of the NEMISA students has been given a freelance position at Radio 702. Television Production Learnership Programme. The programme had a 99% pass rate of the 47 students who sat for the exams.



Graphic Design in Multi-Media. All 25 students who sat for the exams for this programme passed.

Animation Diploma. A total of 13 students (4 level I & 9 level II) out of a total of 18 (9 students from each level) have passed their exams.

Progressive Women Movement of SA (PWMSA) Training Programme. A total of 200 women in peri-urban and rural parts were trained in Basic Computer Literacy, Desk Top Publishing and Orientation to Digital Photography.

Broadcast Engineering. All 31 students who registered for the course have passed their exams. These students will undergo internship at SABC and Siemens.

Telecommunications Engineering. Out of 27 students who registered for the course 26 passed their exams. The remaining 1 student wrote a deferred examination and her results have not yet been moderated by the examiners. The students will undergo internship at Neotel.

Trained 63 learners participating in the National Digital Repository Project. Recruited 6 graduates from the Class of 2008 and putting them onto facilitation and learning assessment courses. The interns will be utilised as tutors for the fulltime students as well as trainers and assessors on the programmes aimed at small sized radio stations. Trained 60 employees of the Nigerian Television Authority.

The SABC awarded NEMISA a tender for Broadcast Engineering Learnership for 20 learners for the 2009 Academic year.

During the period under review, the following strategic alliances were forged

A partnership with Channel Africa by facilitating an internship programme for (5) five students who were part of the Radio class of 2007. Community radio partnership, whereby 28 practitioners from Community Radio Stations were organised in the nodal districts and were trained by NEMISA over a period of (7) seven weeks. The training focused on Radio Broadcast Engineering and Radio Production. As part of experiential learning and field trips to SABC Studios and Sentech's Brixton tower gave them insight to the workings of the public broadcaster.

In partnership with DoC, NEMISA conducted training for 37 girls from all over the country, over (4) four days, giving them exposure to presenting live shows; scriptwriting; news, sports and weather presentation as well as using editing software. A strategic alliance agreement on matters of common interest was also signed with the SABC. This agreement gives NEMISA a competitive advantage to be the preferred service provider for training of SABC staff in a broad range of disciplines.

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

USAASA was established in terms of the Section 58 of the Telecommunications Act, 1996 and it continues to exist as a juristic person in terms of the Electronic Communications Act, No 36 of 2005 (ECA). One of the function of USAASA as stipulated in the ECA is to manage USAAF. The application of the monies in the USAAF is stipulated in section 88 of the ECA.

Strategic Objectives

USAASA's focus areas as highlighted in the 2008/09 Business Plan the Agency are to:

- Make ICTs available, accessible and affordable to all South Africans;
- Undertake continuous research to promote, encourage, facilitate and offer guidance regarding universal service and access; and
- Building Organisational Excellence.

Funding Allocation and performance

For the 2008/09 financial year, USAASA's and USAF baseline allocations amount to R30.208 million and R34.581 million respectively. The monies allocated to USAASA are mainly used for the operations of the Agency. The transferred funds were used mainly on staff costs, office property & municipal costs, telecommunications and connectivity costs, consultants' fees; printing & stationary; telephone communication expenses (including cellular) as well as depreciation. The major projects in which the USAF funds are utilized on are USALs subsidies, the maintenance payment of Access Centres and Cyberlabs, Connectivity Access Centres and Schools and the Midset Network Pilot Project, which is intended to equip 15 schools with Mindset equipments for the delivery of educational content.

During the financial year under review, USAASA facilitated the provision of training/capacity building of 100 personnel from 50 access centres. USAASA has also rolled out ICT Kiosks in 15 Access Centres and Mindset Network equipments in 15 schools. To date, a total of 89 schools and 119 telecentres (a total of 208 centres) have been connected. Recommendations on definitions of key universal service & access to ICT concepts are on in the process of being finalised. The Agency has forged links with Stats SA to assist in developing monitoring and evaluation framework for ICTs. There has been an improvement of stakeholder engagement and cooperation at USAASA. These include engagements with external ICT stakeholders such as DoC, ICASA, MDDA, SITA, other Government departments (such as DTI, IDC & Stats SA), Telkom, NEMISA and NABSA.



As part of Project 3 deliverables USAASA provided ICT equipment to 40 Dinaledi Schools nationally in preparation for Internet Connectivity to those schools. Additionally 8 telecentres were rehabilitated through the provision of new equipment.

5.3 SAPO

The Post Office was established in accordance with the Post Office Act of 1958 as the government business enterprise to provide postal and related services to the South African public. SAPO was granted an exclusive mandate to conduct postal services to South Africa by the Postal Service Act of 1998. The Act makes provision for the regulation of postal services and the operational functions of the company, including its universal service obligations.

Strategic Objectives

During the 2008/09 financial year, SAPO has continued to focus in strategic objectives indicated below:

- Drive operational excellence to achieve top quality at benchmark costs;
- Achieve customer intimacy and use this to grow in communication, logistics and financial services;
- Build a high performance culture and develop skills throughout the organisation;
- Strengthen the public perception of SAPO as a trusted brand; and
- Contribute to the environment by introducing responsible environmental friendly business and social practices.

Funding Allocation and performance

In the 2008/09 financial year, SAPO was allocated a subsidy amounting to R371,6 million.

The subsidy amount was spent mainly on universal service obligations, systems improvements, improvements in working environment and VAT. These include, amongst others, the roll-out of 1,671,342 addresses against a target of 1,645,952. The building of 45 new Post offices against a target of 100 new Post Offices. The upgrade of 75 branches against a target of 100 Post offices upgrades. In terms of the mail delivery performance standards as measured by Mailtest and Testpost, SAPO has performed fairly well. In some cases, SAPO has outperformed the target.

5.4 SENTECH

Sentech is a wholly owned state enterprise. Its main business is to provide Broadcast Signal Distribution for Broadcast Licensees. Sentech is Africa's largest broadcast signal distributor and operates a large number of terrestrial broadcast transmitter sites, which carry short wave, medium wave, FM, television and microwave services. It serves most of the public, private and community broadcasters in South Africa, as well as international broadcasters wishing to access an African audience. Sentech also operates multimedia and carrier of carrier networks to provide international telephony and multi-media services.

Strategic Objectives

Sentech's strategic focus areas during 2008/09 financial year were in the:

- Broadcast Signal Distribution.
- Multimedia/Telecommunications.
- Financial and Economic.
- Customer Service.
- Human Resources.

Funding Allocation and performance

In 2008/09 financial year, Government allocated R150 million for the DTT migration project and R200 million for the 2010 FIFA Soccer World Cup

DTT

Funding for DTT was utilized mainly for Phase 3 of the migration project which involves the completion of the "head-end" required for programme distribution via satellite to the terrestrial transmitter network for the switch-on of DTT by 1 November 2008. With regard to this, Sentech has:

- Successfully switched on DTT on 30 October 2008;
- Brought into service a multiplex and encoders carrying 8 video channels and 19 radio channels as required by the SABC;

- Developed and implemented an interim procedure for the operation and support of the DTT trial network comprising transmitters and decoders. The DTT trial is run with national broadcasters such as SABC and eTV. Three transmitters are used for the DTT trial. These are situated at Sentech Tower in JHB; Pretoria and Durban transmitter stations. The DTT trial is operating on channel 31 and provided a population coverage of 33% at switch-on of DTT trial network;
- Appointed Swedish consulting firm to assist Sentech in determining a new tariff model for the DTT environment;
- All transmitters and combiner equipment budgeted for in Phase 3 have been purchased and installations are underway. However, the ordering and installation of the frequency related combiner equipment are delayed due to the delay by ICASA in issuing the Spectrum Plan.
- Building operations/preparations at all phase 3 sites has been completed and sites are ready to accommodate the DTT equipment;
- All antenna, feeder cable, standby generator equipment as per the scope of work for phase 3, are on order and installations are underway; and
- Tender processes for the appointment of contractor to supply the DTT test and measurement equipment as well as SFN equipment are on course.

