

Vote 26

Communications

Amount to be appropriated	R823 451 000
Statutory appropriations	-
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 develop and implement policy for the telecommunications, postal and broadcasting services, as well as to control fiscal transfers to the portfolio organisations such as 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.

Key objectives and programmes

The Department of Communications seeks to ensure that communications services are available to the people of South Africa, and that they have access to both traditional and electronic media and communications, and information technology (IT). The provision of these services facilitates higher standards of living, accelerated economic growth and development, and improved and evolving service delivery.

The achievement of these aims is organised through five programmes:

- *Administration* provides for management and leadership of the Department, as well as for financial, human resources and other support services.
- *Telecommunications Policy* formulates policy, manages Government's shareholding interest in Telkom SA Ltd and its subsidiaries, and controls transfers to the Universal Service Agency and the Universal Service Fund.
- *Postal Services* develops the policy for the postal sector; manages Government's shareholding in South African Post Office Ltd. and its subsidiaries; and provides for the Postal Regulator and the licensing authority for postal services.
- *Broadcasting Services Policy* formulates broadcasting policy, manages Government's shareholding in the South African Broadcasting Corporation (SABC) and Sentech (Pty) Ltd, and controls the transfers to the Independent Communications Authority of South Africa (Icasa), the National Electronic Media Institute (Nemisa), and the SABC.
- *Auxiliary and Associated Services* facilitates and conducts research, and provides support services that promote the Department's aims.

Strategic overview and policy developments: 1998/99 to 2004/05

The information and communication sectors are essential to the development and management of a modern, competitive economy. They are playing an increasingly important role in the delivery of services impacting on living standards. The Department's policy-making objectives are to ensure that the development of these sectors is well regulated and that the services provided are accessible to all. In addition, policy development since 1998/99 has sought to restructure state owned entities,

introduce competition, accelerate the penetration of services into under-served communities, and streamline the regulatory framework.

An overall review of policy is continuing, with amendments to the Telecommunications Act (103 of 1996) and broadcasting legislation already under way. The Telecommunications Act amendments will continue the managed liberalisation of the telecommunications industry, and will result in Icasa issuing several licences. These will include the second fixed line operating licence, the Sentech telecommunication licence for international telephony, third-generation cell phone licences, 1800 MHz licences to fixed and mobile operators, and the licence for global mobile personal communications via satellite in the first quarter of 2002/03.

The telecommunications amendments also provide for increasing the mandate of the Universal Service Agency through its management of the Universal Service Fund. The Fund is used to reinforce the development of infrastructure in under-served communities, particularly the Presidential nodal points for rural development. In addition, support is given to schools procuring IT equipment to access the internet, for establishing telecentres and similar facilities, and for acquiring public information terminals.

The Broadcasting Amendment Bill seeks to amend the Independent Broadcasting Act (153 of 1993) and the Broadcasting Services Act (4 of 1999). The amendments include provisions for finalising applications for community broadcasting services, the use of broadcasting channels, opening subscription television to competition, and transitional arrangements for signal distribution.

The Department has been requested to take a leadership role in the information and communications technology (ICT) initiatives of the New Partnership for Africa's Development (NEPAD). This will include implementing various initiatives, such as the African Connection Project and the African Connection Centre for Strategic Planning.

As part of expanding the provision of public service broadcasting, the Department is seeking to ensure that the rationalisation of the SABC takes place. This will result in splitting the SABC into a Public Broadcasting Service arm and a Public Commercial Broadcasting Service arm, expanding the use of all official languages in broadcasting, and rolling out of community radio stations.

In collaboration with other role-players, the Department has drafted the Electronic Communications and Transactions Bill (E-Bill), which should be enacted in the third quarter of this year. The main aim of the Bill is to provide a sound environment for conducting business over the internet.

The re-introduction of a subsidy to the South African Post Office in 2001/02 will help to ensure continued access to mail services in historically disadvantaged areas, progress forwards universal service as well as help to upgrade postal infrastructure. The subsidy will also allow for restructuring over the medium-term.

The Post Bank is restructuring itself to provide financial services to the unbanked, especially those in rural areas where the services provided by commercial banks are inadequate.

Expenditure estimates

Table 26.1: Communications

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
1 Administration	39 270	53 921	64 225	63 296	38 296	63 708	72 749	77 161
2 Telecommunications Policy	33 543	58 187	81 559	135 844	125 844	117 190	111 697	116 913
3 Postal Services	444 133	305 802	18 918	645 362	645 362	344 502	350 157	353 173
4 Broadcasting Services Policy	325 305	349 029	287 839	299 055	299 055	292 959	250 428	265 458
5 Auxiliary and Associated Services	-	-	3 296	5 753	5 753	5 092	6 212	6 590
Total	842 251	766 939	455 837	1 149 310	1 114 310	823 451	791 243	819 295
Change to 2001 Budget Estimate				661 787	626 787	380 231	326 507	

Economic classification

Current	840 108	761 756	440 568	1 108 858	1 083 858	799 950	767 547	795 439
Personnel	23 459	24 265	32 330	47 108	37 108	47 270	54 255	56 916
Transfer payments	794 123	704 012	350 109	963 750	963 750	646 713	597 194	615 026
Other current	22 526	33 479	58 129	98 000	83 000	105 967	116 098	123 497
Capital	2 143	5 183	15 269	40 452	30 452	23 501	23 696	23 856
Transfer payments	-	-	-	20 000	10 000	20 000	20 000	20 000
Acquisition of capital assets	2 143	5 183	15 269	20 452	20 452	3 501	3 696	3 856
Total	842 251	766 939	455 837	1 149 310	1 114 310	823 451	791 243	819 295

Standard items of expenditure

Personnel	23 459	24 265	32 330	47 108	47 108	47 270	54 255	56 916
Administrative	8 862	13 841	21 794	24 161	18 761	35 586	40 438	42 885
Inventories	2 107	3 323	3 454	11 137	6 137	10 897	13 226	14 019
Equipment	4 772	7 235	17 630	25 756	25 756	6 693	8 784	9 308
Land and buildings	4 212	6 447	12 492	20 935	20 935	17 661	15 505	16 436
Professional and special services	4 543	7 578	17 417	36 463	21 463	38 631	41 841	44 705
Transfer payments	794 123	704 012	350 109	983 750	973 750	666 713	617 194	635 026
Miscellaneous	173	238	611	-	400	-	-	-
Total	842 251	766 939	455 837	1 149 310	1 114 310	823 451	791 243	819 295

Expenditure trends

The baseline allocation declined from R842,2 million in 1998/99 to R455,8 million in 2000/01 with the termination of the Post Office subsidy. The gradual reduction of the subsidy was based on an expected turnaround in operations and therefore the financial position of the Post Office, leading to a complete termination in 2000/01. However, following the difficulties experienced in achieving this restructuring objective, Cabinet approved an additional allocation of R600,0 million in the 2001 Adjusted Estimate to cover the losses incurred over the two years to 31 March 2002.

