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Department:  
Communications  
**REPUBLIC OF SOUTH AFRICA**



# **STRATEGIC PLAN**

**2005 - 2008**





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Communications  
**REPUBLIC OF SOUTH AFRICA**

Strategic Plan 2005 - 2008

## TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>2</b>
FOREWORD BY MINISTER DR. IVY MATSEPE-CASABURRI .....	2
INTRODUCTION BY THE DIRECTOR GENERAL LYNDALL SHOPE-MAFOLE .....	3
THE MANDATE, ROLE AND FUNCTIONS OF THE DEPARTMENT OF COMMUNICATIONS .....	4
VISION.....	4
MISSION.....	4
VALUES .....	4
CONTEXTUAL BACKGROUND.....	5
REVIEW OF 2004-2005 DEPARTMENTAL PERFORMANCE .....	5
MEDIUM TERM STRATEGY 2005-2008.....	6
KEY PERFORMANCE AREAS.....	6
DEPARTMENTAL ORGANISATION STRUCTURE .....	7
<b>KEY PERFORMANCE AREAS AND FUNCTIONS.....</b>	<b>8</b>
POLICY DEVELOPMENT .....	8
INNOVATIVE APPLICATIONS & RESEARCH.....	8
STRATEGIC POLICY COORDINATION, INTEGRATION AND INTERNATIONAL AFFAIRS.....	9
FINANCIAL MANAGEMENT .....	9
ORGANISATIONAL EXCELLENCE OPERATIONS.....	10
<b>2005-2008 BUSINESS PLANS.....</b>	<b>11</b>
POLICY DEVELOPMENT UNIT .....	12
INNOVATIVE APPLICATION & RESEARCH UNIT .....	16
STRATEGIC POLICY COORDINATION, INTEGRATION AND INTERNATIONAL AFFAIRS UNIT .....	20
FINANCE MANAGEMENT UNIT .....	30
ORGANISATIONAL AND OPERATIONS UNIT .....	35
PRESIDENTIAL NATIONAL COMMISSION ON INFORMATION SOCIETY AND DEVELOPMENT .....	41
<b>ADDENDUM 1 MTEF APPROVED BUDGET ALLOCATION .....</b>	<b>60</b>

## INTRODUCTION

### FOREWORD BY MINISTER DR. IVY MATSEPE-CASABURRI



We present the Department of Communications 2005/8 Strategic Plan. We do so, being mindful of the fact that the challenges we face during this phase, are to lend further impetus to the noble tenets of the Constitution; consolidate the achievements made in the first decade and strengthen the democratic gains we have so far realised for our own benefit and that of future generations.

When President Thabo Mbeki delivered his State of the Nation address in Parliament on 11 February this year, 2005; he provided us with the framework or context within which the country would achieve a full and concrete path to the transformation of the country. – The Freedom Charter. The social and economic transformation of our society is essential to securing a successful consolidation.

The Cabinet Lekgotla further inspired and stimulated the process to determine our initiatives, now and in the future, towards the achievement of unity and prosperity. Following upon this mandate, the Department, as one of Government's implementing agencies immersed itself into a Strategic Planning Session where we re-examined the alignment of our objectives to national priorities in order that we

develop department - specific strategies and operational plans. These will ensure that we play our part in realising the principles in the Freedom Charter that "South Africa belongs to all who live in it, Black and White."

The outcome of the strategic planning exercise has been to define, in even greater clarity, the role of the Department of Communications within the country's agenda to achieve economic and social transformation. Our objective is to attain a non-racial and non-sexist society with justice and equality for all where all our citizens participate in the national processes that lead towards total transformation. We want to have greater representation with respect to race, gender and disability at every level.

In response to this directive or call, we as the Department of Communications reconsidered our specific areas of operation in relation to the national objectives as set out in Government's Programme of Action.

The number of objectives that make up Government's Programme of Action, provide the direction for our operations. Accordingly, we look at ways in which the DoC can contribute to increasing investment in the economy; to lowering the cost of doing business and enhancing the competitiveness for the South African economy. Plans we have developed plans that will facilitate economic inclusion; and as far as is possible close the gap between the first and second economies. In these and other ways, as is discussed, comprehensively in subsequent pages of the document we have contribute towards bringing to reality and the principle of the Freedom Charter and creation of an equal and just society. "The people shall share in the country's wealth."

At international level, South Africa has entered into important bilateral and multilateral agreements, demonstrating our commitment to the ideal a better world. In this regard our plans reflect activities to participate effectively in the multilateral fora, as well as our contribution the Africa's development through NEPAD programmes.

Our focus in the coming period will be on working to improve the capacity of the state to deliver, our quality of service delivery, our policy management and our implementation. Monitoring and Evaluation will be critical in the coming period so that we are certain we can identify the gaps and be successful. This Strategic Plan is a culmination of all our efforts, our successes and our challenges. It is a reflection of our goal to unleash the potential of ICT's for socio-economic development in the country.

I thank our partners in the State-owned Enterprises in the sector as well as the Presidential National Commission on Information Society for their willingness and commitment to work with us and consolidate our democracy. Your involvement is important in facilitating an effective and responsive operational environment.

Finally, I take the opportunity to thank the Director-General, the Management team and our dedicated staff in achieving the required focus for the work of the Department. Let us all implement this plan as per our commitment to do so.

Thank You

**Dr. Ivy Matsepe-Casaburri**  
Minister of Communications

## INTRODUCTION BY **THE DIRECTOR GENERAL LYNDALL SHOPE-MAFOLE**



At the Department of Communications (DoC) we see ourselves and the ICT sector as having a pivotal role to play in turning the confluence of encouraging possibilities that President Mbeki spoke about in his State of the Nation Address this year into realizable opportunities for all the people of South Africa.

In confirming our vision to build the department and South Africa into “leaders in harnessing Information and Communication Technologies (ICTs) for socio-economic development” we are working with other departments and spheres of government to maximize the impact of these technologies on improving the lives of the people of the our country, the continent and building a better world.

Following a period of major re-structuring and re-organisation, the DoC is now poised to be the employer of first choice in the public service and the preferred place in the ICT sector for intellectual stimulation, leadership growth and national contribution.

The department has re-focused its strategic plan to be more in line with current national priorities and requirements. In this regard of uppermost priority has been to ensure that we have the capacity, capability and personnel that is sufficiently resourced and motivated to meet the challenges faced by our democratic developmental state.

We are ready and fully committed to contributing to new ways of working as an integrated and co-ordinated government and in this regard will continue our high-level and active participation in the FOSAD cluster activities and seek to elevate these to include co-ordinated planning, prioritizing and budgeting.

We will deliver on the various objectives and targets set out in the strategic plan with professionalism, a sense of urgency and in partnership with all players in the sector and government.

Convinced that, if harnessed, ICTs can be important tools to ensure that all shall share in the country's wealth, we shall mainstream them into our national development agenda.

## THE MANDATE, ROLE AND FUNCTIONS OF THE DEPARTMENT OF COMMUNICATIONS

The mandate of the Department of Communications is derived from relevant Legislation and the National Strategic directives and informs the role of the Department as follows:

*"To create a favourable ICT environment that ensures South Africa has capacity to advance its socio-economic development goals, support the renewal of Africa and build a better world".*

Consequently the core functions of the Department of Communications are:

To develop ICT policies and legislation that stimulate and enhance the sustainable economic development of the South African 1st and 2nd economy and positively impact on the social well being of all our people

To evaluate the economic social and political implementation impact, outcomes and processes of the said policies

To exercise oversight on State Owned Enterprises (SOE's)

To fulfil South Africa's continental and international responsibilities in the ICT field

## VISION

A global leader in harnessing Information Communication Technologies for Socio-economic development

## MISSION

To enhance the well being of the peoples of South Africa, the African continent and the world through the creation of a sustainable and enabling Information Communication Technology environment. We shall through leveraging our world class knowledge, skills and experience, deliver on our social contract to the people in a professional manner reflective of our national value system informed by the Batho Pele ethos

## VALUES

The Department of Communications wishes to espouse and be governed by the following values:

Values	Behaviours
Innovation	Creation of new solutions to challenges
Transparency	Openness. Access to information
Excellence	Give of your best
Discipline	Do that which you have to do on time
Accountability	Deliver as agreed, take responsibility
Trust	Be dependable.
Integrity	Do that which you know is right at all times
Fairness	Even handedness, consistent and same treatment for all
Loyalty	Stick by and do right for your employee/employer
Honesty	Be truthfull
Respect	Treat others with courtrtesy

## CONTEXTUAL BACKGROUND

The sector has witnessed an accelerated growth of applications that support different types of data, voice and video services. In addition, the rate of connections of mobile subscribers has surpassed that for fixed line services. These developments affect both the infrastructure and the content components of the ICT sector.

The convergence of technologies has been accompanied by increased pressure on the structuring of markets and has influenced the alliances of companies in telecommunications, broadcasting and general media services. The sector is witnessing merger and acquisition activity on an unprecedented scale, whilst direct foreign investment is creating strong pressures for the relaxation of regulations in order to facilitate market access for the foreign companies.

The rapid pace of change means that the policy-making process will need to take into account factors such as the modernisation and development of telecommunications, increased market and trading access, liberalisation and the promotion of competition whilst ensuring the extension of universal service, and a positive impact on bridging the gap between the first and second economy.

The challenges for the Department of Communications now lie more in the implementation, monitoring and evaluation of the impact of the policies which contemplate a further growth of the telecommunications sector rather than new policy formulation, save where such policy formulation is required to reach the objectives of government.

South Africa cannot afford not to have a strong communications sector, and particularly a high quality telecommunications system. Principles of social equity suggest that all citizens need common access to communications and information resources, the vital resources for successful survival into the 21st century. Widespread, effective and affordable services are critical. Telecommunication is an indispensable infrastructure for business operations, for the attraction of new investment, for structural linkages to world markets and for the improved performance of the economy across the board. Telecommunications is the vital link in promoting and maintaining community and social services and in enhancing the social fabric.

Within the Broadcasting sector, there is a worldwide migratory process to introduce digital broadcasting systems. The International Telecommunication Union is leading a process for the migration of the continent of Africa and for the determination of a future date for the switch off of the present analogue system.

The digital switch over will entail a number of challenges and opportunities including:

- The need to develop a policy framework that will enable our country to manage the process in an orderly manner
- The introduction of more diverse services and the restructuring of the Broadcasting market in order to meet the language, educational, health and culture needs of the country
- The freeing of the frequency spectrum that can now be used to roll out more converged services

Government continues discussions with industry and other stakeholders in order to prepare our country for this digital opportunity and challenge.

The Postal sector presents several challenges. These include the need to expand the postal address system, restructuring of the Post Bank, ensure financial sustainability of the Post Office, develop value for money postal services, attain the objective of universal access of postal services, develop the human capital for the new postal sector, ensure the deployment of effective ICT infrastructure in the postal sector, ensure the effective transfer and sustainable development of the postal regulator to ICASA.

## REVIEW OF 2004-2005 DEPARTMENTAL PERFORMANCE

During the review period 2004-2005 the Department of Communications embarked on a major restructuring programme. The main aim of the restructuring was to capacitate the organisation. The staff complement at senior management level was less than 40% of the required full complement. The Director General was appointed in August of 2004. The COO and a number of Chief Directors and Directors were appointed between October 2004 and March 2005. The lack of leadership at Senior Management Services (SMS) level severely hampered the Department's ability to deliver on its mandate.

In spite of the above limitations the Department's key delivery milestones for the year 2004-2005 were:

- Major strides were made in the re-structuring and re-organisation of the Department
- Granting the Second National Operator (SNO) Licence
- Policy announcement removing Telkom's monopoly
- Submission into the Parliamentary process of the Convergence Bill
- Review of the funding strategy for the Public Broadcaster
- Finalisation of the universal service postal addresses roll-out
- Issuing of 6 under serviced areas licenses (USALS)

## MEDIUM TERM STRATEGY 2005-2008

The medium term strategy of the Department of Communication covers the period April 2005 to March 2008. The strategic thrust themes are informed by the dictates of the 2005 State of the Nation Address and are aligned to Government's Cluster workings. The strategy takes into account the developments in the ICT environment, namely the need for a liberalised industry characterised by convergence and rapid technological developments, the need to lower ICT input costs and increased investment in the economy.

The challenges that face the Department in the next three years are:

- Development of a broadband strategy
- Digitisation of the electronic communications network
- Repositioning of the Post Office and Post Bank
- Review of Universal Service Provision in telecommunication, broadcasting and postal services
- Finalisation of the BEE charter

The Department's strategy therefore will focus on the following broad themes:

- Achievement of higher rates of investment in the South African economy through reducing cost of doing business in South Africa
- Increased competitiveness of the South African economy through Contributing to the modernization of the economy
- Broad based participation in the economy through facilitating SMME/BBBEE participation in the ICT industry
- State delivery capacity improvement through e-government
- Contributing to a better world through ICT based second economy interventions

## KEY PERFORMANCE AREAS

The 2005-2008 Business Plans of the Department's six key performance areas will ensure the individual and collective drive to implement the Department's strategy and give effect to our Vision and Mission:

- Policy Development
- Innovative Applications & Research
- Strategic Policy Coordination & Integration
- Financial Management
- Organisational excellence and operations



## DEPARTMENTAL ORGANISATION STRUCTURE

The Department now has a full senior leadership staff complement, which is fully committed to the delivery programme of the Department of Communications.



## KEY PERFORMANCE AREAS AND FUNCTIONS:



### Policy Development:

**Joe Mjwara**

### Policy Development

KPA	Purpose	Function	Accountability
Policy Development	To develop ICT policies that will: <ul style="list-style-type: none"> <li>• Create optimal conditions for investment and roll out of infrastructure and services.</li> <li>• Contribute to nation building and social cohesion so as to achieve sustainable economic development</li> </ul>	<ul style="list-style-type: none"> <li>• Broadcasting Policy Development</li> <li>• Telecommunications Policy Development</li> <li>• Information Technology Policy Development</li> <li>• Postal Policy Development</li> </ul>	Deputy Director General  Policy Development Unit



### Innovative Applications & Research:

**Phakamile Pongwana**

### Innovative Applications & Research

KPA	Purpose	Function	Accountability
Innovative Applications & Research	<ul style="list-style-type: none"> <li>• Enhance service delivery through ICT mediums and applications.</li> <li>• Provide input towards policy formulation to ensure good governance of frequency spectrum</li> <li>• Cooperation and coordination with other government departments on developing policies and programs around space and satellite issues</li> </ul>	<ul style="list-style-type: none"> <li>• Technology Research</li> <li>• Applications &amp; Access</li> <li>• Frequency Spectrum Governance</li> <li>• Space &amp; Satellite Affairs</li> <li>• Internet Access and Software Development</li> </ul>	Deputy Director General:  Innovative Applications and Research



**Strategic Policy Coordination,  
Integration and International  
Affairs:**

**Phumelele  
Ntombela-Nzimande**

## Strategic Policy Coordination, Integration and International Affairs

KPA	Purpose	Function	Accountability
Strategic Policy Coordination, Integration and International Affairs	<ul style="list-style-type: none"> <li>To give effect to South Africa's strategic international relations policy direction activities on ICT related matters.</li> <li>To manage relations, stakeholder, inter-governmental relations</li> <li>To manage programmes for the empowerment of women, youth, children and people with disability through ITCs</li> <li>Oversee Special-projects</li> </ul>	<ul style="list-style-type: none"> <li>International Relations</li> <li>Stakeholder management</li> <li>Intergovernmental Relations</li> <li>Special Programmes               <ul style="list-style-type: none"> <li>Gender &amp; Disability</li> <li>Youth &amp; Empowerment</li> <li>Flagship Projects</li> </ul> </li> </ul>	Deputy Director General: Strategic Policy Coordination, Integration and International Affairs Unit



**Chief Financial Officer:**

**Harry Mathabathe**

## Financial Management

KPA	Purpose	Function	Accountability
Financial Management	<ul style="list-style-type: none"> <li>To provide financial support services to stakeholders in pursuance of service delivery by the Department.</li> <li>Formulation of appropriate policies and procedures to ensure implementation and continuous monitoring for statutory compliance and minimisation of risk</li> <li>Leverage the contribution of State owned enterprises towards achievement of the mandate of Government</li> </ul>	<ul style="list-style-type: none"> <li>Accounting and Budgeting</li> <li>Supply Chain Management</li> <li>Shareholder Management</li> <li>Risk Management &amp; Corporate Governance</li> </ul>	Chief Financial Officer:



**Chief Operations Officer:**  
**Gerda Grabe**

## Organisational Excellence and Operations

KPA	Purpose	Function	Accountability
Organisational Excellence and Operations	<ul style="list-style-type: none"> <li>To give strategic operational support enabling the organisation to deliver on its mandate</li> <li>To provide professional services and administrative services across the organisation to enable it to function smoothly, efficiently and professionally in service delivery</li> <li>The Unit will also be responsible for Organisational performance excellence, through coordination of the strategic and business planning process to ensure alignment, linkages and integration to the whole of Government.</li> </ul>	<ul style="list-style-type: none"> <li>Media, Communications &amp; Marketing</li> <li>Information Technology</li> <li>Human resource</li> <li>Secretariat</li> <li>Knowledge management</li> <li>Security</li> <li>Legal</li> </ul>	Deputy Director General: Chief Operating Officer; Chief Operating Officer Unit



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2005 - 2008 Business Plans

# Policy Development Unit

## 2005 - 2008 BUSINESS PLANS Policy Development Unit

Sub-Objective	Business Strategic Objective	Key Indicators	Action Plans	Annual Target	3 yr Plan	Person Responsible
ACHIEVE HIGHER RATES OF INVESTMENT IN THE ECONOMY						
Investment in ICT infrastructure	Develop Broadband policy Paper	Broadband policy Paper	<ul style="list-style-type: none"> <li>Publish policy</li> <li>Stakeholder consultations</li> <li>Cabinet process</li> <li>Formulate green paper</li> <li>Undertake research</li> </ul>	March 06	Review Broadband policy	DDG: Policy Development
	Develop Digital Broadcasting and Migration Policy paper	Digital Broadcasting and Migration Investment Plan	<ul style="list-style-type: none"> <li>Collate stakeholder input</li> <li>Draft position paper</li> <li>Wide consultations</li> </ul>	March 06	Review Progress	
	Develop universal service policy on ICT sector <ul style="list-style-type: none"> <li>Telecoms</li> <li>Broadcasting</li> <li>Postal</li> <li>IT</li> </ul>	Universal service Policy Paper Review Universal Service Provisions	<ul style="list-style-type: none"> <li>Develop amendments</li> <li>Develop position paper</li> <li>Stakeholder consultations</li> <li>Draft issues paper</li> <li>Undertake research</li> </ul>		March 07	
	Contribute to Modernisation of economy	Finalize & Implement Convergence Act	Support and participate in the parliamentary process	June 05	Policy Review	
CONTRIBUTE TO THE COMPETITIVENESS OF THE ECONOMY	Reduce Costs of doing business in the South African ICT sector	<ul style="list-style-type: none"> <li>Develop tariff reduction programmes</li> <li>Review price control regime</li> <li>Introduce low cost user group scheme</li> <li>Lower Tariffs</li> <li>Tariff management framework</li> <li>Transparent billing system</li> </ul>	<ul style="list-style-type: none"> <li>Develop policy directives</li> <li>Develop position paper</li> <li>Conduct public hearings/ stakeholder consultations</li> <li>Undertake research to develop international benchmarks including baseline information</li> </ul>	June 05	April 06	

## Policy Development Unit

Sub-Objective	Business Strategic Objective	Key Indicators	Action Plans	Annual Target	3 yr Plan	Person Responsible
BROADENING PARTICIPATION IN THE SECOND ECONOMY						
Facilitate access to financial services in the second economy		Formalize service level agreements Develop and restructure the Post bank as a Government Agency to disburse funds Develop and implement national address system Policy	Intergovernmental Relations  Submit framework to Cabinet Draft amendments to the postal Services Act Develop position paper Stakeholder consultation	March 06		DDG Policy Development
Promote content and Services	Facilitate access to Government information Broaden the broadcasting system & facilitate access to Government information Increase broadcasting footprint Expand ICT infrastructure Increase community broadcasting Broadcast Parliamentary process Expand the Internet	Launch regional TV services in 11 languages Develop targets for improving access to services	Develop Government broadcasting funding framework Finalize funding strategy Finalize the review of the TV license Develop service level agreement with other Government departments for example education, health, DTI, GCIS, etc.		March 07	
	Develop ICT infrastructure Policy Document	Develop Policy document New infrastructure Promote interconnectedness of outlets Minimum ICT standards	Define standards Set targets Issue regulations Stakeholder consultation	March 06		
	Facilitate provision of support to the poorest in the country	Develop low-cost user group schemes framework for telecommunications Develop SIM-card distribution policy	Develop amendments to the laws/regulations Develop low-cost user framework Consultations Review existing regulations	June 05		

