

Vote 27

Communications

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R842 515 000	R866 843 000	R907 129 000
Statutory amounts	-	-	-
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 the telecommunications, postal and broadcasting services, and the control of 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.

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Provide for policy formulation by management, carry out other functions including financial control and internal audit, manage human resources and provide other support services.

Programme 2: Telecommunications Policy

Purpose: Formulate telecommunications policy, manage Government's shareholding interest in Telkom SA Ltd and its subsidiaries, and control transfers to the Universal Service Agency and Universal Service Fund.

Measurable objective: To achieve a liberalised and competitive telecommunications industry through developing, implementing and monitoring telecommunications policy which will result in competition among a variety of service providers.

Programme 3: Postal Services

Purpose: Develop and refine the policy framework for the postal sector, manage the shareholding in the South African Post Office Ltd and its subsidiaries, and oversee the Postal Regulator.

Measurable objective: To promote universal access and service in the postal sector through developing, implementing and monitoring postal policy in order to increase access to postal services and improve service delivery standards.

Programme 4: Multi-Media Services Policy

Purpose: Formulate broadcasting policy, manage the shareholding in the South African Broadcasting Corporation (SABC), and control and monitor the transfers to the SABC, the National Electronic Media Institute of South Africa (Nemisa), Sentech and the Independent Communications Authority of South Africa (Icasa).

Measurable objective: To create an environment conducive to meeting the diverse multi-media needs of the South African citizen through policy formulation, support for service provision and the effective management of resources in order to transform the broadcasting industry.

Programme 5: Auxiliary and Associated Services

Purpose: Provide research and support services to promote the Department's aim.

Measurable objective: To facilitate, leverage and conduct high quality research to monitor and evaluate the activities of the communications sector.

Strategic overview and key policy developments: 1999/00 – 2005/06

The strategic plan of the Department is rooted in South Africa's macroeconomic policy framework and overall government policies, priorities and strategies. The Department's mandate is informed by the need to create a climate for the delivery of communication services to all. To achieve this, the Department has focused over the last three years on liberalising the telecommunications sector; ensuring universal access to all forms of communication services; broadening the range of the communication services provided; and also increasing the access of historically disadvantaged groups to information and communications technologies.

Four key policies

The Department has developed four key policies to increase access and improve services. The first is the liberalisation of the telecommunications sector, coupled with programmes to directly increase access. The second is the universal provision of postal services by the Post Office (Significant expenditure is allocated to maintaining and improving service delivery within the Post Office). The third is expanding the diversity of multi-media services. The fourth is ensuring that the information and communications technology (ICT) sector is available and accessible to all.

Liberalisation of the telecommunications sector

The process of liberalising the telecommunications sector has been steadily moving forward: a third cell phone operator was licensed in 2001; the Telecommunications Act (64 of 2001) facilitated the licensing of a second network operator (ending Telkom's fixed-line monopoly); GMPCS (global mobile personal communications by satellite) operators have been licensed; small operators have been licensed to provide telecommunications services in under-serviced areas; a third national operator may be licensed in 2005; and a 24-hour emergency call centre will be set up and commissioned during 2003.

Liberalisation is helping to both improve service delivery in the sector and expand the provision of telecommunications services. The success of the cell phone companies in providing cellular services and networks is testimony to this. Increased competition in this sector leads to better service, greater efficiency and cheaper prices.

The Department is also working directly on expanding access through its management of the Universal Service Agency, which uses levies raised from the industry to pay for network expansion.

Postal services

In the next three to five years, the main strategic thrust in the postal sector is to increase access to the postal network, as well as to make the Post Office economically viable. The Post Office subsidy had to be reintroduced in 2001/02 due to continued operating losses. The subsidy remains

on the Department's budget for the next three years. It will cover operational losses and also be used to help the Post Office meet its social obligations. These include: expanding the postal outlet network, particularly in under-serviced areas; refurbishing outlets in disadvantaged communities; and financing outlying and low volume postal outlets. The Post Office also faces new challenges, such as its potential role to deliver financial services to the unbanked, declining mail volumes resulting from technological advancements, and the need to increase public confidence.

As part of the restructuring process, the Postbank is being corporatised to ensure that it plays a greater banking role for lower income groups and the poor, providing appropriate banking products through the existing Post Office network. New legislation will ensure that the Postbank is a separate entity from the Post Office. The proposed legislation will set out the ownership structure, the role of the Reserve Bank in regulating the Postbank, the corporate governance structure and the products of the Postbank.

Broadcasting

In the broadcasting sector the strategy is to increase access to television and radio services. The Broadcasting Amendment Act (4 of 1999) facilitated the licensing of a free-to-air television station and a number of private and community radio stations. The Independent Communications Authority of South Africa was formed to streamline the regulatory functions of the two previously separate entities, the South African Telecommunications Regulatory Authority and the Independent Broadcasting Authority.

Central to achieving increased access to multi-media services is greater diversity within the media. To help achieve this, the 2002 Broadcasting Amendment Bill provides for the establishment of two regional television licenses: the first for the northern region to cater for the Sotho, Tsonga, Venda and Sepedi languages and the second for the southern region to cater for the Nguni languages.