The adjusted budget for 2001/02 also includes R28,7 million rolled over from the previous year, R20,0 million for the emergency communication call centres, an additional R10,0 million for Icasa, and an additional R3,0 million for other unforeseeable and unavoidable expenditures.

The major spending by the Department over the medium term is on transfers amounting to R983,8 million in 2001/02, of which R600,0 million represents the transfer to the Post Office. Thereafter transfers fall to R666,7 million, R617,2 million and R635,5 million in subsequent years as the annual subsidy to the Post Office falls to R300,0 million. The value and duration of the Post Office subsidy will be reviewed as part of the restructuring activities.

Excluding the Post Office subsidy, the budget for the Department rose by nearly 11 per cent a year, from R402,1 million in 1998/99 to R549,3 million in 2001/02. In the medium term, however, excluding the subsidy, the Vote will fall by 1,9 per cent a year to R519,3 million in 2004/05.

From 2002/03, the Department will end the contribution made to the SABC to compensate for losses made by broadcasters of the former TBVC states, particularly the Bophuthatswana Broadcasting Corporation.

Departmental receipts

The Department estimates receipts of approximately R8,5 million for 2001/02. This excludes income from the telecommunications operators deposited with Icasa. Departmental receipts are made up of recoveries and about R8,3 million in interest on bank balances. An amount of R1,8 million is received from the SABC as interest payments on a loan advanced to support Channel Africa.

Table 26.2: Departmental receipts

	Revenue outcome				Adjusted appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome					
	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
R thousand								
Non-tax revenue	-	-	12 372	8 416	8 870	9 395	10 011	
Property income	-	-	12 351	8 393	8 845	9 367	9 980	
Sales of goods and services	-	-	21	23	25	28	31	
Financial transactions (recovery of loans and advances)	-	-	122	128	134	140	146	
Total departmental receipts	-	-	12 494	8 544	9 004	9 535	10 157	

Programme 1: Administration

Administration provides for the overall management of the Department, including policy formulation by the Minister and Director-General. The programme also provides support services such as legal, financial, project management and human resource services.

Expenditure estimates

Table 26.3: Administration

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
R thousand								
Minister ¹	512	574	542	587	622	656	689	
Management	8 607	8 567	16 498	13 329	14 710	16 182	17 156	
Corporate Services	30 151	44 780	47 185	49 380	48 376	55 911	59 316	
Total	39 270	53 921	64 225	63 296	63 708	72 749	77 161	
Change to 2001 Budget Estimate				3 653	1 399	1 598		

¹ Payable as from 1 April 2001. Salary: R469 829. Car allowance: R117 458.

R thousand	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	outcome				
			2000/01	2001/02			
Economic classification							
Current	38 285	51 800	61 771	61 947	62 569	71 380	75 710
Personnel	14 963	14 633	18 354	22 076	21 648	23 501	24 676
Transfer payments	9 389	16 797	7 715	10 100	–	–	–
Other current	13 933	20 370	35 702	29 771	40 921	47 879	51 034
Capital	985	2 121	2 454	1 349	1 139	1 369	1 451
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	985	2 121	2 454	1 349	1 139	1 369	1 451
Total	39 270	53 921	64 225	63 296	63 708	72 749	77 161

Standard items of expenditure

Personnel	14 963	14 633	18 354	22 076	21 648	23 501	24 676
Administrative	6 594	10 727	14 607	12 033	22 226	25 148	26 689
Inventories	1 232	3 005	2 907	4 560	4 739	6 426	6 819
Equipment	2 869	3 790	3 451	2 737	2 665	3 314	3 517
Land and buildings	2 527	2 887	9 994	4 126	4 538	5 296	5 614
Professional and special services	1 578	1 927	6 733	7 664	7 892	9 064	9 846
Transfer payments	9 389	16 797	7 715	10 100	–	–	–
Miscellaneous	118	155	464	–	–	–	–
Total	39 270	53 921	64 225	63 296	63 708	72 749	77 161

Policy developments

The Department's emphasis has been on national communications technology projects and action plans, and it is leading numerous e-projects and e-strategies in the Southern African Development Community (SADC), the e-Africa Commission, and other concrete ICT projects in the ambit of NEPAD. Apart from leading roles in other initiatives aimed at closing the digital divide, the Department of Communications hosted the International Telecommunication Union Telecom Africa Conference, which deliberated on similar themes.

Expenditure trends

Expenditure on *Administration* increases by an average of 6,8 per cent a year between 2001/02 and 2004/05, compared to the annual average of 17,2 per cent between 1998/99 and 2001/02. The rapid growth in the earlier years was due to the contributions by telecommunications operators to the Human Resources Fund. This ceased to exist on 31 March 2000 and its functions have been transferred to the relevant Sector Education and Training Authority (Seta).

Provision has also been made for an International Advisory Council to advise on issues relating to information, society and development.

Programme 2: Telecommunications Policy

Telecommunications Policy formulates ICT sector policies, manages Government's shareholding in Telkom SA Ltd, and manages the Universal Service Agency and Universal Service Fund.

The Universal Service Agency makes financial contributions to the entities that implement policy objectives, and monitors the performance of telecommunications operators against their universal service obligations. The Universal Service Fund manages the contributions by telecommunications operators, and seeks to stimulate the development of services in under-serviced communities.