## Policy Development Unit

	Business Strategic Objective	Key Indicators	Action Plans	Annual Target	3 yr Plan	Person Responsible
BROADENING PARTICIPATION IN THE SECOND ECONOMY						
Support SMME's	Finalize the ICT BEE Charter Develop Policy Paper on mechanisms to support local content	Implement ICT BEE Charter  Review impact and success of USALS	Finalize BEE Charter and gazette it as a sectoral code Same as above	September 05		DDG Policy Development
	ICT Sector Electronic Content development strategy Software development Animation Incentive schemes for manufacturing	Approved policy framework				
	Develop ICT Sector Strategy	Approved Government technical standards on service delivery in health, education, e-government E-standards	Establish joint team with Research & Applications, PNC Finalize e-strategy	December 05		
CONTRIBUTE TO STATE'S CAPACITY TO DELIVER						
Strengthen the capacity of ICASA	Finalize and implement ICASA Amendment Bill (ACT)	Well funded and functioning regulator	Review provisions of the Postal Services Act Cabinet process Formulation of policy framework Inter-governmental consultations Liaise with parliament Cabinet process Finalize strategy with the regulator Consult ICASA to develop a three year MTEF business plan Consult with other government departments Draft amendments Draft DOC on the role of SOE's Discussion paper	June 05  March 06	March 07	
Develop governance policy						



## Policy Development Unit

Sub-Objective	Business Strategic Objective	Key Indicators	Action Plans	Annual Target	3 yr Plan	Person Responsible
CONTRIBUTE TO A BETTER WORLD						
	Contribute to the development of South Africa's positions papers and bi-lateral and multi-lateral agreements	Contributions to position papers and agreements	Inputs developed and submitted as and when required	Ongoing		DDG Policy Development

# Innovative Application & Research

## Innovative Applications & Research Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY						
Investment in ICT infrastructure		Refer below				DDG Innovative Applications & Research
Reducing the cost of doing business in SA	Facilitate the establishment of an optimal network model	Established Optimal Network model Established network	Research and define optimal Network model including rationalization of Gov infrastructure Facilitate the establishment of network	November 2005	March 2009	
INCREASING COMPETITIVENESS OF THE SA ECONOMY						
Contributing to the modernisation of the economy		Refer to Investment in ICT infrastructure				DDG Innovative Applications & Research
Broadening the ICT skills base in SA	Contribute to the establishment of the AICT	Established African Advanced Institute on ICT Adopted program of action for African Advanced Institute on ICT Number of adopted e-applications for social development	Launch of Institute Alignment of ISSA & NEMISA academic activities with the Institute on applications and training Needs analysis, research program development, development of applications and linkages with other institutes	May 2005		

## Innovative Applications & Research

Sub-objective	Business Strategic Objective	Key Indicators	Action Plan	Annual target	3 year plan	Responsible Person
BROADENING THE PARTICIPATION IN THE ECONOMY						
Facilitating access to financial services for programmes supporting the 2nd economy		Refer to Investment in ICT infrastructure				DDG Innovative Applications & Research
Facilitating access to government information	Increase Internet access and use	Refer to Investment in ICT infrastructure Strategy for increasing Internet Access and use	Exploring and Facilitating access to new and existing Internet access technologies	September 2005		
Facilitating the provision of support for the poorest in the country	To research new technologies	Reports and recommendations on assessed technologies and applications	Assessment and testing of new ICTs and applications to provide a variety of essential services	September 2005	March and Sept of every year. Review implementation of recommendations	
				November 2005	Review impact of application on quarterly basis	
Supporting SMMEs in and through the ICT sector	Provide an ICT support service to SMME's	Increase in number of SMME's using ICTs to conduct and improve business  Deployable applications	Conduct baseline study to assist SMMEs using ICTs Facilitate access by SMME's to ICT applications Facilitate training to improve skills on the use of ICT's Creating awareness on opportunities created by ICT's  Creating awareness on the economic opportunities created by the use of Open Source Software as an alternative to Proprietary Software Identification and development of applications to assist SMMEs	September 2005  November 2005  November 2005  November 2005	Yearly	

## Innovative Applications & Research Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plan	Annual target	3 year plan	Responsible Person
BROADENING THE PARTICIPATION IN THE ECONOMY						
Facilitating access to government services in education	Provide ICT related support for education	<p>Audit report existing e-education initiatives</p> <p>Preliminary Co-ordinated plan of action</p> <p>Approved Standards</p> <p>E-Education applications and concepts</p>	<p>Obtain information on existing e-education projects (Nepad e-schools, schoolnet, etc.)</p> <p>Input into PNC Co-ordinated ISAD plan. Co-ordinate activities with our Strategy, Policy and Co-ordination Unit with National Treasury, and DoE for content development, skills transfer to teachers.</p> <p>Development and approval of technical standards</p> <p>Development of applications to provide e-education</p>	<p>April 2005</p> <p>October 2005</p> <p>November 2005</p> <p>February 2006</p>		DDG Innovative Applications & Research
Facilitating access to government services in Health	Provide ICT related support for health	<p>E-Health ICT infrastructure plan for the provision of primary, secondary and tertiary health services</p> <p>Electronic Patient Records System(EPRS) application</p>	<p>Needs analysis and audit on ICT infrastructure in the health sector</p> <p>Develop infrastructure and standards for interoperability in regard to EPRS together with DoH.</p>	<p>March 2006</p> <p>October 2005</p>		
Facilitating access to e-government services	Provide ICT related support for e-government services	<p>Infrastructure and Applications plan</p> <p>Approved Standards</p> <p>e-govt. services</p>	<p>Input into PNC Co-ordinated ISAD plan.</p> <p>Development and approval of technical standards</p> <p>Develop of applications to provide e-govt. services</p>	<p>September 2005</p> <p>November 2005</p> <p>February 2006</p>	Annual reviews	

## Innovative Applications & Research Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Person responsible	
IMPROVING CAPACITY OF THE STATE							
Working as one integrated and coordinated government system	Facilitate the establishment of a National emergency communications network	Refer to Investment in ICT infrastructure  National Emergency Communications Framework	Co-ordinating National Emergency Communications	May 2005 (Status report)  November 2005		DDG Innovative Applications & Research Unit	
CONTRIBUTION TO A BETTER WORLD							
	Contribute to the development of South Africa's positions papers and bi-lateral and multi-lateral agreements	Contributions to position papers and agreements	Inputs developed and submitted as and when required	Ongoing			

## Strategic Policy Coordination, Integration and International Affairs Unit

Sub Objective	Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person Responsible
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY						
Investment in ICT infrastructure	Build a shared vision with key stakeholders on the national ICT agenda  Present / Promote SA as an international ICT investment destination of choice	Developed National Declaration of ICT shared vision  Increased e-awareness of NGOs and the Public as measured by national and international surveys  Double public e-awareness levels  International Investment strategy in ICTs coordinated with DTI	Development of stakeholder engagement strategy  Develop an e-awareness strategy (with Communications & Special Programmes)  Develop National Declaration of ICT shared vision  Review declarations of ICT sector summit and align  Engage private sector to realise investment opportunities  Build and strengthen mutually beneficial relationships (e.g. IBSA)	Stakeholder engagement strategy - 30 June 2005  e-awareness strategy signed off – 31 May 2005  Review stakeholder engagement strategy July 2006  Draft Declaration of shared vision - 30 June 2005 Final declaration in place Sept 2005 May 2006	Review stakeholder engagement strategy July 2008          Host IBSA investment Forum to capitalise on opportunities presented by 2010	DDG Strategic Policy Coordination & Integration Unit and International Affairs

## Strategic Policy Coordination, Integration and International Affairs Unit

Sub Objective	Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person Responsible
INCREASING COMPETITIVENESS OF THE SA ECONOMY						
Contribute to the modernisation of the economy	Facilitate Integration of ICTs into government planning  Promote Integrated planning in government to maximize the impact of ICTs on service delivery  Channelling international investment expertise to advise policy makers	%increase of investment by government departments and spheres in using, procuring and leveraging ICTs for job creation Hosting the President's International Advisory Council	Formal engagement of IDP Managers, PMSS Managers and Mayors in developing Plans to implement this within IDPs  Preparations for hosting the PIAC, and the implementation of decisions thereof.	June 2005  September 2005		DDG Strategic Policy Coordination & Integration Unit and International Affairs
Broadening the ICT skills base in SA	Leveraging and mobilising resources from stakeholders for skills development  Ensure equal access to knowledge and career opportunities in ICTs, science, technology and engineering for people from designated groups  International Cooperation to build expertise and targeted development programmes	Engagement plan re: sector skills development plan with relevant SETAs  HRD task team  Engagement plan  Strategy on attracting youth to Maths and Science  Increase in the number of youth, women and people with disabilities trained by NEMISA, ISSA and AALICT  Ensure arrangements made for transfer of skills and expertise	Create a platform of dialogue and information sharing in the sector  Determine membership and build database of sector participants  Develop an engagement plan  Establish HRD Task team  Develop strategy on attracting youth to Maths and Science  Partnering with NEMISA in the recruitment process of designated groups.  Implementation of existing bilateral agreements, such as with Malaysia, India	June 2005  November 2005  November 2005  September 2005  October 2005  March 2006  Ongoing	Review strategy on attracting youth July 2008	

## Strategic Policy Coordination, Integration and International Affairs Unit

Sub-Objective	Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person Responsible
BROADENING THE PARTICIPATION IN THE ECONOMY						
Facilitating access to financial services for programmes supporting the 2nd economy	Ensure ICT procurement in govt is aligned to govt objectives	Procurement procedures of SITA aligned to the ICT Charter targets	Work with SITA to ensure the implementation of the Charter targets	November 2005		DDG Strategic Policy Coordination & Integration Unit and International Affairs
Facilitating access to government information	Promote and articulate SA's economic transformation agenda in world fora	PIAC perception on global understanding and support for transformation in South Africa	Include ICT Charter in all bilateral discussions and where appropriate within international fora	Ongoing		
		Distribution of Department information to embassies abroad and Foreign Embassies in SA	Information to be collated into an information pack	Ongoing		



## Strategic Policy Coordination, Integration and International Affairs Unit

Sub Objective	Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person responsible
BROADENING THE PARTICIPATION IN THE ECONOMY						
Supporting SMMEs in and through the ICT sector	Promote and encourage the development of SMMEs (Incubators)	Increase in the number of incubators supported by DoC	Recruitment of potential incubators Assist in the registration of companies Develop a strategy.	October 2005		DDG Strategic Policy Coordination & Integration Unit and International Affairs
	Promote and articulate the understanding of economic transformation agenda at the national level	Incubator support strategy  Coordinated economic transformation plan signed off at NEDLAC	Sign an MOU with SITA on the monitoring and implementation of the ICT Charter	November 2005		
	Promote economic empowerment of women, youth, people with disabilities and rural communities in DoC (designated groups)	Increase in the number of contracts awarded to SMMEs owned by people with disabilities, youth and women	Ensure development of coordinated Plan by stakeholders of the ICT Charter	November 2005		
	Promote the employment of the designated groups in the dept and portfolio organisations	Increase in the number of people with disabilities employed in the Department.	Implementation to be monitored by Council and DoC	May 2005		
	Facilitate access to information communications technologies by women, youth and people with disabilities	Increase in the number of people with disabilities employed, women and youth in the Portfolio organizations	Monitoring, reporting and recommendations on empowerment policy and strategy	November 2005		
			Develop monitoring and evaluation tool	December 2005		
			Create SMME database	30 April 2005		
			Develop staff profile	December 2005		
			Audit HR policies and practices	November 2005		
			Develop monitoring tool	February 2006		
			Liase with women organizations (WDB), Disability organizations, Children organization on making ICTs available to this group			

## Strategic Policy Coordination, Integration and International Affairs Unit

Sub Objective	Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person responsible
BROADENING THE PARTICIPATION IN THE ECONOMY						
Facilitating access to government services especially education, health and e-government	Facilitate e-awareness amongst youth, children, people with disabilities and rural communities and women to use ICT service	e-awareness strategy	Develop e-awareness strategy & campaign. Identify service provider.	September 2005		DDG Strategic Policy Coordination & Integration Unit and International Affairs
Facilitating the provision of the poorest in the country and designated groups	Ensure gender, disability, youth and children mainstreaming in the Department and ICT Sector.	All projects and programs are disability and gender integrated Gender audit report Gender Analysis report Engendered legislation Code of good practice for disability and gender Disability policy Reasonable accommodation for people with disabilities (Braille on all DoC documents, lifts, accessibility of toilets etc.) Disability structures Functional Doc Gender committee	DoC Children and youth committee Identify gaps in the provision of the needs of gender, disability, youth and children in the broadcasting, postal and telecommunications sector. Gender Audit Gender Analysis Review legislation Develop code of good practice in the workplace Implement, monitor and evaluate impact of policy Disability Audit of DoC facilities Translation of DoC documents to Braille Establish Consultative forum on disability (DoC and its SOEs) Sector Consultative Forum (DoC, Disability sector and ICT sector) Establish Doc Gender committee Establish Doc Children and youth committee	November 2005 February 2006 March 2006 Ongoing December 2005 Ongoing April 2005 March 2006 July 2005 May 2005 June 2005 June 2005	Full implementation of Disability policy	

## Strategic Policy Coordination, Integration and International Affairs Unit

Sub-Objective	Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person responsible
IMPROVING CAPACITY OF THE STATE						
Building an efficient and effective department		ICTs included in all Integrated Development Plans, Provincial Growth and Development Strategy and, National Spatial Development Perspectives	Audit of the IGR structures that are related to ICTs  Engage structures within govt to ensure ICTs are enablers	June 2005		DDG Strategic Policy Coordination & Integration Unit and International Affairs
Working as one integrated and coordinated government system	Provide leadership to government on ICTs and related matters.  Bring understanding of ICT capacity to provide better service delivery	Increased demand of DoC's advice, consultation and input by all government departments in ICTs and related matters  All departments across all spheres of government adopting ICTs for Service delivery (work with the PNC)	In IGR structures promote interaction and joint planning with other government department in all spheres of govts in the use of ICTs  Creating awareness and understanding within govt on the use of ICTs for development and service delivery	Ongoing		

## Strategic Policy Coordination, Integration and International Affairs Unit

Sub-Objective	Business strategic objective	Key Indicators	Action Plan	Annual target	3 year plan	Person responsible
CONTRIBUTION TO A BETTER WORLD						
SADC	<p>Collaboration with SADC to influence international development debate in favour of developing countries</p> <p>Harmonisation of SADC member states ICT policies</p>	<p>Improved position of developing countries after WSIS agreement at 2nd Summit</p>	<p>SADC Conference in preparation for WSIS</p> <p>Disability Conference in preparation for WSIS</p> <p>Participation in SADC National Representatives meetings and SADC Ministers sector meetings</p>	<p>May 2005</p> <p>June 2005</p> <p>Ongoing</p>		DDG Strategic Policy Coordination & Integration Unit and International Affairs
African Renewal	<p>Collaboration with AU to influence international development debate in favour of developing countries</p> <p>International collaboration for the implementation of Nepal and AU programmes including outcomes of WSIS.</p>	<p>WSIS agreement on issues at 2nd Summit</p> <p>Support for Nepal e-schools initiative and Submarine cable</p> <p>Support and involvement in e-Africa commission</p>	<p>Youth Conference in preparation for WSIS</p> <p>Participation in meetings and processes concerning Nepal projects</p> <p>Hosting e-Africa commission, support for Afrinic</p> <p>Lobby for resolution of Status of PAPU and ATU in AU</p>	<p>August</p> <p>Ongoing</p> <p>On-going</p>	Resolution of Status	

## Strategic Policy Coordination, Integration and International Affairs Unit

Sub Objective	Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person responsible
CONTRIBUTION TO A BETTER WORLD						
Bilateral affairs	<p>Bilateral engagements to identify possible contribution to Post War reconstruction efforts, particularly in the field of ICTs.</p> <p>Cooperation with key partners according to strategic development priorities</p>	<p>Increased bilateral engagement</p> <p>MOU's on Cooperation</p> <p>Biannual consultations at Bilateral level with countries that have concluded ICT agreements and to review progress</p>	<p>Strategy for bilateral engagement with affected countries in Africa</p> <p>Establish Joint Working Groups with India, China, Algeria and Cuba to identify projects and facilitate implementation.</p> <p>Implementation of MOUs</p> <p>To finalise new MOUs on ICT with Malaysia, Thailand, South Korea and Tunisia</p>	<p>May 2005</p> <p>Cuba – May 2005</p> <p>India – August 2005</p> <p>Algeria – June 2005</p> <p>China – September 2005</p> <p>-Tunisia, July 2005</p> <p>-Thailand, June 2005</p> <p>-Malaysia and South Korea, February 2006</p>		DDG Strategic Policy Coordination & Integration Unit and International Affairs
South-South cooperation (IBSA as priority)	Cooperate with Cooperation with respect to technology transfer, capacity development, policy challenges, and improving the global environment for ICT development	<p>Implementation of agreed IBSA ICT Plan of Action for 2005/2006</p> <p>Trilateral Framework of Cooperation on the Information Society</p>	<p>Undertake Joint projects as identified in the IBSA Plan of Action:</p> <ul style="list-style-type: none"> <li>-e government and the National Information Society Development Plan</li> <li>-WSIS</li> <li>-African Advanced institute on Information and Communications Technology (AAICT)</li> <li>-FIFA 2010 in South Africa</li> <li>-IBSA Ministerial meeting on Information Society</li> <li>-Development of IBSA website</li> <li>Signing of Trilateral framework (IBSA)</li> </ul>	<p>February 2006</p> <p>June 2006</p>		

## Strategic Policy Coordination, Integration and International Affairs Unit

Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person responsible
CONTRIBUTION TO A BETTER WORLD					
Multi-lateral affairs	<p>International lobbying to influence implementation of the WSIS Agreements</p> <p>To influence the reform of multilateral institutions to ensure global governance is inclusive and legitimate</p> <p>To coordinate and advance international policies and standards with respect to ICTs.</p>	<p>Input into WSIS summit in Tunisia – November</p> <p>Implementation of WSIS decisions</p> <p>Inputs for WSIS summit in Tunisia – November</p> <p>And 3rd WSIS PrepCom in September</p> <p>Outcome of international declarations and agreements favour development agenda</p> <p>Implementation of agreements</p>	<p>Women and the Information Society conference (with PNC)</p> <p>Engage with UN institutions to implement WSIS PoA</p> <p>Prepare positions on key outstanding issues (with PNC)</p> <p>Contribution to Tunisia of R1 million</p> <p>Exhibition stand for WSIS in Tunis</p> <p>Engage in debates within UPU and ITU and other multilateral ICT institutions</p> <p>Collaboration with ITU, UPU, OECD and other multilateral and regional institutions</p> <p>Follow up of international decisions eg. The Final Acts of the Plenipotentiary Conference of the ITU</p>	<p>October 2005</p> <p>Ongoing</p> <p>August 2005</p> <p>April 2005</p> <p>September 2005</p> <p>Ongoing</p> <p>On-going</p>	DDG Strategic Policy Coordination and International Affairs

## Strategic Policy Coordination, Integration and International Affairs Unit

Sub Objective	Business strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person Responsible
CONTRIBUTION TO A BETTER WORLD						
	Champion economic interests with developing countries' in the world fora	Advance agreed positions in WTO GATS process and other trade negotiations  Implementation of relevant part of the SA/EU Trade, Development and Cooperation Agreement, with programmes agreed.	Engage with DTI and DoC Policy unit to develop WTO positions with respect to Postal and Telecom  Engage with developing countries (IBSA) on WTO and other positions  Work with DoC Policy Unit, DFA and EU on Trade, Development and cooperation agreement	December 2005  May 2005  November 2005  May 2005	Implementation of Chapter on Economic Cooperation	DDG Strategic Policy Coordination & Integration Unit and International Affairs
	Co-ordinate the involvement and input of all government departments, different spheres of government and stakeholders in the ICT international agenda	Position developed for WSIS in Tunis  Workshop on decisions of World	Work with Stakeholder Relations and IGR to develop national positions with respect to internet governance and other WSIS issues, and other multilateral processes (with PNC)  Follow up with government and national stakeholders with respect to decisions and recommendations of international organisations and in preparation and follow up of international events	October 2005       July 2005		