The South African Broadcasting Corporation is being corporatised and restructured in order to better fulfil its mandate of meeting the needs of South African audiences. These include accurate and credible news and current affairs programmes; local content programming in languages reflecting the country's cultural diversity; educational programming to advance life-long learning; and programming targeted at children, women and people with disabilities.

Developing the ICT sector

ICT networks and services play a fundamental role in the functioning and growth of modern economies and societies, and the way in which the sector develops will become increasingly important to the success of the economy. In developing policy and strategy for the South African ICT sector the Department has focused its strategy on building the economy, promoting job creation, increasing participation in the knowledge economy and promoting universal service.

E-commerce

The Department's e-commerce initiative aims to develop e-commerce policy to foster electronic and mobile commerce. The establishment of a domain name authority will provide equitable access to domain names. This authority will resolve disputes arising from activities such as 'cyber squatting' – the deliberate registration of trademarks and well-known names as domain names exclusively for commercial purposes.

A certification authority will provide users and the business community with the confidence and security needed to conclude online transactions. It will also ensure that certificates to ensure authentication and non-repudiation are accessible and affordable to all.

Expenditure estimates

Table 27.1: Communications

Programme	Expenditure outcome			Adjusted appropriation	Revised Estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03				
1 Administration	53 921	64 225	80 396	70 776	85 776	83 607	90 912	94 918
2 Telecommunications Policy	58 187	81 559	110 433	134 064	134 064	135 900	134 649	142 670
3 Postal Services	305 802	18 918	631 389	345 501	330 501	353 082	356 490	372 199
4 Multi-Media Services Policy	349 029	287 839	302 710	331 970	331 970	263 244	277 668	289 904
5 Auxiliary and Associated Services	-	3 296	3 410	5 379	5 379	6 682	7 124	7 438
Total	766 939	455 837	1 128 338	887 690	887 690	842 515	866 843	907 129
Change to 2002 Budget Estimate				64 239	64 239	51 272	47 548	
Economic classification								
Current	758 756	436 218	1 103 972	841 739	834 818	817 410	841 329	875 879
Personnel	24 265	32 330	48 485	53 970	53 970	71 244	75 945	79 768
Transfer payments	701 012	345 759	958 573	675 202	660 202	629 464	639 614	659 018
Other current	33 479	58 129	96 914	112 567	120 646	116 702	125 770	137 093
Capital	8 183	19 619	24 366	45 951	52 872	25 105	25 514	31 250
Transfer payments	3 000	4 350	-	40 000	40 000	20 000	20 000	21 200
Acquisition of capital assets	5 183	15 269	24 366	5 951	12 872	5 105	5 514	10 050
Total	766 939	455 837	1 128 338	887 690	887 690	842 515	866 843	907 129
Standard items of expenditure								
Personnel	24 265	32 330	48 485	53 970	53 970	71 244	75 945	79 768
Administrative	13 841	21 794	37 271	36 786	55 759	45 997	49 507	52 818
Inventories	3 323	3 454	11 602	10 397	7 161	10 731	11 735	13 263
Equipment	7 235	17 630	27 362	9 143	16 064	10 243	11 116	15 303
Land and buildings	6 447	12 492	14 682	17 661	17 661	17 295	18 459	20 429
Professional and special services	7 578	17 417	29 904	44 531	36 873	37 541	40 467	45 330
Transfer payments	704 012	350 109	958 573	715 202	700 202	649 464	659 614	680 218
Miscellaneous	238	611	459	-	-	-	-	-
Total	766 939	455 837	1 128 338	887 690	887 690	842 515	866 843	907 129

Expenditure trends

The Department's spending has been very volatile over the last three financial years, due to significant variations in spending on the Post Office subsidy. The subsidy was removed in 2000/01, leading to a large drop in expenditure, but then re-introduced in 2001/02, first at R600 million to cover two years' losses and then at R300 million in 2002/03. There was also a significant increase in spending on Telecommunications Policy between 1999/00 and 2002/03, with expenditure rising at an annual average rate of 32,1 per cent. Expenditure is set to increase over the medium term, by 0,7 per cent a year. R20 million rand has been allocated over the medium term to the rollout of emergency call centres. Additional amounts of R35 million, R29 million and R19 million have been allocated for various ICT initiatives and to enhance Icasa's capability over the medium term.

Departmental receipts

Revenue received in 2002/03 was R27,3 million. This was made up of the interest of R27,2 million on the current bank account; interest of R1,8 million on the SABC non-redeemable loan; and

miscellaneous revenues of R0,2 million, mostly representing recoveries of debt. Provision has been made for the licence fee of R17,0 million, R17,8 million and R18,5 million that will be paid by the South African Post Office over the medium term. Revenue over the medium term is expected to be about R35 million per year.