Expenditure estimates

Table 26.4: Telecommunications Policy

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Telecommunications Policy	10 579	26 058	46 318	103 153	77 800	70 741	73 799
Universal Service Agency	8 901	8 034	9 641	10 205	10 711	11 211	11 884
Universal Service Fund	482	11 295	21 572	22 486	23 679	24 745	26 230
IT Secretariat (Y2K)	13 581	12 800	4 028	-	-	-	-
Electronic Business Directorate	-	-	-	-	5 000	5 000	5 000
Total	33 543	58 187	81 559	135 844	117 190	111 697	116 913
Change to 2001 Budget Estimate				39 209	24 596	24 612	

Economic classification

Current	32 500	55 619	70 589	97 739	95 574	90 098	95 280
Personnel	4 105	4 244	6 152	12 637	13 220	15 231	15 942
Transfer payments	22 963	43 632	46 559	46 101	46 440	40 060	42 464
Other current	5 432	7 743	17 878	39 001	35 914	34 807	36 874
Capital	1 043	2 568	10 970	38 105	21 616	21 599	21 633
Transfer payments	-	-	-	20 000	20 000	20 000	20 000
Acquisition of capital assets	1 043	2 568	10 970	18 105	1 616	1 599	1 633
Total	33 543	58 187	81 559	135 844	117 190	111 697	116 913

Standard items of expenditure

Personnel	4 105	4 244	6 152	12 637	13 220	15 231	15 942
Administrative	1 679	1 644	4 845	5 767	6 242	7 090	7 493
Inventories	632	205	482	5 141	4 692	4 824	5 104
Equipment	1 537	2 764	11 561	20 746	2 606	3 513	3 713
Land and buildings	1 053	2 838	2 498	15 434	11 611	8 443	8 950
Professional and special services	1 547	2 831	9 364	10 018	12 379	12 536	13 247
Transfer payments	22 963	43 632	46 559	66 101	66 440	60 060	62 464
Miscellaneous	27	29	98	-	-	-	-
Total	33 543	58 187	81 559	135 844	117 190	111 697	116 913

Policy developments

The Department's policy focus has been to ensure that the development of the ICT sector happens in a stable regulatory regime so that it contributes to the development of the economy, widens access, reduces the digital divide, lowers input costs and promotes black economic empowerment.

The promotion of competition in the sector will culminate in the licensing of the second national operator when Telkom's exclusivity period ends in May 2002. Other licences will also be issued to small businesses in selected localities, Sentech and value added network operators.

The new policy and legislative environment will pave the way for an initial public offering for Telkom. This listing will be the first primary placement by Government on the JSE Securities Exchange SA, and will be the single largest telecoms listing on the Exchange.

The Department is at an advanced stage of planning and designing emergency communications infrastructure. The infrastructure will facilitate reporting and responding to emergencies using a national communications backbone, with a system similar to the 911 emergency number in the United States of America.

Following the publication of the Green Paper on Electronic Commerce in November 2000, the Electronic Communications Transactions Bill entered the parliamentary process and is expected to be enacted during 2002. The legislation sets out the institutional and governance framework for the use and management of electronic communications services, providing for the creation of a number of agencies which will ensure the reliability and credibility of online transactions. To implement this legislation, the Department is establishing an e-commerce business unit to promote the use and security of ICT. This has been funded at a level of R5 million per year over the medium term.

Expenditure trends

Excluding the South African Post Office subsidy, *Telecommunications Policy's* share of the total Vote has grown from 6,2 per cent in 1998/99 to 24,7 per cent by 2001/02. The increase in the 2001/02 allocation is partly the result of an R18 million rollover from 2000/01, and the R20 million earmarked for the establishment of emergency communication call centres. This share stabilises at about 14 per cent in the medium term against the 19 per cent projected in the 2001 budget. The apparent decline in this percentage share is due to the reinstatement of the Post Office subsidy in the *Postal Services* programme. Notwithstanding that, allocations to the programme show an average decline of 4,9 per cent a year in the medium term.

Key outputs, indicators and targets

Telecommunications Policy

Subprogramme	Output	Output measure/indicator	Target
Telecommunications Policy	Telecommunications Amendment Act	Licensing of second national operator and SMMEs	2002/03
	Awarding licences	The number of licences to be awarded	Third generation licences and 1800 MHz spectrum licences in 2002/03
	Establish emergency communications infrastructure	Infrastructure established	2001/02 – 2004/05
Electronic Business Directorate	Electronic Commerce and Transactions Act	Certification Licensing Authority	Established 2002/03
		Domain name authority	Established 2002/03
		E-Bill awareness programme	2002/03 – 2003/04
		Internet penetration in South Africa	Approximately 15% of population by 2005/06
Universal Service Agency	Ensuring compliance with license conditions with respect to universal service	Tele-density in areas with 5% tele-density	Raise tele-density to 30% by 2005
		The number of surveys and evaluations undertaken	Surveys and evaluations conducted in all nine provinces to improve the tele-density, annually
Universal Service Fund	Access to telecommunications facilities	Establish centres	Centres in 9 provinces by 2002/03
	Access of small business and cooperatives to telecoms services in under-served areas	The number of small businesses and cooperatives assisted	Assistance to small businesses and cooperatives in 9 provinces by 2002/03
	Public schools and training institutions access internet services	The number of public schools and public training institutions acquiring access	10% connected to the internet by 2005

During 2001/02, the Department published new telecommunications policy directions. Their main thrust is the introduction of more competition into the industry and making the world of telecommunications accessible to all South Africans. This policy focuses on bridging the digital divide, lowering input costs, providing universal service and access, black economic empowerment, a stable market environment, a predictable regulatory regime and a favourable environment for Telkom's initial public offering.

As part of the objective of a managed move towards a liberalised telecommunications sector, the Department has developed policy on the licensing of the second national operator, Sentech's

provision of full multimedia and international services, and issuing third-generation cell phone and 1800 MHz spectrum licences.

Progress has also been made in establishing the emergency call centres.

Programme 3: Postal Services

Postal Services manages and formulates policy for postal services, regulates the postal sector and manages Government's shareholding in the South African Post Office Ltd and its subsidiaries.

The Postal Regulator, established in terms of the Postal Services Act (124 of 1998) is responsible for licensing and registering all operators in the sector, promoting universal postal services and ensuring compliance with the provisions of the Act, licence or registration certificate.

Expenditure estimates

Table 26.5: Postal Services

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01	Adjusted appropriation 2001/02	2002/03	2003/04	2004/05
R thousand							
Postal Service Policy	3 982	21 933	16 409	23 781	23 126	24 609	26 088
Postal Regulator	–	669	2 509	21 581	21 376	25 548	27 085
Post Office Subsidy	440 151	283 200	–	600 000	300 000	300 000	300 000
Total	444 133	305 802	18 918	645 362	344 502	350 157	353 173
Change to 2001 Budget Estimate				601 738	300 112	300 139	

Economic classification

Current	444 029	305 448	18 615	644 899	344 121	349 694	352 682
Personnel	2 034	2 798	4 222	6 927	7 048	9 312	9 777
Transfer payments	440 151	301 160	13 000	616 000	315 000	315 500	316 430
Other current	1 844	1 490	1 393	21 972	22 073	24 882	26 475
Capital	104	354	303	463	381	463	491
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	104	354	303	463	381	463	491
Total	444 133	305 802	18 918	645 362	344 502	350 157	353 173