## Finance Management Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY						
Investment in ICT infrastructure		Ensure that investment plans of SOEs are aligned with mandates of Government  Approve investment plans	Identify policy implications on infrastructure investment requirements of SOEs. Analyse and evaluate business plans of SOEs. Identify and consolidate the infrastructure investment of SOEs. Examine optimal funding model and requirements. Facilitate funding from Treasury where necessary	September 2005   February 2006	Annually  Annually	CFO
Reducing the cost of doing business in SA		Ensure compliance with the price control regime  Approved price adjustment	Analyse business models of SOEs to ascertain the extent to which these contribute to increased costs of doing business Research the impact of administered/regulated prices on inflation To undertake a benchmarking exercise against best practices.	April 2005	March - Annually	
INCREASING COMPETITIVENESS OF THE SA ECONOMY						
Contributing to the modernisation of the economy		Ensure that modernisation plans of SOEs are aligned to convergence, broadband and digitisation policies and strategies.  Approved modernisation plans SOEs	Ensure the inclusion of the modernisation plans in the business and strategic plans Analyse and evaluate the implications of modernisation on financing and strategic direction and the impact thereof. Examine optimal funding model and requirements. Facilitate funding from Treasury where necessary	September 2005  February 2005	Annually  Annually	CFO
Broadening the ICT skills base in SA		Ensure that transformation policies (eg employment equity, BEE, skills development etc) of SOE's are aligned to the broader transformation agenda of Government  Approved transformation policies	Ensure commitment of SOEs to the transformation through review and signing of shareholder compacts. Monitor compliance to shareholder compacts. Ensure Board appointment processes that aligned with transformation agenda.	March 2006  March 2006	Annually  Annually	



## Finance Management Unit

Sub-objective	Business Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
BROADENING PARTICIPATION IN THE ECONOMY						
Facilitating access to financial services for programmes supporting the 2nd economy	Contribute to the finalisation of Post Bank repositioning  Ensure that SOEs business plans are aligned with broad government objectives	Approved framework for re-structuring of the Post Bank	- Provide inputs towards the amendment of the Postal Services Act - Setting-up of a re-structuring task team	June 2005	April 2006	CFO
Facilitating access to government information	Ensure that SOE's business plans are aligned with broad government objectives	Approved plans to facilitate access to government information	Encourage SOE's to align plans to the broader government goals/objectives - Analyse business plans to ensure the inclusion of rollout of ICT infrastructure such as telecenters, PITS, CPO's, etc. - Monitor and evaluate through quarterly and annual reports	September 2005 February 2006	September - annually February - annually	
Supporting SMMEs in and through the ICT sector		Ensure the availability of Procurement and Enterprise Development strategies and policies of SOE's  Approved SMME plan of SOEs	- Ensure compliance with the provision of the ICT BEE Charter - Encourage SOE to conduct training and awareness of SMMEBEE opportunities - Monitoring and evaluation	Quarterly		
Supporting SMMEs in and through the ICT sector		ICT approved BEE strategy Develop BSO Departmental BBBEE strategy.	SMME education & training and awareness (i.r.t. DoC) Establishment of a supplier's Database Ensuring the dissemination of information	- 45 % procurement of goods and services (31 March 2006) (BEE and SMME)	- 75 % procurement of goods and services (BEE and SMME)	

## Finance Management Unit

Sub-objective	Business Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
IMPROVING CAPACITY OF THE STATE						
FINANCE						
Building an effective and efficient department	Ensure that the budgets of the Department are aligned to its strategic plans	Approved departmental budget	Ensure appropriate costing model of business plan Ensuring that financial implications are determined when policies are developed. Obtaining buy-in of National Treasury w.r.t obtaining funds Budget monitoring and reporting	April to August Ongoing Monthly	MTEF	CFO
	Ensure existence of effective and efficient internal and accounting central system	Unqualified Audit Report without emphasis of matter	GAAP/GRAP & PFMA and TR guidelines Compliance Monitoring and Reporting	15th Monthly and June 2005	Annually	
	Maintain a fair and equitable supply chain management system	Fair, equitable, transparent, competitive and cost effective supply chain management system	Develop, implement and review policies Ensure proper asset management Maintenance of efficient and effective Suppliers Database Improve Turn-around times Development of an enabling infrastructure Evaluation, Monitoring and Reporting	Annually	Annually	
	Ensure compliance with PFMA and Treasury Regulations (King II Report) as well as governance requirements	Unqualified Audit Report	- Develop and implement risk management strategy - Conduct risk assessment (identification, mitigating strategy) - Assessment and evaluation of the effectiveness and efficiency of internal control systems - Evaluation, Monitoring and Reporting	June 2005 Annually	Annually	

## Finance Management Unit

Sub-objective	Business Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
IMPROVING CAPACITY OF THE STATE						
FINANCE						
Working as one integrated and coordinated government system	Ensure compliance with sound corporate governance framework (eg PFMA, Protocol, Treasury regs, King Code etc)	An approved shareholder management tool	Participate in the finalisation of the review of shareholder management model and corporate governance practices in SOE's Analyse, monitor & evaluate SOEs' performance against corporate plans and annual reports Promotion of sound corporate governance practices Institutionalise regular reporting			

## Finance Management Unit

Sub-objective	Business Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
CONTRIBUTION TO A BETTER WORLD						
SADC	Ensure that business plans of SOEs are aligned with government's continental objectives	Investment Plans of SOEs in Africa	<ul style="list-style-type: none"> <li>Analyse and evaluate investment plans of SOEs.</li> <li>Evaluate the impact of implementation policies on SOEs</li> </ul>	September 2005 February 2006	September - annually February - annually	CFO

## Organisational Excellence and Operations Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY						
INCREASING COMPETITIVENESS OF THE SA ECONOMY						
Broadening the ICT skills base in SA	To contribute to the learning content of ICT related programmes	Reports on participation in SETAs, AllCT and SGBs	Participate in SETAs, AllCT and SGBs	Quarterly	Quarterly	COO
		Annual learnership programmes	Conduct learnership programmes annually	March 2006	March annually	
		# of participants in the DoC ICT internship programmes	Conduct the DoC ICT internship programmes	March 2006	March annually	
BROADENING THE PARTICIPATION IN THE ECONOMY						
Facilitating access to government information	To provide support to GCIS re public awareness campaigns about opportunities available	Bi-annual report on features on SABC television on available economic opportunities	Screening of regular features on SABC Television on available economic opportunities	November 2005	May bi-annually	COO
		Approved Communications Strategy Bi-annual report on progress with the implementation of the Communication Strategy	Ensure implementation of approved Communications Strategy and report progress bi-annually	May 2005 October 2005	April bi-annually	

## Organisational Excellence and Operations Unit

Sub-objective	Strategic business objective	Key indicators	Action plans	Annual target	3 year plan	Responsible person
INCREASING CAPACITY OF THE STATE						
Building an efficient and effective department	To ensure reliable and secure IT infrastructure	Approved IT Policy Customer satisfaction	Develop and implement an IT policy	May 2005 75% uptime by June 2005	99% uptime	COO
		Approved Information Technology Plan /Master Systems Plan and Implementation plan	Develop and implement an Information Technology Plan /Master Systems Plan and report progress annually	June 2005 March 2006	March annually	
		Approved Disaster Recovery and Business Continuity Plan	Develop and implement a Disaster Recovery and Business Continuity Plan and report progress annually	July 2005 March 2006	March annually	

## Organisational Excellence and Operations Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
IMPROVING CAPACITY OF THE STATE (continues)						
Building an efficient and effective department (continues)	To provide effective internal communication and customer relations services	Approved Integrated communication strategy and implementation plan	Develop and implement an Integrated communication strategy	May 2005		COO
		Quarterly communications and customer relations audit report	Undertake communications and customer relations audits	Quarterly	Quarterly	
		Approved Departmental Annual Report	Develop, publish and present the Departmental Annual Report to Parliament	June 2005	June annually	
		Printed Strategic and Business Plan with Budget	Publish and assist with the presentation of the Departmental Strategic and Business Plan with Budget	March 2006	March annually	
	To provide effective knowledge management and knowledge systems services	Approved Knowledge management strategy and Implementations plan	Develop and implement a knowledge management strategy and report progress annually	August 2005 March 2006	March annually	
		Annual Knowledge management strategy implementation progress report				
	To provide effective and professional legal services	Customer satisfaction # of contributions/interventions/representations Quarterly report Input to GITO  Annual audits of compliance with all legal requirement	Provide support and input to DoC, specifically in the areas of technical standards, Internet Governance, e-models and content development: Assist with representing the DoC at TSGB, ECSA, StanSA, ICANN, etc  Facilitate a process to ensure that the Department complies with all legal requirements	March 2006  March 2006	March annually  March annually	

## Organisational Excellence and Operations Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
IMPROVING CAPACITY OF THE STATE (continues)						
Building an efficient and effective department (continues)	To provide professional secretariat services to the DoC management	Weekly updated register of executive decisions on intranet as per required security level.	Maintain an effective register of executive decisions	Weekly	Weekly	COO
		Monthly reports on the implementation of executive decisions submitted to Executive Management Meetings	Monitoring, evaluation of and reporting on progress made with the implementation of the executive decisions	Monthly	Monthly	
	To provide effective human resource management services to DoC, align with all legislative requirements and formal agreements	Approved Integrated HR strategy HR Policies on : Recruitment and Selection Policy Employment Equity Policy Wellness and Health Policy Performance Management Policy Relocation Policy Leave Policy Job evaluation Policy Training and development Policy Internship and Learnership Strategy Disciplinary Policy Grievance Policy & Processes Transfers and Secondment Policy Termination of employment Policy Non smoking Policy HIV AIDS Policy Alcohol and Drug Policy	Develop and implement an integrated HR strategy and report progress annually	June 2005	June annually	
		Approved management capacity programme	Develop and implement a management capacity programme as and when the need arises	November 2005		



## Organisational Excellence and Operations Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
IMPROVING CAPACITY OF THE STATE (continues)						
Building an efficient and effective department (continues)	To provide effective human resource management services to DoC, align with all legislative requirements and formal agreements (continues)	Approved leadership development programme	Develop and implement a leadership development programme	November 2005		COO
		Skills development and training programme and calendar	Develop and implement a skills development and training programme for all staff as stipulated in the SDA and SDLA	June 2005		
		Mentoring and coaching programme and calendar for managers Report on outcome of the programme	Develop and implement a mentoring and coaching programme for managers and report on outcome.	November 2005		
		Employee satisfaction survey	Develop a employee satisfaction index and conduct surveys annually	January 2006 January annually		
	To facilitate and co-ordinate the internal strategic management and business processes	Approved planning, monitoring, evaluation and reporting framework	Establish organisational planning, monitoring, evaluation and reporting framework	April 2005		
		Annual strategic and business plans approved by Executive Management	Facilitate the development and completion of integrated Department of Communication Strategic Plans with budget	March 2006	March annually	
		Quarterly reports on the implementation of the Business Plan submitted to Minister on time Analysis of overall organisational performance	Facilitate the monitoring and evaluation of and reporting on progress made with the implementation of the business plans	Quarterly	Quarterly	

## Organisational Excellence and Operations Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
IMPROVING CAPACITY OF THE STATE (continues)						
Building an efficient and effective department (continues)	To facilitate and co-ordinate the internal strategic management and business processes (continues)	Approved organisational planning and performance measurement tool and implementation plan	Develop and implement an organisational planning and performance measurement tool	June 2005	May 2006	COO
		Discussion paper Pilot programme Approved policy on team-based network structure and implementation plan Quarterly progress reports	Develop and implement a team-based network structure policy, implemented as organisational business operational model and report progress quarterly	June 2005 March 2006	April 2006  Quarterly	
		Approved Change management intervention to deal with the restructuring process and implementation plan Report on outcome of the intervention	Develop and implement a change management intervention to deal with the restructuring process (including a new departmental culture and value system)	August 2005		
		Approved integrated Business management framework approved by Executive	Develop an Integrated Business management framework Information flow Decision-making Communication Cross pollination Knowledge management Information and content management Planning, monitoring, evaluation and reporting Operational risk management Compliance monitoring Value chains Policies Processes Procedures	November 2005		

## Organisational Excellence and Operations Unit

Sub-objective	Business Strategic Objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible person
IMPROVING CAPACITY OF THE STATE (continues)						
Building an efficient and effective department (continues)	To facilitate and co-ordinate the internal strategic management and business processes (continues)	Customer satisfaction survey	Develop a DoC customer satisfaction index and undertake annual surveys	30 January 2006	January annually	DDG
Working as one integrated and coordinated government system	To provide effective internal communication and customer relations services	Approved integrated communication strategy	Participate in government communicators fora	Pre-cabinet meetings – bi-weekly Government Communicators Forum – Quarterly	Bi-weekly Quarterly	

**PRESIDENTIAL NATIONAL  
COMMISSION ON INFORMATION  
SOCIETY AND DEVELOPMENT  
(PNC on ISAD)**

**STRATEGIC PLAN 2005 - 2008**

## THE MANDATE, ROLE AND FUNCTIONS OF THE DEPARTMENT OF COMMUNICATIONS

The mandate of the Presidential National Commission on Information Society and Development PNC on (ISAD) is stipulated derived from the Government Gazette, Notice 187 of 2002. Its Terms of Reference (TORs) have since been re-focussed as follows:

1. To advise the President on:

- the use of ICTs to optimise the pace and the extent of addressing South Africa's development challenges and enhancing South Africa's global competitiveness
- South Africa's contribution to and benefit from the development of an inclusive Information Society in Africa and the world

2. To facilitate the coordinated and integrated development of an inclusive Information Society in South Africa and

3. To support efforts aimed at making South Africa and Africa integral and equal members of the Global Information Society

### ROLE OF THE PNC ON ISAD

The role of the PNC is to facilitate the coordinated and accelerated development of an inclusive Information Society (IIS) in South Africa that is aligned with, and contributes to the Global Information Society.

### FUNCTIONS OF THE PNC:

The PNC has two main functions:

- To advise on building an inclusive Information Society
- To facilitate the development of an inclusive Information Society in South Africa

### VISION

The Leaders on the development of an *inclusive* Information Society

### MISSION

To build an inclusive Information Society in which human rights, economic prosperity and participatory democracy and are fully realised through optimising the usage of ICTs for a better life for all.

## VALUES

The PNC on ISAD espouses and is governed by the following values:

VALUES	BEHAVIOURS
<ul style="list-style-type: none"> <li>Professionalism</li> <li>Timeliness</li> <li>Responsiveness</li> <li>Integrity</li> <li>Expertise</li> <li>Authoritative</li> <li>Batho Pele/</li> <li>Patriotism</li> <li>Innovative</li> <li>Team focused delivery</li> <li>Ubuntu</li> <li>Employee wellbeing focused</li> </ul>	<p>Effective Communication, etiquette, ethics, conduct, personal image, respect, good manners, protocol</p> <p>On time all the time, exceeding dead lines</p> <p>Empathy, proactiveness</p> <p>honesty, appreciation</p> <p>Experience, knowledge and skill</p> <p>Knowledgeable, confident, continuous learning</p> <p>Customer / stakeholder focused</p> <p>Responsibility, accountability, people centred</p> <p>Passionate, loyalty, serving, pride</p> <p>Forward looking, proactive, creativity, productivity</p> <p>Team driven</p> <p>Respect, humility, considerate, understanding of human dynamics, being rooted</p> <p>Training, development, coaching, mentoring, works life balance</p>



**MOKWINING NHLAPO**  
**CHIEF OPERATIONS OFFICER**

## ORGANISATIONAL CONTEXT

In the first two years of its work the PNC focused on investigating the status of Information Communication Technologies (ICTs) in the country. The findings indicated that one of the biggest challenges to building the Information Society in South Africa is the lack of coordination of work between national departments and between these and the provinces and local government. This has resulted in a duplication of efforts, delays in implementation of programmes and resulting in the wastage of resources.

In the past year the PNC under-went a strategic organizational positioning development exercise aimed at aligning its organizational structure with its re-focused mandate of building the Information Society which is

- Planning and foresight of the building of an inclusive Information Society in South Africa, with a vision, targets and time frames.
- Coordination and integration of ICT related policies and activities across departments and the different spheres of government with special attention to the National Spatial Development Perspective (NSDP), Provincial Growth and Development Strategy (PGDS) and Integrated Development Plans . (IDPs)
- Evaluation, Monitoring and Impact Assessment of the application of ICTs to the country's development agenda

The work and structure of the PNC is also informed by the advise of the Presidential International Advisory Council on the Information Society and Development (PIAC on ISAD), of prioritizing a) education, b) health and c) SMMEs.

In addition to these three areas, the PNC also prioritises e-governance and local content development.

To ensure that it has the necessary capacity to deliver on its mandate the PNC recruited a number of people with the different relevant skills that are necessary for coordinating the building of an inclusive Information Society in South Africa.

Given its advisory, co-ordination and facilitation character the PNC has, as a matter of necessity, a very close working relationship with all departments and spheres of government and it has thus ensured the participation of the relevant department and spheres of government in all its work.

In its main task this year, the development of a National Information Society and Development (ISAD) Plan and Strategy, the PNC established a National Working Group (NWG) consisting of 9 representatives of provincial Directors-General, 9 SALGA provincial representatives, the Presidency, Government Communication Information Service (GCIS) and the following sixteen national departments Communications Education, Health, Trade and Industry, Public Enterprise, Social Development, Public Service and Administration, Science and Technology, Arts and Culture, Provincial and Local Government, Foreign Affairs, Home Affairs, Safety and Security, Agriculture, Minerals and Energy, Labour.

In supporting development or implementation of sectoral e-strategies such as e-education, e-health, e-government, local content and SMMs, the PNC plays a co-ordination role while the line function departments take a lead role.

The development of the ISAD Plan and Strategy will ensure that, even as the departments and provinces play the leading role with respect to their areas of responsibility all of government will have a common plan and timelines developed together.

## REVIEW OF 2004-2005 PERFORMANCE

In its first two years of operation the Commission's has been engaged in re-focusing the mandate of the PNC on ISAD in order to ensure its relevance and aligned focus and impact on the development of an inclusive Information Society (iIS). The national directives emanating from the President's State of the Nation Address of February 2005 have added urgency to this matter.

The key delivery milestones of the PNC on ISAD during the period of review of 2004 were:

1. Strategic organisational positioning
2. Initiation of the National Information Society and Development (ISAD) plan
3. Coordination of preparations for the second phase of the World Summit on Information

## MEDIUM TERM STRATEGY 2005-2008

The medium term strategy of the PNC on ISAD covers the period April 2005 to March 2008.

The strategy is informed by:

- The state of the Nation Addresses, with the of February 2005 one shaping most of the 2005-2006 priorities
- The Declaration and Plan of Action of the World Summit on the Information Society (WSIS) adopted in Geneva 2003
- The Presidential International Advisory Council (PIAC) deliberations and Recommendations
- Supporting the achievement of Departmental, Provincial and local government development priorities and Plans

The 2005-2008 PNC Strategy will be guided by the following broad themes:

- Achieving higher rates of investment in the South African economy
- Increasing the competitiveness of the South African economy
- Broadening participation in the economy
- Improving the capacity of the State to deliver on its mandate.
- Contributing to a better world

## KEY PERFORMANCE AREAS

The 2005-2008 Business Plans of the PNC on ISAD Key Performance Areas (KPA's) will ensure the individual and collective drive and focus to implement the strategy and give effect to our Vision and Mission.

The six KPA's of the PNC are:

Planning and Foresight the aims and objectives of which are to ensure that South Africa has proactive and progressive national plans, with sectoral, provincial and local government components, for the development of an inclusive Information Society with clear targets and time frames thus facilitating the organised allocation of resources for efficient and effective service delivery

Coordination and Integration - the aims and objectives of which are to ensure that the implementation of the national ISAD plan, is done in a coordinated manner and that policies, legislation and programmes are well coordinated, integrated, complimentary and

aligned with the development plans at all spheres of government thus increasing efficiencies and effectiveness and maximising on economies of scale

Evaluation and Impact Assessment- the aims and objectives of which are to assess whether policies and legislation support or hinder the development of an inclusive Information Society as well as assess the impact of ICT programmes and projects on building a better life for all South Africans

Intergovernmental relations- the aims and objectives of which are to ensure participation of all spheres of government to the PNC-led Information Society programme.