NWBN

Sentech has indicated that the R500 million will not be enough to cover the cost of providing a broadband network to 233 Dinaledi schools. Sentech had proposed two options to the Department of Communications. Option 1, which is the preferred option, is to utilize the R500 million in the rolling out of a broadband network to 150 schools and to build 109 base stations in nine provinces. Since these funds will only be utilised on CAPEX, funds for OPEX will be recovered from the user Government Departments such as DoE. In Option 2, Sentech proposed to roll out a broadband network to 120 schools and build 87 base stations. For option 2 both CAPEX and OPEX will be funded from the R500 million. Sentech and DoC have agreed to proceed with option 1. Sentech is in the process of finalising the broadband network tender.

2010 FIFA World Cup

Sentech's plan to secure Nasrec property for the 2010 FIFA Soccer World Cup has not yet been fulfilled. However, the Department of Public Works (DPW), the owner of the Nasrec property, offered a five year lease of the property to Sentech to build the second teleport. Sentech on the other hand prefers to acquire the property, alternatively a donation of the property or else a longer lease period of 15 year at a special lease rate that is not market related. These proposals have been communicated to the Minister of Public Works. Sentech is also in the process of applying for environmental approval from the Gauteng Department of Agriculture, Conservation and Environment to construct three thirteen meter satellite antenna systems at this property before building the teleport. All necessary tenders with regard to the detailed designs of the teleport have been issued and responses have been evaluated. Equipment selection has been completed and the company will proceed with procurement. Sentech has concluded a contract with Eurovision to provide uplink services for the Confederation Cup. Requirements for the 2010 World Cup Soccer must still be finalized.

5.5 SABC

The SABC is a public broadcaster, established in terms of the Broadcasting Act (22 of 1936) to provide radio and television services that informs, educate and entertains. It is operationally regulated in terms of licences granted by ICASA. The company's general objectives are outlined in the SABC's Broadcasting Charter, which is set out in the Broadcasting Act. In terms of this Charter, the SABC, in pursuit of its objectives and in exercise of its powers, enjoys freedom of expression and journalistic, creative and programming independence as enshrined in the Constitution. To improve stability, consistency and delivery at SABC, Editorial Policies have been put in place to guide every aspect of the SABC's activity.

The SABC occupies a unique position in that it runs its operations in a way that is sustainable, while at the same time it is mandated to meet its responsibilities as a public service broadcaster.

The SABC has a wide range of obligations including the following:

- to reflect the diverse cultural and multilingual nature of South Africa;
- to provide significant news and public affairs programming;
- to provide significant educational programming on topics such as human rights, health, early childhood development, agriculture, culture, religion, justice and commerce;
- to advance the national and public interest;
- to include national sports programming as well as minority and developmental sports;
- to cater for the spiritual needs of South Africans;
- to provide for the needs of the disabled;

- to provide programming for children;
- to provide programming for youth;
- to provide programming for women; and
- to extend its services throughout the country

Strategic Objectives

Informed fundamentally by the Broadcasting Act, Editorial Policies and the broad corporate goals and objectives adopted by the Board, the SABC's Strategic Themes are to improve, through broadcasting the daily lives of South African citizens; to create a supportive, caring and progressive environment for the SABC employees; to produce quality content across the SABC's Broadcasting platforms; to ensure viable and sustainable finances; to ensure an effective and relevant technology base is in place to support the service delivery of the Public Broadcaster; and the pursuant of a multi platform approach for an effective and efficient service delivery.

In the delivery of its strategic objectives the SABC strategic focus for FY 2008-09 were the following:

- Understanding the changing tastes of South African audiences;
- Maintaining relevance in a TV and radio market that is becoming more competitive;
- Driving digital leadership in broadcasting technology;
- Implementing a Platform and Channel management strategy that is informed and driven by audience understanding and content alignment;
- Striving for a Sustainable Funding Model to meet our Public Service ambitions;
- Defining a viable operating and business model that will support the delivery of the SABC strategy going forward; and
- Creating an emotional bond through content distinctiveness and differentiation.

Funding Allocation and performance

Government has been providing funding to the public Broadcaster in the last past years for its Public Broadcasting Services (BPS) division and for Channel Africa. During 2008/09 financial year, government allocated R150 million for the Technology Plan, R67.866 million for SABC Education and R34.834 million for Channel Africa.

The major expenditures in the Technology Plan are in respect of the output Vat paid to SARS on funds received; the high definition TV outside broadcasting vehicle, the radio main control replacement, the radio park foyer studio and foyer upgrade as well as the news production system and studio 12 digitisation .

Funding allocated for the SABC Education was mainly spent on Educational programmes that are in line with the public service mandate. The major expenditures in this regard were in programmes such as Shift series 4 and Take 5 offered in SABC 1; Open University; Wild Touch and

Wild Touch II, Rivoningo; Hopeville; Khululeka uzazi; Hola Ha Monate 2 and living land offered in SABC2.

Funds allocated to Channel Africa are mainly for operating activities. The major activities for Channel Africa are personnel cost and employee compensation, signal distribution costs, travel and subsistence, communication cost for internet usage, operating lease and broadcasting costs.

5.6 ICASA

ICASA is the regulator of telecommunications and the broadcasting sectors. It was established in July 2000 in terms of the Independent Communications Authority of South Africa Act No.13 of 2000. ICASA derives its mandate from four statutes. These are the ICASA Act of 2000, The Independent Broadcasting Act of 1993, the Broadcasting Act of 1999 and the Telecommunications Authority A.

Allocation

In 2008/09 financial year, ICASA was allocated R247,272 million.



6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

6.1 PROGRAMME PRODUCTION

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.

The following transactions took place during the financial year:

- The Department entered into a Memorandum of Understanding with the Media Development and Diversity Agency (MDDA), to use the capacity of MDDA to manage money transferred to it and makes payments to the community radio sector to promote content and programme production. In 2008/09 financial year, an amount of R10 million was transferred to MDDA.
- South Africa, through the Department of Communications has been hosting the technical operations since the establishment of AfriNIC, these technical operations are housed at Council for Scientific Industrial Research (CSIR) and the CSIR has been tasked with managing the AfriNIC funds on behalf of the department. An amount of R3,097 million was transferred to Council for Industrial Research (CSIR) as the acting contracting body and funding repository to set up the required infrastructure of AfriNIC in South Africa as stipulated in the MOU.
- The Department signed an agreement with Pro Project Close Corporation, a successful bidder aimed at procurement, installation and commissioning of amateur radio learning centres in 18 FET colleges and two additional sites at the DoC and Hermanus Magnetic Observatory. The project is part of the ICT skills development programme at selected FET colleges in accordance with ISETT SETA, DoC and Department of Education requirements. A continuation payment of R807 thousand was transferred to Pro Project CC to roll out infrastructure project in the FET colleges.

6.2 COMMUNITY RADIO STATIONS

An amount of R2,280 million was paid to SABC Group Sales and Marketing for public awareness of Broadcasting Digital Migration.

6.3 .ZA DOMAIN NAME AUTHORITY

.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 2008/09 financial year and was transferred to this Organisation.

6.4 MERAKA INSTITUTE

The Meraka Institute does research and develops ICT applications that aim to benefit all citizens. Meraka's mandate is derived from President Mbeki's 2002 State of the Nation Address in which he identified ICT as "a critical and pervasive element in economic development" and recommended the establishment of an "ICT University" which then became the African Advanced Institute for Information and Communication Technology (AAICT), launched by Minister Matsepe-Casaburri on 17 May 2005 as the Meraka Institute. An amount of R6 million was allocated for the 2008/09 financial year and was transferred during the year.

6.5 SKILLS DEVELOPMENT LEVY

The Skills Development Act, 1998, requires national and provincial government departments to budget at least 0,5 per cent of the personnel costs with effect from 1 April 2000 and 1 per cent from 1 April 2001 for training for the training and education of its employees. Since the implementation of Skills Development Act on 1 April 2001, government departments, both at national and provincial level have registered with their line function SETA and those without a clear line function, with the Public Sector Education and Training Authority (PSETA). The department has contributed R1 13 thousand as its contribution in the 2008/09 financial year.

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

During the year 2008/2009, the department issued an RFP to the bidders short listed during the RFQ process. Bids were received from 4 bidders and were evaluated based on the criteria specified in the RFP. The department has completed the evaluation process and selected both the preferred and secondary bidders. The application for approval (TAIB) has been prepared and submitted to Treasury.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The department has complied with the corporate requirements as stipulated in the Public Finance Management Act, (Act No. 1 of 1999) and the Treasury Regulations. The initiatives taken by the Department to this effect, during the financial year has been the following:

Risk Management and Fraud Prevention

In line with the Risk Management Strategy, the Department follows an integrated approach to risk management, where risk assessments are performed both at the strategic and business plan level. The Department established the Risk Management committee consisting of the representatives from various programmes. The committee has its terms of reference and meets quarterly. For the period under review the committee assisted the Department in reviewing its risks profile and ensure that there are prioritised risks which the Department can focus on for the financial year. The risk management reports are presented quarterly to the audit committee for inputs and advise.