Standard items of expenditure

Personnel	2 034	2 798	4 222	6 927	7 048	9 312	9 777
Administrative	315	791	763	3 150	3 483	3 919	4 159
Inventories	135	3	41	474	479	723	767
Equipment	308	447	464	943	795	1 019	1 081
Land and buildings	337	385	–	579	637	743	788
Professional and special services	841	186	402	17 289	17 060	18 941	20 171
Transfer payments	440 151	301 160	13 000	616 000	315 000	315 500	316 430
Miscellaneous	12	32	26	–	–	–	–
Total	444 133	305 802	18 918	645 362	344 502	350 157	353 173

Policy developments

Cabinet has approved the reintroduction of the postal subsidy, following operational and financial difficulties encountered while the South African Post Office was restructuring to eliminate its reliance on public funding. However, contrary to the historical practice of making up for the operational losses, the new subsidy is targeted towards the Post Office meeting its social

obligations. These include expanding the postal outlet network, particularly in under-served areas, and refurbishing outlets in disadvantaged communities. The reintroduction of the subsidy is an interim measure to put the Post Office on a sound financial footing, pending the restructuring.

As part of the restructuring process, the Post Bank is in the process of being corporatised to ensure that it plays a greater role in development activities. These would include addressing the financial services needs of low income communities and improving access to credit for small businesses. The Department is currently investigating an appropriate governance and regulatory framework for the Post Bank. Its aim is to ensure adequate protection of public deposits and the associated contingent liability to Government, while also ensuring the Bank's ability to meet its mandate.

Expenditure trends

The reintroduction of a subsidy to the South African Post Office – for R600 million in 2001/02 and R300 million in each year over the medium term – dramatically affects the proportion of the Vote allocated to *Postal Services*. Without the subsidy, the programme's budget would consume 9,6 per cent of the Vote and would grow by an average 5,4 per cent a year over the medium term.

The establishment of the Postal Regulator as an independent body in the Department of Communications resulted in the programme baseline increasing by R21,6 million in 2001/02. The total allocation for the Postal Regulator increases to R27,1 million in 2004/05.

The impact of these developments means that transfer payments rise steeply from 2000/01 levels.

Key outputs, indicators and targets

Postal Services

Subprogramme	Output	Output measure/indicator	Target
Postal Service Policy	Postal policy	Modified/new policy	2004/05
	Postal infrastructure roll-out	Improved access to postal services	Roll out about 4 million addresses
		The number of retail networks that will be upgraded	30% of the 2 762 post offices will be upgraded each year until all meet desired standards
	Public access to electronic information, especially government information services	Implementation and roll-out of an additional 600 Public Information Terminals (Pits) in 2002/03	
Postal Regulator	Regulations for postal industry	New and improved regulations	2002/03
		Number of licences and certificates issued	Licences will only be issued after 2004/05 when the Post Office monopoly ends

The Department established 100 Public Information Terminals in rural areas. The terminals provide access to government information, educational services, e-mail and the internet. In addition, it set up seven multi-purpose community centres with a postal service, tele-centre and computer laboratory; fax, print and photocopy facilities. Twenty-five citizens' post offices were also established.

Policy implemented ensured that 1 post office, 8 retail post offices and 178 postal agencies were established in disadvantaged communities in 2001. Street delivery of letters was introduced to 441 784 households and a further 805 400 post boxes were installed in 2001. This means a total of 4,6 million new postal addresses have been provided since August 1993. In addition, 84 per cent of the mail met the delivery standards set in the South African Post Office's licence agreements.

Programme 4: Broadcasting Services Policy

Broadcasting Services Policy formulates, implements and maintains an effective government policy framework for the broadcasting sector, including aspects of signal distribution and technology. It also monitors the financial and general performance of a number of organisations,

including the SABC, Icasa, the National Electronic Media Institute of South Africa (Nemisa) and Sentech. The programme's activities are divided into six subprogrammes:

- Broadcasting Policy formulates and implements policy and controls the flow of funds to portfolio organisations.
- The South African Broadcasting Corporation (SABC) subprogramme provides the funding for public broadcasting as well as assistance to the SABC for losses incurred by the integration of broadcasters from the former TBVC states.
- The Channel Africa subprogramme provides funds for the operating expenditure of external broadcasting services.
- Community Radio provides funds for the development of community broadcasting.
- The Independent Communications Authority of South Africa subprogramme transfers funds for the regulation of telecommunications and broadcasting sector.
- The National Electronic Media Institute of South Africa subprogramme transfers funds for the promotion of skills development in the broadcasting sector.
- The Sentech subprogramme facilitates the transfer of funds to Sentech.

Expenditure estimates

Table 26.6: Broadcasting Services Policy

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Outcome		2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01					
R thousand								
Broadcasting Policy	4 685	18 306	22 794	48 506	36 686	40 294	42 716	
South African Broadcasting Corporation								
Public Broadcaster	140 000	138 804	37 000	40 114	42 930	44 717	47 400	
TBVC States	65 000	60 700	74 500	53 790	-	-	-	
Channel Africa	21 218	25 619	28 200	26 743	26 450	26 288	27 865	
Community Radio	877	6 216	336	-	8 500	9 000	9 540	
Independent Communications Authority of South Africa	93 525	99 384	108 009	117 260	111 190	116 376	123 359	
National Electronic Media Institute of South Africa	-	-	17 000	12 642	13 203	13 753	14 578	
Sentech	-	-	-	-	54 000	-	-	
Total	325 305	349 029	287 839	299 055	292 959	250 428	265 458	
Change to 2001 Budget Estimate				16 650	54 066	75		

Economic classification

	325 294	348 889	287 732	298 914	292 905	250 374	265 401
Current							
Personnel	2 357	2 590	2 787	3 366	3 331	4 067	4 270
Transfer payments	321 620	342 423	282 835	291 549	285 273	241 634	256 132
Other current	1 317	3 876	2 110	3 999	4 301	4 673	4 999
Capital	11	140	107	141	54	54	57
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	11	140	107	141	54	54	57
Total	325 305	349 029	287 839	299 055	292 959	250 428	265 458

R thousand	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	Outcome				
Standard items of expenditure							
Personnel	2 357	2 590	2 787	3 366	3 331	4 067	4 270
Administrative	274	679	1 076	1 563	1 816	2 044	2 170
Inventories	108	110	24	775	784	808	857
Equipment	58	234	176	295	198	224	238
Land and buildings	295	337	–	507	557	651	690
Professional and special services	577	2 634	918	1 000	1 000	1 000	1 101
Transfer payments	321 620	342 423	282 835	291 549	285 273	241 634	256 132
Miscellaneous	16	22	23	–	–	–	–
Total	325 305	349 029	287 839	299 055	292 959	250 428	265 458

Policy developments

During 2002/03, the Department will plan the implementation of provisions in the Broadcasting Act (4 of 1999) which require the SABC to be divided into a Public Broadcasting Service arm and a Public Commercial Broadcasting Service arm. The restructuring will ensure that the SABC will have a clear mandate enabling it to meet the needs of South African audiences, including the provision of:

- Accurate and credible news and current affairs programmes
- Programming, including local content, in languages reflecting the country's cultural diversity
- Educational programming to advance life-long education
- Children's programming

Channel Africa plays a role in building bridges between South Africa and the rest of the continent. It is being repositioned in support of NEPAD and it will pursue its mandate using all platforms.