Special projects- the aims and objectives of which are to coordinate or develop special programmes to maximise the benefits of the Information Society for the benefit of women, children, youth, people with disability and communities living in poverty.

Organisational excellence- the aims and objectives of which are to provide responsive, timely and comprehensive strategic administrative support for the smooth running of the organisation.



**The Presidential National Commission on the Information Society and Development (PNC on ISAD)**

President Thabo Mbeki on the left Dr Ivy Matsepe-Casaburri, Minister of Communications, on the right Dr Nkosazana Dlamini-Zuma, Minister of Foreign Affairs, Commissioners and Staff of the PNC 2001, Lake Pleasant, George



## ORGANISATIONAL STRUCTURE OF THE PNC SECRETARIAT



**MOKWINING NHLAPO**  
Chief Operations Officer



**ALBI MODISE**  
Head:  
Organisational  
Excellence



**VACANT**  
Inter-  
governmental  
Relations



**NQABA  
NQANDELA**  
Head:  
Planning &  
Foresight



**PAKISO  
MATHEBULA**  
Head:  
Coordination &  
Integration



**KGOPOTSO  
TSOTETSI**  
Head:  
Evaluation  
& Impact  
Assessment



**MONICA  
MNGUNI**  
Head: Special  
Project



**VACANT**  
Co-ordinator  
e-Education



**ANGIE  
MOKGABUDI**  
Co-ordinator  
e-Health



**ANNA  
SIBANDA**  
Co-ordinator  
e-Governance



**NTOMBI  
MASAKAZI**  
Co-ordinator  
Local content  
development



**MANGALISO  
WILLIAMS**  
Co-ordinator  
SMME's &  
ICTs

## 2005-2008 BUSINESS PLANS

### KEY PERFORMANCE AREA: PLANNING AND FORESIGHT

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY-SMME					
To develop a National ISAD Plan and implementation strategy	ISAD Plan and Implementation Strategy including sectoral , provincial and local government components	<ul style="list-style-type: none"> <li>Develop ISAD Plan and Implementation Strategy Framework</li> <li>Integrate sectoral components of the ISAD Plan</li> <li>Integrate and align Provincial and local components of the ISAD Plan</li> </ul>	October 2005	Annual updating of the Plan	Head: Planning and Foresight
To develop a National ISAD Plan and implementation strategy	<ul style="list-style-type: none"> <li>SMME component of ISAD Plan with focus on maximizing the opportunities created by the ICT charter and the further managed liberalization of the ICT sector</li> </ul>	<ul style="list-style-type: none"> <li>Investigate the status quo</li> <li>Concept Document</li> <li>Consultations</li> <li>Develop a Draft Document</li> <li>Presentation to NWG</li> <li>Commissioners Ratification of the SMME component of ISAD Plan</li> </ul>	October 2005	Review of the Framework and Strategy	Head: Planning and Foresight
INCREASING COMPETITIVENESS OF THE SA ECONOMY- e-EDUCATION					
To develop a National ISAD Plan and implementation strategy	<ul style="list-style-type: none"> <li>National Implementation Strategy for the e-Education Policy</li> </ul>	<ul style="list-style-type: none"> <li>Investigate the status quo</li> <li>Concept Document</li> <li>Consultations</li> <li>Develop a Draft Document</li> <li>Presentation to NWG</li> <li>Commissioners Ratification of the education component of the ISAD Plan</li> </ul>	October 2005	Review of the Implementation Plan	Head: Planning and Foresight

## KEY PERFORMANCE AREA: PLANNING AND FORESIGHT

Strategic objective	Key Indicators	Action Plan	Annual target	3 year plan	Person responsible
BROADENING THE PARTICIPATION IN THE ECONOMY-e HEALTH					
To develop a National ISAD plan and implementation strategy	<ul style="list-style-type: none"> <li>e-Health component of the ISAD Plan</li> <li>National Framework for the connectivity of Health Care centers for promoting access to health.</li> <li>National Strategic Framework for the use of ICT's in the Promotion of Healthy lifestyles</li> </ul>	<ul style="list-style-type: none"> <li>Investigate the Status Quo</li> <li>Develop Concept Document</li> <li>Consultations with stakeholders</li> <li>Develop Draft Framework</li> <li>Presentation to NWG</li> <li>Commissioners' Ratification of the health component of the ISAD Plan</li> </ul>	October 05	Review of the Framework and Strategy	Head: Planning and Foresight
IMPROVING CAPACITY OF THE STATE-e-GOVERNANCE					
To develop a National ISAD plan and implementation strategy	<ul style="list-style-type: none"> <li>e-Governance component of the ISAD Plan</li> <li>Strategic National Framework for e-Governance</li> </ul>	<ul style="list-style-type: none"> <li>Investigate the status quo</li> <li>Develop a Concept document</li> <li>Consultations</li> <li>Develop a Draft Framework</li> <li>Presentation to NWG</li> <li>Commissioners Ratification of the e-government component of the ISAD Plan</li> </ul>	October 2005	Review of the Implementation Plan	Head: Planning and Foresight
CONTRIBUTION TO A BETTER WORLD (Local Content)					
To develop a National ISAD plan and implementation strategy	<p>Local content development component of the ISAD Plan</p> <p>Strategic National Framework for the use of ICT's in the creation, preservation and dissemination of local content</p>	<ul style="list-style-type: none"> <li>Investigate the status quo</li> <li>Develop a Concept Document</li> <li>Consultations</li> <li>Develop Draft Framework</li> <li>Presentation to NWG</li> <li>Commissioners' Ratification of the local content development of the ISAD Plan</li> </ul>	October 2005	Review of the Implementation Plan	Head: Planning and Foresight

## KEY PERFORMANCE AREA: COORDINATION AND INTEGRATION

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY-SMME					
To develop a Strategic Framework for a Coordinated and Integrated development of the Information Society in South Africa	Annual Coordination and Integration Report.	Assess policies, legislation and programmes to ensure that they are well coordinated, integrated, complementary and aligned with the development plans at all spheres of government	March 2006	Annual updates of the Strategic Framework	Head Coordination and Integration
To Develop A National ISAD Plan and Implementation Strategy	Regular (monthly) strategic alignment and coordination reports on SMME's	Investigate the status quo focusing on integration/alignment Analyse policies and legislation pertaining to SMME's to identify gaps Assess economic incentives for growth, competitiveness and development of SMME's Assess the rate and quality of skills development and training in SA for SMME's Consultations with stakeholders	July 2005 September 2005	Review and report status of alignment	Head Coordination and Integration
INCREASE COMPETITIVENESS OF THE SOUTH AFRICAN ECONOMY-e-EDUCATION					
To Develop a National ISAD Plan and Implementation Strategy	Regular (monthly) Strategic coordination reports on e-education.  Annual Reports	Status quo in terms of alignment and integration Coordinate initiatives around e-education Stakeholder co-ordination and consultation	July 2005  September 2005  March 2006	Review and report status of alignment	Head Coordination and Integration

## KEY PERFORMANCE AREA: COORDINATION AND INTEGRATION

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Person responsible
BROADENING THE PARTICIPATION IN THE ECONOMY -e- HEALTH					
To Develop a National ISAD Plan and Implementation Strategy	Regular report on alignment and coordination of ICT programmes and policies	Identify and review all ICT policies, strategies and plans and implementation processes  Stakeholder Consultations	July, 2005  September 2005	Review and report status of alignment	Head Coordination and Integration
IMPROVING CAPACITY OF THE STATE-e-GOVERNANCE					
To Develop a National ISAD Plan and Implementation Strategy	Regular Strategic coordination reports on e-governance	To identify all government ICT projects on e-government in relation to policies and establish alignment.  Consultations	July 2005  September 2005	Review and report status of alignment	Head Coordination and Integration
CONTRIBUTION TO A BETTER WORLD-LOCAL CONTENT					
To Develop a National ISAD Plan and Implementation Strategy	Regular Strategic coordination reports on local content creation, promotion and dissemination with ICT	Assess local content and ICT policies, legislation, systems and structures in terms of alignment  Stakeholder consultation	July 2005  September 2005	Review and report status of alignment	Head Coordination and Integration

## KEY PERFORMANCE AREA: EVALUATION AND IMPACT ASSESSMENT

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY (SMME)					
To develop a Strategic Framework for a regular assessment of the impact of ICTs on South Africa's development programmes	e-readiness barometer	Conduct feasibility study  Presentation of recommendations	March 2006	Annual publishing of the barometer	Head:Evaluation Impact assessment
To develop a national ISAD plan and implementation strategy	Regular (monthly) strategic assessment reports on SMMEs and ICTs	Develop evaluation scope and analytical framework Analyse policies and legislation pertaining to SMMEs and ICTs with the view to establish whether they support or hinder the building of an inclusive information society  Stakeholder consultation	July 2005          September 2005	Annual review and impact status report	Head:Evaluation Impact assessment
INCREASING COMPETITIVENESS OF THE SA ECONOMY - e-EDUCATION					
To develop a national ISAD plan and implementation strategy	Regular strategic assessment reports on e-education	Develop evaluation scope and analytical framework Analyse performance reports on progress to date of the implementation of e-education programmes  Analysis of provincial plans Stakeholder Consultation	July 2005          September 2005	Annual review and impact status report	Head:Evaluation Impact assessment

## KEY PERFORMANCE AREA: EVALUATION AND IMPACT ASSESSMENT

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
BROADENING THE PARTICIPATION IN THE ECONOMY- e- HEALTH					
To develop national ISAD plan and implementation strategy	Regular strategic assessment reports on e-Health	Develop policy evaluation scope and analytical framework  Analyse e-health related policies and legislation with the view to establish whether they support or hinder the building of an inclusive information society  Analyse performance reports on progress to date of the implementation of e-health programmes  Stakeholder Consultation	July 2005          September 2005	Annual review and impact status report	Evaluation Impact assessment
IMPROVING CAPACITY OF THE STATE-e-GOVERNANCE					
To develop a national ISAD plan and implementation strategy	Regular strategic assessment reports on e-governance	Develop evaluation scope and analytical framework  Assessment of performance reports on progress to date of the implementation of e-governance programmes  Stakeholder Consultation	July 2005       September 2005	Annual review and impact status report	Head: Evaluation Impact assessment

## KEY PERFORMANCE AREA: EVALUATION AND IMPACT ASSESSMENT

[illegible]



## KEY PERFORMANCE AREA: INTER-GOVERNMENTAL RELATIONS

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY					
See below					
INCREASING COMPETITIVENESS OF THE SA ECONOMY					
See below					
BROADENING THE PARTICIPATION IN THE ECONOMY					
To build relationships with nodal points champions	Number of Nodal point champions participating in Information society fora.	Engage relevant stakeholders in Nodal points Participation of Nodal points champions in the provincial information society fora.	March 2006	Review and improve extent of participation	Head: inter-governmental relations
IMPROVING CAPACITY OF THE STATE					
To build a working relationships with the three spheres of government to ensure effective participation in the work of the PNC	Identified stakeholders  The number of established provincial information society forums  e-database	Prepare standard PNC executive summary  Identify in consultation key people in all spheres of government to participate in the work of the PNC  Establish provincial information society forums.  Create a database	July 2005	Review improve and extend relationship network	Head: inter-governmental relations

## KEY PERFORMANCE AREA: SPECIAL PROJECTS

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY					
Supporting the development of animation games and programmes for South African children	Programme with action plan for the development of animation games in place for South African	To establish a Task Team Lead by the Dept of Arts and Culture and working with Department of Communications	Aug 2005	Animation games for South African children available.  Incubator facility for the development of a South African animation and games industry in place.	Head: Special Projects
INCREASING COMPETITIVENESS OF THE SA ECONOMY					
Facilitate the improvement of teaching and learning especially in mathematics and natural science in schools.	Programme for the improvement of learning mathematics and science in place.  Trained e-cadres.	Facilitate together with the DoE, the coordination and establishment mathematics and science programmes.  Facilitate Training programme and placement of e-cadres.	November 2006	Status report and replication.	Head: Special Projects

## KEY PERFORMANCE AREA: SPECIAL PROJECTS

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
BROADENING THE PARTICIPATION IN THE ECONOMY -- PEOPLE WITH DISABILITY					
To facilitate the usage of MPCCs by people with disability	Report on the ability of people with disabilities to use Multi Purpose Community Centers (MPCCs)	Establish a task team , lead by Office on the Status of People with Disability (OSPD), to address usage of MPCCs by people with disability.  Produce the report Facilitate implementation of recommendations of the Report	October 2005	Evaluation report.  Annual update	Head: Special Projects
IMPROVING CAPACITY OF THE STATE					
To support the realisation of the I-COMMUNITY initiative with the aim of preparing for replication.	Report on the challenges of implementing the project providing recommendations.	Prepare report.	June 2005	Sustainability strategy in place.	Head: Special Projects
CONTRIBUTION TO A BETTER WORLD- WOMEN					
Facilitate women's participation in the preparations for WSIS II	Draft plan of action for WSIS II reflecting gender equality issues in the Information Society	Conference preparations  Participate in WSIS preparations for women's conference, adaptation of Beijing platform for Action for WSIS II	On-going	Recommendations Implemented.  Review of Plan of Action WSIS	Head of Special Projects

## KEY PERFORMANCE AREA: ORGANISATIONAL EXCELLENCE

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
ACHIEVING HIGHER RATES OF INVESTMENT IN THE ECONOMY					
To support the PNC mandate by providing information about the building of the information society	• New corporate identity	• PNC re-branding	• July 2005	• 80% increase in hits count	HEAD: Organizational Excellence
	• Approved	• Develop a communication strategy	• May 2005	• National recognition of the PNC brand	
		• Implement approved communications strategy	• Ongoing		
INCREASING COMPETITIVENESS OF THE SA ECONOMY					
To align IT systems to support PNC operations	• Approved IT strategy	• Develop IT strategy • Implementation of IT strategy	• May 2005 • Ongoing • 99,9% up time	HEAD: Organizational Excellence	
Inculcate knowledge management principles into the work and workings of the organisation	• Approved Knowledge management strategy	• Develop knowledge management strategy • Implementation of Knowledge Management strategy	• July 2005 • Ongoing		HEAD: Organizational Excellence

## KEY PERFORMANCE AREA: ORGANISATIONAL EXCELLENCE

Strategic objective	Key Indicators	Action Plans	Annual target	3 year plan	Responsible Person
IMPROVING CAPACITY OF THE STATE					
Develop a project based organisation	<ul style="list-style-type: none"> <li>Project Management System</li> </ul>	<ul style="list-style-type: none"> <li>Development of a Project Management System</li> <li>Implementation of the Project Management System</li> </ul>	<ul style="list-style-type: none"> <li>May 2005</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>100% of PNC projects aligned to the system</li> </ul>	
To give administrative support to enable the organization to deliver on the mandate	<ul style="list-style-type: none"> <li>Approved OE strategy</li> </ul>	<ul style="list-style-type: none"> <li>Development of Organisational Excellence strategy</li> <li>Implementation of OE Strategy</li> </ul>	<ul style="list-style-type: none"> <li>June 2005</li> <li>Ongoing</li> </ul>		

## **ADDENDUM 1**

### **MTEF APPROVED BUDGET ALLOCATION**

#### **Preamble:**

The attached MTEF budget allocation is based on the approved 2004-2005 strategic plan. During the period under review the strategic plan was revised in line with the PFMA requirements. The budget will therefore be realigned to the 2005-2008 strategic plan.



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Department:  
Communications  
**REPUBLIC OF SOUTH AFRICA**

## 2005 Estimates of National Expenditure

## Vote 26

## Communications

	2005/06 To be appropriated			2006/07	2007/08
<b>MTEF allocations of which:</b>	R1 017 503 000			R1 128 951 000	R1 182 499 000
	<i>Current payments</i>	<i>Transfers</i>	<i>Capital payments</i>		
	R247 141 000	R763 882 000	R6 480 000		
<b>Statutory amounts</b>	–			–	–
Responsible minister	Minister of Communications				
Administering department	Department of Communications				
Accounting officer	Director-General of Communications				

## Aim

The aim of the Department of Communications is to develop Information and Communication Technology (ICT) policies and legislation that stimulate and enhance the sustainable economic development of the South African 1st and 2nd economy and positively impact on the social wellbeing of all our people and to exercise oversight on state-owned telecommunications entities.

## Programme purpose and measurable objective

## Programme 1: Administration

**Purpose:** Provide strategic leadership and overall management of the department, and provide professional support and administrative services.

## Programme 2: Strategic Policy Co-ordination and Integration

**Purpose:** Give strategic direction to international relations, stakeholder relations, intergovernmental relations and empowerment.  
**Measurable objective:** Improve stakeholder relations and service delivery by timeously developing and co-ordinating strategic business plans.

## Programme 3: Policy Unit

**Purpose:** Develop ICT and related policies that will create optimal conditions for investment and the rollout of ICT infrastructure and services, and contribute to nation-building and social cohesion to achieve sustainable economic development.

**Measurable objective:** Promote investment and rollout of infrastructure and services in the ICT sector by continuously developing, reviewing and implementing ICT policies.

## Programme 4: Finance and Shareholder Management

**Purpose:** Provide support services to stakeholders and manage government's shareholding interest in ICT related state-owned entities.

**Measurable objective:** Develop and implement policies and best practices in order to provide overall financial and supply chain management to the department, and to manage shareholding in and improve governance of public entities.

## Programme 5: Innovative Applications and Research

**Purpose:** Improve government's delivery of services by promoting ICT mediums and increasing the use of ICT applications.

**Measurable objective:** Build capacity for a sustainable ICT sector to improve the delivery of services by implementing and managing knowledge-based ICT projects.

## Programme 6: Presidential National Commission

**Purpose:** Advise government on the development of an overall government ICT policy framework, and recommend strategies to bridge the digital divide.

**Measurable objective:** Co-ordinate and assess the impact of government ICT policies and programmes on the different spheres of government, and provide strategies to bridge the digital divide and define an information society for the country with clear targets and milestones.



## Strategic overview and key policy developments: 2001/02 – 2007/08

The strategic thrust of the Department of Communications can be summarised in its vision statement: 'A global leader in harnessing ICT for socio-economic development'.

### Department re-engineering

The Department of Communications is currently engaged in a major re-engineering exercise, having revised its mandate, delivery programmes, structures, performance measures and value systems. The re-engineering has identified four key areas: strategic policy co-ordination and integration; policy; finance and shareholder management; innovative applications and research. This restructuring will allow the department to better focus on achieving its objectives over the next three years.

Over the last three years, the department's overall strategy has been to develop policies and legislation aimed at liberalising the telecommunications sector to grow the economy, attract foreign direct investment, increase competition, encourage broad-based BEE and develop and sustain SMMEs. The Telkom IPO was one of the first steps. Liberalisation should also improve service delivery and expand the provision of telecommunications services. The introduction of the under-served area licences will enable marginalised communities to receive telecommunications services while creating telecommunications SMMEs in the rural areas.

### Increased competition

Increased competition in the sector is expected to bring down the cost of telecommunications, remove constraints to growth, accelerate growth, and reduce the cost of communications. Liberalisation of the telecommunications sector will become effective from 1 February 2005. A number of policies have been implemented, including a policy that mobile operators may use any fixed lines that may be required for providing both voice and data transmission services. Previously, only Telkom fixed lines could be used. Value added networks (VAN) may now carry voice over the internet using any protocol; private telecommunications network facilities operators may resell spare capacity and facilities which would increase access to communities and consumers; and the cost of telecommunications services has been discounted by 50 per cent to internet service providers of public schools and further education and training institutions.

Considerable progress was made in repositioning the Post Office as an agent of ICT service delivery in line with the universal service mandate. ICT infrastructure rollout in remote areas of rural South Africa through the Post Office is evidence of this. With the re-introduction of the post office subsidy in 2002/03, access to postal services for the vast majority of South Africans is bound to improve even further. Over and above the provision of postal services, the Post Office, through its subsidiary, the Postbank, is positioning itself to provide a reliable deposit, savings and money transfer facility for the majority of the population that previously had no access to financial services.