Table 27.2: Departmental receipts

R thousand	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
	1999/00	2000/01	2001/02	2002/03			
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	-	12 372	16 858	27 185	33 361	35 259	36 944
Interest	-	12 351	16 844	27 157	16 400	17 500	18 400
Dividends	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Sales of goods and services	-	21	13	28	16 961	17 759	18 544
Fines, penalties and forfeits	-	-	-	-	-	-	-
Miscellaneous	-	-	1	-	-	-	-
Sales of capital assets (capital revenue)	-	-	-	-	-	-	-
Financial transactions (recovery of loans and advances)	-	122	128	150	160	165	172
Total departmental receipts	-	12 494	16 986	27 335	33 521	35 424	37 116

Programme 1: Administration

Administration conducts the overall management of the Department, including policy formulation by the Minister and Director-General. The programme also provides financial control and internal audit services as well as human resources management and other support services. During 2000/01 the programme established a Knowledge Management Unit to foster knowledge sharing among individuals and groups within the Department. The Unit interacts with national, provincial and local government in order to promote and develop knowledge management within Government.

Expenditure estimates

Table 27.3: Administration

Subprogramme	Expenditure outcome			Adjusted Appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
	1999/00	2000/01	2001/02	2002/03			
Minister ¹	574	542	544	628	678	719	758
Management	8 567	16 498	21 111	15 710	16 182	17 156	17 912
Corporate Services	44 780	47 185	58 741	54 438	66 747	73 037	76 248
Total	53 921	64 225	80 396	70 776	83 607	90 912	94 918
Change to 2002 Budget Estimate				7 068	10 858	13 751	

¹ Payable as from 1 April 2002. Salary: R502 716. Car allowance: R125 679.

2003 Estimates of National Expenditure

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary Outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Economic classification							
Current	51 800	61 771	77 938	69 637	81 461	88 515	92 221
Personnel	14 633	18 354	22 625	24 716	30 627	33 214	34 740
Transfer payments	16 797	7 715	13 508	-	-	-	-
Other current	20 370	35 702	41 805	44 921	50 834	55 301	57 481
Capital	2 121	2 454	2 458	1 139	2 146	2 397	2 697
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	2 121	2 454	2 458	1 139	2 146	2 397	2 697
Total	53 921	64 225	80 396	70 776	83 607	90 912	94 918

Standard items of expenditure

Personnel	14 633	18 354	22 625	24 716	30 627	33 214	34 740
Administrative	10 727	14 607	20 502	22 226	28 943	31 319	32 699
Inventories	3 005	2 907	4 352	4 739	5 913	6 587	6 846
Equipment	3 790	3 451	3 973	2 665	4 141	4 613	4 816
Land and buildings	2 887	9 994	5 420	4 538	5 907	6 305	6 583
Professional and special services	1 927	6 733	9 559	11 892	8 076	8 874	9 234
Transfer payments	16 797	7 715	13 508	-	-	-	-
Miscellaneous	155	464	457	-	-	-	-
Total	53 921	64 225	80 396	70 776	83 607	90 912	94 918

Transfer payments per subprogramme

Corporate Services							
Contributions:							
International Telecommunications Union	3 687	4 266	6 688	-	-	-	-
Pan African Telecommunications Union	437	1 325	573	-	-	-	-
Conferences	1 319	1 335	1 979	-	-	-	-
Pan African Postal Union	-	314	-	-	-	-	-
Universal Postal Union	2 210	-	2 732	-	-	-	-
Human Resource Fund	8 869	-	-	-	-	-	-
SA Transport and Communications Commission	175	175	214	-	-	-	-
World Telecommunications Day	100	300	1 322	-	-	-	-
Total	16 797	7 715	13 508	-	-	-	-

Expenditure trends

Expenditure on *Administration* will increase on average by 10,3 per cent annually between 2002/03 and 2005/06, compared to the annual average of 9,5 per cent between 1999/00 and 2002/03. The projected increase in expenditure over the medium term is mainly due to the establishment of the Presidential National Commission on Information Society and Development. The Commission's objective is to recommend strategies for bridging the digital divide and advise Government on the establishment of a government policy framework for ICT.

Programme 2: Telecommunications Policy

The *Telecommunications Policy* programme formulates ICT sector policies, manages Government's shareholding interest in Telkom SA Ltd and its subsidiaries, and controls transfers to the Universal Service Agency and Universal Service Fund.

The Telecommunications Policy subprogramme is structured into three domains: policy, shareholder and development. The policy domain promotes the formulation of effective telecommunications policies, taking into account national priorities, development needs, globalisation, investment needs and sector restructuring. The shareholder domain promotes the maximisation of shareholder value, and the development of policy and strategy relating to the state's ownership of Telkom SA Ltd. The development domain promotes the development of ICT applications in historically under-served areas and the extension of ICT benefits to historically disadvantaged people through the delivery of advanced information services.

The Universal Service Agency, established in terms of the Telecommunications Act (103 of 1996), promotes the goal of universal telecommunications service and encourages, facilitates and offers guidance on any scheme to provide universal access and universal service. The Universal Service Agency also manages the Universal Service Fund which is financed by contributions from telecommunications operators. Money from the Universal Service Fund is used exclusively for acquiring and constructing infrastructure used by licensees to provide service in under-served areas.

The Electronic Business Directorate is responsible for implementing the Electronic Communications and Transaction Act (25 of 2002) which provides for the facilitation and regulation of electronic communications and transactions, the development of a national e-strategy and the prevention of the abuse of information systems.

