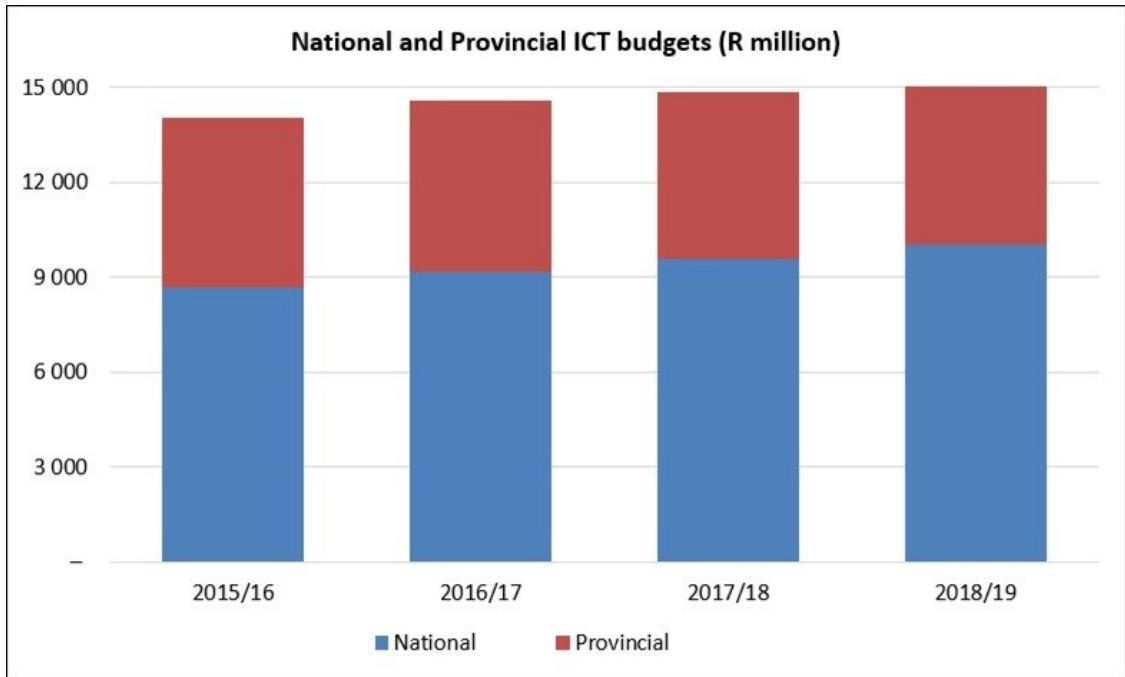


BMI-TechKnowledge delves into government ICT spending

How much does government spend on ICT? Is it enough? And is it well spent? We hear much about lack of coordination, shortages of key skills and an unhappy workforce in SITA, along with challenges in implementing policy aimed at promoting e-services and narrowing the digital divide. A new report, *SA ICT spend in National and Provincial Government 2016* from analyst firm BMI-TechKnowledge, provides some answers.

The report shows that national and provincial government departments spent R14bn in the 2015/16 fiscal year, and medium-term budgets submitted to Treasury show plans for limited growth, to reach R15.3bn by 2018/19. Communications makes up less than one quarter of the spend (R3.4bn), Computer Services just over three-quarters (R11bn), and another R344m for Software. “These categories, as reported in departmental budgets, should not be taken too literally as ‘Computer Services’ can include all kinds of things bundled in,” say the authors.



SA ICT spend in National and Provincial Government, October 2016. Source: BMI-TechKnowledge.

The report offers further analysis and commentary about the many challenges faced in respect of just ‘keeping the lights on’ in bimodal IT terminology. There is also inadequate funding available for national broadband rollout, e-Government in general, and more specifically for health and education initiatives.

Belt-tightening initiatives

Government has made a renewed effort at belt-tightening, most recently including initiatives aimed at centralising procurement of basic services such as cellphones for public servants. This started in 2015, when National Treasury issued a call for expressions of interest (EOI) and requests for information (RFI) from interested service providers for Fixed and Mobile Communication, respectively. Flowing from this, reports on the frame agreement reached with Vodacom suggest that the State could save R25bn a year through belt tightening, including R500m from changing cellphone policies.

“Details are not yet available on the outworking of this contract in terms of actual uptake. But to the extent that it pans out, it has to be good for the fiscus and taxpayers. For some industry players, however, it simply means a chunk of revenue just disappeared,” says Brian Neilson, co-author of the report.

“There have also been strong moves to harmonise disparate systems, notably the Integrated Justice Project, which also happens to relate to the single biggest ICT spender in the entire government, the Justice Cluster,” he notes.

SITA’s transformation

“SITA, for its part, has been frequently maligned over the years, but current CEO Setumo Mohapi is highly respected and has a chance to make things better, although he will not be able to fix everything overnight. SITA is mainly a provider of IT services, but also manages a key chunk of government telecommunications, namely the virtual private network (VPN), accounting for fully half of National Government network services spending,” he goes on to say.

Back to basics

“Government has also made strides in corporate governance in general, going some way to addressing the lack of coordination between departments. To this end, we have seen a long string of required planning initiatives flowing from departmental ICT policies: ICT strategic plans, enterprise and ICT architectures, migration plans, procurement strategies, implementation plans. These are backed up by operational plans aligned with the departmental strategic plans and an ICT Annual Performance Plan. This all sounds like quite a lot of work is happening, and no doubt there are many hard-working civil servants out there, doing their best to make a difference as far as they can.”

“But the inherent structural weaknesses persist, with a long list as summarised in the report. Much of this relates to just ‘keeping the lights on’ – in terms of bimodal IT thinking, there is a huge deficit of available funding for major new policy initiatives – including broadband rollout to schools and more. The 2016 Medium Term Expenditure Framework (MTEF) Budget was consolidated under a constrained fiscal environment with pressure being put on all departments to restrain expenditure on all fronts. In general, there are inadequate funds available to develop a proper e-Government strategy.”

Are there good stories to tell?

“As always, there are some good stories to tell, like the recent launch of the g-commerce portal, described as a major step forward in government procurement. This, say the report’s authors, along with the promise of cross-cluster integration and harmonisation, such as the new justice system and a massive re-vamp of SA Police Services ICT on the ground, and a well-respected, competent SITA CEO, effectively promise to carry South Africa into the 21st century and offer hope of better times to come,” says Neilson.

Justice cluster initiatives – some good stories to tell



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