### Restructuring the SABC

In line with its corporatisation as a public company in October 2003, SABC Ltd is now made up of two divisions, the public broadcasting service division and the commercial broadcasting service division. The two divisions reflect the SABC's mandate as both a public broadcaster and a private, revenue-generating service provider. Policies governing the operations of the SABC (including the promotion of South African broadcasting content in previously, marginalised African languages) have been submitted to the Independent Communications Authority of South Africa (ICASA).

To increase the provision of broadcasting services internationally, government resolved to restructure and corporatise Channel Africa into a subsidiary of SABC Ltd. Channel Africa will ensure that South Africa's foreign policy objectives are communicated to the rest of Africa, and will also play a key role in communicating the objectives of the AU and NEPAD.

### Promoting ICT growth

Supporting economic growth in the ICT sector will serve as a catalyst for facilitating economic growth in other sectors through the use of ICTs. This will be achieved by creating an environment that will: raise investments in the ICT sector and minimise input costs; introduce competition and a managed programme of licensing new players; allow existing players to play a bigger role by introducing legislation and policy directives; address regulatory constraints on infrastructure; and promote the development of the SMME sector through appropriate interventions, including the BEE charter.

The following policy interventions will be undertaken:

- The Convergence Bill, aimed at removing policies that hinder the development of cross-sector applications, services and businesses, will be finalised. Once promulgated, the legislation will reflect the integration of telecommunications with IT, broadcasting and broadcasting signal distribution. Convergence legislation will ensure that citizens are empowered with better access to knowledge and information at competitive prices, and encourage investment and economic growth.

- A national e-strategy framework, to facilitate the use and adoption of ICTs across all South African economic sectors, will be developed.
- A digital migration policy framework, to facilitate the introduction of new diverse digital services, will be developed. Digitisation will enable South Africa to be integrated into the global community and align itself with the broadly accepted overarching principles that underpin digital migration.

The department's strategy is to manage transformation from analogue to digital environments and to make sure that digital migration processes and activities are negotiated and aligned with multilateral institutions such as the ITU, the World Trade Organisation and the AU.

The department also focuses on developing the necessary capacity for human resource 2005 Estimates of National Expenditure development in the ICT sector. Apart from training initiatives, the department is involved with other government departments in launching the African Advanced Institute for ICT.

#### Governance of state-owned entities

The department aims to ensure improved governance of state-owned entities and the harnessing of their capacity to make strategic interventions in expanding the economy, especially in meeting the challenges of the second economy. This includes meeting government's objectives of restructuring the state-owned entities in the ICT sector to achieve financial excellence, and, more importantly, improved efficient service delivery.

#### Strategy for the future

The department's strategy for the next MTEF period remains the creation of policy and legislation that are conducive to creating a favourable ICT environment that ensures that South Africa has the capacity to advance its socio-economic developmental goals and support the renewal of Africa.

Further, policy is aimed at creating an ICT environment that is conducive to the growth and development of a globally competitive ICT sector.

## Expenditure estimates

**Table 26.1: Communications**

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	2001/02	2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
1. Administration	40 587	42 648	40 510	47 914	48 034	83 598	90 320	94 297
2. Strategic Policy Co-ordination and Integration	34 344	31 472	15 144	40 443	19 751	33 343	36 026	37 918
3. Policy Unit	50 442	37 676	37 566	46 260	42 060	56 489	61 134	64 283
4. Finance and Shareholder Management	904 226	645 761	638 425	1 406 774	1 406 774	727 376	823 876	862 420
5. Innovative Applications and Research	98 739	117 706	97 041	130 238	148 322	88 237	86 842	91 213
6. Presidential National Commission	–	9 325	8 653	8 288	3 856	28 460	30 753	32 368
<b>Total</b>	<b>1 128 338</b>	<b>884 588</b>	<b>837 339</b>	<b>1 679 917</b>	<b>1 668 797</b>	<b>1 017 503</b>	<b>1 128 951</b>	<b>1 182 499</b>
Change to 2004 Budget estimate				804 717	793 597	103 000	158 000	163 000

#### Economic classification

	158 702	177 914	181 410	233 260	228 053	247 141	266 080	279 314
<b>Current payments</b>								
Compensation of employees	49 712	54 592	57 265	70 783	65 913	79 111	84 955	89 636
Goods and services	108 771	123 257	124 127	162 477	162 140	168 030	181 125	189 678
of which:								
Consultants and contractors	24 439	32 086	35 462	66 221	65 884	54 370	58 464	61 443
Travel and subsistence	16 691	20 488	23 031	22 434	22 434	26 482	28 545	29 946
Communication	4 282	250	8 025	7 534	7 534	8 341	9 103	9 545
Inventory	2 975	4 377	2 718	2 618	2 618	3 604	3 891	3 982
Leases and rentals	9 079	10 608	13 700	13 492	13 492	11 350	12 216	12 853
Professional bodies and membership fees	442	9 142	4 903	3 520	3 520	3 357	3 624	3 814
Financial transactions in assets and liabilities	219	65	18	–	–	–	–	–

	Expenditure outcome			Adjusted appropriation	Revised Estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	2001/02	2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
<b>Transfers and subsidies to:</b>	<b>945 271</b>	<b>655 361</b>	<b>640 266</b>	<b>1 440 144</b>	<b>1 440 144</b>	<b>763 882</b>	<b>855 507</b>	<b>895 454</b>
Provinces and municipalities	154	146	323	273	273	204	261	274
Departmental agencies and accounts	153 361	183 119	177 306	229 672	229 672	194 189	214 302	229 767
Universities and technikons	6 200	–	–	–	–	–	–	–
Public corporations and private enterprises	772 862	458 878	447 031	1 193 321	1 193 321	551 326	621 745	645 255
Non-profit institutions	12 642	13 203	15 153	16 878	16 878	18 163	19 199	20 158
Households	52	15	453	–	–	–	–	–
<b>Payments for capital assets</b>	<b>24 365</b>	<b>51 313</b>	<b>15 663</b>	<b>6 513</b>	<b>600</b>	<b>6 480</b>	<b>7 364</b>	<b>7 731</b>
Machinery and equipment	24 365	51 313	15 663	6 513	600	6 480	7 364	7 731
<b>Total</b>	<b>1 128 338</b>	<b>884 588</b>	<b>837 339</b>	<b>1 679 917</b>	<b>1 668 797</b>	<b>1 017 503</b>	<b>1 128 951</b>	<b>1 182 499</b>

## Expenditure trends

The department's expenditure has shown no consistent trend over the last four years, due to significant variations in spending on the Post Office subsidy. The subsidy was reintroduced in 2001/02 at R600 million to cover two years' losses and then at R300 million in 2002/03. The substantial increase in 2004/05 is due to the one-off allocation of R750 million that was made to reimburse the Postbank for depositors' funds that had been used by the Post Office to fund its own operations. From a high of R1,7 billion in 2004/05, expenditure is expected to fall to R1,0 billion in 2005/06, and then rise slowly in the following years, to reach R1,2 billion in 2007/08.

A one-off allocation of R54 million was made in 2002/03 to Sentech to settle an outstanding loan from the South African Broadcasting Corporation and to accommodate start-up costs. There was also an allocation of R36,7 million in 2002/03 to purchase infrastructure for the new 112 Emergency Call Centre. In 2003/04, R40 million was allocated to the South African Broadcasting Corporation to fund the closure of the Bophuthatswana Broadcasting Corporation.

The 2005 Budget set out additional allocations of R103 million for 2005/06, R158 million for 2006/07 and R163 million for 2007/08 to fund the newly established deputy ministry, the recapitalisation of the SABC and the activities of ICASA.

## Departmental receipts

The licence fees collected by ICASA from telecommunication operators and broadcasters have been deposited with the department since 2003/04, and make up most of the receipts. Previously, ICASA submitted the licence fees directly to the South African Revenue Services. There was a significant increase in licence fee revenue in 2004/05 due to an increase in the licence fees paid by cellular operators, which are a fixed proportion of turnover. Licence fee revenue is expected to increase steadily over the next three years.

The department also receives dividends from its shares in Telkom. Amounts of R186,8 million were received in 2003/04 and R228,3 million in 2004/05. Dividends are projected to increase steadily over the next three years.

**Table 26.2: Departmental receipts**

	Receipts outcome			Adjusted appropriation	Medium-term receipts estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Sales of goods and services produced by department	47	25 368	768 974	1 038 132	1 090 039	1 144 540	1 201 766
Sales of scrap, waste and other used current goods	–	3	1	2	2	2	3
Transfers received	150	2 707	333	2 700	2 835	2 977	3 126
Interest, dividends and rent on land	16 510	24 289	202 690	292 626	267 268	280 543	294 481
Financial transactions in assets and liabilities	161	604	1 011	565	593	623	654
<b>Total</b>	<b>16 868</b>	<b>52 971</b>	<b>973 009</b>	<b>1 334 025</b>	<b>1 360 737</b>	<b>1 428 685</b>	<b>1 500 030</b>

## Programme 1: Administration

Administration conducts the overall management of the department, including policy formulation by the minister and director-general. The programme has been restructured so that it provides strategic operational support, enabling the department to deliver on its mandate. Under its Management subprogramme, the executive management provides support for the offices of the minister, deputy minister, director-general and chief operations officer. The Operations subprogramme is responsible for organisational performance excellence. By co-ordinating the strategic and business planning process of the department, it ensures alignment, and integration with the rest of government.

### Expenditure estimates

**Table 26.3: Administration**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Minister <sup>1</sup>	544	672	707	791	843	898	942
Deputy Minister <sup>2</sup>	–	–	–	585	623	696	731
Management	19 177	13 682	13 413	16 057	29 563	31 914	33 371
Operations	20 866	28 294	26 390	30 481	52 569	56 812	59 253
<b>Total</b>	<b>40 587</b>	<b>42 648</b>	<b>40 510</b>	<b>47 914</b>	<b>83 598</b>	<b>90 320</b>	<b>94 297</b>
Change to 2004 Budget estimate				1 454	3 000	3 000	2 611

<sup>1</sup> Payable as from 1 April 2004. Salary: R633 061. Car allowance: R158 265.

<sup>2</sup> Payable as from 1 April 2004. Salary: R467 765. Car allowance: R116 941.

#### Economic classification

<b>Current payments</b>	<b>38 734</b>	<b>40 820</b>	<b>39 415</b>	<b>46 760</b>	<b>81 258</b>	<b>87 652</b>	<b>91 495</b>
Compensation of employees	13 324	13 916	14 873	19 115	32 503	35 060	36 588
Goods and services	25 191	26 904	24 524	27 645	48 755	52 592	54 907
of which:							
Consultants and contractors	5 440	6 645	3 332	3 455	5 688	6 135	6 404
Travel and subsistence	5 992	5 359	5 109	5 697	9 751	10 518	10 976
Communication	1 366	25	1 899	1 926	3 250	3 505	3 658
Inventory	924	1 897	821	652	813	877	815
Professional bodies and membership fees	9	114	16	23	36	43	45
Financial transactions in assets and liabilities	219	–	18	–	–	–	–

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Transfers and subsidies to:</b>	<b>28</b>	<b>99</b>	<b>593</b>	<b>117</b>	<b>72</b>	<b>91</b>	<b>96</b>
Provinces and municipalities	–	99	140	117	72	91	96
Households	28	–	453	–	–	–	–
<b>Payments for capital assets</b>	<b>1 825</b>	<b>1 729</b>	<b>502</b>	<b>1 037</b>	<b>2 268</b>	<b>2 577</b>	<b>2 706</b>
Machinery and equipment	1 825	1 729	502	1 037	2 268	2 577	2 706
<b>Total</b>	<b>40 587</b>	<b>42 648</b>	<b>40 510</b>	<b>47 914</b>	<b>83 598</b>	<b>90 320</b>	<b>94 297</b>

### Expenditure trends

Expenditure increased steadily between 2001/02 and 2004/05, rising from R40,6 million to R47,9 million, an annual average increase of 5,7 per cent. The very large expected increase in expenditure from 2005/06 is due to the department providing for a fully staffed deputy-minister's office, a chief operations office and a government information technology officer.

The 2005 Budget set out additional funding of R3 million for each of the next three years to fund the newly established deputy ministry.

## Programme 2: Strategic Policy Co-ordination and Integration

Strategic Policy Co-ordination and Integration has been restructured to focus on strategic international relations and to give policy direction to the department's activities.

There are three subprogrammes:

- Co-ordination and Integration is responsible for international relations, stakeholder management, intergovernmental relations, special projects and broad-based BEE, with the aim of advancing and enhancing the department's delivery mandate.
- The Postal Regulator subprogramme is responsible for monitoring the provision of a universal postal service, including regulating reserved and unreserved postal services.
- The International subprogramme is responsible for ensuring the timely, effective and comprehensive co-ordination of functions and responsibilities of the department to meet the country's ICT international obligations.

### Expenditure estimates

**Table 26.4: Strategic Policy Coordination and Integration**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Co-ordination and Integration	2 929	2 417	2 390	3 974	3 334	3 603	3 792
Postal Regulator	8 391	9 932	6 596	28 707	23 674	25 578	26 922
International	23 024	19 123	6 158	7 762	6 335	6 845	7 204
<b>Total</b>	<b>34 344</b>	<b>31 472</b>	<b>15 144</b>	<b>40 443</b>	<b>33 343</b>	<b>36 026</b>	<b>37 918</b>
Change to 2004 Budget estimate				12	–	–	91

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Economic classification</b>							
<b>Current payments</b>	<b>32 564</b>	<b>30 513</b>	<b>14 749</b>	<b>39 707</b>	<b>32 407</b>	<b>34 958</b>	<b>36 798</b>
Compensation of employees	7 061	7 885	7 535	10 445	6 157	6 642	6 991
Goods and services	25 503	22 628	7 214	29 262	26 250	28 316	29 807
of which:							
Consultants and contractors	5 318	5 217	1 051	16 420	13 287	14 332	15 087
Travel and subsistence	2 696	3 928	2 986	4 095	3 240	3 495	3 679
Communication	527	16	796	757	648	699	736
Inventory	257	324	110	534	324	349	367
Leases and rentals	–	–	66	150	130	139	147
Professional bodies and membership fees	433	8 692	–	150	130	139	147
<b>Transfers and subsidies to:</b>	<b>24</b>	<b>9</b>	<b>24</b>	<b>37</b>	<b>29</b>	<b>37</b>	<b>38</b>
Provinces and municipalities	–	9	24	37	29	37	38
Households	24	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>1 756</b>	<b>950</b>	<b>371</b>	<b>699</b>	<b>907</b>	<b>1 031</b>	<b>1 082</b>
Machinery and equipment	1 756	950	371	699	907	1 031	1 082
<b>Total</b>	<b>34 344</b>	<b>31 472</b>	<b>15 144</b>	<b>40 443</b>	<b>33 343</b>	<b>36 026</b>	<b>37 918</b>



## Expenditure trends

Expenditure fell between 2001/02 and 2003/04, due to the decrease in the cost of the department's international activities. However, there was a substantial increase in expenditure in 2004/05 due to increased spending on the postal regulator to provide for an enforcement and monitoring unit and for the postal inspectors stationed in each province. Expenditure falls back in 2005/06 and is then expected to increase steadily.

## Service delivery objectives and indicators

### Recent outputs

In line with the department's restructuring, a new five-year strategic plan has been developed and approved. The plan takes into consideration innovations and advancements in ICT as well as the new regulatory and policy environments required to benefit from these changes. The department has had to realign itself in response to changes in its sector so that it can develop and implement new policies that will promote technological development and improve service delivery.

### NEPAD

The department has made substantial progress with its activities in Africa within the context of NEPAD. It organised and participated in several meetings of African ministers in preparation for the World Summit on Information Society, and co-organised the first inter-ministerial meeting on ICTs under the auspices of the AU. NEPAD's eAfrica Commission flagship project is the e-schools programme, which aims to provide schools with internet connectivity. In addition, progress has been made on the East African submarine cable system and corresponding infrastructure for landlocked countries, which are crucial to reducing the costs of communications in Africa.

### The postal regulator

The postal regulator's monitoring and enforcement unit has been established, and progress has been made in monitoring the Post Office's service standards and delivery. The regulator has successfully handled 21 of the 33 customer complaints. This is a 50 per cent reduction on the 77 complaints recorded last year. The regulator has been instrumental in revising the postal service regulations, which provide for the registration of postal operators. Further, the pricing and tariffs regulation unit conducted a detailed analysis of the Post Office's tariffs. A 3 per cent increase in tariffs was consequently approved by the minister.

## Selected medium-term output targets

### Strategic Policy Co-ordination and Integration

Measurable objective: Improve stakeholder relations and service delivery by timeously developing and co-ordinating strategic business plans.			
Subprogramme	Output	Measure/Indicator	Target
Co-ordination and Integration	Improved awareness of the department's policies among stakeholders	Frequency of meetings with CEOs and managers in the ICT sector	Quarterly
	Strategic partnerships between South African business and international stakeholders	Number of ICT partnerships	2 business partnerships by December 2006
Postal Regulator	Improvement in the standards of the postal service	Percentage reduction in average time to deliver a letter	5% reduction per year in average delivery times
	Registration of private courier operators by the regulator	Number of private operators licensed	300 private operators registered by June 2006 to provide unreserved postal service
International	Increased international investment in the local ICT sector	Number of international investors in the ICT sector	5% increase in international investments

## Programme 3: Policy Unit

The Policy Unit programme comprises the policy units of the previous telecommunications, postal and multimedia units. The new programme will focus on the development and realignment of existing policies. It is envisaged that these policies will create optimal conditions for investment and the rollout of infrastructure to provide efficient and cost-effective communications services.

The programme provides strategic advice and professional support to the executive and other government structures on a wide range of significant and rapidly changing policy areas, including: telecommunications and internet policy, competition and market dominance policy, and World Trade Organisation standard issues.

## Expenditure estimates

Table 26.5: Policy Unit

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Telecommunications Policy	16 882	8 633	10 803	11 873	11 298	12 227	12 857
Postal Policy	21 605	9 500	13 206	19 846	19 771	21 397	22 499
Multimedia Policy	11 955	19 543	13 557	14 541	14 122	15 284	16 071
IT Policy	–	–	–	–	5 649	6 113	6 428
Economic Modeling	–	–	–	–	5 649	6 113	6 428
<b>Total</b>	<b>50 442</b>	<b>37 676</b>	<b>37 566</b>	<b>46 260</b>	<b>56 489</b>	<b>61 134</b>	<b>64 283</b>
Change to 2004 Budget estimate				(6 729)	–	–	92

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08

<b>Economic classification</b>							
<b>Current payments</b>	<b>31 372</b>	<b>36 953</b>	<b>37 040</b>	<b>36 439</b>	<b>34 186</b>	<b>36 890</b>	<b>38 827</b>
Compensation of employees	10 999	10 994	10 799	11 810	11 281	12 174	12 813
Goods and services	20 373	25 959	26 241	24 629	22 905	24 716	26 014
of which:							
Consultants and contractors	6 545	12 155	3 943	5 561	5 128	5 534	5 824
Travel and subsistence	3 324	3 864	5 574	5 343	4 786	5 165	5 436
Communication	504	7	1 740	1 264	1 025	1 107	1 165
Inventory	448	169	222	215	205	221	233
Leases and rentals	2 724	3 781	4 570	2 498	2 393	2 582	2 718
Professional bodies and membership fees	–	58	4 715	3 160	3 077	3 320	3 494
<b>Transfers and subsidies to:</b>	<b>17 910</b>	<b>12</b>	<b>33</b>	<b>9 146</b>	<b>21 331</b>	<b>23 139</b>	<b>24 296</b>
Provinces and municipalities	–	12	33	36	31	39	41
Departmental agencies and accounts	3 410	–	–	630	2 800	3 300	3 465
Public corporations and private enterprises	14 500	–	–	8 480	18 500	19 800	20 790
<b>Payments for capital assets</b>	<b>1 160</b>	<b>711</b>	<b>493</b>	<b>675</b>	<b>972</b>	<b>1 105</b>	<b>1 160</b>
Machinery and equipment	1 160	711	493	675	972	1 105	1 160
<b>Total</b>	<b>50 442</b>	<b>37 676</b>	<b>37 566</b>	<b>46 260</b>	<b>56 489</b>	<b>61 134</b>	<b>64 283</b>

<b>Details of transfers and subsidies:</b>							
<b>Departmental agencies and accounts</b>							
<b>Current</b>	<b>3 410</b>	<b>–</b>	<b>–</b>	<b>630</b>	<b>2 800</b>	<b>3 300</b>	<b>3 465</b>
Information System, Electronics and Communication Technologies Authority	3 410	–	–	630	2 800	3 300	3 465
<b>Total departmental agencies and accounts</b>	<b>3 410</b>	<b>–</b>	<b>–</b>	<b>630</b>	<b>2 800</b>	<b>3 300</b>	<b>3 465</b>
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	<b>14 500</b>	<b>–</b>	<b>–</b>	<b>8 480</b>	<b>18 500</b>	<b>19 800</b>	<b>20 790</b>
South African Post Office: Public Internet Terminals	8 000	–	–	8 480	10 000	10 800	11 340
South African Post Office: Extension of Services	6 000	–	–	–	8 500	9 000	9 450
Multipurpose Community Centres	500	–	–	–	–	–	–
<b>Total public corporations and private</b>	<b>14 500</b>	<b>–</b>	<b>–</b>	<b>8 480</b>	<b>18 500</b>	<b>19 800</b>	<b>20 790</b>

## Expenditure trends

Expenditure fell in 2002/03 due to a reduction in the transfers made to the South African Post Office for public Internet terminals, citizens' post offices and multipurpose centres. Expenditure is expected to increase steadily over the next three years, having increased from a low of R37,6 million in 2003/04, to reach R64,3 million in 2007/08. Future expenditure increases are targeted at two new subprogrammes: Information Technology Policy and Economic Modelling.