The Department has a fraud prevention plan in place and internal controls were reviewed to take into account changing environments. Furthermore, the Department embarked on a number of fraud prevention awareness projects to ensure awareness and understanding by its officials.

Audit Committee

There is an Audit Committee in existence, established in accordance with section 76 and 77 of the PFMA. The Committee operates in accordance with an approved audit charter as its terms of reference. The Audit Committee had four meetings during the period under review.

Internal Audit

The Department has an Internal Audit Unit tasked with the auditing and rendering of advisory services to management of the Department. The head of Internal Audit (Chief Audit Executive) reports directly to the accounting officer and the Audit Committee respectively. The Internal Audit Unit experienced challenges with its staff leaving the Department, resulting in capacity issues. All critical positions were advertised and the interviews for the position of the Chief Director: Internal Audit took place, however the Department encountered challenges in filling the position. The position has since been re-advertised.

Organisational Health and Safety Act

In an effort to improve the implementation and compliance with organisational Health and Safety Act, the establishment of formalised structures were undertaken. This includes the assignment of responsibilities in terms of section 16.2 of the Act.

Implementation of code of conduct

All cases related to misconduct are dealt with through the disciplinary policy.

Other governance matters

The Department has a Departmental Bid Adjudication Committee which has an oversight role to ensuring that the tendering process in the Department is undertaken in a fair manner that is transparent and complies with the statutory requirements of the country. Members serving in this committee are appointed by the accounting officer on a rotational basis.

Responsibilities of the Accounting Officers

In line with section 38 and 40 of the PFMA, the Department has internal controls in place to ensure compliance with the general responsibilities of the accounting officer. Although there were challenges with regard to the effectiveness of the Internal Audit Unit as a result of capacity issues, other control measures are also implemented to ensure continued compliance with the accounting officer's responsibilities.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

None

10. NEW/PROPOSED ACTIVITIES

None

11. ASSET MANAGEMENT

The Department's Asset Register fully complies with the minimum requirements as set out by the National Treasury (Asset Management Framework).

12. EVENTS AFTER THE REPORTING DATE

No significant event occurred after the reporting date.

13. PERFORMANCE INFORMATION

The Department cascades its 3-year Strategic Plan into Annual Business and Operational Plans. These annual plans unpack Year 1 of the Strategic Plan into Branch Sub-objectives and quarterly milestones that need to be achieved in order to achieve the Annual Target as set out in the Strategic Plan. Performance information is collected on a quarterly basis from all Branches, against the quarterly milestones as reflected in the Branch Business Plans which are directly aligned to the Strategic Plan of the Department. These quarterly performance reports are verified and consolidated into a Departmental Quarterly Performance Report after which it is submitted to Minister via the Accounting Officer. The performance reports include dashboards and graphs depicting progress against the achievement of the quarterly milestones as well as identification of challenges hindering performance and corrective measures. The Department also conducts a Mid-Year organizational performance review in September of each year which reviews the organizational performance for the first two quarters (April to September) and feeds such information into the development of the forthcoming Strategic Plan.

Furthermore, the department has developed an Electronic Organisational Performance Monitoring System (e-OPMS) which is an open source electronic system that allows for the management of organizational performance information including the development of dashboards and performance reports. The e-OPMS which was piloted thus far will be fully rolled-out during the 2009/10 financial year.

14. SCOPA RESOLUTIONS

Include a table on the SCOPA resolutions. The table should conform to the following format:

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

15. PRIOR MODIFICATIONS TO AUDIT REPORTS

None

16. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

None

17. OTHER

None

18. APPROVAL


The Annual Financial Statements set out on pages 116 to 163 have been approved by the Accounting Officer.



Gerda Gräbe

Acting Director-General

19 August 2009



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 24: DEPARTMENT OF COMMUNICATIONS FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the accompanying financial statements of the Department of Communications which comprise the appropriation statement, the statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 131 to 163.

THE ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE AUDITOR-GENERAL'S RESPONSIBILITY

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

7. In my opinion these financial statements present fairly, in all material respects, the financial position of the Department of Communications as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA.

EMPHASIS OF MATTER

Without qualifying my opinion, I draw attention to the following matters:

BASIS OF ACCOUNTING

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1

IRREGULAR EXPENDITURE

9. As disclosed in disclosure note 34 to the financial statements, irregular expenditure to the amount of R5 111 000 was incurred during the year ended 31 March 2009, as proper procurement procedures had not been followed.

OTHER MATTERS

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

GOVERNANCE FRAMEWORK

10. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below.

KEY GOVERNANCE RESPONSIBILITIES


11. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		✓
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines [section 40 of the PFMA].	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development and compliance with risk management, effective internal control and governance practices			



6.	Audit Committee		
	<ul style="list-style-type: none"> The Department had an audit committee in operation throughout the financial year 	✓	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference 	✓	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10. 	✓	
7.	Internal audit		
	<ul style="list-style-type: none"> The Department had an internal audit function in operation throughout the financial year. 	✓	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 		✓
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2 		✓
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2	✓	
12.	Powers and duties have been assigned, as set out in section 44 of the PFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA resolutions have been substantially implemented.	✓	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the department of communications against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulations 5.1, 5.2 and 6.1.	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	



- 
12. The governance framework of the department is functioning, except for the internal audit department which is not functioning effectively due to vacant positions. This matter has been highlighted in the audit report for the past two financial years. Material amendments were made to ensure the complete disclosure of minor assets, accruals and irregular expenditure.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON PERFORMANCE INFORMATION

13. I have reviewed the performance information as set out on pages 10 to 56.

THE ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE PERFORMANCE INFORMATION

14. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

THE AUDITOR-GENERAL'S RESPONSIBILITY

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, Issued in *Government Gazette No. 31057 of 15 May 2008*.
16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

FINDINGS (PERFORMANCE INFORMATION)

17. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

OTHER REPORTS

PERFORMANCE AUDITS

18. A performance audit was conducted concerning entities that are connected with government employees and doing business with national departments. The report covered the Period April 2005 to March 2006 and was tabled on 20 April 2009.

APPRECIATION

19. The assistance rendered by the staff of the Department of Communications during the audit is sincerely appreciated.

Auditor-General

Pretoria
27 July 2009





DEPARTMENT OF COMMUNICATIONS VOTE - 24

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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 2 of 2006.

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

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 STATUTORY APPROPRIATION

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the Statement of Financial Performance.

Unexpended statutory appropriations are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.



2.3 DEPARTMENTAL REVENUE

All departmental revenue is paid into the National/Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and/or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

2.3.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.3.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.3.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

2.3.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.3.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.3.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.4 DIRECT EXCHEQUER RECEIPTS

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received.

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

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the

funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using local and foreign 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 current or capital expenditure in the Statement of Financial Performance.

Inappropriately expensed amounts using CARA funds and any unutilised amounts are recognised as payables in the Statement of Financial Position.

3. EXPENDITURE

3.1 COMPENSATION OF EMPLOYEES

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense 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). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance¹.

All other payments are classified as current expense.

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 Position.

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund 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/ Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-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 Position.

3.2 GOODS AND SERVICES

Payments made 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 services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

(Footnotes)

¹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects

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 FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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 discovered 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 recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, 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. 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 in the Statement of Financial Performance.

3.9 EXPENDITURE FOR CAPITAL ASSETS

Payments made for capital assets 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).

4. ASSETS

4.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the Statement of Financial Position at cost.


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.

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.



Pre-payments 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.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest.

4.5 INVESTMENTS

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance when the cash is received.

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

4.6 LOANS

Loans are recognised in the Statement of Financial Position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost.

4.7 INVENTORY

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 CAPITAL ASSETS

4.8.1 Movable assets

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 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.

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 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

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.

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

5. LIABILITIES

5.1 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

5.2 DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.



5.3 DIRECT EXCHEQUER RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

Amounts received must be surrendered to the relevant revenue fund on receipt thereof. Any amount not surrendered at year end is reflected as a current payable in the Statement of Financial Position.

