

Vote 26

Communications

2006/07				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 280 194	1 322 306	-	42 112
<i>of which:</i>				
Current payments	304 320	309 628	-	5 308
Transfers and subsidies	968 884	1 005 688	-	36 804
Payments for capital assets	6 990	6 990	-	-
Executive authority	Minister of Communications			
Accounting officer	Director-General of Communications			

Aim

The aim of the Department of Communications is to develop ICT policies and legislation that stimulate and improve the sustainable economic development of the South African first and second economies and positively impact on the social wellbeing of all South Africans. The department also aims to oversee state-owned entities, such as the South African Post Office, the South African Broadcasting Corporation and the Independent Communications Authority of South Africa.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes or measurable objectives.

Adjusted Estimates of National Expenditure 2006

Table 26.1: Communications

Programme		2006/07					
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	108 279	-	-	3 000	-	3 000	111 279
2. Strategic Policy Co-ordination and Integration	42 475	-	-	4 174	-	4 174	46 649
3. Policy Unit	77 181	3 673	-	(6 174)	-	(2 501)	74 680
4. Finance and Shareholder Management	969 085	-	-	(1 000)	38 439	37 439	1 006 524
5. Innovative Applications and Research	58 185	-	-	-	-	-	58 185
6. Presidential National Commission	24 989	-	-	-	-	-	24 989
Total	1 280 194	3 673	-	-	38 439	42 112	1 322 306
Economic classification							
Current payments	304 320	3 673	-	1 635	-	5 308	309 628
Compensation of employees	99 597	-	-	-	-	-	99 597
Goods and services	204 723	-	-	1 635	-	1 635	206 358
Financial transactions in assets and liabilities	-	3 673	-	-	-	3 673	3 673

Table 26.1: Communications (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	968 884	-	-	(1 635)	38 439	36 804	1 005 688
Provinces and municipalities	238	-	-	-	-	-	238
Departmental agencies and accounts	271 201	-	-	(900)	-	(900)	270 301
Foreign governments and international organisations	-	-	-	1 439	-	1 439	1 439
Public corporations and private enterprises	697 445	-	-	(4 174)	38 439	34 265	731 710
Non-profit institutions	-	-	-	2 000	-	2 000	2 000
Payments for capital assets	6 990	-	-	-	-	-	6 990
Machinery and equipment	6 950	-	-	-	-	-	6 950
Software and other intangible assets	40	-	-	-	-	-	40
Total	1 280 194	3 673	-	-	38 439	42 112	1 322 306

Details of adjustments to Estimates of National Expenditure 2006

Roll-overs – R3,673 million

Programme 3: Policy Unit

R3,673 million has been rolled over to write off Capital Radio's debt, following Cabinet's approval.

Virements

Table 26.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	-	3 000	
Current payments	-	3 000	
Goods and services	-	3 000	Funds shifted from transfers and subsidies (in programme 3) and goods and services (in programme 4) will be used for upgrading the department's server platform.
2. Strategic Policy Coordination and Integration	-	4 174	
Current payments	-	735	
Goods and services	-	735	Funds shifted from transfers and subsidies (in programme 3) will be used for the postal regulator, which will be moving to ICASA in October 2006 due to the Electronic Communication Authority Bill. No funds were allocated for this in the ENE process.
Transfers and subsidies	-	3 439	
Foreign governments and international organisations	-	1 439	Funds shifted from transfers and subsidies (in programme 3) will be used for the transfer payment to the International Telecommunication Union.
Non-profit institutions	-	2 000	Funds shifted from departmental agencies and accounts and goods and services (in programme 3) will be used for the Nepad e-Africa commission (to connect all African countries by broadband) and ICT infrastructure for the Nepad e-schools initiative.

Table 26.2: Details on virements per programme and economic classification (continued)

Programme / Economic classification	R thousand		Motivation
	From	To	
3. Policy Unit	(6 174)	-	
Current payments	(1 100)	-	
Goods and services	(1 100)	-	Savings are due to vacant posts, and consequent reduced operational expenses.
Transfers and subsidies	(5 074)	-	
Departmental agencies and accounts	(900)	-	Savings are due to a less than anticipated contribution to the Skills Development Levy.
Public corporations and private enterprises	(4 174)	-	Funding for programme production will not all be used as production plans have not been finalised.
4. Finance and Shareholder Management	(1 000)	-	
Current payments	(1 000)	-	
Goods and services	(1 000)	-	Savings arose because advertising for tenders cost less than expected.
Total for vote	(7 174)	7 174	

Other adjustments - R38,439 million

Self-financing expenditure

Programme 4: Finance and Shareholder Management

R38,439 million is an adjustment for VAT for the South African Post Office.