## Service delivery objectives and indicators

### Recent outputs

#### Telecommunications policy

One of the highlights for 2003 was the successful sale of over half of government's shares in Telkom SA Ltd. Government is continuing with its overall policy of privatising and liberalising the telecommunications industry. The revenue generated from the listing amounted to R4,1 billion. The minister has awarded the second fixed line network licence to a consortium of Nexus Connexion, Transtel, Esi-tel, WIP Investments Nine (Pty) Ltd (trading as Communitel), Two Telecom Consortium (Pty) Ltd, and an as yet unnamed equity partner. The award of the licence is conditional on the companies accepting the proposed shareholder structure and finalising a business plan. A new company, Sepco, will be incorporated to hold 51 per cent of the second national operator's (SNO) share capital, with Transtel and Esi-tel each holding 15 per cent and Nexus Connexion holding 19 per cent. In preparation, Esi-tel has invested R2 billion in the rollout of a fibre-optic network across the country.

#### ICT charter

The ICT sector set in motion a process for developing the ICT charter, which addresses issues relating to broad-based BEE in the sector. The charter will advance economic transformation in the sector, provide an enabling environment for transparency, fairness and consistency when adjudicating on matters related to BEE.

#### Convergence bill

The department, in consultation with the ICT sector and other relevant stakeholders, has drafted a convergence bill this financial year (2004/05). A key objective is to promote convergence in the broadcasting, telecommunications and broadcasting signal distribution sectors. The bill also addresses the regulation of communication services and issuing new licences, and provides for the control of the radio frequency spectrum.

#### Digital migration strategy

The department made substantial progress in developing a digital migration strategy in 2004/05, a process of encouraging broadcasters and independent producers to convert both their current production and archive material to digital formats.

#### Broadcasting content and language development strategy

Significant progress was also made in developing a broadcasting content and language development strategy between 2003 and 2004, aimed at encouraging the development and growth of content across the entire audio-visual field, including full recognition and operational status for all South African languages. The strategy will result in an increase in broadcast material in all official languages as well as broadcast material with local content.

The department hosted a national summit on broadcasting content and languages in November 2003 to promote the use of indigenous languages in the broadcasting system in South Africa. The recommendations from the summit include that:

- a guaranteed minimum programme content per week should be allocated to all official languages during peak viewing time to ensure the diversity of broadcasts
- structures should be developed in the SABC via which the public can submit their views on broadcast content
- broadcasting in multicultural and multilingual television services should be available to all citizens and in all languages, to contribute to unity.

In addition to creating a policy framework for promoting South African content and production in the broadcasting system, the department resolved to create a policy framework for equal coverage of the country's currently marginalised official languages and the coverage of regional issues. The SABC Ltd has submitted its application to ICASA for a licence to launch regional language television services. Government is currently working on a funding model for the regional TV services. The Department of Communications is busy exploring the possibility of private involvement in setting up regional television broadcasting services. The department expects that the rolling out phase of the regional language television services will be implemented in early 2006/07.



## E-strategy

A departmental task team is currently finalising an e-strategy, which will be ready to be adopted in late 2005. The strategy covers all elements of electronic accessibility, including the government portals (e-health, e-government, e-education and e-cities), for which it will develop a framework and practical methods for making sure that they are all integrated and function properly. The strategy also includes human resources deployment and job-creation.

## Multimedia services

The department, working with Government Communication and Information Service (GCIS), the Department of Trade and Industry and other stakeholders, commissioned research on the advertising and marketing industry in South Africa. The objective was to analyse advertising expenditure, and to determine total media spending by government and the private sector. The results indicate that media achieved an annual growth rate of 13,5 per cent in advertising. This comprises radio and newspaper growth rates of 13,9 per cent and 12,7 per cent respectively, while television advertising grew by 17,4 per cent and magazines only at 3,8 per cent. The department will consider these results and the report will then be presented to Parliament for hearings.

## Selected medium-term output targets

### Policy Unit

**Measurable objective:** Promote investment and rollout of infrastructure and services in the ICT sector by continuously developing, reviewing and implementing ICT policies.

Subprogramme	Output	Measure/Indicator	Target
Telecommunications Policy	Policy framework which will address an infrastructure map (telecommunications, postal and multi-media) of South African ICTs and population distribution on the use of ICTs	Approved policy document	November 2005
	National e-strategy	Fully developed and approved national e-strategy framework	September 2008
	Policy strategy to ensure that all operators have access to ICT networks and information services at affordable costs and lowering the cost of doing business	Research and benchmarking of ICT costs	September 2005
Postal Policy	Policy framework for postal services that addresses regulatory issues and provides greater consumer and social benefits, as well as lowering costs and promoting competition	Approved policy document	September 2008

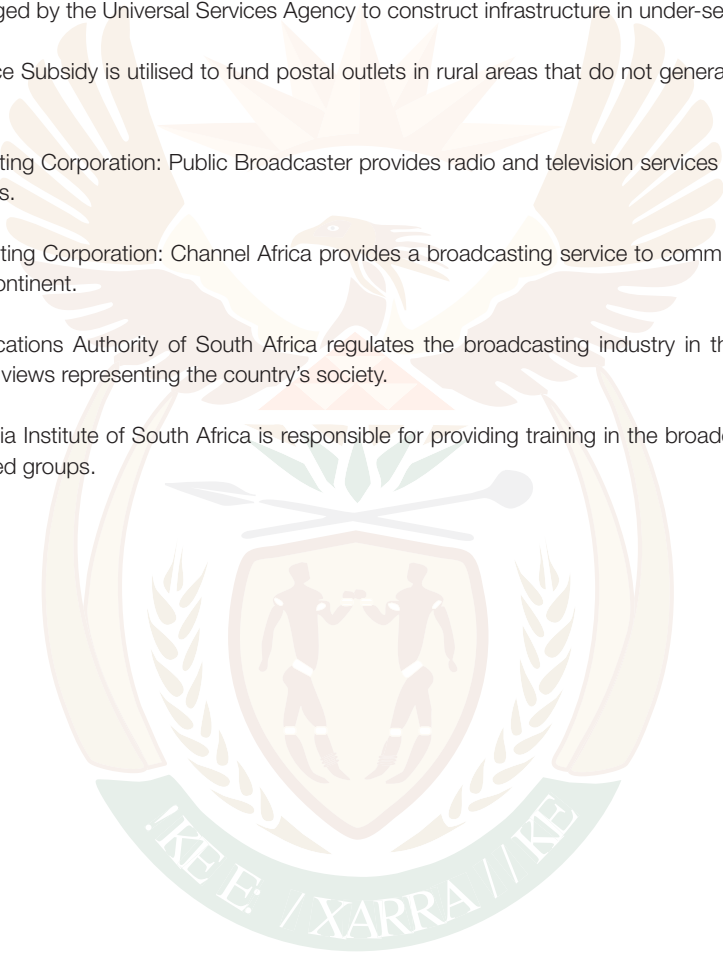
Subprogramme	Output	Measure/Indicator	Target
Multimedia Policy	Convergence Bill	Approved convergence policy which will address the convergence of broadcasting and telecommunications technologies	June 2006
	Digital migration policy framework to facilitate the introduction of new diverse digital services	Approved policy document	September 2008
IT Policy	Broadband policy framework that will facilitate the introduction of more advanced communications services	Approved policy document	September 2008
	Policy framework to support job-creation, SMMEs, education and health through ICTs	Approved policy framework	September 2008
Economic Modelling	Comprehensive research and impact analysis on the use of ICTs	Finalised research	November 2006

## Programme 4: Finance and Shareholder Management

Finance and Shareholder Management comprises two domains, finance and shareholder management. The finance side is responsible for the overall internal financial management system and processes to ensure proper maintenance and effective use of the organisation's resources. This includes asset and supply chain management. The shareholder management side is responsible for executing shareholder responsibilities such as drafting shareholder compacts as well as controlling the transfers to portfolio organisations. This will include providing a framework for restructuring state-owned entities in the department's portfolio, and monitoring and evaluating the entities' performance in achieving government's targets.

There are eight subprogrammes:

- Financial Management provides overall financial management services to the department.
- Universal Services Agency promotes the goal of universal services.
- Universal Fund is managed by the Universal Services Agency to construct infrastructure in under-served areas.
- South African Post Office Subsidy is utilised to fund postal outlets in rural areas that do not generate sufficient revenue to cover their expenses.
- South African Broadcasting Corporation: Public Broadcaster provides radio and television services including the broadcasting of educational programmes.
- South African Broadcasting Corporation: Channel Africa provides a broadcasting service to communicate South Africa's foreign policies to the African continent.
- Independent Communications Authority of South Africa regulates the broadcasting industry in the public's interest to ensure fairness and diversity of views representing the country's society.
- National Electronic Media Institute of South Africa is responsible for providing training in the broadcasting industry, especially to historically disadvantaged groups.



## Expenditure estimates

Table 26.6: Finance and Shareholder Management

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Financial Management	22 529	26 059	34 961	35 589	37 753	40 800	42 942
Universal Service Agency	10 205	10 711	14 211	15 884	17 500	20 100	21 105
Universal Services Fund	22 486	23 679	24 745	26 230	29 400	31 164	32 722
South African Post Office Subsidy	600 000	300 000	300 000	300 000	300 000	318 000	333 900
South African Post Office Recapitalisation	–	–	–	750 000	–	–	–
South African Broadcasting Corporation : Public Broadcaster	92 361	42 930	84 717	47 400	150 455	203 482	206 156
South African Broadcasting Corporation: Channel Africa	26 743	26 450	26 288	27 865	29 616	31 393	32 962
Independent Communications Authority of South Africa	117 260	148 729	138 350	186 928	144 489	159 738	172 475
National Electronic Media Institute of South Africa	12 642	13 203	15 153	16 878	18 163	19 199	20 158
Sentech	–	54 000	–	–	–	–	–
<b>Total</b>	<b>904 226</b>	<b>645 761</b>	<b>638 425</b>	<b>1 406 774</b>	<b>727 376</b>	<b>823 876</b>	<b>862 420</b>
Change to 2004 Budget estimate				762 909	58 745	110 930	113 827

## Economic classification

<b>Current payments</b>	<b>21 783</b>	<b>25 343</b>	<b>34 619</b>	<b>34 646</b>	<b>36 683</b>	<b>39 580</b>	<b>41 661</b>
Compensation of employees	7 784	8 278	9 769	11 301	12 095	12 665	13 749
Goods and services	13 999	17 000	24 850	23 345	24 588	26 915	27 912
of which:							
Consultants and contractors	3 787	1 354	7 908	5 962	6 236	6 729	7 082
Travel and subsistence	1 286	1 827	1 690	1 747	1 834	1 979	2 083
Communication	981	189	828	809	734	910	958
Inventory	417	549	581	595	733	792	833
Leases and rentals	4 017	4 841	6 079	5 749	5 869	6 333	6 666
Professional bodies and membership fees	–	3	–	–	–	–	–
Financial transactions in assets and liabilities	–	65	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>881 851</b>	<b>619 717</b>	<b>603 546</b>	<b>1 371 223</b>	<b>689 656</b>	<b>783 118</b>	<b>819 522</b>
Provinces and municipalities	154	10	82	38	33	42	44
Departmental agencies and accounts	149 951	183 119	177 306	229 042	191 389	211 002	226 302
Public corporations and private enterprises	719 104	423 380	411 005	1 125 265	480 071	552 875	573 018
Non-profit institutions	12 642	13 203	15 153	16 878	18 163	19 199	20 158
Households	–	5	–	–	–	–	–
<b>Payments for capital assets</b>	<b>592</b>	<b>701</b>	<b>260</b>	<b>905</b>	<b>1 037</b>	<b>1 178</b>	<b>1 237</b>
Machinery and equipment	592	701	260	905	1 037	1 178	1 237
<b>Total</b>	<b>904 226</b>	<b>645 761</b>	<b>638 425</b>	<b>1 406 774</b>	<b>727 376</b>	<b>823 876</b>	<b>862 420</b>

## Details of transfers and subsidies:

<b>Departmental agencies and accounts</b>							
<b>Current</b>	<b>149 951</b>	<b>183 119</b>	<b>177 306</b>	<b>229 042</b>	<b>191 389</b>	<b>211 002</b>	<b>226 302</b>
Universal Service Agency	10 205	10 711	14 211	15 884	17 500	20 100	21 105
Universal Service Fund	22 486	23 679	24 745	26 230	29 400	31 164	32 722
Independent Communications Authority of South Africa	117 260	148 729	138 350	186 928	144 489	159 738	172 475
<b>Total departmental agencies and accounts</b>	<b>149 951</b>	<b>183 119</b>	<b>177 306</b>	<b>229 042</b>	<b>191 389</b>	<b>211 002</b>	<b>226 302</b>

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Subsidies on production</b>							
<b>Current</b>	<b>600 000</b>	<b>300 000</b>	<b>300 000</b>	<b>300 000</b>	<b>300 000</b>	<b>318 000</b>	<b>333 900</b>
South African Post Office: Subsidy	600 000	300 000	300 000	300 000	300 000	318 000	333 900
<b>Other transfers</b>							
<b>Current</b>	<b>119 104</b>	<b>69 380</b>	<b>111 005</b>	<b>825 265</b>	<b>180 071</b>	<b>234 875</b>	<b>239 118</b>
South African Broadcasting Corporation: Public Broadcaster	92 361	42 930	84 717	47 400	150 455	203 482	206 156
South African Broadcasting Corporation: Channel Africa	26 743	26 450	26 288	27 865	29 616	31 393	32 962
South African Post Office: Recapitalisation	–	–	–	750 000	–	–	–
<b>Capital</b>	<b>–</b>	<b>54 000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Sentech	–	54 000	–	–	–	–	–
<b>Total public corporations and private enterprises</b>	<b>719 104</b>	<b>423 380</b>	<b>411 005</b>	<b>1 125 265</b>	<b>480 071</b>	<b>552 875</b>	<b>573 018</b>
<b>Non-profit institutions</b>							
<b>Current</b>	<b>12 642</b>	<b>13 203</b>	<b>15 153</b>	<b>16 878</b>	<b>18 163</b>	<b>19 199</b>	<b>20 158</b>
National Electronic Media Institute of South Africa	12 642	13 203	15 153	16 878	18 163	19 199	20 158
<b>Total non-profit institutions</b>	<b>12 642</b>	<b>13 203</b>	<b>15 153</b>	<b>16 878</b>	<b>18 163</b>	<b>19 199</b>	<b>20 158</b>

## Expenditure trends

The bulk of the department's expenditure flows through this programme, as it funds the department's transfer payments, which in turn make up most of the programme's expenditure. The programme's expenditure trends track that of the department.

The 2005 Budget set out additional allocations of R100 million for 2005/06, R150 million for 2006/07 and R150 million for 2007/08, for the SABC, to enable it to start implementing its broadcasting modernisation and IT plan, which includes the migration from an analogue to a digital technology platform.

Additional allocations of R5 million for 2006/07 and R10 million for 2007/08 were made for ICASA.

## Service delivery objectives and indicators

### Recent outputs

#### Supply change management

The Finance Management subprogramme has established a supply chain management system as prescribed by the Public Finance Management Act (1999) (PFMA). This also entails the implementation of related policies.

#### Under-serviced areas

The Minister of Communications has approved four under-serviced area licences for telecommunication companies that will roll out infrastructure in rural areas. These companies have members of their communities as shareholders. The Universal Service Agency will fund each of these companies from the Universal Service Fund at R5 million per year for three years. The agency will monitor their compliance with the licence conditions. An additional 27 under-serviced area licences will be issued in the next MTEF period, all at nodal points that have been identified by the President as needing development.

#### Post Office

Together with National Treasury, the department has finalised a restructuring strategy for the Post Office. This involves the corporatisation of the Postbank as a stand-alone entity with its own board and executive management. A memorandum of understanding between the Minister of Communications and the Minister of Finance is ready for signature. It spells out the process for corporatising the Postbank as well as how the R750 million for the recapitalisation of the Post Office will be used.

A successful campaign to promote a culture of saving was launched in 2004. The number of new Postbank accounts increased at an average of 51 000 a month compared to 47 000 a month in 2003/04. The total number of Postbank accounts was 3,2 million at the end of November 2004, a 22,2 per cent increase from November 2003.

The Post Office has been positioned to play a leading role in providing electronic communications services through mechanisms such as the public internet terminals (PiTs) and Citizens' Post Offices (CPOs). There are currently 14 CPOs operating in various parts of the country. So far, 700 PiTs have been rolled out in post offices and multipurpose community centres. The second phase will include a billing service to ensure that PiTs become self-sufficient. Billing will not apply to free e-mails and government websites.

A framework for the national address system has been developed. As part of the framework, a pilot project was completed in the village of Garasai in North West province. The entire community received street addresses. A further project is taking place in rural Eastern Cape.

### **Channel Africa**

Channel Africa is currently broadcasting 24 hours a day, which resulted in viewership increase of more than 5 per cent during the year. The station is now broadcasting on a satellite platform.

### **Independent Communications Authority of South Africa**

In pursuit of liberalising the broadcasting industry, ICASA completed several key broadcasting policies, which include:

- the review of ownership and control of broadcasting services and existing commercial sound broadcasting licences
- policy and regulations on sports broadcasting rights, including a list of national sporting events for broadcasting on free-to-air television
- a policy and licensing framework for public regional television (ICASA is currently considering the SABC's application for two regional television stations)
- the code of conduct for broadcasting services.

In addition to these policy developments, ICASA also: renewed the SABC's radio and television licences; renewed the commercial radio licences of YFM, Cape Talk, Jacaranda FM, Kaya FM, P4 Cape Town and Classic FM; published a discussion paper that will develop a policy and licensing framework for subscription broadcasting; began considering amendments to all SABC radio and television licences; and proposed amendments to M-Net's broadcasting licence. ICASA also completed the licensing of four-year community broadcasting applicants in Gauteng.

### **National Electronic Media Institute of South Africa**

Out of 88 students who graduated from the National Electronic Media Institute (NEMISA) 90 per cent have been absorbed into the industry. NEMISA also conducted a radio training project, which focused on community radio stations providing independent coverage of the 2004 national elections. At the same time, the project focused on informing and educating communities about the importance of elections and the voting process. NEMISA also designed internet portals, in the 11 official languages, which provide contemporary information on health, education, SMMEs and agriculture.