5.4 BANK OVERDRAFT

The bank overdraft is carried in the Statement of Financial Position at cost.

5.5 PAYABLES

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

5.6 CONTINGENT LIABILITIES

Contingent liabilities are included in the disclosure notes to the financial statements.

5.7 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.

5.8 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.

5.9 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.

5.10 LEASE COMMITMENTS

Finance leases

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 the Financial Performance and are apportioned between the capital and the interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating leases

Operating lease payments are recognised as an expense in the Statement of the Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

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 transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.



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.

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 note.

Vote 24: Communications (Economic Services And Infrastructure)											
Appropriation Statement											
for the year ended 31 March 2009											
Appropriation per programme											
	2008/09						2007/08				
	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	
1. Administration											
Current payment	144,195	-	838	145,033	143,933	1,100	99.2%	124,354	124,154		
Transfers and subsidies	113	-	590	703	703	-	100.0%	311	311		
Payment for capital assets	2,502	-	293	2,795	2,795	-	100.0%	4,000	4,071		
2. ICT International Affairs And Trade											
Current payment	37,126	-	13,789	50,915	50,915	-	100.0%	33,474	33,408		
Transfers and subsidies	3,200	-	(700)	2,500	2,500	-	100.0%	3,404	3,182		
Payment for capital assets	923	-	(859)	64	64	-	100.0%	110	109		
3. ICT Policy Development											
Current payment	48,596	6,262	(176)	54,682	54,682	-	100.0%	46,406	43,507		
Transfers and subsidies	27,060	(6,262)	(4,610)	16,188	16,188	-	100.0%	21,207	15,472		
Payment for capital assets	1,336	-	(715)	621	621	-	100.0%	1,594	1,594		
4. ICT Enterprise Development											
Current payment	17,258	(50)	(10,875)	6,333	6,333	-	100.0%	9,612	6,990		
Transfers and subsidies	1,911,664	-	-	1,911,664	1,911,664	-	100.0%	1,566,878	1,566,878		
Payment for capital assets	448	50	(82)	416	416	-	100.0%	425	27		

Vote 24: Communications (Economic Services And Infrastructure)

Appropriation Statement

for the year ended 31 March 2009

Appropriation per programme

	2008/09							2007/08	
	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 ICT Infrastructure Development									
Current payment	81,008	-	(15)	80,993	79,195	1,798	97.8%	76,596	76,016
Transfers and subsidies	7,500	-	25	7,525	7,525	-	100.0%	6,502	6,502
Payment for capital assets	1,968	-	6,161	8,129	8,129	-	100.0%	1,940	2,266
6. Presidential National Commission									
Current payment	45,631	673	(3,445)	42,859	42,186	673	98.4%	27,267	26,888
Transfers and subsidies	-	(673)	2	(671)	2	(673)	-0.3%	-	-
Payment for capital assets	981	-	(221)	760	760	-	100.0%	403	403
TOTAL	2,331,509	-	-	2,331,509	2,328,611	2,898	99.9%	1,924,483	1,911,778
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				3,520,122				4,042,680	
Actual amounts per Statement of Financial Performance (Total Revenue)				5,851,631				5,967,163	
Add: Aid assistance				-					-
Actual amounts per Statement of Financial Performance Expenditure				2,328,611					1,911,778

Appropriation per Economic classification										
	2008/09						2007/08			
	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
Current payments										
Compensation of employees	127,897	(6,944)	(13,000)	107,953	107,953	-	100.0%	103,614	97,707	
Goods and services	245,917	13,156	13,115	272,188	269,290	2,898	98.9%	214,030	213,191	
Financial transactions in assets and liabilities	-	-	121	121	121	-	100.0%	65	65	
Transfers & subsidies										
Provinces & municipalities	-	-	6	6	6	-	100.0%	69	69	
Departmental agencies & accounts	338,977	-	-	338,977	338,977	-	100.0%	319,565	319,565	
Universities & technicians	-	-	98	98	98	-	100.0%	-	-	
Foreign governments & international organisations	700	2	(693)	9	9	-	100.0%	1,400	1,178	
Public corporations & private enterprises	1,607,360	(6,266)	(4,610)	1,596,484	1,596,484	-	100.0%	1,275,121	1,269,386	
Non-profit institutions	2,500	-	324	2,824	2,824	-	100.0%	2,050	2,050	
Households	-	2	61	63	63	-	100.0%	97	97	
Payment for capital assets										
Buildings & other fixed structures	-	-	-	-	-	-		18	18	
Machinery & equipment	8,158	50	(1,548)	6,660	6,660	-	100.0%	8,077	8,075	
Software & other intangible assets	-	-	6,126	6,126	6,126	-	100.0%	377	377	
Total	2,331,509	-	-	2,331,509	2,328,611	2,898	99.9%	1,924,483	1,911,778	

Detail per programme 1 - Administration

For the year ended 31 March 2009

Details per Sub-Programme	2008/09							2007/08	
	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 Minister									
Current payment	1,019	593	-	1,612	1,584	28	98.3%	938	952
1.2 Deputy Minister									
Current payment	790	538	-	1,328	1,307	21	98.4%	693	702
1.3 Management									
Current payment	39,889	4,518	3,289	47,696	47,745	(49)	100.1%	27,944	27,708
Transfers and subsidies	-	-	431	431	431	-	100.0%	127	127
Payment for capital assets	202	158	293	653	653	-	100.0%	2,623	2,623
1.4 Operations									
Current payment	96,836	(5,649)	(2,451)	88,736	89,048	(312)	100.4%	89,545	89,931
Transfers and subsidies	113	-	159	272	272	-	100.0%	184	184
Payment for capital assets	2,300	(158)	-	2,142	2,142	-	100.0%	1,377	1,448
1.5 Property Management									
Current payment	5,661	-	-	5,661	4,249	1,412	75.1%	5,234	4,861
Total	146,810	-	1,721	148,531	147,431	1,100	99.3%	128,665	128,536

Detail per programme 1 - Administration											
For the year ended 31 March 2009											
Programme 1 Per Economic classification	2008/09						2007/08				
	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	R'000
Current payments											
Compensation of employees	54,936	-	(7,966)	46,970	46,970	-	100.0%	44,283	44,241		
Goods and services	89,259	-	8,803	98,062	96,962	1,100	98.9%	80,006	79,848		
Financial transactions in assets and liabilities	-	-	121	121	121	-	100.0%	65	65		
Transfers & subsidies											
Provinces & municipalities	-	-	6	6	6	-	100.0%	69	69		
Departmental agencies & accounts	113	-	-	113	113	-	100.0%	105	105		
Universities & technicians	-	-	98	98	98	-	100.0%	-	-		
Foreign governments & international organisations	-	-	7	7	7	-	100.0%	-	-		
Non-profit institutions	-	-	324	324	324	-	100.0%	50	50		
Households	-	-	34	34	34	-	100.0%	87	87		
Payment for capital assets											
Machinery & equipment	2,502	-	75	2,577	2,577	-	100.0%	3,735	3,989		
Software & other intangible assets	-	-	219	219	219	-	100.0%	265	82		
Total	146,810	-	1,721	148,531	147,431	1,100	99.3%	128,665	128,536		

Detail per programme 2 - ICT International Affairs And Trade

For the year ended 31 March 2009

Details per Sub-Programme	2008/09							2007/08	
	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	19,191	(6,359)	(47)	12,785	12,846	(61)	100.5%	26,758	26,927
Transfers and subsidies	2,500	-	-	2,500	2,500	-	100.0%	3,404	3,180
Payment for capital assets	530	-	(504)	26	26	-	100.0%	78	77
2.2 ICT Trade/Partnerships									
Current payment	17,935	6,359	13,836	38,130	38,069	61	99.8%	6,647	6,412
Transfers and subsidies	700	-	(700)	-	-	-	-	-	2
Payment for capital assets	393	-	(355)	38	38	-	100.0%	32	32
2.3 Postal Regulator									
Current payment	-	-	-	-	-	-	-	69	69
Total	41,249	-	12,230	53,479	53,479	-	100.0%	36,988	36,699