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 26.3: Communications

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
R thousand							
1. Administration	104 098	43 602	104 091	100,0	111 279	46 915	7,6
2. Strategic Policy Coordination and Integration	47 326	28 637	47 165	99,7	46 649	27 980	(2,3)
3. Policy Unit	69 017	10 791	68 690	99,5	74 680	11 613	7,6
4. Finance and Shareholder Management	734 995	328 220	734 995	100,0	1 006 524	312 167	(4,9)
5. Innovative Applications and Research	68 332	28 423	68 312	100,0	58 185	28 234	(0,7)
6. Presidential National Commission	23 060	7 777	22 409	97,2	24 989	7 217	(7,2)
Total	1 046 828	447 450	1 045 662	99,9	1 322 306	434 126	(3,0)
Current payments	280 635	124 476	279 592	99,6	309 628	131 862	5,9
Compensation of employees	89 907	44 817	88 362	98,3	99 597	46 510	3,8
Goods and services	190 623	79 655	191 125	100,3	206 358	85 351	7,2
Financial transactions in assets and liabilities	105	4	105	100,0	3 673	1	(75,0)

Table 26.3: Communications (continued)

R thousand	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
Transfers and subsidies	754 698	319 497	754 605	100,0	1 005 688	300 120	(6,1)
Provinces and municipalities	328	173	327	99,7	238	124	(28,3)
Departmental agencies and accounts	217 152	133 061	217 052	100,0	270 301	131 089	(1,5)
Universities and technikons	100	100	100	100,0	-	-	(100,0)
Foreign governments and international organisations	-	-	-	-	1 439	1 439	(100,0)
Public corporations and private enterprises	536 026	186 046	536 026	100,0	731 710	167 161	(10,2)
Non-profit institutions	100	-	100	100,0	2 000	152	(100,0)
Households	992	117	1 000	100,8	-	155	32,5
Payments for capital assets	11 495	3 477	11 465	99,7	6 990	2 144	(38,3)
Machinery and equipment	8 890	3 323	8 844	99,5	6 950	1 425	(57,1)
Software and other intangible assets	2 605	154	2 621	100,6	40	719	366,9
Total	1 046 828	447 450	1 045 662	99,9	1 322 306	434 126	(3,0)

Selected expenditure trends for the first half of the 2006/07 financial year

Expenditure in the first six months of 2006/07 was R434 million, or 32,8 per cent of the adjusted appropriation of R1,3 billion for the year as a whole.

Expenditure in the first six months of 2006/07 decreased by 3 per cent compared to the same period of the previous financial year. The main decreases are due to fewer transfer payments to entities, following improved monitoring and control, and to conferences (the responsibility of the Presidential National Commission) which will only be held towards the end of the year.

Summary of changes to transfers and subsidies, and conditional grants

Table 26.4: Summary of changes to transfers and subsidies per programme

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
2. Strategic Policy Coordination and Integration	37	-	-	3 439	-	3 439	3 476
Foreign governments and international organisations							
Current	-	-	-	1 439	-	1 439	1 439
International Telecommunications Union	-	-	-	1 439	-	1 439	1 439
Non-profit institutions							
Current	-	-	-	2 000	-	2 000	2 000
Nepad	-	-	-	2 000	-	2 000	2 000

Table 26.4: Summary of changes to transfers and subsidies per programme (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
3. Policy Unit	45 109	-	-	(5 074)	-	(5 074)	40 035
Departmental agencies and accounts							
Entities							
Current	1 000	-	-	(900)	-	(900)	100
Information System, Electronics and Communication Technologies Authority	1 000	-	-	(900)	-	(900)	100
Public corporations and private enterprises							
Public corporations							
Subsidies on products and production							
Current	-	-	-	(4 174)	-	(4 174)	(4 174)
South African Broadcasting Corporation: Programme Production	-	-	-	(4 174)	-	(4 174)	(4 174)
4. Finance and Shareholder Management	918 126	-	-	-	38 439	38 439	956 565
Public corporations and private enterprises							
Public corporations							
Subsidies on products and production							
Current	313 000	-	-	-	38 439	38 439	351 439
South African Post Office: Subsidy	313 000	-	-	-	38 439	38 439	351 439

