

Vote 27

Communications

Amount to be appropriated	Main appropriation R875 200 000	Adjusted appropriation R1 679 917	Decrease	Increase R804 717
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 formulate policy and ensure its implementation for telecommunications, postal and broadcasting services, and to control transfers to the South African Post Office, the South African Broadcasting Corporation, the Independent Communications Authority of South Africa, the National Electronic Media Institute of South Africa and the Universal Service Agency.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted 2004 Estimates of National Expenditure

Table 27.1: Communications

Programme	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
R thousand							
1 Administration	91 269	–	1 047	407	–	1 454	92 723
2 Telecommunications Policy	134 649	–	–	5 000	–	5 000	139 649
3 Postal Services	356 490	750 000	–	(5 000)	–	745 000	1 101 490
4 Multi-Media Services Policy	285 668	7 036	45 341	640	–	53 017	338 685
5 Auxiliary and Associated Services	7 124	1 293	–	(1 047)	–	246	7 370
Total	875 200	758 329	46 388	–	–	804 717	1 679 917

Economic classification

	Current payments	Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments	Total additional appropriation	Adjusted appropriation
Current payments	202 463	1 293	1 047	65 997	–	68 337	270 800
Compensation of employees	70 538	–	1 047	–	–	1 047	71 585
Goods and services	131 925	1 293	–	65 997	–	67 290	199 215
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	647 224	757 036	45 341	(47 497)	-	754 880	1 402 104
Provinces and municipalities	200	-	-	73	-	73	273
Departmental agencies and accounts	169 527	-	45 341	14 804	-	60 145	229 672
Universities and technikons	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	444 735	757 036	-	(47 990)	-	709 046	1 153 781
Non-profit institutions	32 762	-	-	(14 384)	-	(14 384)	18 378
Households	-	-	-	-	-	-	-
Payments for capital assets	25 513	-	-	(18 500)	-	(18 500)	7 013
Buildings and other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	25 513	-	-	(18 500)	-	(18 500)	7 013
Cultivated assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-
Total	875 200	758 329	46 388	-	-	804 717	1 679 917

Details of adjustments to 2004 Estimates of National Expenditure

Roll-overs – R758,329 million

Programme 3: Postal Services

R750 million has been rolled over for the recapitalisation of the Postbank. These funds were appropriated in the 2003 Adjusted Estimates and warehoused with the Corporation for Public Deposits pending the signing of the memorandum of understanding between the ministers of finance and communications in 2004/05.

Programme 4: Multi-Media Services Policy

Tenders for the supply, installation and commissioning of seven recently licensed community radio stations were only awarded in March 2004 due to the delay in obtaining specifications licences from the Independent Communications Authority of South Africa (Icasa). R7,036 million has been rolled over for community radio stations in Gauteng and Western Cape.

Programme 5: Auxiliary and Associated Services

There were unforeseen delays in the finalisation of tenders for the study of barriers to opportunities and finance in the SMME sector. R1,293 million has been rolled over for this study and for developing a model for incubators in the ICT sector.

Unforeseeable and unavoidable expenditure – R46,388 million

Programme 1: Administration

R1,047 million has been allocated for expenditure linked to the appointment of the new Deputy Minister.

Programme 4: Multi-Media Services Policy

R45,341 million has been allocated for the Independent Communications Authority of South Africa's (Icasa) VAT liability on its grant allocation from National Treasury.

Virement**Table 27.2: Communications**

From programme R thousand	Amount	To programme	Amount
3 Postal Services	5 000	1 Administration	407
5 Auxiliary and Associated Services	1 047	2 Telecommunications Policy	5 000
		4 Multi-Media Services Policy	640

Details of savings realised on the above programmes**Programme 3: Postal Services**

A saving of R5 million was realised on the transfer to the South African Post Office for the extension of services, because, in agreement with the department, the Post Office will now be responsible for rolling out these services.

Programme 5: Auxiliary and Associated Services

Savings of R1,047 million were identified under the Infrastructure Development subprogramme, due to the department's restructuring process.