## Selected medium-term output targets

### Finance and Shareholder Management

<b>Measurable objective:</b> Develop and implement policies and best practices in order to provide overall financial and supply chain management to the department, and to manage shareholding in and improve governance of public entities.			
<b>Subprogramme:</b>	<b>Output</b>	<b>Measure/Indicator</b>	<b>Target</b>
Financial Management	Efficient management of the department's finances Improved shareholding of state-owned entities	Unqualified audit reports and no unauthorised expenditures Annual improvement of financial status and governance of entities	Annually Annually
Universal Service Agency and Universal Fund	Increased teledensity (the proportion of households with a phone) Access to telecommunication facilities	Rate of teledensity Percentage of eligible people and small businesses provided with telecommunication services	Raise average teledensity in South Africa from 10 % to 20% by December 2005 10% increase in the number of people assisted by the end of 2005/06
South African Broadcasting Corporation: Public Broadcaster	Educational programmes	Number of educational programmes of local content and acceptable to the public	4 educational programmes per year
South African Broadcasting Corporation: Channel Africa	External broadcasting services to promote South Africa's image internationally	Increase in the proportion of external viewers	Increase of 5% in external viewership per year
Independent Communications Authority of South Africa	Well regulated broadcasting and telecommunications sectors	Number of licences issued to provide telecommunication services Frequency of compliance review and renewal of broadcasting licences Number of broadcasting licences reissued per year	3 telecommunication licences annually Every 4 years for community radio stations Every 8 years for commercial radio stations
National Electronic Media Institute of South Africa	Trained individuals in multimedia, ICT, webcasting and traditional broadcasting	Increase in number of individuals trained	10% increase every year

## Programme 5: Innovative Applications and Research

Innovative Applications and Research is responsible for managing knowledge and applications for improving service delivery through ICT projects that build capacity for a sustainable ICT sector.

There are six subprogrammes:

- The Applications and Research subprogramme is responsible for: technology research and analysis; applications and content development; analysing the legal environment to promote infrastructure technologies; and managing the usage of the spectrum.
- The African Advanced Institute for ICT will research and develop ICT applications that will benefit all citizens.
- The 112 Emergency Call Centre provides a single national emergency number, from which all emergency calls will be rerouted to the most suitable local response unit.
- The .za Domain Name Authority is responsible for administering and managing the .za domain name space.
- The Community Radio Stations establishes community radio stations and makes fiscal transfers to these.
- The SABC: Programme Production subprogramme produces local content on issues relating to youth, women, children, the disabled, and HIV and Aids for commercial and community radio stations.

## Expenditure estimates

Table 26.7: Innovative Applications and Research

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Applications and Research	59 481	45 498	48 128	69 662	17 282	18 800	19 845
African Advanced Institute for ICT	–	–	8 262	13 000	7 000	–	–
112 Emergency Call Centre	–	36 710	12 887	1 000	21 200	22 472	23 596
.za Domain Name Authority	–	–	–	1 500	1 500	1 500	1 500
South African Broadcasting Corporation : Community Radio Stations	14 858	5 459	1 964	16 576	10 255	10 870	11 412
South African Broadcasting Corporation: Programme Production	24 400	30 039	25 800	28 500	31 000	33 200	34 860
<b>Total</b>	<b>98 739</b>	<b>117 706</b>	<b>97 041</b>	<b>130 238</b>	<b>88 237</b>	<b>86 842</b>	<b>91 213</b>
Change to 2004 Budget estimate				47 072	41 255	44 070	46 302
<b>Economic classification</b>							
<b>Current payments</b>	<b>34 249</b>	<b>36 109</b>	<b>47 438</b>	<b>67 805</b>	<b>34 948</b>	<b>37 162</b>	<b>39 126</b>
Compensation of employees	10 544	10 961	11 202	15 076	6 428	6 776	7 246
Goods and services	23 705	25 148	36 236	52 729	28 520	30 386	31 880
of which:							
Consultants and contractors	3 349	6 635	17 715	33 473	19 329	20 659	21 707
Travel and subsistence	3 393	5 086	6 290	4 268	2 446	2 614	2 747
Communication	904	11	2 507	2 473	1 578	1 686	1 772
Inventory	929	1 425	523	253	146	156	164
Leases and rentals	2 338	644	2 985	5 095	2 958	3 162	3 322
Professional bodies and membership fees	–	275	171	185	107	114	120
<b>Transfers and subsidies to:</b>	<b>45 458</b>	<b>35 521</b>	<b>36 061</b>	<b>59 606</b>	<b>52 771</b>	<b>49 091</b>	<b>51 469</b>
Provinces and municipalities	–	13	35	30	16	21	22
Universities and technikons	6 200	–	–	–	–	–	–
Public corporations and private enterprises	39 258	35 498	36 026	59 576	52 755	49 070	51 447
Households	–	10	–	–	–	–	–
<b>Payments for capital assets</b>	<b>19 032</b>	<b>46 076</b>	<b>13 542</b>	<b>2 827</b>	<b>518</b>	<b>589</b>	<b>618</b>
Machinery and equipment	19 032	46 076	13 542	2 827	518	589	618
<b>Total</b>	<b>98 739</b>	<b>117 706</b>	<b>97 041</b>	<b>130 238</b>	<b>88 237</b>	<b>86 842</b>	<b>91 213</b>
<b>Details of transfers and subsidies:</b>							
<b>Universities and technikons</b>							
Current	6 200	–	–	–	–	–	–
University of Stellenbosch	6 200	–	–	–	–	–	–
<b>Total universities and technikons</b>	<b>6 200</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	<b>39 258</b>	<b>35 498</b>	<b>36 026</b>	<b>59 576</b>	<b>52 755</b>	<b>49 070</b>	<b>51 447</b>
African Advanced Institute for ICT	–	–	8 262	13 000	7 000	–	–
Multipurpose Community Centre	–	–	–	–	3 000	3 500	3 675
.za Domain Name Authority	–	–	–	1 500	1 500	1 500	1 500
South African Broadcasting Corporation : Community Radio Stations	14 858	5 459	1 964	16 576	10 255	10 870	11 412
South African Broadcasting Corporation: Programme Production	24 400	30 039	25 800	28 500	31 000	33 200	34 860
<b>Total public corporations and private</b>	<b>39 258</b>	<b>35 498</b>	<b>36 026</b>	<b>59 576</b>	<b>52 755</b>	<b>49 070</b>	<b>51 447</b>

## Expenditure trends

Expenditure on the programme shows no consistent trend, and in general is driven by allocations for specific functions and systems.

The Emergency 112 Call Centre saw significant expenditure in 2002/03 and a further allocation in 2003/04, to fund its development. Over the next three years, further allocations are made, peaking at R23,6 million in 2007/08 for the final stage of the infrastructure rollout. Funds were also provided in 2003/04 for a feasibility study into the establishment of an advanced institute for ICT.

## Service delivery objectives and indicators

### Recent outputs

#### Applications and research

The unit has established statistics and benchmarking indicators for the communications sector. It has recently developed a corporate geographic information system to provide a spatial map of the provinces, indicating related infrastructure such as schools, post offices, public internet terminals and community density.

#### The African Advanced Institute for ICT

In 2004, the African Advanced Institute for ICT (AAICT) developed the national accessibility portal demonstrator in collaboration with the CSIR that is aimed at providing people with disabilities access to information and services via the internet and intermediaries. The institute is also involved in a joint research and development programme with a Senegalese mobile operator, Manobi, to develop applications for SMMEs, especially in the agricultural sector.

#### 112 Emergency Call Centre

The 112 Emergency Call Centre is currently operational in the Western Cape province, which has been taking approximately 35 000 emergency calls from the public and directing these to the South African Police Services and provincial medical services. The department expects to roll out services across all provinces within the 2005 MTEF period.

#### .za Naming Authority

The Internet Corporation for Assigned Names and Numbers (ICANN) has re-delegated the responsibility for the .za domain name space to the .za Domain Name Authority. Registering and establishing internet websites will now be easier and will increase the commercial use of the internet. The registration of the authority as a public entity is under way.

#### SABC community radio stations

The community and development cluster within the multimedia unit has successfully equipped 37 four-year licensed community radio stations and 6 non-broadcasting institutions to provide training. Included in the licensed stations are broadcasting hubs for the production of local content programming. Further, the department has purchased equipment earmarked for allocation to seven stations in Gauteng and Western Cape.



### SABC programme production

In 2004, the unit signed contracts with 50 community radio stations committing them to produce and flight community radio programmes, in the following community programming areas: Children, Women, Disability, Health (HIV and Aids and other communicable diseases) as well as crime prevention.

### Selected medium-term output targets

#### Innovative Applications and Research

**Measurable objective:** Build capacity for a sustainable ICT sector in order to improve the delivery of services by implementing and managing knowledge-based ICT projects.

Subprogramme	Output	Measure/Indicator	Target
Applications and Research	Policy to initiate South Africa's convergence process	Approved policy to manage convergence process and to analyse convergence technologies	December 2005
	Regional broadcasting services	Number of regional channels	Two regional channels established by December 2007
	ICT applications for e-government	Percentage of municipalities adopting e-government applications	50% of municipalities adopting e-applications by December 2006
African Advanced Institute for ICT	Institute that focuses on studying, researching and developing ICT that benefits citizens equitably	Institute fully functional	March 2007
112 Emergency Call Centre	A national emergency call centre	Established, fully operational call centre	December 2005
.za Domain Name Authority	A non-profit organisation that will assume responsibility for the .za domain name	Established, fully operational administrator	March 2006
South African Broadcasting Corporation: Community Radio Stations	Functional community radio stations	Increase in number of community radio stations established and maintained	5% increase by December 2006
South African Broadcasting Corporation: Programme Production	Producing awareness programmes for women, youth, children and the disabled, and on HIV and Aids	Increase in number of radio programmes produced and broadcasted	Five programme productions per annum

### Programme 6: Presidential National Commission

In his State of the Nation address in 2000, the president established the Presidential National Commission on Information Society and Development. The commission was tasked to advise on the establishment of a government policy framework on ICT on strategies to bridge the digital divide. Further, the commission will investigate government ICT strategies for developing and supporting ICT-related SMMEs and for encouraging SMMEs to use ICT.

Expenditure estimates

**Table 26.8: Presidential National Commission**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Policy Planning and Foresight	–	9 325	8 653	8 288	11 384	12 301	12 947
Policy Co-ordination and Integration	–	–	–	–	12 807	13 839	14 566
Policy Evaluation and Impact Assessment	–	–	–	–	4 269	4 613	4 855
<b>Total</b>	<b>–</b>	<b>9 325</b>	<b>8 653</b>	<b>8 288</b>	<b>28 460</b>	<b>30 753</b>	<b>32 368</b>
Change to 2004 Budget estimate				(1)	–	–	77

<b>Economic classification</b>							
<b>Current payments</b>	–	<b>8 176</b>	<b>8 149</b>	<b>7 903</b>	<b>27 659</b>	<b>29 838</b>	<b>31 407</b>
Compensation of employees	–	2 558	3 087	3 036	10 647	11 638	12 249
Goods and services	–	5 618	5 062	4 867	17 012	18 200	19 158
of which:							
Consultants and contractors	–	80	1 513	1 350	4 702	5 075	5 339
Travel and subsistence	–	424	1 382	1 284	4 425	4 774	5 025
Communication	–	2	255	305	1 106	1 196	1 256
Inventory	–	13	461	369	1 383	1 496	1 570
Leases and rentals	–	1 342	–	–	–	–	–
Professional bodies and membership fees	–	–	1	2	7	8	8
<b>Transfers and subsidies to:</b>	–	<b>3</b>	<b>9</b>	<b>15</b>	<b>23</b>	<b>31</b>	<b>33</b>
Provinces and municipalities	–	3	9	15	23	31	33
<b>Payments for capital assets</b>	–	<b>1 146</b>	<b>495</b>	<b>370</b>	<b>778</b>	<b>884</b>	<b>928</b>
Machinery and equipment	–	1 146	495	370	778	884	928
<b>Total</b>	–	<b>9 325</b>	<b>8 653</b>	<b>8 288</b>	<b>28 460</b>	<b>30 753</b>	<b>32 368</b>

## Expenditure trends

The Presidential National Commission (PNC) was created in 2002/03 and funded at R9,3 million. The funds were used for conducting provincial workshops and consultative forums to engage the public in finding ways to use ICT in promoting education, health and SMMEs. Expenditure is expected to triple in 2005/06, and then increase steadily. The increased expenditure will fund two new subprogrammes, and will see matching increases in expenditure on the compensation of employees, travel and subsistence, and consultants and contractors.

## Service delivery objectives and indicators

### Recent outputs

The Presidential National Commission (PNC) has been engaged in a number of international and national activities to recommend strategies to bridge the digital divide.

It was involved in the first phase of the World Summit on Information Society in December 2003, which adopted a number of guiding principles for creating an equitable information society based on shared knowledge. These principles were translated by the PNC into a plan of action that would aim to achieve the internationally agreed developmental goal of eradicating poverty by promoting the use of ICT-based products, networks, services and applications, and to help countries overcome the digital divide.

Consultative forums were conducted on how to increase government's capacity to improve service delivery using ICT, as well as on the role of ICT in governance, education, health and SMMEs. The Department of Education has since advanced substantially with the publication of the draft policy on e-education. The PNC commissioned research on SMMEs, e-literacy and open source software, which will be published by the first quarter of 2005. Further, the results of an ongoing preliminary study investigating the status of ICT in different government departments will be released early in 2005.

## Selected medium-term output targets

### Presidential National Commission

**Measurable objective:** Co-ordinate and assess the impact of government ICT policies and programmes on the different spheres of government, and provide strategies to bridge the digital divide and define an information society for the country with clear targets and milestones.

Subprogramme	Output	Measure/Indicator	Target
Policy Planning and Foresight	Document integrating ICT policy into country's development plans	Approved document	December 2005
Policy Co-ordination and Integration	Programmes at national level Integrated to programmes at provincial level	Percentage increase in number of integrated programmes	10% increase
Policy Evaluation and Impact Assessment	Report on the impact of ICT policies and initiatives	Annual review	5 assessments per annum 2005 first report by December 2006

## Public entities reporting to the Minister

### 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 in the country by the Postal Services Act (1998). This Act makes provision for the regulation of postal services and operational functions of the postal company, including universal service obligations. It also makes provision for the Postbank and national savings certificates.

SAPO has undergone a series of processes that are gradually transforming the organisation into a dynamic, reliable and profit making service provider. These processes include cost-cutting measures, adoption of new technologies, involvement in e-commerce and improving efficiency of the mail delivery system. Success of these turnaround strategies is evident in the decrease in time to deliver mail. SAPO's operating profits have increased by R229,7 million which resulted in the net loss of R74,7 million for the 2003/04 financial year, as compared to the R127,5 million loss for the previous financial year. The deficit is expected to decrease further, by approximately 60 per cent, at the end of the 2004/2005 financial year.

The Government subsidy to the Post Office (which was terminated in 2000) was re-introduced in 2002/03 at a level of R300 million per annum. The subsidy is allocated to the Post Office to fund postal outlets, especially in the rural areas, that do not generate adequate revenue in relation to their expenses. A further R750 million was provided in 2004/05 to reimburse the Postbank for depositors' funds that the Post Office utilised to fund its operations during its loss making years. The transfer of the funds, which have been rolled over from the previous financial year, is subject to conditions stipulated in a Memorandum of Understanding between the Minister of Communications and the Minister of Finance, which effectively endorses SAPO's restructuring strategy, which includes the functioning of the Post Office and the Postbank as separate business units.

The financial summary below outlines some important features of the business of SAPO.

- Compensation of employees and benefits is showing a declining trend as a result of ongoing staff reduction initiatives, in line with streamlining of processes. Provision for Medical Aid for retired employees has been reduced as from 2004/05, with the intention of phasing it out, resulting in a decrease in the post retirement benefits. This has also resulted in the reduction of reserves earmarked for discharging the post retirement liability of the company.
- Goods and services consist mainly of transportation of mail, which is increasing in line with the projected increase in mail revenue, as well as building maintenance costs on the ageing retail infrastructure.
- Capital expenditure mainly represents investment in new technology and retail infrastructure, the bulk of which will be acquired in the 2005/06 and 2006/07 period. Projects in the pipeline include network upgrade and enhanced banking technology for the Postbank.
- Trade and other payables are increasing due to the further expansion in the business and extension of the range of products offered by the Post Office, which involves an increase in operational expenses commensurate with corresponding increases in revenue.
- Cash and cash equivalents is high because SAPO holds substantial money market instruments to ensure sufficient liquidity for cash demands that may be made by the Postbank depositors.

**Table 26.9: Financial summary for the South African Post Office (SAPO)**

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>INCOME STATEMENT SUMMARY</b>							
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>2 837 352</b>	<b>3 677 089</b>	<b>3 881 192</b>	<b>4 005 031</b>	<b>4 278 487</b>	<b>4 726 774</b>	<b>5 231 221</b>
Sales of postal goods and services	2 832 038	3 636 770	3 840 726	3 960 519	4 227 298	4 665 346	5 163 651
Interest	5 314	40 319	40 466	44 513	51 189	61 427	67 570
<b>Transfers received<sup>1</sup></b>	<b>600 000</b>	<b>207 000</b>	<b>300 000</b>	<b>1 050 000</b>	<b>318 500</b>	<b>319 800</b>	<b>320 790</b>
<b>Sale of capital assets</b>	<b>22 017</b>	<b>11 392</b>	<b>2 727</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total revenue</b>	<b>3 459 369</b>	<b>3 895 481</b>	<b>4 183 919</b>	<b>5 055 031</b>	<b>4 596 987</b>	<b>5 046 574</b>	<b>5 552 011</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>4 146 796</b>	<b>4 022 957</b>	<b>4 258 642</b>	<b>4 334 290</b>	<b>4 386 686</b>	<b>4 712 150</b>	<b>5 049 066</b>
Compensation of employees	2 503 407	2 735 089	2 602 299	2 587 234	2 522 362	2 505 340	2 678 698
Goods and services	1 288 543	916 124	1 295 281	1 293 313	1 390 886	1 696 940	1 819 559
Depreciation	186 141	170 197	152 489	231 524	233 441	248 934	265 205
Interest	168 705	201 547	208 573	222 219	239 997	260 936	285 604
<b>Total expenses</b>	<b>4 146 796</b>	<b>4 022 957</b>	<b>4 258 642</b>	<b>4 334 290</b>	<b>4 386 686</b>	<b>4 712 150</b>	<b>5 049 066</b>
<b>Surplus / (Deficit)</b>	<b>(687 427)</b>	<b>(127 476)</b>	<b>(74 723)</b>	<b>720 741</b>	<b>210 301</b>	<b>334 424</b>	<b>502 945</b>

1. Excludes capital transfers recorded directly on the balance sheet.

	Outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Audited				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>BALANCE SHEET SUMMARY</b>							
Carrying value of assets	1 093 088	928 683	847 767	1 000 083	1 265 371	1 216 143	1 150 731
<i>of which: Acquisition of assets</i>	<i>88 195</i>	<i>62 755</i>	<i>72 225</i>	<i>411 884</i>	<i>499 417</i>	<i>200 291</i>	<i>200 291</i>
Long-term investments	32 877	39 466	73 957	38 944	39 723	40 517	41 733
Inventory	–	84 321	90 054	–	–	–	–
Receivables and prepayments	458 387	381 140	507 074	428 540	428 896	427 451	436 079
Cash and cash equivalents	770 905	966 346	1 536 666	2 713 294	3 261 540	3 804 836	4 387 402
<b>Total assets</b>	<b>2 355 257</b>	<b>2 399 956</b>	<b>3 055 518</b>	<b>4 180 861</b>	<b>4 995 530</b>	<b>5 488 947</b>	<b>6 015 945</b>
Capital and reserves	(665 634)	(1 440 297)	(1 515 020)	(199 583)	443 674	558 747	753 211
Borrowings	–	–	2 143	–	–	–	–
Post retirement benefits	696 947	996 847	1 229 494	950 000	750 000	750 000	750 000
Trade and other payables	2 113 045	2 290 615	3 022 746	3 298 700	3 673 960	4 059 506	4 404 972
Provisions	210 899	552 791	316 155	131 744	127 896	120 694	107 762
<b>Total equity and liabilities</b>	<b>2 355 257</b>	<b>2 399 956</b>	<b>3 055 518</b>	<b>4 180 861</b>	<b>4 995 530</b>	<b>5 488 947</b>	<b>6 015 945</b>

Data provided by the South African Post Office

## Telkom SA Ltd

Telkom SA Ltd is a government business enterprise established in terms of section 3 of the Post Office Act (1958). However, in October 1991, the promulgation of the Post Office Amendment Act (1991) ensured the separation of the telecommunications from postal services. The main objective of Telkom is to provide fixed line telephone services to the South African public.

