

# Vote 3

## Communications

### Adjusted budget summary

R thousand	2015/16			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 280 888</b>	<b>1 290 888</b>	<b>-</b>	<b>10 000</b>
<i>of which:</i>				
Current payments	70 060	80 060	-	10 000
Transfers and subsidies	1 210 156	1 210 156	-	-
Payments for capital assets	672	672	-	-
Executive authority	Minister of Communications			
Accounting officer	Director-General of Communications			
Website address	www.doc.gov.za			

### Vote purpose

*Create an enabling environment for the provision of inclusive communication services to all South Africans in a manner that promotes socioeconomic development and investment through broadcasting, new media, print media and other new technologies, and brand the country locally and internationally.*

### Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2015/16 as published in the 2015 ENE	Achieved in the first six months of 2015/16 (April to September)	Changed target for 2015/16
Number of policy papers on broadcasting international engagements tabled in parliament per year	Communications Policy, Research and Development	Outcome 14: Nation building and social cohesion	2	0	-

### Mid-year progress

The department did not table policy papers on broadcasting international engagements in Parliament. However, a paper has been compiled on the establishment of a Pan African television and radio channel under the auspices of the African Union. The department aims to reach its target by the end of 2015/16.

### Adjusted Estimates of National Expenditure 2015

Programme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	42 414	-	-	-	-	-	-	42 414
Communications Policy, Research and Development	7 897	-	-	-	-	-	-	7 897
Industry and Capacity Development	10 197	-	-	-	-	10 000	10 000	20 197
Entity Oversight	1 220 380	-	-	-	-	-	-	1 220 380
<b>Total</b>	<b>1 280 888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 000</b>	<b>10 000</b>	<b>1 290 888</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>70 060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 000</b>	<b>10 000</b>	<b>80 060</b>
Compensation of employees	56 005	-	-	-	-	-	-	56 005
Goods and services	14 055	-	-	-	-	10 000	10 000	24 055
<b>Transfers and subsidies</b>	<b>1 210 156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 210 156</b>
Departmental agencies and accounts	1 037 229	-	-	-	-	-	-	1 037 229
Public corporations and private enterprises	172 927	-	-	-	-	-	-	172 927
<b>Payments for capital assets</b>	<b>672</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>672</b>
Machinery and equipment	672	-	-	-	-	-	-	672
<b>Total</b>	<b>1 280 888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 000</b>	<b>10 000</b>	<b>1 290 888</b>

**Programme 1: Administration**

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Ministry	12 000	-	-	(4 493)	-	-	(4 493)	7 507
Departmental Management	9 889	-	-	7 588	-	-	7 588	17 477
Corporate Services	11 974	-	-	(3 095)	-	-	(3 095)	8 879
Financial Management	8 551	-	-	-	-	-	-	8 551
<b>Total</b>	<b>42 414</b>	-	-	-	-	-	-	<b>42 414</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>42 374</b>	-	-	-	-	-	-	<b>42 374</b>
Compensation of employees	34 067	-	-	-	-	-	-	34 067
Goods and services	8 307	-	-	-	-	-	-	8 307
<b>Payments for capital assets</b>	<b>40</b>	-	-	-	-	-	-	<b>40</b>
Machinery and equipment	40	-	-	-	-	-	-	40
<b>Total</b>	<b>42 414</b>	-	-	-	-	-	-	<b>42 414</b>

**Programme 2: Communications Policy, Research and Development**

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Broadcasting Policy	7 897	-	-	(1 033)	-	-	(1 033)	6 864
Technology and Engineering Services	-	-	-	1 033	-	-	1 033	1 033
<b>Total</b>	<b>7 897</b>	-	-	-	-	-	-	<b>7 897</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>7 719</b>	-	-	-	-	-	-	<b>7 719</b>
Compensation of employees	5 769	-	-	-	-	-	-	5 769
Goods and services	1 950	-	-	-	-	-	-	1 950
<b>Payments for capital assets</b>	<b>178</b>	-	-	-	-	-	-	<b>178</b>
Machinery and equipment	178	-	-	-	-	-	-	178
<b>Total</b>	<b>7 897</b>	-	-	-	-	-	-	<b>7 897</b>