Utilisation of savings to augment the above programmes**Programme 1: Administration**

After the April 2004 elections, a deputy minister was appointed for the department. R407 000 will be used for the operating expenditure of the new deputy minister's office.

Programme 2: Telecommunications Policy

R5 million will be used to finalise the second national operator (SNO) in this financial year, following the commitment by Cabinet and the president, in his state of the nation address.

Programme 4: Multi-Media Services Policy

R640 000 will be used to increase the transfer payment to the Icasa for a conference on the African Association of Regulatory Authorities (RIARC/ACRAN) in October 2004, which was not budgeted for.

Funds shifted within a programme**Programme 2: Telecommunications Policy**

R2 million has been shifted from the transfer payment for multi-purpose community centres to goods and services for operating expenditure for the 112 emergency call centre. The shift was made possible because the South African Post Office is currently rolling out the multi-purpose community centres and the department does not need to.

R1,720 million has been shifted from the transfer payment to the Information Systems, Electronic and Telecommunications Technologies Sector Education and Training Authority (ISETT-SETA), which manages the training of disadvantaged students, to goods and services. The funds will be used for training disadvantaged individuals in the ICT sector.

R19 million for the 112 emergency call centre was allocated under payments for capital assets and no funds were made available for operations. The shift to goods and services will release funds for this purpose.

R39 442 for Regional Services Council (RSC) levies was shifted from goods and services to transfers to municipalities to comply with the new standard chart of accounts (SCOA).

R1,500 million has been shifted from goods and services to transfers to the .za Domain Name Authority for operating expenses for the authority.

Programme 3: Postal Services

R2,950 million has been shifted from the transfer to the South African Post Office (Extension of services) to goods and services for membership fees for the Pan African Postal Union and the Universal Postal Union.

R21 771 for RSC levies was shifted from goods and services to transfers to municipalities to comply with SCOA.

Programme 4: Multi-Media Services Policy

R9,540 million for community radio stations was incorrectly allocated under the transfer payment to the South African Broadcasting Corporation (SABC). The department is outsourcing the services linked to community radio stations, thus the funds have been allocated under goods and services (R2,504 million) and payments for capital assets (R7,036 million).

R28,500 million for producing programmes on the youth, women and the disabled in broadcasting was incorrectly allocated under the transfer payment to the SABC. The department is outsourcing the required services and the funds have thus been allocated under goods and services.

R12 355 for Regional Services Council levies was shifted from goods and services to transfers to municipalities to comply with SCOA.

Actual expenditure and revised spending projections for the remainder of the financial year

Table 27.3: Communications

Programme	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand					
1 Administration	92 723	42 944	46,3	49 779	53,7
2 Telecommunications Policy	139 649	56 824	40,7	82 825	59,3
3 Postal Services	1 101 490	161 524	14,7	939 966	85,3
4 Multi-Media Services Policy	338 685	130 919	38,7	207 766	61,3
5 Auxiliary and Associated Services	7 370	833	11,3	6 537	88,7
Total	1 679 917	393 044	23,4	1 286 873	76,6

R thousand	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
Economic classification					
Current payments	270 800	99 556	36,8	171 244	63,2
Compensation of employees	71 585	31 290	43,7	40 295	56,3
Goods and services	199 215	68 266	34,3	130 949	65,7
Interest and rent on land	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–
Transfers and subsidies to:	1 402 104	291 675	20,8	1 110 429	79,2
Provinces and municipalities	273	98	35,9	175	64,1
Departmental agencies and accounts	229 672	91 011	39,6	138 661	60,4
Foreign governments and international organisations	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–
Public corporations and private enterprises	1 153 781	200 462	17,4	953 319	82,6
Non-profit institutions	18 378	104	0,6	18 274	99,4
Households	–	–	–	–	–
Payments for capital assets	7 013	1 813	25,9	5 200	74,1
Buildings and other fixed structures	–	–	–	–	–
Machinery and equipment	7 013	1 813	25,9	5 200	74,1
Cultivated assets	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–
Total	1 679 917	393 044	23,4	1 286 873	76,6