Telkom has three operating licences: public switched telecommunications, transmission of radio frequencies and value-added network services. In exchange for these, it has to meet rollout and service quality targets. These include new exchange lines, new lines for priority customers such as hospitals, schools, local authorities and village communities without an exchange, as well as the upgrade to digital lines.

Government sold part of its stake in Telkom through an initial public offering on the Johannesburg and New York Stock Exchanges on 4 March 2003. Government is currently still the majority shareholder, owning 38,3 per cent of Telkom shares. Thintana Communications LLC, which is a consortium of SBC Communications Inc. and Telekom Malaysia Berhad, owns another 15,1 per cent of the shares, while minority shareholders own the remaining 46,6 per cent.

## 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 the country. As provided for in the Broadcasting Amendment Act (64 of 2002), the SABC has been incorporated into a limited liability company with two operational divisions: public broadcasting services and commercial broadcasting services with effect from 1 October 2004.

The SABC is the country's national public service broadcaster. It operates 17 radio stations to a daily listener group of 19 million, while its three free-to-air television channels have a daily viewership of 18 million. The operations of the corporation 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 true South African expression by providing a wide range of programming in the official languages so that these reflect South African attitudes, opinions, ideas, values and artistic creativity. There should also be a variety of programmes reflecting local talent.

The SABC has made significant strides in addressing its universal service obligations. In 1999, some 5 million people, mostly those living in rural areas, could not receive radio or television signals. The department and the SABC committed themselves to halving this number by 2003. This target has been reached, with radio now reaching an additional 4,8 million people. A further 2 million people are now able to receive a television signal. Other highlights include contracts secured for the Olympic Games in 2008, the 2006 soccer world cup, and the 2007 rugby world cup.

Going forward, the SABC is embarking on a vigorous technology upgrade, which entails mainly migration from the outdated analogue system to a modern world-class digital broadcasting system. This upgrade involves revamping television production studios, control centres, and radio facilities and in the process digital satellite news gathering units, electronic news gathering units, and digital wireless cameras will be introduced. The upgrade will cost approximately R1,2 billion, about 60 per cent of which will be funded by government. Of this amount, R400 million will be allocated over the MTEF.

The organisation has also managed to curb costs by negotiating that medical aid for retired employees be restricted as from 2004/05, with the intention of phasing it out. This results in a decrease in the post retirement benefits as well as reserves earmarked to discharge this liability.

The SABC has four main revenue sources, namely, commercial revenue (including sponsorships), licence revenue, government grants and other income, which includes rights sales. Sponsorship income increased by 80 per cent in 2003/04, mainly from the SABC Education programmes.

The SABC will receive R50,5 million in 2005/06, R53,5 million in 2006/07 and R56,2 million in 2007/08 for broadcasting educational programmes and a further R100 million, R150 million and R150 million will be provided over the same period for the broadcasting and IT upgrade.

**Table 26.10: Financial summary for the South African Broadcasting Corporation (SABC)**

	Outcome				Medium-term estimate		
	Audited	Audited	Audited	Estimated outcome			
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>INCOME STATEMENT SUMMARY</b>							
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>2 228 848</b>	<b>2 442 588</b>	<b>2 712 383</b>	<b>3 004 041</b>	<b>3 198 264</b>	<b>3 439 127</b>	<b>3 690 864</b>
Advertising	1 345 260	1 534 424	1 778 733	2 006 322	2 183 464	2 437 841	2 622 914
Licence fees	351 935	361 007	395 287	426 721	502 000	527 100	553 455
Interest	54 328	54 805	29 848	13 018	—	—	—
Other non-tax revenue	477 325	492 352	508 515	557 980	512 800	474 186	514 495
<b>Transfers received</b>	<b>60 930</b>	<b>64 285</b>	<b>75 607</b>	<b>47 400</b>	<b>150 455</b>	<b>203 482</b>	<b>206 156</b>
<b>Total revenue</b>	<b>2 289 778</b>	<b>2 506 873</b>	<b>2 787 990</b>	<b>3 051 441</b>	<b>3 348 719</b>	<b>3 642 609</b>	<b>3 897 020</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>2 285 316</b>	<b>2 654 914</b>	<b>2 784 549</b>	<b>3 093 504</b>	<b>3 250 219</b>	<b>3 577 129</b>	<b>3 869 586</b>
Compensation of employees	617 332	656 688	770 686	799 799	851 173	907 352	967 238
Goods and services	1 582 095	1 894 301	1 916 097	2 191 282	2 244 806	2 442 532	2 596 744
Depreciation	73 502	91 008	83 842	94 068	146 603	200 485	250 135
Interest and dividends	12 387	12 917	13 924	8 355	7 637	26 760	55 469
<b>Total expenses</b>	<b>2 285 316</b>	<b>2 654 914</b>	<b>2 784 549</b>	<b>3 093 504</b>	<b>3 250 219</b>	<b>3 577 129</b>	<b>3 869 586</b>
<b>Surplus / (Deficit)</b>	<b>4 462</b>	<b>(148 041)</b>	<b>3 441</b>	<b>(42 063)</b>	<b>98 500</b>	<b>65 480</b>	<b>27 434</b>



	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>BALANCE SHEET SUMMARY</b>							
Carrying value of assets	422 359	439 964	467 674	569 169	793 424	962 939	1 052 804
of which: Acquisition of assets	177 860	222 848	207 908	440 136	601 716	690 000	670 000
Inventory	307 190	349 374	398 635	369 565	369 940	449 031	456 478
Receivables and prepayments	581 809	508 562	521 673	478 704	448 885	501 796	608 424
Cash and cash equivalents	394 885	279 720	298 566	130 420	94 856	60 295	43 956
<b>Total assets</b>	<b>1 706 243</b>	<b>1 577 620</b>	<b>1 686 548</b>	<b>1 547 858</b>	<b>1 707 105</b>	<b>1 974 061</b>	<b>2 161 662</b>
Capital and reserves	980 188	822 583	828 275	759 855	858 836	925 047	952 995
Borrowings	11 986	57 907	41 511	32 100	129 931	328 480	543 857
Post retirement benefits	273 001	216 509	223 129	30 000	32 500	34 000	36 564
Trade and other payables	391 873	429 452	532 004	725 903	685 838	686 534	628 246
Provisions	49 195	51 169	61 629	–	–	–	–
<b>Total equity and liabilities</b>	<b>1 706 243</b>	<b>1 577 620</b>	<b>1 686 548</b>	<b>1 547 858</b>	<b>1 707 105</b>	<b>1 974 061</b>	<b>2 161 662</b>

Data provided by the South African Broadcasting Corporation

## Sentech (Pty) Ltd

Sentech (Pty) Ltd was established in terms of section 4 of the Sentech Act (1996) as a public company. Its main business is to provide, as a common carrier, broadcasting signal distribution for broadcasting licensees. Operating under the common carrier category licence, Sentech is Africa's largest signal distributor and forms the backbone of the broadcasting industry in Southern Africa.

In terms of the Telecommunications Amendment Act of 2001, Sentech was awarded two new licences: the Carrier of Carriers licence, to carry international telephony for current domestic operators, and the Multimedia Services licence, which allows Sentech to provide e-commerce, internet and value-added telecommunications services to end users. Through partnership with the Universal Service Agency (USA) Sentech has also connected telecentres and schools to the internet.

The Sentech terrestrial network consists of 210 stations, 718 FM radio stations, 11 medium and 15 shortwave radio transmitters and 607 television transmitters. Satellite equipment also provides direct-to-home downlink beam coverage of most of Africa south of the equator.

The company does not receive government funding, apart from the R54 million that was allocated in 2002/03 for settlement of the loan made by the SABC to the company for start-up capital costs. Sentech's income is derived from its signal distribution activities - providing signal carrier services to broadcasters.

## 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 telecommunications and broadcasting in the public interest to ensure affordable services of a high quality to all South Africans. In addition to developing regulations and policies, ICASA issues licences to telecommunication and broadcasting service providers; enforces compliance with rules and regulations; protects consumers from unfair business practices and poor quality services; hears and decides on disputes and complaints brought against licensees; and controls and manages the frequency spectrum.

ICASA, through appropriate policies, has played a crucial role in transforming the broadcasting sector from state monopoly control to a competitive sector that plays a vital role in promoting local content and freedom of expression. During 2004, ICASA completed some important broadcasting policies, including a policy and licensing framework for public regional broadcasting and the code of conduct for broadcasting services. In line with its promotion of universal access to communication systems, it also approved four under-served area licences.

It collects licence fees from all telecommunications and broadcasting operators, and that revenue is deposited into the National Revenue Fund. For the 2003/04 financial year, ICASA collected an amount of R742,3 million for licence fees from telecommunication operators and broadcasters. This amount also includes fees for providing equipment permits. Revenue for 2004/05 is projected to be in the region of R1 billion. The substantial increase results from the projected increase in licence fees, collected from cellular operators, which are based on their turnovers.

ICASA's baseline allocation over the medium term grows by an average of 9,3 per cent per annum from 2005/06. An additional allocation of R45,3 million has been made to ICASA in 2004/05 in order to settle a tax liability with the South African Revenue Services.

**Table 26.11: Financial summary for the Independent Communications Authority of South Africa (ICASA)**

	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>INCOME STATEMENT SUMMARY</b>							
<b>Revenue</b>							
Non-tax revenue	126	49	–	–	–	–	–
Other non-tax revenue	126	49	–	–	–	–	–
<b>Transfers received</b>	<b>118 236</b>	<b>106 198</b>	<b>123 954</b>	<b>186 928</b>	<b>144 489</b>	<b>159 738</b>	<b>172 475</b>
<b>Sale of capital assets</b>	<b>581</b>	<b>65</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total revenue</b>	<b>118 943</b>	<b>106 312</b>	<b>123 954</b>	<b>186 928</b>	<b>144 489</b>	<b>159 738</b>	<b>172 475</b>
<b>Expenses</b>							
Current expense	100 229	127 130	115 638	132 611	139 267	152 553	160 759
Compensation of employees	50 287	61 486	57 932	64 700	67 935	71 332	74 898
Goods and services	44 417	60 864	48 407	63 396	66 951	77 690	83 098
Depreciation	5 509	4 751	4 622	4 453	4 349	3 498	2 727
Interest	16	29	4 677	62	32	34	35
<b>Transfers and subsidies</b>	<b>1 317</b>	<b>1 047</b>	<b>1 311</b>	<b>1 126</b>	<b>1 182</b>	<b>1 241</b>	<b>1 303</b>
<b>Total expenses</b>	<b>101 546</b>	<b>128 177</b>	<b>116 949</b>	<b>133 736</b>	<b>140 449</b>	<b>153 794</b>	<b>162 062</b>
<b>Surplus / (Deficit) <sup>1</sup></b>	<b>17 397</b>	<b>(21 865)</b>	<b>7 005</b>	<b>53 192</b>	<b>4 040</b>	<b>5 944</b>	<b>10 413</b>

<sup>1</sup> The estimated surpluses over the MTEF will be used for capital expenditure

Data provided by the Independent Communications Authority of South Africa (ICASA)

## 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 skills training at an advanced level for the broadcasting industry.

NEMISA is accredited by the Council for Higher Education and offers diploma courses, short courses and internships in three subjects: TV production, radio production and creative multimedia. The emphasis is on equipping students to be market-ready in a wide range of broadcasting disciplines and to have the ability to work effectively in constantly changing conditions.

NEMISA has also been involved in projects to train students for private television companies, production of a radio programme in conjunction with SABC Education and the language and heritage portals project. This project is the first of its nature through which all 11 of the South African languages have been put on the internet portal. The portal focuses on contemporary information on health, education, SMME development and agricultural issues.

NEMISA is funded by government, with transfers amounting to R18,2 million in 2005/06, R19,2 million in 2006/07 and R20,2 million in 2007/08.

## Universal Service Agency

The Universal Service Agency (USA) was established in terms of Section 58 of the Telecommunications Act (1996). The main role of the USA is to promote universal service and access to communications technologies and services for all South Africans. The USA is mandated to investigate and recommend ways in which this objective can be accomplished. In terms of changes in policy direction, USA also facilitates and offers guidance in evaluating, monitoring and implementing schemes, which propose to enhance universal access and service. In addition, USA is involved in setting up telecentres, which provide ICT services, especially in rural areas, on a cost recovery basis.

The USA is also mandated by the Telecommunications Act (1996) to manage the Universal Service Fund. This is in response to the funds collected by ICASA from telecommunication operators, which forms part of their universal service obligations. The fund is utilised for infrastructure for the universal service 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).

During 2004/05, ICASA approved four under-served area licences (USALs). These will be funded by the USA through the Universal Services Fund (USF) at a rate of R5 million per annum per USAL for three years.

The USA is funded by government, and will receive transfers of R17,5 million in 2005/06, R20,1 million in 2006/07 and R21,1 million in 2007/08. The allocations increase at an average rate of 9,9 per cent over the MTEF period to make provision for the expanded mandate of the agency.

## Annexure

### Vote 26: Communications

Table 26.A: Summary of expenditure trends and estimates per programme and economic classification

Table 26.B: Summary of personnel numbers and compensation of employees per programme

Table 26.C: Summary of expenditure on training per programme

Table 26.D: Summary of information and communications technology expenditure per programme

Table 26.E: Summary of official development assistance expenditure

Table 26.F: Summary of expenditure on infrastructure



Table 26.A: Summary of expenditure trends and estimates per programme and economic classification

**Table 26.A: Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Preliminary outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2003/04			2004/05			
1. Administration	39 187	44 188	40 510	46 460	1 454	47 914	48 034
2. Strategic Policy Co-ordination and Integration	22 630	22 630	15 144	40 431	12	40 443	19 751
3. Policy Unit	51 303	38 407	37 566	52 989	(6 729)	46 260	42 060
4. Finance and Shareholder Management	625 560	1 425 264	638 425	605 825	800 949	1 406 774	1 406 774
5. Innovative Applications and Research	97 176	108 072	97 041	121 207	9 031	130 238	148 322
6. Presidential National Commission	6 659	6 658	8 653	8 288	–	8 288	3 856
<b>Total</b>	<b>842 515</b>	<b>1 645 219</b>	<b>837 339</b>	<b>875 200</b>	<b>804 717</b>	<b>1 679 917</b>	<b>1 668 797</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>187 946</b>	<b>225 550</b>	<b>181 410</b>	<b>202 462</b>	<b>30 798</b>	<b>233 260</b>	<b>228 053</b>
Compensation of employees	71 244	71 244	57 265	70 538	245	70 783	65 913
Goods and services	116 702	154 306	124 127	131 924	30 553	162 477	162 140
Financial transactions in assets and liabilities	–	–	18	–	–	–	–
<b>Transfers and subsidies</b>	<b>629 464</b>	<b>1 403 564</b>	<b>640 266</b>	<b>647 225</b>	<b>792 919</b>	<b>1 440 144</b>	<b>1 440 144</b>
Municipalities	–	–	323	201	72	273	273
Departmental agencies and accounts	166 706	177 306	177 306	185 411	44 261	229 672	229 672
Public corporations	449 005	1 211 105	447 031	444 735	748 586	1 193 321	1 193 321
Non-profit institutions	13 753	15 153	15 153	16 878	–	16 878	16 878
Households	–	–	453	–	–	–	–
<b>Payments for capital assets</b>	<b>25 105</b>	<b>16 105</b>	<b>15 663</b>	<b>25 513</b>	<b>(19 000)</b>	<b>6 513</b>	<b>600</b>
Machinery and equipment	25 105	16 105	15 663	25 513	(19 000)	6 513	600
Transport equipment	–	–	–	600	–	600	600
Other machinery and equipment	25 105	16 105	15 663	24 913	(19 000)	5 913	–
<b>Total</b>	<b>842 515</b>	<b>1 645 219</b>	<b>837 339</b>	<b>875 200</b>	<b>804 717</b>	<b>1 679 917</b>	<b>1 668 797</b>

**Table 26.B: Summary of personnel numbers and compensation of employees per programme<sup>1</sup>**

Programme	2001/02	2002/03	2003/04	2004/05	2005/06
1. Administration	64	65	80	85	145
2. Strategic Policy Co-ordination and Integration	16	17	28	30	60
3. Policy Unit	40	41	50	52	53
4. Finance and Shareholder Management	37	38	45	55	68
5. Innovative Applications and Research	52	53	59	60	24
6. Presidential National Commission	–	–	30	35	45
<b>Total</b>	<b>209</b>	<b>214</b>	<b>292</b>	<b>317</b>	<b>395</b>
Total personnel cost (R thousand)	49 712	54 592	57 265	70 783	79 111
Unit cost (R thousand)	238	255	196	223	200

<sup>1</sup> Budgeted full-time equivalent

**Table 26.C: Summary of expenditure on training per programme**

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
1. Administration	1 256	1 326	1 370	719	755	793	832
2. Strategic Policy Co-ordination and Integration	400	146	391	1 215	1 276	1 340	1 407
3. Policy Unit	335	612	348	300	315	331	347
4. Finance and Shareholder Management	242	160	184	238	250	262	276
5. Innovative Applications and Research	1 785	1 041	554	482	506	531	558
6. Presidential National Commission	–	9	33	40	42	44	46
<b>Total</b>	<b>4 018</b>	<b>3 294</b>	<b>2 880</b>	<b>2 994</b>	<b>3 144</b>	<b>3 301</b>	<b>3 466</b>

**Table 26.D: Summary of information and communications technology expenditure per programme**

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>1. Administration</b>	<b>2 531</b>	<b>3 336</b>	<b>417</b>	<b>1 173</b>	<b>1 232</b>	<b>1 355</b>	<b>1 490</b>
Technology	2 256	1 662	415	1 019	1 070	1 177	1 295
IT services	275	1 674	2	154	162	178	196
<b>2. Strategic Policy Co-ordination and Integration</b>	<b>1 307</b>	<b>1 773</b>	<b>320</b>	<b>565</b>	<b>593</b>	<b>653</b>	<b>718</b>
Technology	1 057	1 070	319	265	278	306	337
IT services	250	703	1	300	315	347	381
<b>3. Policy Unit</b>	<b>1 983</b>	<b>1 388</b>	<b>368</b>	<b>889</b>	<b>933</b>	<b>1 027</b>	<b>1 129</b>
Technology	1 833	499	365	855	898	988	1 086
IT services	150	889	3	34	36	39	43
<b>4. Finance and Shareholder Management</b>	<b>2 750</b>	<b>1 810</b>	<b>350</b>	<b>1 642</b>	<b>1 724</b>	<b>1 897</b>	<b>2 086</b>
Technology	2 500	340	72	90	95	104	114
IT services	250	1 470	278	1 552	1 630	1 793	1 972
<b>5. Innovative Applications and Research</b>	<b>6 500</b>	<b>7 044</b>	<b>1 128</b>	<b>2 648</b>	<b>2 780</b>	<b>3 058</b>	<b>3 364</b>
Technology	5 500	5 442	273	2 538	2 665	2 931	3 225
IT services	1 000	1 602	855	110	116	127	140
<b>6. Presidential National Commission</b>	<b>–</b>	<b>–</b>	<b>673</b>	<b>270</b>	<b>284</b>	<b>312</b>	<b>343</b>
Technology	–	–	415	260	273	300	330
IT services	–	–	258	10	11	12	13
<b>Total</b>	<b>15 071</b>	<b>15 351</b>	<b>3 256</b>	<b>7 187</b>	<b>7 546</b>	<b>8 301</b>	<b>9 131</b>

**Table 26.E: Summary of official development assistance expenditure**

Donor	Project	Cash/ kind	Outcome				Medium-term expenditure estimate		
			2001/02	2002/03	2003/04		2005/06	2006/07	2007/08
<b>Local</b>									
Sentech	ISSA student project		–	2 240	–	–	–	–	–
SA Post Office	ISSA student project		–	3 560	–	–	–	–	–
<b>Total</b>			<b>–</b>	<b>5 800</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Table 26.F: Summary of expenditure on infrastructure**

Projects	Description	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
		Audited	Audited	Preliminary outcome				
R thousand		2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Infrastructure programmes or large infrastructure projects</b>								
	Emergency call centres	–	36 710	12 887	–	–	–	–
<b>Infrastructure transfers</b>								
	SABC digital infrastructure	–	–	–	–	100 000	150 000	150 000
	<b>Total</b>	–	<b>36 710</b>	<b>12 887</b>	–	<b>100 000</b>	<b>150 000</b>	<b>150 000</b>

## NOTES



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Facilitated by P.E. Pokane





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