Detail per programme 2 - ICT International Affairs and Trade									
For the year ended 31 March 2009									
Programme 2 Per Economic classification	2008/09							2007/08	
	Adjusted Appropriation R'000	Shifting of Funds	Virement	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	12,397	(6,944)	1,252	6,705	6,705	-	100.0%	8,622	8,006
Goods and services	24,729	6,944	12,537	44,210	44,210	-	100.0%	24,852	25,402
Transfers & subsidies									
Foreign governments & international organisations	700	-	(700)	-	-	-	-	1,400	1,178
Non-profit institutions	2,500	-	-	2,500	2,500	-	100.0%	2,000	2,000
Households	-	-	-	-	-	-	-	4	4
Payment for capital assets									
Machinery & equipment	923	-	(859)	64	64	-	100.0%	110	109
Total	41,249	-	12,230	53,479	53,479	-	100.0%	36,988	36,699

Detail per programme 3 - ICT Policy Development

For the year ended 31 March 2009

Details per Sub-Programme	2008/09							2007/08	
	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	27,762	10,009	-	37,771	39,461	(1,690)	104.5%	34,879	34,320
Transfers and subsidies	-	4	-	4	4	-	100.0%	2	2
Payment for capital assets	867	-	(543)	314	314	-	100.0%	1,562	1,562
3.2 Economic Analysis, Market Modelling And Research									
Current payment	5,976	(1,529)	(176)	4,271	4,031	240	94.4%	2,235	1,017
Payment for capital assets	80	-	-	80	98	(18)	122.5%	-	-
3.3 ICT Uptake And Usage									
Current payment	6,471	(2,218)	-	4,253	3,362	891	79.1%	4,200	2,506
Payment for capital assets	212	-	(172)	40	23	17	57.5%	-	-
3.4 Intergovernmental Relations									
Current payment	8,387	-	-	8,387	7,828	559	93.3%	5,092	5,664
Transfers and subsidies	-	-	-	-	-	-	-	2	2
Payment for capital assets	187	-	-	187	186	1	99.5%	32	32
3.5 South African Broadcasting Corporation: Community Radio Stations									
Transfers and subsidies	12,060	(6,266)	(3,514)	2,280	2,280	-	100.0%	3,793	-
3.6 South African Broadcasting Corporation: Programme Production									
Transfers and subsidies	15,000	-	(1,096)	13,904	13,904	-	100.0%	17,410	15,468
Total	76,992	-	(5,501)	71,491	71,491	-	100.0%	69,207	60,573

Detail per programme 3 - ICT Policy Development										
For the year ended 31 March 2009										
Programme 3 Per Economic classification	2008/09							2007/08		
	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	17,800	-	(176)	17,624	17,624	-	100.0%	15,100	12,239	
Goods and services	30,796	6,262	-	37,058	37,058	-	100.0%	31,306	31,268	
Transfers & subsidies										
Foreign governments & international organisations	-	2	-	2	2	-	100.0%	-	-	
Public corporations & private enterprises	27,060	(6,266)	(4,610)	16,184	16,184	-	100.0%	21,203	15,468	
Households	-	2	-	2	2	-	100.0%	4	4	
Payment for capital assets										
Machinery & equipment	1,336		(715)	621	621	-	100.0%	1,594	1,594	
Total	76,992	-	(5,501)	71,491	71,491	-	100.0%	69,207	60,573	

Detail per programme 4 - ICT Enterprise Development

For the year ended 31 March 2009

Details per Sub-Programme	2008/09							2007/08	
	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	8,384	(50)	(4,148)	4,186	4,266	(80)	101.9%	4,950	3,467
Transfers and subsidies	1,911,664	-	-	1,911,664	1,911,664	-	100.0%	1,566,878	1,566,878
Payment for capital assets	238	50	(82)	206	100	106	48.5%	125	27
4.2 Small Medium And Micro Enterprise Development									
Current payment	8,874	-	(6,727)	2,147	2,067	80	96.3%	4,662	3,523
Payment for capital assets	210	-	-	210	316	(106)	150.5%	300	-
Total	1,929,370	-	(10,957)	1,918,413	1,918,413	-	100.0%	1,576,915	1,573,895

Detail per programme 4 - ICT Enterprise Development										
For the year ended 31 March 2009										
Programme 4 Per Economic classification	2008/09						2007/08			
	Adjusted Appropriation R'000	Shifting of Funds	Virement	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	5,291	-	(1,832)	3,459	3,459	-	100.0%	3,012	2,655	
Goods and services	11,967	(50)	(9,043)	2,874	2,874	-	100.0%	6,600	4,335	
Transfers & subsidies										
Departmental agencies & accounts	337,364	-	-	337,364	337,364	-	100.0%	317,960	317,960	
Public corporations & private enterprises	1,574,300	-	-	1,574,300	1,574,300	-	100.0%	1,248,918	1,248,918	
Payment for capital assets										
Machinery & equipment	448	50	(82)	416	416	-	100.0%	425	27	
Total	1,929,370	-	(10,957)	1,918,413	1,918,413	-	100.0%	1,576,915	1,573,895	

Detail per programme 5 - ICT Infrastructure Development

For the year ended 31 March 2009

Details per Sub-Programme	2008/09						2007/08		
	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	56,072	-	(15)	56,057	56,169	(112)	100.2%	53,000	56,414
Transfers and subsidies	-	-	25	25	25	-	100.0%	2	2
Payment for capital assets	1,968	-	6,161	8,129	8,129	-	100.0%	1,940	2,266
5.2 Meraka Institute									
Transfers and subsidies	6,000	-	-	6,000	6,000	-	100.0%	5,000	5,000
5.3 112 Emergency Call Centre									
Current payment	24,936	-	-	24,936	23,026	1,910	92.3%	23,596	19,602
5.4 .Za Domain Name Authority									
Transfers and subsidies	1,500	-	-	1,500	1,500	-	100.0%	1,500	1,500
Total	90,476	-	6,171	96,647	94,849	1,798	98.1%	85,038	84,784

Detail per programme 5 - ICT Infrastructure Development										
For the year ended 31 March 2009										
Programme 5 Per Economic classification	2008/09						2007/08			
	Adjusted Appropriation R'000	Shifting of Funds	Virement	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	23,479	-	(792)	22,687	22,687	-	100.0%	22,848	21,141	
Goods and services	57,529	-	777	58,306	56,508	1,798	96.9%	53,748	54,875	
Transfers & subsidies										
Departmental agencies & accounts	1,500	-	-	1,500	1,500	-	100.0%	1,500	1,500	
Public corporations & private enterprises	6,000	-	-	6,000	6,000	-	100.0%	5,000	5,000	
Households	-	-	25	25	25	-	100.0%	2	2	
Payment for capital assets										
Machinery & equipment	1,968	-	254	2,222	2,222	-	100.0%	1,810	1,953	
Software & other intangible assets	-	-	5,907	5,907	5,907	-	100.0%	112	295	
Total	90,476	-	6,171	96,647	94,849	1,798	98.1%	85,038	84,784	

Detail per programme 6 - Presidential National Commission

For the year ended 31 March 2009

Details per Sub-Programme	2008/09							2007/08		
	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 Policy Planning And Foresight										
Current payment	3,765	(1,205)	-	2,560	2,560	-	100.0%	4,538	4,538	
Payment for capital assets	-	18	-	18	18	-	100.0%	-	-	
6.2 Policy Co-Ordination And Integration										
Current payment	4,111	2,160	-	6,271	6,271	-	100.0%	3,865	3,865	
6.3 Policy Evaluation And Impact Assessment										
Current payment	3,818	(1,511)	-	2,307	2,307	-	100.0%	4,476	4,476	
6.4 Special And Flagship Projects										
Current payment	18,905	3,660	(645)	21,920	21,922	(2)	100.0%	5,527	5,465	
Transfers and subsidies	-	-	2	2	2	-	100.0%	-	-	
6.5 Communications And Stakeholder Management										
Current payment	3,779	(1,146)	(1,476)	1,157	1,156	1	99.9%	1,516	1,470	
6.6 Organisational Excellence										
Current payment	7,349	(1,805)	(1,324)	4,220	4,219	1	100.0%	7,345	7,074	
Payment for capital assets	981	(18)	(221)	742	742	-	100.0%	403	403	
6.7 Research										
Current payment	3,904	520	-	4,424	3,751	673	84.8%	-	-	
Transfers and subsidies	-	(673)	-	(673)	-	(673)	-	-	-	
Total	46,612	-	(3,664)	42,948	42,948	-	100.0%	27,670	27,291	