Table 27.4: Summary of transfers and subsidies per programme

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
1 Administration	184	-	-	-	-	-	184
Provinces and municipalities							
Municipalities	184	-	-	-	-	-	184
Current	184	-	-	-	-	-	184
Regional Services Council levies							
2 Telecommunications Policy	59 464	-	-	(2 181)	-	(2 181)	57 283
Provinces and municipalities							
Municipalities	-	-	-	39	-	39	39
Current	-	-	-	39	-	39	39
Regional Services Council levies							
Departmental agencies and accounts							
Entities							
Current	28 580	-	-	14 164	-	14 164	42 744
Sector Education and Training Authority: ISETT-SETA	2 350	-	-	(1 720)	-	(1 720)	630
Universal Service Fund	26 230	-	-	-	-	-	26 230
Universal Service Agency	-	-	-	15 884	-	15 884	15 884
Public corporations and private enterprises							
Public corporations (Other transfers)							
Current	15 000	-	-	(2 000)	-	(2 000)	13 000
Advanced Institute for ICT	13 000	-	-	-	-	-	13 000
Multi-purpose community centres	2 000	-	-	(2 000)	-	(2 000)	-
Non-profit institutions							
Current	15 884	-	-	(14 384)	-	(14 384)	1 500
Universal Service Agency	15 884	-	-	(15 884)	-	(15 884)	-
.za Domain Name Authority	-	-	-	1 500	-	1 500	1 500

	Main appropriation	Additional appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation	
R thousand							
3 Postal Services	316 445	750 000	-	(7 928)	-	742 072	1 058 517
Provinces and municipalities							
Municipalities							
Current	15	-	-	22	-	22	37
Regional Services Council levies	15	-	-	22	-	22	37
Public corporations and private enterprises							
Public corporations (Subsidies on production)							
Current	300 000	750 000	-	-	-	750 000	1 050 000
South African Post Office subsidy	300 000						300 000
South African Post Office recapitalisation	-	750 000	-	-	-	750 000	750 000
Public corporations (Other transfers)							
Current	16 430	-	-	(7 950)	-	(7 950)	8 480
South African Post Office: Public internet terminals	8 480	-	-	-	-	-	8 480
South African Post Office: Extension of services	7 950	-	-	(7 950)	-	(7 950)	-
4 Multi-Media Services Policy	271 130	7 036	45 341	(37 388)	-	14 989	286 119
Provinces and municipalities							
Municipalities							
Current	-	-	-	12	-	12	12
Regional Services Council levies	-	-	-	12	-	12	12
Departmental agencies and accounts							
Entities							
Current	140 947	-	-	640	-	640	141 587
Independent Communications Authority of South Africa	140 947	-	45 341	640	-	45 981	186 928

	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments			
R thousand								
Public corporations and private enterprises								
Public corporations (Other transfers)								
Current	113 305	-	(38 040)	-	-	(38 040)	75 265	
South African Broadcasting Corporation: Public broadcaster	47 400	-	-	-	-	-	47 400	
South African Broadcasting Corporation: TBVC States	-	-	-	-	-	-	-	
South African Broadcasting Corporation: Channel Africa	27 865	-	-	-	-	-	27 865	
South African Broadcasting Corporation: Community radio stations	9 540	-	(9 540)	-	-	(9 540)	-	
Programme production	28 500	-	(28 500)	-	-	(28 500)	-	
Private enterprises (Subsidies on production)								
Current	-	7 036	-	-	-	7 036	7 036	
Community radio stations	-	7 036	-	-	-	7 036	7 036	
Non-profit institutions								
Current	16 878	-	-	-	-	-	16 878	
National Electronic Media Institute of South Africa	16 878	-	-	-	-	-	16 878	
5 Auxiliary and Associated Services								
Provinces and municipalities								
Municipalities								
Current	1	-	-	-	-	-	1	
Regional Services Council levies	1	-	-	-	-	-	1	
Total	647 224	757 036	45 341	(47 497)	-	754 880	1 402 104	