Expenditure estimates

Table 27.4: Telecommunications Policy

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Telecommunications Policy	26 058	46 318	77 742	94 674	74 944	78 535	84 907
Universal Service Agency	8 034	9 641	10 205	10 711	11 211	11 884	14 500
Universal Service Fund	11 295	21 572	22 486	23 679	24 745	26 230	29 400
Information Technology Secretariat (Y2K)	12 800	4 028	-	-	-	-	-
Electronic Business Directorate	-	-	-	5 000	5 000	5 000	6 863
Advanced Institute for ICT	-	-	-	-	20 000	13 000	7 000
Total	58 187	81 559	110 433	134 064	135 900	134 649	142 670
Change to 2002 Budget Estimate				16 874	24 203	17 736	
Economic classification							
Current	52 619	66 239	90 225	89 998	113 895	112 559	117 111
Personnel	4 244	6 152	14 102	15 094	18 992	19 916	21 104
Transfer payments	40 632	42 209	42 301	36 390	60 060	55 464	57 400
Other current	7 743	17 878	33 822	38 514	34 843	37 179	38 607
Capital	5 568	15 320	20 208	44 066	22 005	22 090	25 559
Transfer payments	3 000	4 350	-	40 000	20 000	20 000	21 200
Acquisition of capital assets	2 568	10 970	20 208	4 066	2 005	2 090	4 359
Total	58 187	81 559	110 433	134 064	135 900	134 649	142 670

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary		2003/04	2004/05	2005/06
	1999/00	2000/01	Outcome 2001/02				
Standard items of expenditure							
Personnel	4 244	6 152	14 102	15 094	18 992	19 916	21 104
Administrative	1 644	4 845	10 713	7 442	7 908	8 414	8 915
Inventories	205	482	6 611	4 192	2 874	3 083	3 266
Equipment	2 764	11 561	20 924	5 056	3 919	4 170	5 777
Land and buildings	2 838	2 498	7 273	11 611	9 418	10 051	10 650
Professional and special services	2 831	9 364	8 507	14 279	12 729	13 551	14 358
Transfer payments	43 632	46 559	42 301	76 390	80 060	75 464	78 600
Miscellaneous	29	98	2	-	-	-	-
Total	58 187	81 559	110 433	134 064	135 900	134 649	142 670

Transfer payments per subprogramme

Telecommunications Policy							
Multi Purpose Centres	8 503	3 518	-	2 000	2 000	2 000	3 000
Sector Education and Training Authority	-	3 450	3 410	-	2 104	2 350	3 500
Technology License to University of Stellenbosch	-	-	6 200	-	-	-	-
Emergency Communications Fund	-	4 350	-	40 000	20 000	20 000	21 200
Infrastructure investment (Tele-centres)	3 000	-	-	-	-	-	-
Universal Service Agency	8 034	9 641	10 205	10 711	11 211	11 884	14 500
Universal Service Fund	11 295	21 572	22 486	23 679	24 745	26 230	29 400
Information Technology Secretariat (Y2K)	12 800	4 028	-	-	-	-	-
Advanced Institute for ICT	-	-	-	-	20 000	13 000	7 000
Total	43 632	46 559	42 301	76 390	80 060	75 464	78 600

Expenditure trends

The significant growth in the programme over the past three years, and personnel expenditure increases in particular, is due to the Department increasing its capacity in order to implement the Telecommunications Act (103 of 1996), which makes provision for the regulation of telecommunications activities. Expenditure grew at an annual average of 32,1 per cent between 1999/00 and 2002/03, in part due to an appropriated amount of R20 million and a R20 million rollover for the rollout of the emergency communication call centres. A further R20 million was provided in 2003/04 for the continuation of the project. Programme expenditure will continue to grow at moderately at an annual average rate of 2,1 per cent between 2002/03 and 2005/06.

Service delivery objectives and indicators

Recent outputs

During 2002/03, Parliament enacted the Electronic Communications and Transactions Act (25 of 2002) which provides for the facilitation and regulation of electronic communications and transactions. Regulations were issued on the application process for under-serviced area licences by small businesses, and an invitation was issued to apply for licences to provide Global Mobile Personal Communications by satellite. The Universal Service Agency conducted surveys on universal service projects (telecentres, multi-purpose centres, cyberlabs, internet access in schools) in all provinces to determine the effectiveness of these projects. The establishment of the Domain Naming Authority, cryptography providers and cyber inspectors was delayed due to the delay in the Electronic Communications and Transactions Act (25 of 2002).

Medium-term output targets

Telecommunications Policy

Measurable objective: To achieve a liberalised and competitive telecommunications industry through developing, implementing and monitoring telecommunications policy which will result in competition among a variety of service providers.