**Programme 3: Industry and Capacity Development**

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Enterprise Development	6 381	-	-	(1 429)	-	-	(1 429)	4 952
Broadcasting Digital Migration	3 816	-	-	1 429	-	10 000	11 429	15 245
<b>Total</b>	<b>10 197</b>	-	-	-	-	<b>10 000</b>	<b>10 000</b>	<b>20 197</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>10 047</b>	-	-	-	-	<b>10 000</b>	<b>10 000</b>	<b>20 047</b>
Compensation of employees	7 607	-	-	-	-	-	-	7 607
Goods and services	2 440	-	-	-	-	10 000	10 000	12 440
<b>Payments for capital assets</b>	<b>150</b>	-	-	-	-	-	-	<b>150</b>
Machinery and equipment	150	-	-	-	-	-	-	150
<b>Total</b>	<b>10 197</b>	-	-	-	-	<b>10 000</b>	<b>10 000</b>	<b>20 197</b>

**Programme 4: Entity Oversight**

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Programme Management for Entity Oversight	2 139	-	-	-	-	-	-	2 139
Broadcasting and Community Media	200 253	-	-	(2 300)	-	-	(2 300)	197 953
Communication and Branding	540 323	-	-	3 100	-	-	3 100	543 423
Regulatory Institutions	477 665	-	-	(800)	-	-	(800)	476 865
<b>Total</b>	<b>1 220 380</b>	-	-	-	-	-	-	<b>1 220 380</b>

**Programme 4: Entity Oversight (continued)**

Economic classification	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
<b>Current payments</b>	<b>9 920</b>	–	–	–	–	–	–	<b>9 920</b>
Compensation of employees	8 562	–	–	–	–	–	–	8 562
Goods and services	1 358	–	–	–	–	–	–	1 358
<b>Transfers and subsidies</b>	<b>1 210 156</b>	–	–	–	–	–	–	<b>1 210 156</b>
Departmental agencies and accounts	1 037 229	–	–	–	–	–	–	1 037 229
Public corporations and private enterprises	172 927	–	–	–	–	–	–	172 927
<b>Payments for capital assets</b>	<b>304</b>	–	–	–	–	–	–	<b>304</b>
Machinery and equipment	304	–	–	–	–	–	–	304
<b>Total</b>	<b>1 220 380</b>	–	–	–	–	–	–	<b>1 220 380</b>

**Details of adjustments to the Estimates of National Expenditure 2015****Other adjustments – R10 million****Funds shifted between votes following the transfer of a function – R10 million**

Programme 3: Industry and Capacity Development

R10 million has been transferred from the Department of Telecommunications and Postal Services following the shift of the broadcasting digital migration function. This will be used for promoting public awareness of digital migration.