Detail per programme 6 - Presidential National Commission										
For the year ended 31 March 2009										
Programme 6 Per Economic classification	2008/09							2007/08		
	Adjusted Appropriation R'000	Shifting of Funds	Virement	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	13,994	-	(3,486)	10,508	10,508	-	100.0%	9,749	9,425	
Goods and services	31,637	-	41	31,678	31,678	-	100.0%	17,518	17,463	
Transfers & subsidies										
Households	-	-	2	2	2	-	100.0%	-	-	
Payment for capital assets										
Machinery & equipment	981	-	(221)	760	760	-	100.0%	403	403	
Total	46,612	-	(3,664)	42,948	42,948	-	100.0%	27,670	27,291	

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Appropriation Statement

for the year ended 31 March 2009

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-F) 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 note 6 (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

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
ICT Infrastructure and Development	96,647	94,849	1,789	1.9%
The underspending is mainly under the 112 Emergency Call Centre due to the reduction in maintenance costs.				
4.2 Per economic classification:				
Current expenditure				
Compensation of employees	107,953	107,953	-	-
Goods and services	272,188	269,290	2,898	1.1%
Financial transactions in assets and liabilities	121	121	-	-
Transfers and subsidies				
Provinces and municipalities	6	6	-	-
Departmental agencies and accounts	338,977	338,977	-	-
Universities and technikons	98	98	-	-
Public corporations and private enterprises	1,596,484	1,596,484	-	-
Foreign governments and international organisations	9	9	-	-
Non-profit institutions	2,824	2,824	-	-
Households	63	63	-	-
Payments for capital assets				
Machinery and equipment	6,660	6,660	-	-
Software and other intangible assets	6,126	6,126	-	-

Vote 24: Communications (Economic Services and Infrastructure)

**Statement of Financial Performance
for the year ended 31 March 2009**

		2008/09	2007/08
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	2,331,509	1,924,483
Departmental revenue	2	3,520,122	4,042,680
TOTAL REVENUE		5,851,631	5,967,163
EXPENDITURE			
Current expenditure			
Compensation of employees	4	107,953	97,707
Goods and services	5	269,291	213,191
Financial transactions in assets and liabilities	6	121	65
Total current expenditure		377,365	310,963
Transfers and subsidies			
Transfers and subsidies	7	1,938,461	1,592,345
Expenditure for capital assets			
Tangible capital assets	8	6,659	8,093
Software and other intangible assets	8	6,126	377
Total expenditure for capital assets		12,785	8,470
TOTAL EXPENDITURE		2,328,611	1,911,778
SURPLUS/(DEFICIT) FOR THE YEAR		3,523,020	4,055,385
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds	16	2,898	12,705
Departmental revenue	17	3,520,122	4,042,680
SURPLUS/(DEFICIT) FOR THE YEAR		3,523,020	4,055,385

Vote 24: Communications (Economic Services And Infrastructure)

Statement of Financial Position

at 31 March 2009

		2008/09	2007/08
	Note	R'000	R'000
ASSETS			
Current Assets		14,118	16,460
Fruitless and wasteful expenditure	9	555	555
Cash and cash equivalents	10	9,608	14,174
Prepayments and advances	12	1,280	140
Receivables	13	2,675	1,591
Non-Current Assets		2,298,983	2,298,983
Investments	14	2,271,321	2,271,321
Loans	15	27,391	27,391
Other financial assets	11	271	271
TOTAL ASSETS		2,313,101	2,315,443
LIABILITIES			
Current Liabilities		13,253	15,999
Voted funds to be surrendered to the Revenue Fund	16	2,898	12,705
Departmental revenue to be surrendered to the Revenue Fund	17	7,465	385
Payables	18	1	20
Aid assistance unutilised	3	2,889	2,889
TOTAL LIABILITIES		13,253	15,999
NET ASSETS		2,299,848	2,299,444
Represented by:			
Capitalisation reserve		2,298,713	2,298,713
Recoverable revenue		1,135	731
TOTAL		2,299,848	2,299,444

Vote 24: Communications (Economic Services And Infrastructure)

Cash Flow Statement

for the year ended 31 March 2009

		2008/09	2007/08
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		4,484,820	3,689,635
Annual appropriated funds received	1.1	2,331,509	1,924,483
Departmental revenue received	3	2,153,311	1,765,152
Net (increase)/ decrease in working capital		(2,243)	(166)
Surrendered to Revenue Fund		(3,525,747)	(4,076,773)
Current payments		(377,365)	(310,963)
Transfers and subsidies paid		(1,938,461)	(1,592,345)
Net cash flow available from operating activities	19	(1,358,996)	(2,290,612)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(12,785)	(8,470)
Proceeds from sale of capital assets	2.3	297	5
Net cash flows from investing activities		(12,488)	(8,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		1,366,514	2,277,523
Increase/ (decrease) in net assets		404	199
Net cash flows from financing activities		1,366,918	2,277,722
Net increase/ (decrease) in cash and cash equivalents		(4,566)	(21,355)
Cash and cash equivalents at beginning of period		14,174	35,529
Cash and cash equivalents at end of period	10	9,608	14,174

Vote 24: Communications (Economic Services And Infrastructure)

Statement of Changes in Net Assets

for the year ended 31 March 2009

		2008/09	2007/08
	Note	R'000	R'000
Capitalisation Reserves			
Opening balance		2,298,713	2,298,713
Closing balance		2,298,713	2,298,713
Recoverable revenue			
Opening balance		731	532
Transfers		404	199
Irrecoverable amounts written off	6.4	80	18
Debts recovered (included in departmental receipts)		(662)	(359)
Debts raised		986	540
Closing balance		1,135	731
TOTAL		2,299,848	2,299,444

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

1 Annual Appropriation

1.1 Annual Appropriation

Programmes	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received 2007/08
	R'000	R'000	R'000	R'000
Administration	148,531	148,531	-	128,665
ICT International affairs and trade	53,479	53,479	-	36,988
ICT Policy development	71,491	71,491	-	69,207
ICT Enterprise development	1,918,413	1,918,413	-	1,576,915
ICT Infrastructure development	96,647	96,647	-	85,038
Presidential National Commission	42,948	42,948	-	27,670
Total	2,331,509	2,331,509	-	1,924,483

2 Departmental Revenue

	Note	2008/09	2007/08
		R'000	R'000
Sales of goods and services other than capital assets	2.1	2,148,962	1,760,194
Interest, dividends and rent on land	2.2	1,370,204	2,280,691
Sales of capital assets	2.3	297	5
Financial transactions in assets and liabilities	2.4	659	848
Transfer received	2.5	-	942
Total revenue collected		3,520,122	4,042,680
Departmental revenue collected		3,520,122	4,042,680

Sales of goods and services other than capital assets: An amount of R2, 148 billion was received from ICASA in respect of license fees collected and an amount of R2, 141 billion was paid to the National Revenue Fund (NRF). An amount of R7 million will be paid to the NRF in the 2009/2010 financial year.

Interest, dividends and rent on land: The decrease is mainly due to the dividend rate per share that decreased from 1 100 cents per share to 660 cents per share.

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		2,148,962	1,760,132
Administrative fees		2,148,940	1,760,109
Other sales		22	23
Sales of scrap, waste and other used current goods		-	62
Total		2,148,962	1,760,194
2.2 Interest, dividends and rent on land	2		
Interest		3,690	3,168
Dividends		1,366,514	2,277,523
Total		1,370,204	2,280,691
2.3 Sales of capital assets	2		
Tangible assets			
Machinery and equipment	31.2	297	5
Total		297	5
2.4 Financial transactions in assets and liabilities	2		
Receivables		470	303
Forex gain		-	2
Other Receipts including Recoverable Revenue		189	543
Total		659	848
2.5 Transfers received	2		
Public corporations and private enterprises		-	942
Total		-	942

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
3 Aid Assistance			
3.1 Aid assistance received in cash from other sources			
Local			
Opening Balance		2,888	2,888
Closing Balance		2,888	2,888
Analysis of balance			
Aid assistance unutilised		2,889	2,889
Other sources		2,889	2,889
Closing balance		2,889	2,889
4 Compensation of Employees			
4.1 Salaries and wages			
Basic salary		68,028	61,339
Performance award		2,705	3,585
Service Based		399	407
Compensative/circumstantial		1,062	1,202
Periodic payments		1,339	1,949
Other non-pensionable allowances		22,341	18,433
Total		95,874	86,915

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
4.2 Social Contributions			
Employer contributions			
Pension		8,854	7,933
Medical		3,215	2,850
Bargaining council		10	9
Total		12,079	10,792
Total compensation of employees			
		107,953	97,707
Average number of employees		300	292

Performance awards: The decrease is mainly due to SMS performance awards for 2005/2006 financial year that was paid out in April 2007.