Subprogramme	Output	Measure/Indicator	Target
Telecommunications Policy	A liberalised telecommunications industry	The licensing of the second national operator and the feasibility study of the third national operator as well as Government's migration from the 1 800MHz spectrum	Liberalisation by December 2006 A licenced second national operator by December 2003
	Established emergency communications infrastructure	A functional emergency communications call centre, accessible from anywhere in South Africa	Emergency communications infrastructure established by 2004/05
Universal Service Agency and Universal Service Fund	Increased teledensity (the proportion of households with a phone)	Rate of teledensity	Raise average teledensity in South Africa to 30% by December 2005
	Access to telecommunications facilities	Number of eligible people and small businesses provided with telecommunications services	10% increase in the number of people assisted by the end of 2003/04
Electronic Business Directorate	Electronic transactions	A fully functional and well-regulated electronic communications and transactions market	By 2005/06
	Domain Naming Authority	The establishment of a fully functional authority responsible for the .za domain name space	Authority established by December 2004
Advanced Institute for ICT	Establishment of the Advanced Institute for ICT	An institute that focuses on the study, research and development of ICT that benefits all citizens	Institute established by 2004/05

Programme 3: Postal Services

Postal Services develops and manages the policy framework for the postal sector and also manages the shareholding in SA Post Office Ltd and its subsidiaries. There are three subprogrammes:

- Postal Service Policy formulates policies for the effective delivery of postal services, with particular emphasis on under-served areas.
- The Postal Regulator, established in terms of the Postal Services Act (124 of 1998), is responsible for exercising regulatory functions in relation to the reserved and unreserved postal services. The Regulator encourages the expansion of postal services and promotes the interests postal service users in terms of the cost of reserved services. The Regulator is also responsible for issuing postal licences and monitoring compliance with licence conditions by the operators.
- Post Office Subsidy transfers money to pay the Post Office Subsidy.

Expenditure estimates

Table 27.5: Postal Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Postal Service Policy	21 933	16 409	22 998	24 125	26 114	27 795	35 630
Postal Regulator	669	2 509	8 391	21 376	26 968	28 695	36 569
Post Office Subsidy	283 200	–	600 000	300 000	300 000	300 000	300 000
Total	305 802	18 918	631 389	345 501	353 082	356 490	372 199
Change to 2002 Budget Estimate				999	2 925	3 317	

Economic classification

Current	305 448	18 615	630 793	345 120	352 501	355 866	369 985
Personnel	2 798	4 222	5 618	8 047	14 994	15 828	16 622
Transfer payments	301 160	13 000	614 500	315 000	315 500	316 430	322 100
Other current	1 490	1 393	10 675	22 073	22 007	23 608	31 263
Capital	354	303	596	381	581	624	2 214
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	354	303	596	381	581	624	2 214
Total	305 802	18 918	631 389	345 501	353 082	356 490	372 199

Standard items of expenditure

Personnel	2 798	4 222	5 618	8 047	14 994	15 828	16 622
Administrative	791	763	3 342	3 483	4 371	4 671	5 877
Inventories	3	41	161	479	806	861	1 899
Equipment	447	464	1 004	795	1 137	1 214	3 541
Land and buildings	385	–	1 114	637	829	885	1 924
Professional and special services	186	402	5 650	17 060	15 445	16 601	20 236
Transfer payments	301 160	13 000	614 500	315 000	315 500	316 430	322 100
Miscellaneous	32	26	–	–	–	–	–
Total	305 802	18 918	631 389	345 501	353 082	356 490	372 199

Transfer payments per subprogramme

Postal Service Policy							
South African Post Office Limited: Public Internet Terminals	7 960	8 000	8 000	8 000	8 000	8 480	12 200
South African Post Office Limited: Extension of Services	10 000	5 000	6 000	7 000	7 500	7 950	9 900
Multi-purpose Centres	–	–	500	–	–	–	–
Post Office Subsidy							
South African Post Office Limited	164 442	–	600 000	300 000	300 000	300 000	300 000
South African Post Office Limited: TBVC States	118 758	–	–	–	–	–	–
Total	301 160	13 000	614 500	315 000	315 500	316 430	322 100

Expenditure trends

The very large increase in expenditure in 2001/02 is due to the reintroduction of the Post Office subsidy, with expenditure of R600 million. The postal subsidy dominates spending on the programme, consuming an annual average of 83,2 per cent over the medium term, with allocations of R300 million for each year of the medium-term period. Discounting this effect, spending on the rest of the programme has increased from R22,6 million in 1999/00 to R45,5 million in 2002/03. This is mainly due to the increases in personnel and professional and special services needed to increase the capacity of the Postal Regulator.

Over the medium term, expenditure is forecast to grow by 2,5 per cent a year, with a significant increase in the allocation to the Postal Regulator subprogramme. Expenditure on this subprogramme will increase from R21,4 million in 2002/03 to R36,6 million in 2005/06.

Service delivery objectives and indicators

Recent outputs

During 2001/02 the Department built 100 Public Internet Terminals (PITs) while in 2002/03 a further 200 were built. Seven Citizens Post Offices were established in 2002/03. Policies were put in place to establish the Postbank as a separate entity from the Post Office. In addition, policies were implemented to improve the Post Office's finances, and to reduce its losses and reliance on the state for funds.