**Expenditure outcome for 2014/15 and actual expenditure for 2015/16**

Programme	2014/15					2015/16				
	Adjusted appropriation	Audited outcome		Actual expenditure		Adjusted appropriation	Adjusted appropriation/Total (%)	Apr 15 - Sep 15 appropriation	Apr 15 - Sep 15 % of adjusted appropriation	
Apr 14 - Sep 14		Apr 14 - Sep 14 % of adjusted appropriation	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted appropriation	Apr 15 - Sep 15					Apr 15 - Sep 15 % of adjusted appropriation
R thousand										
Administration	24 441	6 651	27.2	27 520	112.6	42 414	3.3	19 916	47.0	
Communications Policy, Research and Development	6 547	365	5.6	2 945	45.0	7 897	0.6	1 844	23.4	
Industry and Capacity Development	9 323	2 653	28.5	5 273	56.6	20 197	1.6	5 227	25.9	
Entity Oversight	1 254 976	585 280	46.6	1 251 472	99.7	1 220 380	94.5	594 587	48.7	
<b>Total</b>	<b>1 295 287</b>	<b>594 949</b>	<b>45.9</b>	<b>1 287 210</b>	<b>99.4</b>	<b>1 290 888</b>	<b>100.0</b>	<b>621 574</b>	<b>48.2</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>43 707</b>	<b>19 254</b>	<b>44.1</b>	<b>34 765</b>	<b>79.5</b>	<b>80 060</b>	<b>6.2</b>	<b>28 311</b>	<b>35.4</b>	
Compensation of employees	39 774	7 806	19.6	24 829	62.4	56 005	4.3	19 266	34.4	
Goods and services	3 933	11 448	291.1	9 936	252.6	24 055	1.9	9 045	37.6	
<b>Transfers and subsidies</b>	<b>1 251 260</b>	<b>574 353</b>	<b>45.9</b>	<b>1 247 745</b>	<b>99.7</b>	<b>1 210 156</b>	<b>93.7</b>	<b>593 031</b>	<b>49.0</b>	
Departmental agencies and accounts	1 024 092	567 894	55.5	1 021 907	99.8	1 037 229	80.4	518 650	50.0	
Public corporations and private enterprises	227 168	6 448	2.8	225 699	99.4	172 927	13.4	74 381	43.0	
Households	–	11	–	139	–	–	–	–	–	
<b>Payments for capital assets</b>	<b>320</b>	<b>1 342</b>	<b>419.4</b>	<b>4 700</b>	<b>1468.8</b>	<b>672</b>	<b>0.1</b>	<b>232</b>	<b>34.5</b>	
Machinery and equipment	320	1 342	419.4	4 700	1468.8	672	0.1	232	34.5	
<b>Total</b>	<b>1 295 287</b>	<b>594 949</b>	<b>45.9</b>	<b>1 287 210</b>	<b>99.4</b>	<b>1 290 888</b>	<b>100.0</b>	<b>621 574</b>	<b>48.2</b>	

### Expenditure trends for the first half of 2015/16

Total expenditure in 2014/15 was 99.4 per cent of the 2014/15 adjusted appropriation. Expenditure in the first six months of 2015/16 was R621.6 million, or 48.2 per cent of the adjusted appropriation of R1.3 billion for the year. In comparison, mid-year expenditure in 2014/15 was R595 million, or 45.9 per cent of the 2014/15 adjusted appropriation. Compared to the first six months of 2014/15, expenditure over the same period in 2015/16 increased by R26.6 million, or 4.5 per cent. The increase was mainly due to the costs associated with the formation of the department, such as operational costs and spending on the filling of posts in corporate services.

### Departmental receipts

R thousand	2014/15					2015/16				
	Adjusted estimate	Audited outcome		Budget estimate	Actual receipts					
		Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted estimate		Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate
<b>Departmental receipts</b>	<b>2 393</b>	<b>1 243</b>	<b>51.9</b>	<b>2 527</b>	<b>105.6</b>	<b>1 025 126</b>	<b>4 042</b>	<b>100.0</b>	<b>2 383</b>	<b>59.0</b>
Sales of goods and services produced by department	321	199	62.0	381	118.7	1 023 434	10	0.2	5	50.0
Sales of scrap, waste, arms and other used current goods	-	-	-	-	-	2	-	-	-	-
Interest, dividends and rent on land	1 712	865	50.5	1 885	110.1	1 662	4 000	99.0	2 362	59.1
Transactions in financial assets and liabilities	358	179	50.0	261	72.9	28	32	0.8	16	50.0
<b>Total</b>	<b>2 393</b>	<b>1 243</b>	<b>51.9</b>	<b>2 527</b>	<b>105.6</b>	<b>1 025 126</b>	<b>4 042</b>	<b>100.0</b>	<b>2 383</b>	<b>59.0</b>

### Revenue trends for the first half of 2015/16

Revenue in the first six months of 2015/16 was R2.4 million, or 59 per cent of the adjusted revenue estimate of R4 million for the year. In comparison, mid-year revenue in 2014/15 was R1.2 million, or 51.9 per cent of the 2014/15 adjusted estimate. Compared to the first six months of 2014/15, revenue over the same period in 2015/16 increased by R1.1 million, or 91.7 per cent. This was mainly due to licence fees collected by the Independent Communications Authority of South Africa.