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
5 Goods and services			
Administrative fees		9,201	1,144
Advertising		19,881	10,613
Assets less than R5,000	5.1	1,516	2,898
Bursaries (employees)		202	309
Catering		2,865	2,550
Communication		6,281	6,920
Computer services	5.2	2,712	8,302
Consultants, contractors and agency/outsourced services	5.3	108,396	60,787
Entertainment		149	76
Audit cost – external	5.4	1,456	2,059
Inventory	5.5	6,217	5,396
Maintenance, repairs and running costs		430	597
Operating leases		24,971	38,277
Owned and leasehold property expenditure	5.6	10,598	7,742
Travel and subsistence	5.7	41,467	37,836
Venues and facilities		19,884	12,681
Training and staff development		10,945	3,656
Other operating expenditure	5.8	2,120	11,348
Total		269,291	213,191

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
5.1 Assets less than R5,000	5		
Tangible assets		1,313	2,605
Machinery and equipment		1,313	2,605
Intangible assets		203	293
Total		1,516	2,898
5.2 Computer services	5		
SITA computer services		1,098	3,103
External computer service providers		1,614	5,199
Total		2,712	8,302

SITA computer services: The decrease is mainly due to software license for 2008/2009 financial year paid in 2007/2008 financial year.

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
5.3 Consultants, contractors and agency/outsourced services	5		
Business and advisory services		51,785	20,438
Infrastructure and planning		23	-
Legal costs		2,276	931
Contractors		35,156	22,000
Agency and support/outsourced services		19,156	17,418
Total		108,396	60,787
<p>Contractors: The increase is mainly due to the appointment of an event promoter for World Telecommunications Standardisation Assembly (WTSA) hosted by the Department in October 2008.</p> <p>Business and Advisory services: The increase is mainly due to funds paid to (a) Electronic Communications Security (Pty) Ltd (Comsec) who will assist in the protection of the Critical Communications Infrastructure (CCI) of organs of State by respond to security incidents, conduct vulnerability assessment and management, security alerts and reporting and (b) International Telecommunications Union as per agreement 100% of the additional ITU estimated expenses resulting from the holding of WTSA - 2008.</p>			
5.4 Audit cost – external	5		
Regularity audits		1,456	2,059
Total		1,456	2,059

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
5.5 Inventory	5		
Other consumable materials		83	110
Maintenance material		16	23
Stationery and printing		6,117	5,261
Medical supplies		1	2
Total		6,217	5,396
5.6 Owned and leasehold property expenditure	5		
Municipal services		5,150	3,609
Property management fees		-	2
Other		5,448	4,131
Total		10,598	7,742
5.7 Travel and subsistence	5		
Local		30,930	24,777
Foreign		10,537	13,059
Total		41,467	37,836
5.8 Other operating expenditure	5		
Professional bodies, membership and subscription fees		1,427	10,914
Resettlement costs		22	-
Other		671	434
Total		2,120	11,348

The decrease is mainly as a result of membership fees in respect of the International Telecommunications Union not yet paid.

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
6 Financial Transactions in Assets and Liabilities			
Other material losses written off	6.1	33	43
Debts written off	6.2	80	10
Forex losses	6.3	8	12
Total		121	65
6.1 Other material losses written off	6		
Nature of losses			
Advances		-	10
Vehicle expenses		-	10
No shows		5	15
Interest		-	3
Cancellation fee		24	-
Other		4	5
Total		33	43
6.2 Debts written off	6		
Nature of debts written off			
Income tax		6	10
Salary overpayments		59	-
Test debtors		14	-
Other		1	-
Total		80	10
6.3 Forex losses	6		
Nature of losses			
Foreign exchange - travel and subsistence		8	12
Total		8	12

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
6.4 Recoverable revenue written off	Stat Chg in NA		
Nature of losses			
Personnel		(66)	(10)
Vehicle expenses		-	(8)
Test debtors		(14)	-
Total		(80)	(18)
6.5 Assets written off	31		
Nature of write-off			
Overhead projector		12	
Laptop		4	
Computer		8	
Total		24	
7 Transfers and Subsidies			
Provinces and municipalities	Annex 1A	6	69
Departmental agencies and accounts	Annex 1B	338,977	319,565
Foreign governments and international organisations	Annex 1D	-	1,178
Public corporations and private enterprises	Annex 1C	1,596,484	1,269,386
Non-profit institutions	Annex 1E	2,500	2,000
Households	Annex 1F	23	41
Gifts, donations and sponsorships made	Annex 1G	471	106
Total		1,938,461	1,592,345

Public corporations and private enterprises: The increase is mainly due to R600 million capital funding to Telkom for access network between the 2010 FIFA World Cup stadia venues and the Telkom National Network and a decrease of R296 million in funding to Sentech in the 2008/2009 financial year.

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
8 Expenditure for capital assets			
Tangible assets		6,659	8,093
Buildings and other fixtures		-	18
Machinery and equipment	31.1	6,659	8,075
Software and other intangible assets		6,126	377
Computer software		-	377
Other intangibles	32.1	6,126	-
Total		12,785	8,470

8.1 Analysis of funds utilised to acquire capital assets - 2008/09

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible assets	6,659	-	6,659
Machinery and equipment	6,659	-	6,659
Software and other intangible assets	6,126	-	6,126
Computer software	6,126	-	6,126
Total	12,785	-	12,785

8.2 Analysis of funds utilised to acquire capital assets - 2007/08

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Total assets acquired	8,470	-	8,470

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
9	Fruitless and wasteful expenditure		
9.1	Reconciliation of fruitless and wasteful expenditure		
Opening balance		555	559
Less: Amounts condoned		-	(4)
Current		-	(4)
Fruitless and wasteful expenditure awaiting condonement		555	555
Analysis of awaiting condonement per economic classification			
Current		555	555
Total		555	555

See also note 27 of disclosure notes to the financial statements

10 Cash and Cash Equivalents

Consolidated Paymaster General Account	2,198	13,837
Cash on hand	25	15
Cash with commercial banks (Local)	7,385	322
Total	9,608	14,174

Cash with commercial banks: The increase is mainly due to R7 million paid into the department's bank account at Nedbank by ICASA in respect of license fees that could not be transferred to the Reserve bank account before 31 March 2009.



Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

	Note	2008/09	2007/08
		R'000	R'000
11 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
12 Prepayments and Advances			
Travel and subsistence		353	104
Advances paid to other entities		927	36
Total		1,280	140

Advances paid to other entities: The increase is mainly as a result of a MoU between the department and Foreign Affairs whereby the department has to pay in advance for services rendered by Foreign Affairs.

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

		2008/09				2007/08	
		Less than one year	One to three years	Older than three years	Total		
Note		R'000	R'000	R'000	R'000	R'000	
13	Receivables						
	Claims Recoverable	13.1 Annex 4	33	-	-	33	22
	Staff debt	13.2	33	-	38	71	185
	Other debtors	13.3	1,908	174	489	2,571	1,384
			<u>1,974</u>	<u>174</u>	<u>527</u>	<u>2,675</u>	<u>1,591</u>
13.1	Claims recoverable				13		
	National departments				33	22	
	Total				33	22	
13.2	Staff debt				13		
	Debt accounts				71	185	
	Total				71	185	
13.3	Other debtors				13		
	Ex-employees				549	510	
	Test equipment				316	476	
	Suppliers				1,689	393	
	Clearing accounts				11	3	
	Unemployment insurance fund				-	2	
	SARS income tax				6	-	
	Total				2,571	1,384	

Suppliers: The increase is mainly as a result of a supplier increasing their tariffs not in accordance with the contract entered into or prior approval by the department. The department is in the process to recover the overpayment from the supplier.



Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

		2008/09	2007/08
	Note	R'000	R'000
14 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
Total		2,271,321	2,271,321
Total non-current		2,271,321	2,271,321
Analysis of non current investments			
Opening balance		2,271,321	2,271,321
Closing balance		2,271,321	2,271,321

In the 2004/2005 financial year an amount of R750 million was paid to the South African Post Office to facilitate the corporitisation 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 share holder until such time as the necessary changes have been made to the Post Office Act to permit the issuing of shares by the company.

