

The ZA Domain Name Authority (NPC)
(Registration number 2003/021150/08)
2022–2023 Proposed Budget

Draft Budgeted Income & Expenditure for 2022/2023

2022/2023								
Budget item	Description	Notes	Actual 2019/2020 @ R 12	Actual 2020/2021 @ R12	Current Budget 2021/2022 @R15 (Adjusted)	YTD 2021/2022 As at 30 October 2021	Variance YTD	2022/2023 @R15 Proposed Budget
INCOME			15 280 849	16 621 705	21 423 000	12 842 071	8 580 929	21 816 200
Other Income	Revenue: ZACR	1.	14 926 000	16 079 448	20 475 000	12 242 955	8 232 045	20 475 000
	Interest Income	2.	354 849	542 257	948 000	599 116	348 884	1 341 200
EXPENDITURE			12 338 114	10 767 292	19 340 809	7 970 320	11 370 489	21 746 947
Basic office costs			1 109 966	1 155 538	1 708 411	650 846	1 057 565	1 819 102
	Staff engagement/Team Building		52 944	98 096	200 000	41 440	158 560	140 000
	Office supplies		33 041	56 150	58 240	16 435	41 805	118 503
	Printing & Stationery		110 725	63 400	140 000	93 607	46 393	140 000
	Rent	3.	900 215	933 617	1 226 971	487 941	739 030	1 337 399
	Office furniture & refurbishments		-	3 875	52 000	11 423	40 578	52 000
	Repairs & maintenance		13 041	400	31 200	-	31 200	31 200
Stakeholders Engagement			1 129 228	202 411	1 210 000	212 312	997 688	1 310 000
	Membership Contribution: ICANN		29 786	26 789	30 000	-	30 000	30 000
	Membership Contribution: ATLD		29000	-	30 000	-	30 000	30 000
	SA Internet Governance Forum	4.	253 083	34 264	300 000	51 903	248 097	200 000
	SA School of Internet Governance	5.	179 921	24 500	200 000	-	200 000	100 000
	Parliament reporting and Travelling	6.	172 399	45 250	200 000	48 725	151 275	200 000
	ICANN Travelling and other International Engagements	7.	235 815	-	200 000	-	200 000	300 000
	Africa Internet / DNS Summit Support	8.	49 043	-	50 000	30 132	19 868	50 000
	Stakeholder Support	9.	-	-	-	-	-	300 000
	iWeek Support		49 206	-	100 000	-	100 000	-
	DCTD Support Local		130 975	71 608	100 000	81 552	18 448	100 000
Vehicle			8 857	3 822	57 200	6 447	50 753	40 000
	Fuel & oil		4 637	-	31 200	-	31 200	20 000
	Other running costs (etolls, etc)		4 220	3 822	26 000	6 447	19 553	20 000
ICT			443 068	465 567	730 400	360 482	369 918	991 732
	Computer Software and IT Hosting	10.	122 741	200 194	200 000	141 582	58 418	391 732
	Telephone, data bundles & wireless		94 978	19 615	218 400	45 846	172 554	288 000
	ZA infrastructure & DNSSec	11.	225 349	245 758	312 000	173 054	138 946	312 000
Legal Expenses			1 163 148	242 001	500 000	126 300	373 700	500 000
	Legal services		1 163 148	242 001	500 000	126 300	373 700	500 000
Meetings & events			1 820 251	1 303 576	1 759 600	882 479	877 121	2 013 536
	Directors: Board & Committee meeting allowance.	12.	1 491 356	1 131 533	1 118 000	784 904	333 096	1 278 536
	Directors: Stakeholder Meetings allowance.	13.	290 000	66 808	370 000	20 942	349 058	370 000
	Directors: Strategic Plan	14.	-	105 235	120 000	-	120 000	120 000
	Management strategic plan	15.	-	-	60 000	66 838	-6 838	100 000
	Board & general meeting catering costs		-	-	41 600	9 796	31 804	45 000
	Conference cost AGM and SGM	16.	38 895	-	50 000	-	50 000	100 000
Namespace Development			1 260 737	490 243	2 402 000	931 161	1 470 839	2 000 000
	Public .ZA Awareness	17.	803 844	359 694	744 000	238 365	505 635	800 000
	Registrar-Reseller Development Program	18.	441 193	130 549	450 000	90 411	359 589	600 000
	Policing Licencing and Governance Engagements	19.	-	-	-	-	-	400 000
	DNS Training		-	-	400 000	-	400 000	-
	Registrar-Registry Licencing Framework		-	-	600 000	602 385	-2 385	-
	Research & surveys		15 700	-	208 000	-	208 000	200 000
Professional Fees			1 092 807	1 753 824	1 842 300	853 519	988 781	1 611 400
	External Audit		174 376	160 000	166 400	-	166 400	170 000
	Internal audit		153 888	214 516	260 000	-	260 000	275 000
	Company secretary		-	355 048	313 500	169 039	144 461	400 000
	Accounting Services		413 325	533 913	561 600	323 127	238 473	300 000
	Professional fees/Consulting services		162 896	405 934	374 400	281 353	93 047	300 000
	External Reports	20.	188 322	84413	166 400	80 000	86 400	166 400
Employee cost			3 748 359	4 529 953	8 025 467	3 492 983	4 532 484	10 414 177
	Salaries & bonus provision	21.	3 697 454	4 419 073	7 925 467	3 382 983	4 542 484	10 264 177
	Recruitment		50 905	110 880	100 000	110 000	-10 000	150 000
Training & Development			188 153	459 130	701 000	209 434	491 566	612 000
	Training and development (Staff)		22 333	198 588	209 000	61 021	147 979	220 000
	Director training		56 341	87 226	150 000	11 793	138 207	50 000
	Membership contributions: loDSA		23 909	23 748	30 000	-	30 000	30 000
	Internship	22.	85 570	149 568	312 000	136 620	175 380	312 000
Systems & controls			112 796	127 795	154 431	95 382	59 049	185 000
	Bank charges		25 375	17 229	31 200	13 431	17 769	35 000
	Insurance and Business Liability cover	23.	87 421	110 566	123 231	81 951	41 280	150 000
Travel, accommodation & subsistence other			260 744	33 432	250 000	148 976	101 024	250 000
	Travelling Staff		188 878	33 432	150 000	148 976	1 024	150 000
	Travelling Directors		71 866	-	100 000	-	100 000	100 000
"Surplus for the year"			2 942 735	5 854 413	2 082 191	4 871 751	-2 789 560	69 253
CAPEX								
Allocation	Allocation from reserves.	24.	-	-	-	-	-	1 900 000
Expenditure					900 000	223 998	676 002	-1 900 000
	CAPEX ICT Hardware	25.	-	-	450 000	223 998	226 002	300 000
	CAPEX (Office Furniture)		-	-	450 000	-	450 000	-
	Namespace Development(DNS Training)	26.	-	-	-	-	-	600 000
	Namespace Development (Registrar, Registry framework Implementation)	27.	-	-	-	-	-	1 000 000
					900 000	223 998	676 002	-