Medium-term output targets

Postal Services

Measurable objective: To promote universal access and service in the postal sector through developing, implementing and monitoring postal policy in order to increase access to postal services and improve service delivery standards.			
Subprogramme	Output	Measure/Indicator	Target
Postal Service Policy	Universal postal access	Access to postal services	15% increase in postal services in rural and under-served areas
	Effective shareholder management of the Post Office	The economic viability of the Post Office and the separation of the Postbank	Repositioned Post Office, separate from the Postbank, that will be economically viable by 2004/05
Postal Regulator	The registration of private courier operators by the Regulator	The number of private operators registered	300 private courier operators registered by April 2004 to operate unreserved postal services

Programme 4: Multi-Media Services Policy

Multi-Media Services Policy formulates policy for the broadcasting and multi-media industry, manages the shareholding in the SABC and controls and monitors disbursement of transfers to the South African Broadcasting Corporation (SABC), Sentech, the National Electronic Media Institute (Nemisa) and the Independent Communications Authority of South Africa (Icasa). The Multi-Media Unit's aim is to create an environment conducive to meeting the diverse multi-media needs of the South African citizenry through policy, legislative and regulatory instruments. These in turn not only promote universal service and access, but also ensure diversity in terms of ownership and control, particularly within previously disadvantaged groups. The programme's activities are divided into the following six subprogrammes:

- Multi-Media Policy formulates and implements policy, and controls and monitors the funds to the portfolio organisations.
- The South African Broadcasting Corporation subprogramme provides the funding for public broadcasting.
- Channel Africa provides funding for the operational expenditure of external broadcasting services.
- Community Radio provides funds for the development of the community radio sector.
- The Independent Communications Authority of South Africa makes provision for transfers to the regulator.
- The National Electronic Media Institute of South Africa provides funds for skills development in the broadcasting sector.

- Sentech makes provision for the transfer of funds to settle the outstanding loan made by the SABC as seed funding to Sentech in 1992/93.

Expenditure estimates

Table 27.6: Multi-Media Services Policy

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
Multi-Media Policy	18 306	22 794	38 845	38 158	40 840	43 338	44 826
South African Broadcasting Corporation	199 504	111 500	92 362	42 930	44 717	47 400	50 455
Channel Africa	25 619	28 200	26 743	26 450	26 288	27 865	29 616
Community Radio	6 216	336	14 858	8 500	9 000	9 540	10 255
Independent Communications Authority of South Africa	99 384	108 009	117 260	148 729	128 646	134 947	137 489
National Electronic Media Institute of South Africa	–	17 000	12 642	13 203	13 753	14 578	17 263
Sentech	–	–	–	54 000	–	–	–
Total	349 029	287 839	302 710	331 970	263 244	277 668	289 904
Change to 2002 Budget Estimate				39 011	12 816	12 210	

Economic classification

Current	348 889	287 732	302 095	331 916	263 164	277 582	289 724
Personnel	2 590	2 787	4 519	3 803	4 367	4 600	4 808
Transfer payments	342 423	282 835	288 264	323 812	253 904	267 720	279 518
Other current	3 876	2 110	9 312	4 301	4 893	5 262	5 398
Capital	140	107	615	54	80	86	180
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	140	107	615	54	80	86	180
Total	349 029	287 839	302 710	331 970	263 244	277 668	289 904

Standard items of expenditure

Personnel	2 590	2 787	4 519	3 803	4 367	4 600	4 808
Administrative	679	1 076	2 166	1 816	2 280	2 437	2 544
Inventories	110	24	358	784	701	742	771
Equipment	234	176	746	198	250	267	279
Land and buildings	337	–	606	557	726	775	809
Professional and special services	2 634	918	6 051	1 000	1 016	1 127	1 175
Transfer payments	342 423	282 835	288 264	323 812	253 904	267 720	279 518
Miscellaneous	22	23	–	–	–	–	–
Total	349 029	287 839	302 710	331 970	263 244	277 668	289 904

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Transfer payments per subprogramme							
Multi-Media Policy							
Contribution to Children in Broadcasting	2 700	4 530	6 000	6 500	7 000	7 420	7 600
Contribution to Youth Programming	3 500	-	2 900	6 500	6 000	6 360	6 550
Contribution to Women in Broadcasting	2 500	4 500	6 500	7 000	7 500	7 950	8 150
Contribution to Disabled in Broadcasting	3 000	5 760	6 000	6 500	7 000	7 420	7 620
HIV/AIDS in Broadcasting	-	3 000	3 000	3 500	4 000	4 240	4 520
SA Broadcasting Corporation							
Public Broadcaster	138 804	37 000	40 114	42 930	44 717	47 400	50 455
TBVC States	60 700	74 500	52 247	-	-	-	-
Channel Africa	25 619	28 200	26 743	26 450	26 288	27 865	29 616
Community Radio	6 216	336	14 858	8 500	9 000	9 540	10 255
Independent Communications Authority of South Africa	99 384	108 009	117 260	148 729	128 646	134 947	137 489
National Electronic Media Institute of South Africa	-	17 000	12 642	13 203	13 753	14 578	17 263
Sentech	-	-	-	54 000	-	-	-
Total	342 423	282 835	288 264	323 812	253 904	267 720	279 518

Expenditure trends

Spending on the *Multi-Media Services Policy* programme has been variable, due to policy changes and once-off expenditures. The termination of funding to the former TBVC broadcasters caused a significant decline in spending between 1999/00 and 2001/02, with the once-off transfer to Sentech in 2002/03 of R54 million increasing expenditure. This transfer was made to settle an outstanding loan with the SABC. Overall spending fell at an annual average rate of 1,7 per cent between 1999/00 and 2002/03. Expenditure is forecast to fall in 2003/04, due to the Sentech transfer falling away. However expenditure is then set to increase steadily over the remainder of the medium term, with an expected annual average increase of 4,9 per cent between 2003/04 and 2005/06.