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

		2008/09	2007/08
	Note	R'000	R'000
15	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
16	Voted Funds to be surrendered to the Revenue Fund		
	Opening balance	12,705	2,709
	Transfer from statement of financial performance	2,898	12,705
	Paid during the year	(12,705)	(2,709)
	Closing balance	2,898	12,705
	The decrease is mainly due to the department's spending of 99,9% voted funds.		
17	Departmental revenue to be surrendered to the Revenue Fund		
	Opening balance	385	31,769
	Transfer from Statement of Financial Performance	3,520,122	4,042,680
	Paid during the year	(3,513,042)	(4,074,064)
	Closing balance	7,465	385
	Cash with commercial banks: The increase is mainly due to R7 million paid into the department's bank account at Nedbank by ICASA in respect of license fees that could not be transferred to the Reserve Bank account before 31 March 2009.		

Vote 24: Communications (Economic Services And Infrastructure)

Notes to the Annual Financial Statements

for the year ended 31 March 2009

		2008/09	2007/08
	Note	R'000	R'000
18 Payables - current			
Other payables	18.1	1	20
Total		1	20
18.1 Other payables			
Salary deductions	18	1	20
Total		1	20
19 Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		3,523,020	4,055,385
Add back non cash/cash movements not deemed operating activities		(4,882,016)	(6,345,997)
(Increase)/decrease in receivables – current		(1,084)	131
(Increase)/decrease in prepayments and advances		(1,140)	114
(Increase)/decrease in other current assets		-	(423)
Increase/(decrease) in payables – current		(19)	12
Proceeds from sale of capital assets		(297)	(5)
Proceeds from sale of investments		(1,366,514)	(2,277,523)
Expenditure on capital assets		12,785	8,470
Surrenders to Revenue Fund		(3,525,747)	(4,076,773)
Net cash flow generated by operating activities		(1,358,996)	(2,290,612)
20 Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		2,198	13,837
Cash on hand		25	15
Cash with commercial banks (Local)		7,385	322
Total		9,608	14,174

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

			2008/09	2007/08	
		Note	R'000	R'000	
21	Contingent liabilities				
	Liable to	Nature			
	Motor vehicle guarantees	Employees	Annex 3A	39	146
	Housing loan guarantees	Employees	Annex 3A	480	531
	Other guarantees		Annex 3A	138,438	140,213
	Claims against the department		Annex 3B	384,029	377,325
	Other departments (interdepartmental unconfirmed balances)		Annex 5	2,807	790
	Total			525,793	519,005
22	Commitments				
	Current expenditure				
	Approved and contracted		29,885	8,139	
	Approved but not yet contracted		12	-	
			29,897	8,139	
	Capital Expenditure				
	Approved and contracted		5,678	380	
			5,678	380	
	Total Commitments		35,575	8,519	

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

23 Accruals				
Listed by economic classification	30 days	30+ days	Total	Total
Compensation of employees	-	2	2	-
Goods and services	3,656	17,727	21,383	-
Transfers and subsidies	2	-	2	-
Machinery and equipment	72	300	372	15
Other	-	2	2	-
Total	3,730	18,031	21,761	15
Listed by programme level				
Administration			1,713	12
ICT International Affairs and Trade			14,100	-
ICT Policy Development			1,650	-
ICT Enterprise Development			61	3
ICT Infrastructure Development			650	-
Presidential National Commission			3,587	-
Total			21,761	15
Confirmed balances with departments		Annex 5	17	106
Confirmed balances with other government entities		Annex 5	63	-
Total			80	106
			2008/09	2007/08
			Note	R'000
			R'000	R'000
24 Employee benefits				
Leave entitlement			2,363	1,786
Thirteenth cheque			2,593	2,308
Performance awards			2,705	3,585
Capped leave commitments			1,840	1,980
Total			9,501	9,659

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

25 Lease commitments

25.1 Operating leases expenditure

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	1,641	1641
Later than 1 year and not later than 5 years	-	-	1,872	1872
Total lease commitments	-	-	3,513	3,513

2007/08	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	417	417
Later than 1 year and not later than 5 years	-	-	322	322
Total lease commitments	-	-	739	739

25.2 Finance leases expenditure

2008/09	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	280	280
Total present value of lease liabilities	-	-	280	280

2007/08	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	618	618
Later than 1 year and not later than 5 years	-	-	262	262
Total present value of lease liabilities	-	-	880	880

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

		2008/09	2007/08
		R'000	R'000
26	Irregular expenditure		
26.1	Reconciliation of irregular expenditure		
	Opening balance	6,297	11,333
	Add: Irregular expenditure – relating to current year	5,111	908
	Less: Amounts condoned	(6,442)	(5,944)
	Irregular expenditure awaiting condonation	4,966	6,297
	Analysis of awaiting condonation per age classification		
	Current year	4,543	904
	Prior years	423	5,393
	Total	4,966	6,297
26.2	Details of irregular expenditure – current year		2008/09
			R'000
	Incident	Disciplinary steps taken/criminal proceedings	
	Procurement procedures not followed	In process	5,111
			5,111
26.3	Details of irregular expenditure condoned		2008/09
			R'000
	Incident	Condoned by (condoning authority)	
	Procurement procedures not followed	Departmental Bid Adjudication Committee	6,442
			6,442

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

		2008/09	2007/08
		R'000	R'000
27	Fruitless and wasteful expenditure		
27.1	Reconciliation of fruitless and wasteful expenditure		
	Fruitless and wasteful expenditure – relating to current year		3
	Fruitless and wasteful expenditure awaiting condonement		3
	Analysis of awaiting condonement per economic classification		
	Current		3
	Total		3
27.2	Analysis of Current Year's Fruitless and wasteful expenditure		
			2008/09
	Incident	Disciplinary steps taken/criminal proceedings	R'000
	Interest	In process	2
	No show and service fee	In process	1
	Total		3
	See also note 9 to the notes to the financial statements		
28	Related party transactions		
	Telkom SA Limited, South African Post Office Limited and Sentech. See also Annexure 2 and Management report in this regard.		



Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

		2008/09	2007/08
	No. of Individuals	R'000	R'000
29	Key management personnel		
	Political office bearers	2,940	1,654
	Officials:		
	Level 15 to 16	7,077	5,111
	Level 14	3,886	3,883
	Family members of key management personnel	277	159
	Total	14,180	10,807
30	Provisions		
	Potential irrecoverable debts		
	Private enterprises	-	2
	Other debtors	489	2
	Total	489	4

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

31 Moveable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	50,340	-	6,659	5,551	51,448
Transport assets	3,253	-	-	791	2,462
Computer equipment	29,166	1	4,449	4,216	29,400
Furniture and office equipment	6,179	(1)	1,216	337	7,057
Other machinery and equipment	11,742	-	994	207	12,529
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	50,340	-	6,659	5,551	51,448

31.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash	Non-cash	(Capital work-in- progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	6,659	-	-	-	6,659
Computer equipment	4,449	-	-	-	4,449
Furniture and office equipment	1,216	-	-	-	1,216
Other machinery and equipment	994	-	-	-	994
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	6,659	-	-	-	6,659

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

31.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	5,551	5,551	297
Transport assets	-	791	791	251
Computer equipment	-	4,216	4,216	-
Furniture and office equipment	-	337	337	46
Other machinery and equipment	-	207	207	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	5,551	5,551	297

31.3 Movement for 2007/08

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	45,424	8,075	3,159	50,340
Transport assets	3,080	173	-	3,253
Computer equipment	26,925	2,717	476	29,166
Furniture and office equipment	4,085	2,693	599	6,179
Other machinery and equipment	11,334	2,492	2,084	11,742
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	45,424	8,075	3,159	50,340

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

31.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2009

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor Assets	-	-	11,934	-	11,934
TOTAL	-	-	11,934	-	11,934

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	-	-	5,627	-	5,627
TOTAL	-	-	5,627	-	5,627

32 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	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	705	-	6,126	-	6,831
TOTAL INTANGIBLE CAPITAL ASSETS	705	-	6,126	-	6,831

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

32.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	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	6,126	-	-	-	6,126
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	6,126	-	-	-	6,126

32.2 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
Computer software	328	377	-	705
TOTAL	328	377	-	705

Vote 24: Communications (Economic Services And Infrastructure)

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

33 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

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

33.1 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

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