The process of corporatising Bop Broadcasting is under way. This year will see the final outcome of the discussions on its role and future. Contributions to the SABC to recover losses incurred due to the integration of the former TBVC broadcasters will be terminated in 2001/02.

The Department will continue to roll out community radio stations. The focus will be on the Presidential nodal points to complement the Integrated Sustainable Rural Development Programme.

During 2002, Icasa, together with Government, will seek to ensure that a stable regulatory environment is developed. Icasa will also work on policy and regulations to ensure stability in the communications environment after the end of Telkom's monopoly.

In broadcasting, Icasa will develop a regulatory framework for promoting local content and licensing pay television services in the country.

The National Electronic Media Institute of South Africa will be officially launched this year as part of a programme to develop ICT skills. It is currently developing partnerships with reputable international institutions in multi-media training.

Expenditure trends

The *Broadcasting Services Policy* budget declined by an average of 2,8 per cent a year between 1998/99 and 2001/02 and will further decline by an average of about 4,0 per cent a year in the medium term. This decline largely reflects the curtailment of the government subsidy to public broadcasting services. Excluding the postal subsidy in both years, the share of the budget

consumed by *Broadcasting Service Policy* falls from about 60 per cent in 1998/99 to about 51 per cent in 2004/05, reflecting the reduction in broadcasting subsidies.

The increase in transfer payments to Icasa and Nemisa are generally in line with inflation. Operational funding for the former TBVC broadcasters has been terminated in 2001/02 resulting in a decrease in the transfer to the SABC.

An amount of R54 million has been included in the 2002 budget as a transfer to Sentech for the repayment of the SABC loan.

Key outputs, indicators and targets

Broadcasting Services Policy

Subprogramme	Output	Output measure/indicator	Target
Broadcasting Policy	Restructuring of SABC and Channel Africa	SABC split its operations into two arms	31 March 2002
		A commercialised Channel Africa	December 2002
	Roll-out of digital network	Introduction of multi-channel broadcasting	2002/03
		Migration from analogue to digital services	Completed by 2008
SABC	Educational programmes	The number of quality educational programmes	4 educational programmes per year
	Restructuring of Bop TV	Bop TV absorbed by Channel Africa	2002/03
Channel Africa	External broadcasting to promote South Africa's image	Quality broadcasting services by Channel Africa	Increase in viewership in all African countries
Community Radio	Development of community radio stations	Roll-out of community radio and multi-media centres	Number of community radio stations in each province
Icasa	Well-regulated broadcasting and telecommunications sectors	Coverage of regulations	All required regulations to be issued by 2005
	Issuing of broadcasting and telecommunications licenses	Number of licences issued	Licences issued on an ongoing basis
Nemisa	Signal distribution licenses	Number of licences issued	Ongoing
	Train individuals in the technical aspects of television and radio broadcasting	Number of individuals trained in the technical aspects of broadcasting	Raise representivity of broadcasting industry
	Technical and content production training for community radio	The number of individuals trained at the community level in broadcasting	All community radio stations run by trained individuals
Sentech	National carrier of signal distribution	Currently, the sole signal distributor for television and radio	Restructure into a multi-media distributor by 2005

The third cellular licence was awarded during the second quarter of 2001.

A study was conducted to test the feasibility of a dedicated educational channel. It was found, however, that the better option was to establish a national network utilising multi-media. The Department is currently discussing implementation of this with the Department of Education.

A feasibility study into the establishment of a dedicated parliamentary channel has been completed. The Department is in the process of consulting with stakeholders, including the Presiding Officers of Parliament, Icasa, the portfolio committee on communications, and the industry.

Community radio stations will be installed by December 2002 in KwaZulu-Natal (6), the Western Cape (4), Gauteng (6), the Eastern Cape (1) and the Northern Province (1). In 2001/02, 720 community radio programmes dealing with issues relating to women, the disabled, children, and HIV/Aids in broadcasting, were produced.

A task team responsible for restructuring Channel Africa has been appointed.

Programme 5: Auxiliary and Associated Services

Auxiliary and Associated Services facilitates, leverages and conducts research within the communications sector. This includes telecommunications, broadcasting, postal services and the related area of converging technologies, and the information society.

Expenditure estimates

Table 26.7: Auxiliary and Associated Services

Subprogramme	Expenditure outcome			Adjusted Appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Research	-	-	726	3 846	4 045	4 972	5 273
Infrastructure	-	-	2 570	1 907	1 047	1 240	1 317
Total	-	-	3 296	5 753	5 092	6 212	6 590
Change to 2001 Budget Estimate				537	58	83	

Economic classification

Current	-	-	1 861	5 359	4 781	6 001	6 366
Personnel	-	-	815	2 102	2 023	2 144	2 251
Transfer payments	-	-	-	-	-	-	-
Other current	-	-	1 046	3 257	2 758	3 857	4 115
Capital	-	-	1 435	394	311	211	224
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	1 435	394	311	211	224
Total	-	-	3 296	5 753	5 092	6 212	6 590

Standard items of expenditure

Personnel	-	-	815	2 102	2 023	2 144	2 251
Administrative	-	-	503	1 648	1 819	2 237	2 374
Inventories	-	-	-	187	203	445	472
Equipment	-	-	1 978	1 035	429	714	759
Land and buildings	-	-	-	289	318	372	394
Professional and special services	-	-	-	492	300	300	340
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total	-	-	3 296	5 753	5 092	6 212	6 590

Expenditure trends

Auxiliary and Associated Services came into existence in 2000/01, with its first full year of expenditure in 2001/02. Expenditure on the Research subprogramme increases by an average of 11,1 per cent a year over the medium term, reflecting the increase in operational costs and the need to expand output. Expenditure on the Infrastructure subprogramme falls by an average of 11,6 per cent a year between 2001/02 and 2004/05 as some of the research has been shifted to the Institute of Satellite and Software Applications, which has the capacity and equipment to conduct high level research.