NOTES:

1. Revenue derived from domain name registration projected at 1 365 000 registrations @ R15 VAT exclusive, per domain name.
2. Projected interest from long term investment of R12 000 000 @ 8,35%, on the call account and favourable bank balance.
3. Rental @ R102 247,60 Plus 9% annual increase.
4. Internet Governance forum in line with the Ministerial Directive.
5. South African School of Internet Governance, support and hosting.
6. Parliament presentations and meetings, which includes Budget presentation, Annual reporting, travelling's and any other parliament setting activities.
7. Annual ICANN meetings and participation, attendance of 3 ICANN meetings for 2 People per meeting, and other international meetings in support of the Ministry.
8. Africa DNS Summit support.
9. Support for spectrum/industry stakeholder's program or initiatives (including but not limited to iDay Initiative, SMME development, HDI development programs)
10. The Computer Software includes, application and operating system software, security application software and other business operations supporting software. The increase in cost caters for the increase in the overall staff complement.
11. DNS Infrastructure monthly payments to DNS.
12. Board Chairperson retainer at R162 000 per annum, other Members paid per meeting attended an average of (4 Ordinary Board meetings, 2 Special Board meetings, 1 AGM, 1 SGM, 1 Strategic planning session and 1 other seating, a total of 10 seating's @ R10 thousands per Director), committee; meeting 3 committees x 4 quarterly meetings @ R 4 400 thousand per director and R 5 852 per committee Chair.
13. Directors allowance for interactions with the Ministry, Bilateral meetings (R10 000 x 2 Meetings @ 9 Directors), 1 Parliament meeting @ 9 Directors, 5 quarterly parliament reporting meetings @ 2 Directors.
14. Facilitation and bookings cost for board annual strategic plan.
15. Facilitation and booking cost for management annual strategic plan.
16. AGM and SGM venue bookings and Zadna members engagement.
17. Costs for awareness campaigns across all provinces. 36 of this campaigns includes radio interviews, print media & online campaigns, roadshows, events, exhibitions and promotional items.
18. Registrar Reseller's development initiatives in light of Ministerial Directive, 14 registrar reseller programs (Workshops, Digital Manual, Audio Training)
19. Policy, Licensing and Governance activities.
20. Cost of Audit Type 2 report and annual report.
21. Staff salaries inclusive of 6% average increase on current staff salaries which includes employee benefits, and 10% on total salaries bill as provision for performance bonus, Inclusive of the full budget for the financial management and HR officer, who where pro-rated in the current years budget.
22. 4 x Interns for HR and Finance, Marketing, ICT and Namespace development, Public administration @ R6500pm for 12 months
23. Insurance includes premiums on the business assets and estimation of business liability @R 1500 per month for a R 1M Cover.
24. Allocation of funds from the available reserves, to support the DNS Training, Registrar registry and ICT Hardware.
25. ICT Hardware includes additional and upgrade of the ICT Hardware.
26. Namespace training (DNS Training's for introductory and advance course) estimated @ R 600 000.
27. Implementation of the registrar, registry frame work phase 2.