Service delivery objectives and indicators

Recent outputs

During 2002/03, amendments to the Broadcasting Act (4 of 1999) paved the way for the conversion of the SABC into a public company in terms of the Companies Act (61 of 1973). The 2002 Broadcasting Amendment Bill seeks to clarify the relationship between the policies governing public commercial services and the values of the public broadcasting service. Bop Broadcasting will be restructured into an organisation that will provide for a regional television production service. Five community radio stations were established in KwaZulu-Natal in 2002/03, and were licensed by Icasa, while the 36 existing stations were upgraded. Icasa issued the third cellular licence in 2001/02 while the process of licensing the second national operator has begun in earnest.

Medium-term output targets

Multi-Media Services Policy

Measurable objective: To create an environment conducive to meeting the diverse multi-media needs of the South African citizen through policy formulation, support for service provision and the effective management of resources in order to transform the broadcasting industry.

Subprogramme	Output	Measure/Indicator	Target
Multi-Media Policy	A transformed broadcasting industry	Diverse broadcasting content	By 2005/06
South African Broadcasting Corporation	Educational programmes	The number of educational programmes produced	4 quality educational programmes of local content that are acceptable to the public
Channel Africa	External broadcasting service to promote South Africa's image internationally	Increase in the proportion of external viewers	Increase of 5% in viewership
Community Radio	A well-developed community radio sector	The number of community radio stations that are fully operational	Install and license 9 production hubs in 2003/04 (1 in each province) and to reach a target of 50 installed stations by 2005/06
Independent Communications Authority of South Africa	Well-regulated broadcasting and telecommunications sectors Issuing of broadcasting and telecommunications licenses	Competitiveness within the sector, and the levels of service provision The number of licences issued to provide telecommunications services	Transformed broadcasting and telecommunications sectors with increased competition and provision of services by 2005/06 Broadcasting and television licences issued on an ongoing basis, and the renewal of existing licences which expire every four years
National Electronic Media Institute	Trained individuals in multi-media, ICT, webcasting and traditional broadcasting	The number of individuals trained in multimedia, ICT, webcasting and traditional broadcasting	10% increase in the number of new graduates

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 research into the benefits and developments of ICT on society. There are two subprogrammes:

- The Infrastructure subprogramme is responsible for the computer networks and related infrastructure in the Department.
- The Research subprogramme undertakes research in the telecommunications sector in general, evaluates the network coverage through GIS technologies, and recommends strategies for improving access. The outputs of this subprogramme are then applied in telecommunications policy making.

Expenditure estimates

Table 27.7: Auxiliary and Associated Services

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	
Research	-	726	2 742	4 045	5 229	5 565	5 810	
Infrastructure	-	2 570	668	1 334	1 453	1 559	1 628	
Total	-	3 296	3 410	5 379	6 682	7 124	7 438	
Change to 2002 Budget Estimate				287	470	534		

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	-	1 861	2 921	5 068	6 389	6 807	6 838
Personnel	-	815	1 621	2 310	2 264	2 387	2 494
Transfer payments	-	-	-	-	-	-	-
Other current	-	1 046	1 300	2 758	4 125	4 420	4 344
Capital	-	1 435	489	311	293	317	600
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	1 435	489	311	293	317	600
Total	-	3 296	3 410	5 379	6 682	7 124	7 438
Standard items of expenditure							
Personnel	-	815	1 621	2 310	2 264	2 387	2 494
Administrative	-	503	548	1 819	2 495	2 666	2 783
Inventories	-	-	120	203	437	462	481
Equipment	-	1 978	715	429	796	852	890
Land and buildings	-	-	269	318	415	443	463
Professional and special services	-	-	137	300	275	314	327
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total	-	3 296	3 410	5 379	6 682	7 124	7 438

Expenditure trends

Spending on the programme, a small component of the Communications Vote, increased by an average of 27,8 per cent per year between 2000/01 and 2002/03, and will further increase by 11,4 per cent per year between 2002/03 and 2005/06. Expenditure growth is largely related to personnel, to expand the capacity to undertake necessary research.

Service delivery objectives and indicators

Recent outputs

The key achievements within this programme are the production of maps depicting the extent of coverage of the existing communications infrastructure, and the hosting of a conference for the Presidential Information Advisory Council from which a research report was compiled and submitted to the President's Office during 2002.

Medium-term output targets

Auxiliary and Associated Services

Measurable objective: To facilitate, leverage and conduct high-quality research to monitor and evaluate the activities of the communications sector.

Subprogramme	Output	Measure/Indicator	Target
Research	Communications sector statistics and benchmarking indicators	High quality indicators and statistics to be used for management information systems and decision making	Established benchmarks against which to assess activity in the communications sector and annual updating of communications sector statistics
Infrastructure	Communications infrastructure for the Department	Updating of communications infrastructure in line with technological advances	Completed in 2003/04

Public entities reporting to the Minister

The South African Post Office

The South African Post Office Ltd is established in terms of section 3 of the Post Office Act (44 of 1958), as a government business enterprise to provide postal and related services to the South African public. The Post Office reports to the Minister of Communications. The government subsidy to the Post Office was terminated on 31 March 2000. This was in anticipation of the Post Office becoming a viable profit-making business. However, the turnaround strategy did not succeed and the organisation sustained further losses in 2000/01 and 2001/02. To help improve the finances of the Post Office to enable it to continue rolling out postal infrastructure, the subsidy was re-introduced in 2001/02 to the extent of R600 million. A further R300 million a year has also been allocated over the medium term.