Key outputs, indicators and targets

Auxiliary and Associated Services

Subprogramme	Output	Output measure/indicator	Target
Research	Spatial mapping of existing communications infrastructure	Identification of any deficits and vulnerabilities	2002/03
		Establish a national information society research forum	2002/03
	Audit of information society research capacity and initiatives	The number of reports on the profiles of the communications sector	2003/04
	Develop indicators for benchmarking, monitoring and evaluation	Statistics in line with the international frameworks for ICT	2002/03
	Compile communications sector statistics	Effective departmental and national resources on communications issues	2002/03
Infrastructure	Information	Number of reports on communications	High quality reports

A key achievement of this programme was the publication of a research study on the state of the telecommunications industry in South Africa. This study covered the issues of South Africans' access to telecommunications infrastructure, and revealed the extent to which the majority of the South African population still lacks access to reliable telecommunications.

Public entities reporting to the Minister

Universal Service Agency

The Telecommunications Act provides for the establishment of the Universal Service Agency, with a mandate to promote, facilitate and monitor the delivery of service and access in historically under-serviced areas. It also manages the Universal Service Fund, to which telecommunications operators contribute.

The universal service and universal access objectives seek to promote economic growth and development, consolidate democracy and human rights, increase the capacity of ordinary people to participate in governance, and serve as a catalyst for, and provide support to, local economic development projects. Implementing universal service and universal access goes beyond basic telephony to encompass advanced services like the internet.

The Universal Service Agency baseline for 2002/03 is R10,7 million, rising to R11,9 million in 2004/05, while that of the Universal Service Fund rises from R23,7 million to R26,2 million.

Telkom

Telkom is a state owned telecommunications company providing a range of services and facilities. In 1997, Telkom was given a five-year exclusivity period to implement universal access to telecommunications by rolling out infrastructure in under-serviced areas, and for realigning tariffs. The universal access targets contained in the licence requirements entail the installation of 2,8 million new lines and 120 000 pay phones by May 2002.

During the same period Telkom is required to provide first time telephone services to over 3 000 villages; install more than 20 000 new lines for priority customers such as schools, hospitals, clinics and police stations; and replace around 1,2 million analogue lines with digital technology.

Telkom was given the option to apply for an additional one-year exclusivity period if it met these requirements. Telkom met the licence obligations but chose not to exercise this option.

The Telkom initial public offering is expected in the fourth quarter of 2002.

Telkom is a self-funding institution with an expected turnover of R35 billion in 2002/03, rising to R48 billion in 2004/05.

South African Post Office

The South African Post Office Ltd, since October 1991 an independent public company with the state as the sole shareholder, is the prime mover of non-electronic written and published information in South Africa.

The Postal Services Act paved the way for the transformation of the Post Office and assigned it statutory obligations to roll out infrastructure and services in under-serviced areas. The Post Office's programme to achieve the target of increasing the number of postal outlets by an additional 600 and providing 4 million addresses is on track. The roll-out of postal outlets to disadvantaged communities has also begun and this will be fast-tracked with the reintroduction of the postal subsidy over the medium term.

The Post Office and the Department of Communications are currently working on the corporatisation and restructuring of the Post Bank. This restructuring of Communications will ensure that the Post Bank plays a greater role in economic development.

Table 26.8: Summary of revenue and expenditure of the South African Post Office¹

	Revenue/Expenditure outcome				Medium-term estimate		
	Audited	Audited	Preliminary	Adjusted			
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand							
Revenue							
Current revenue	3 008	3 313	3 376	3 840	4 201	4 286	4 373
Capital revenue	16	23	12	17	21	18	16
Grants received	302	283	148	300	300	300	300
Total Revenue	3 326	3 619	3 536	4 157	4 522	4 604	4 689
Expenditure							
Current expenditure	3 645	3 893	4 477	3 971	4 015	4 162	4 410
<i>Remuneration of employees</i>	1 988	2 165	2 454	2 194	2 137	2 176	2 246
<i>Other goods and services</i>	1 588	1 665	1 964	1 720	1 822	1 917	2 082
<i>Interest</i>	69	63	59	57	56	69	82
<i>Current transfers</i>	-	-	-	-	-	-	-
Capital expenditure	161	316	394	117	722	618	518
<i>Acquisition of fixed capital assets</i>	161	316	394	117	722	618	518
<i>Capital transfers</i>	-	-	-	-	-	-	-
Total Expenditure	3 806	4 209	4 871	4 088	4 737	4 780	4 928
Surplus/(Deficit)	(480)	(590)	(1 335)	69	(215)	(176)	(239)

¹ Data provided by the South African Post Office. The figures in this table are based on the accrual method of reporting and are therefore not strictly comparable to government cash information.

Independent Communications Authority of South Africa

The convergence of telecommunications and broadcasting technologies resulted in the formation of the Independent Communications Authority of South Africa (Icasa) through the merger of the South African Telecommunications Regulatory Authority and the Independent Broadcasting Authority. It was established to regulate broadcasting and telecommunications in the public interest and to ensure fairness and diversity in broadcasting.

The convergence of the technologies and new complexities of the ICT sector pose new challenges for Icasas. The new telecommunications policy dispensation will pose additional challenges.

Icasas's allocation is R111,2 million in 2002/03 rising to R123,4 million in 2004/05.

South African Broadcasting Corporation

The mandate of the South African Broadcasting Corporation (SABC) is to provide public and commercial broadcasting services to all South Africans in all official languages.

The SABC is going ahead with the restructuring outlined in the Broadcasting Act to strategically reposition the SABC in the context of the changing media and communications environment. The corporatisation of the organisation is on track, and the Memorandum of Understanding and Articles of Association have been drafted and are awaiting approval by the Minister.

A review is under way to clarify the role and social obligations of the SABC within the constantly changing broadcasting environment to ensure that it meets the needs of the entire population.

The extension of the SABC footprint is supported by the signal distributor, Sentech, which has completed planning for upgrading the broadcasting infrastructure in certain rural areas.

The corporatisation of Channel Africa, which was established to promote South Africa internationally, is under way. This repositioning will entail adopting new technologies and programme content across all formats, to appeal to a wide range of people on the continent.

The process of corporatising Bop Broadcasting is under way. A decision has already been taken to dispose of the Rhino Recording Studios.

The SABC is predominantly a self-funding organisation but public funding is used for parts of the public broadcasting mandate that are not economically viable. Funding is also provided to the SABC for the operational expenditure of Channel Africa and the loss-making channels inherited from TBVC broadcasters. The latter will be phased out in 2002/03.

National Electronic Media Institute of South Africa

The National Electronic Media Institute of South Africa (Nemisa) was established to provide training for people in the broadcasting industry. The training focuses on general management skills, project management, regulation, policy formulation, programme production and spectrum management. Some of these initiatives are being run in partnership with other role-players.

With the convergence of media technologies, Nemisa has positioned itself to provide multi-media training.

Nemisa's baseline allocation is R13,2 million in 2002/03, rising to R14,6 million in 2004/05.

Sentech

Sentech (Pty) Ltd is the common carrier for broadcasting signal distribution in South Africa. It was a business unit of the SABC until 1992 when it was converted into a private company, operating commercially but owned by the SABC. Currently the state is the sole shareholder in Sentech.

Sentech's strategic vision is to be a leading multi-media company in South Africa. This will be achieved by moving from providing analogue broadcast signal to providing digital broadcasting signal.

Sentech is also looking for new revenue sources and has identified the development of multi-media products and applications as being its core objective in achieving this. To reposition itself as a profitable multi-media company, Sentech needs to develop the required infrastructure and to actively expand its existing client base.

Annexure

Vote 26: Communications

Table 26.9: Summary of expenditure trends and estimates per programme

Table 26.10: Summary of expenditure trends and estimates per economic classification

Table 26.11: Summary of expenditure trends and estimates per standard item

Table 26.12: Summary of transfers and subsidies per programme

Table 26.13: Summary of personnel numbers and costs

Table 26.14: Summary of expenditure on training

Table 26.15: Summary of information and communications technology expenditure

Table 26.9: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
1 Administration	39 270	53 921	64 225	59 643	2 071	1 582	63 296	38 296	62 569	1 139	63 708	72 749	77 161
2 Telecommunications Policy	33 543	58 187	81 559	96 635	18 508	20 701	135 844	125 844	95 574	21 616	117 190	111 697	116 913
3 Postal Services	444 133	305 802	18 918	43 624	1 327	600 411	645 362	645 362	344 121	381	344 502	350 157	353 173
4 Broadcasting Services Policy	325 305	349 029	287 839	282 405	6 500	10 150	299 055	299 055	292 905	54	292 959	250 428	265 458
5 Auxiliary and Associated Services	-	-	3 296	5 216	381	156	5 753	5 753	4 781	311	5 092	6 212	6 590
Total	842 251	766 939	455 837	487 523	28 787	633 000	1 149 310	1 114 310	799 950	23 501	823 451	791 243	819 295
Change to 2001 Budget Estimate							661 787	626 787			380 231	326 507	

Table 26.10: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Current	840 108	761 756	440 568	481 592	14 266	613 000	1 108 858	1 083 858	799 950	-	799 950	767 547	795 439
Personnel	23 459	24 265	32 330	44 108	-	3 000	47 108	37 108	47 270	-	47 270	54 255	56 916
Salaries and wages	16 450	17 694	21 673	32 700	-	3 000	35 700	35 700	35 370	-	35 370	40 964	42 973
Other	7 009	6 571	10 657	11 408	-	-	11 408	1 408	11 900	-	11 900	13 291	13 943
Transfer payments	794 123	704 012	350 109	346 518	7 232	610 000	963 750	963 750	646 713	-	646 713	597 194	615 026
Subsidies to business enterprises	666 369	526 283	152 700	136 647	-	600 000	736 647	736 647	438 380	-	438 380	386 505	391 695
Other levels of government													
social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
provincial government	-	-	-	-	-	-	-	-	-	-	-	-	-
local government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	127 754	177 729	197 409	209 871	7 232	10 000	227 103	227 103	208 333	-	208 333	210 689	223 331
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	22 526	33 479	58 129	90 966	7 034	-	98 000	83 000	105 967	-	105 967	116 098	123 497
Capital	2 143	5 183	15 269	5 931	14 521	20 000	40 452	30 452	-	23 501	23 501	23 696	23 856
Transfer payments	-	-	-	-	-	20 000	20 000	10 000	-	20 000	20 000	20 000	20 000
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	-	-	-	-	-	20 000	20 000	10 000	-	20 000	20 000	20 000	20 000
Movable capital	2 143	5 183	15 269	5 931	14 521	-	20 452	20 452	-	3 501	3 501	3 696	3 856
Motor vehicles (transport)	94	689	249	140	-	-	140	140	-	95	95	65	69
Equipment - Computers	1 836	4 201	14 392	2 582	139	-	2 721	2 721	-	2 536	2 536	2 610	2 711
Equipment - Other office equipment	203	165	199	342	-	-	342	342	-	406	406	619	653
Other	10	128	429	2 867	14 382	-	17 249	17 249	-	464	464	402	423
Fixed capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	842 251	766 939	455 837	487 523	28 787	633 000	1 149 310	1 114 310	799 950	23 501	823 451	791 243	819 295

Table 26.11: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Personnel	23 459	24 265	32 330	44 108	–	3 000	47 108	47 108	47 270	–	47 270	54 255	56 916
Administrative	8 862	13 841	21 794	24 011	150	–	24 161	18 761	35 586	–	35 586	40 438	42 885
Inventories	2 107	3 323	3 454	10 518	619	–	11 137	6 137	10 897	–	10 897	13 226	14 019
Equipment	4 772	7 235	17 630	11 235	14 521	–	25 756	25 756	3 192	3 501	6 693	8 784	9 308
Land and buildings	4 212	6 447	12 492	18 085	2 850	–	20 935	20 935	17 661	–	17 661	15 505	16 436
Professional and special services	4 543	7 578	17 417	33 048	3 415	–	36 463	21 463	38 631	–	38 631	41 841	44 705
Transfer payments	794 123	704 012	350 109	346 518	7 232	630 000	983 750	973 750	646 713	20 000	666 713	617 194	635 026
Miscellaneous	173	238	611	–	–	–	–	400	–	–	–	–	–
Total	842 251	766 939	455 837	487 523	28 787	633 000	1 149 310	1 114 310	799 950	23 501	823 451	791 243	819 295

Table 26.12: Summary of transfers and subsidies per programme

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome			Current	Capital	Total	
	1998/99	1999/00	2000/01	2001/02	2002/03			2003/04	2004/05
R thousand									
1 Administration	9 389	16 797	7 715	10 100	–	–	–	–	–
Corporate Services									
Contribution to International Telecommunications Union	4 401	3 687	4 267	4 160	–	–	–	–	–
South African Transport and Communications Commission	168	175	175	433	–	–	–	–	–
Contribution to Pan African Telecommunications Union	–	437	1 325	432	–	–	–	–	–
Contribution to Conferences	–	1 319	1 334	1 947	–	–	–	–	–
World Telecommunications Day	–	100	300	840	–	–	–	–	–
Contribution to Pan African Postal Union	–	–	314	–	–	–	–	–	–
Contribution to Universal Postal Union	–	2 210	–	2 288	–	–	–	–	–
Human Resource Fund Contribution	4 820	8 869	–	–	–	–	–	–	–

	Expenditure outcome				Medium-term expenditure estimate				
	Audited	Audited	Preliminary	Adjusted	Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	outcome						
R thousand									
2 Telecommunications Policy	22 963	43 632	46 559	66 101	46 440	20 000	66 440	60 060	62 464
Telecommunications Policy									
Multi Purpose Centres	-	8 503	3 517	2 000	2 000	-	2 000	2 000	2 000
Contribution to Sector Education and Training Authority	-	-	3 450	3 410	2 050	-	2 050	2 104	2 350
Technology License to University of Stellenbosch	-	-	-	8 000	8 000	-	8 000	-	-
Contribution to the Emergency Communications Fund	-	-	4 350	20 000	-	20 000	20 000	20 000	20 000
Infrastructure investment (Telecentres)	-	3 000	-	-	-	-	-	-	-
Universal Service Agency	8 901	8 034	9 641	10 205	10 711	-	10 711	11 211	11 884
Universal Service Fund	482	11 295	21 572	22 486	23 679	-	23 679	24 745	26 230
IT Secretariat (Y2K)	13 580	12 800	4 029	-	-	-	-	-	-
3 Postal Services	440 151	301 160	13 000	616 000	315 000	-	315 000	315 500	316 430
Postal Service Policy									
Post Office: Public Information Terminals	-	7 960	8 000	8 000	8 000	-	8 000	8 000	8 480
Post Office: Extension of Services	-	10 000	5 000	6 000	7 000	-	7 000	7 500	7 950
Multi-purpose Centres	-	-	-	2 000	-	-	-	-	-
Post Office Subsidy									
Transfer to the South African Post Office Limited	302 984	164 442	-	600 000	300 000	-	300 000	300 000	300 000
Transfer to the South African Post Office Limited - TBVC States	137 167	118 758	-	-	-	-	-	-	-

	Expenditure outcome				Medium-term expenditure estimate				
	Audited	Audited	Preliminary	Adjusted	Current	Capital	Total	2003/04	2004/05
	1998/99	1999/00	outcome						
R thousand									
4 Broadcasting Services Policy	321 620	342 423	282 835	291 549	285 273	-	285 273	241 634	256 132
Broadcasting Policy									
Contribution to Children in Broadcasting	1 000	2 700	4 530	6 000	6 500	-	6 500	7 000	7 420
Contribution to Youth Programming	-	3 500	-	5 000	5 500	-	5 500	6 000	6 360
Contribution to Women in Broadcasting	-	2 500	4 500	6 500	7 000	-	7 000	7 500	7 950
Contribution to Disabled in Broadcasting	-	3 000	5 760	6 000	6 500	-	6 500	7 000	7 420
HIV/Aids in Broadcasting	-	-	3 000	3 000	3 500	-	3 500	4 000	4 240
South African Broadcasting Corporation									
Public Broadcaster	140 000	138 804	37 000	40 114	42 930	-	42 930	44 717	47 400
TBVC States	65 000	60 700	74 500	53 790	-	-	-	-	-
Channel Africa	21 218	25 619	28 200	26 743	26 450	-	26 450	26 288	27 865
Community Radio	877	6 216	336	14 500	8 500	-	8 500	9 000	9 540
Independent Communications Authority of South Africa	93 525	99 384	108 009	117 260	111 190	-	111 190	116 376	123 359
National Electronic Media Institute of South Africa	-	-	17 000	12 642	13 203	-	13 203	13 753	14 578
Sentech	-	-	-	-	54 000	-	54 000	-	-
Total	794 123	704 012	350 109	983 750	646 713	20 000	666 713	617 194	635 026

Table 26.13: Summary of personnel numbers and costs¹

Personnel numbers	1998/99	1999/00	2000/01	2001/02	2002/03
1 Administration	93	90	97	98	99
2 Telecommunications Policy	26	28	41	57	60
3 Postal Services	11	23	23	29	29
4 Broadcasting Services Policy	10	12	12	12	13
5 Auxiliary and Associated Services	-	-	13	13	13
Total	140	153	186	209	214
Total personnel cost (R thousand)	23 459	24 265	32 330	47 108	47 270
Unit cost (R thousand)	167.6	158.6	173.8	225.4	220.9

¹ Full-time equivalent

Table 26.14: Summary of expenditure on training

	Expenditure outcome		Adjusted Appropriation	Medium-term expenditure estimate		
	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand						
1 Administration	1 487	3 102	2 092	2 190	2 290	2 394
2 Telecommunications Policy	–	140	1 433	1 500	1 569	1 640
3 Postal Services	–	–	415	435	455	475
4 Broadcasting Services Policy	–	–	115	120	126	132
5 Auxiliary and Associated Services	–	273	301	315	330	344
Total	1 487	3 515	4 356	4 560	4 770	4 985

Table 26.15: Summary of information and communications technology expenditure

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2001/02	2002/03	2003/04
1 Administration	1 144	1 064	1 174	1 249
Technology	1 024	938	1 043	1 112
Hardware	859	810	888	941
Software and licences	108	68	89	97
Audio-visual equipment	–	–	–	–
Systems	57	60	66	74
IT services	120	126	131	137
Consulting	120	126	131	137
Outsourcing	–	–	–	–
2 Telecommunications Policy	4 543	1 412	1 392	1 422
Technology	4 543	1 412	1 392	1 422
Hardware	1 083	1 202	1 278	1 299
Software and licences	506	30	54	58
Audio-visual equipment	–	–	–	–
Systems	2 954	180	60	65
IT services	–	–	–	–
Consulting	–	–	–	–
Outsourcing	–	–	–	–
3 Postal Services	320	230	268	298
Technology	320	230	268	298
Hardware	280	200	230	255
Software and licences	40	30	38	43
Audio-visual equipment	–	–	–	–
Systems	–	–	–	–
IT services	–	–	–	–
Consulting	–	–	–	–
Outsourcing	–	–	–	–

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2002/03	2003/04	2004/05
	2001/02			
4 Broadcasting Services Policy	125	41	43	45
Technology	125	41	43	45
Hardware	116	32	33	35
Software and licences	9	9	10	10
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
5 Auxiliary and Associated Services	365	282	162	171
Technology	365	282	162	171
Hardware	355	270	149	158
Software and licences	10	12	13	13
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
Total	6 497	3 029	3 039	3 185