Table 27.8: Summary of revenue and expenditure for the South African Post Office Limited

	Revenue/Expenditure outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Revenue							
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	3 505 121	3 436 034	3 601 507	3 664 475	4 105 307	4 381 524	4 669 691
Sale of capital assets	22 563	13 727	34 223	-	-	-	-
Transfers received	283 200	147 608	600 000	300 000	300 000	300 000	300 000
Total Revenue	3 810 884	3 597 369	4 235 730	3 964 475	4 405 307	4 681 524	4 969 691
Expenditure							
Current expenditure	3 769 084	4 271 257	4 141 360	4 144 214	4 336 834	4 626 704	4 706 217
Compensation of employees	2 286 699	2 885 106	2 503 407	2 580 771	2 658 062	2 835 230	2 815 764
Goods and services	1 419 016	1 341 681	1 598 875	1 531 973	1 614 526	1 714 659	1 799 205
Transfer payments and subsidies	-	-	-	-	-	-	-
Other expenditure	63 369	44 470	39 078	31 470	64 246	76 815	91 248
Capital expenditure	315 571	391 870	95 667	100 000	267 000	330 000	300 000
Transfer payments	-	-	-	-	-	-	-
Fixed assets	315 571	391 870	95 667	100 000	267 000	330 000	300 000
Land and subsoil assets	-	-	-	-	-	-	-
Total Expenditure	4 084 655	4 663 127	4 237 027	4 244 214	4 603 834	4 956 704	5 006 217
Surplus/(Deficit)	(273 771)	(1 065 758)	(1 297)	(279 739)	(198 527)	(275 180)	(36 526)

Universal Service Agency

The Universal Service Agency was established in terms of section 58 of the Telecommunications Act (103 of 1996). The Agency is mainly responsible for promoting the goal of universal service. In doing so it has the following functions: to make recommendations to the Minister to determine what constitutes universal access for all areas and communities in South Africa; to encourage the adoption of new methods of attaining universal access and service; to encourage, facilitate and offer guidance in relation to any scheme to provide universal access and service; to encourage the provision of telecommunications services as part of reconstruction and development projects as contemplated in section 3(a) of the Reconstruction and Development Programme Fund Act (7 of 1994); to stimulate public awareness of the benefits of telecommunications services; and to manage the Universal Service Fund as contemplated in Chapter VIII of the Telecommunications Act.

The Minister of Communications is responsible for appointing a board to provide oversight and guidance to the Agency. The Agency reports its activities to the Minister.

The organisation will receive R11,2 million in 2003/04, R11,9 million in 2004/05 and R14,5 million in 2005/06 to ensure that telecommunications operators comply with licence conditions in relation to universal service.

Telkom SA

Telkom SA Ltd is a government business enterprise established in terms of section 3 of the Post Office Act (44 of 1958). Its main objective is to provide fixed line telephone services to the South African public. In 1997, the Ministry of Post, Telecommunications and Broadcasting awarded Telkom a licence which granted the company the exclusive right to provide public switched telecommunications services for a period of no less than five years.

In May 1997, Government sold a 30 per cent equity share to a strategic partner, Thintana Communications. A 3 per cent holding was sold to a qualified black empowerment group, Ucingo. This brought an infusion of skills, expertise and funding.

Telkom falls under the portfolio of the Ministry of Communications, but on 9 November 2001 the Minister of Finance granted Telkom exemptions from the reporting requirements of the Public Finance Management Act (1 of 1999) for a three-year period. This is in line with Government's intention of listing its equity stake in Telkom on the stock market.

South African Broadcasting Corporation

The South African Broadcasting Corporation (SABC) was established in terms of the Broadcasting Act (22 of 1936). The organisation is a government business enterprise that provides radio and television broadcasting services to the country. In terms of section 7 of the Broadcasting Act, the SABC is to be incorporated into a limited liability company.

The SABC's Executive Management is accountable to the SABC Board which in turn reports to the Minister of Communications. The SABC receives government funding for public broadcasting.

The organisation will receive R44,7 million in 2003/04, R47,4 million in 2004/05 and R50,5 million in 2005/06 for broadcasting educational programmes. Funding for the former TBVC broadcasters was terminated in 2001/02.

Sentech

Sentech Ltd was established in terms of section 4 of the Sentech Act (63 of 1996) as a public company. The main business is to provide, as a common carrier, broadcasting signal distribution for broadcasting licensees. Sentech, through its board, reports to the Minister of Communications. Sentech was allocated an amount of R54 million in 2002/03 as part of the settlement of the loan made by the SABC to the company for start-up capital costs.

Independent Communications Authority of South Africa

The Independent Communications Authority of South Africa (Icasa) was established in terms of section 3 of the Independent Communications Authority of South Africa Act (13 of 2000) as a constitutional institution. It is responsible for regulating the broadcasting industry in the public's interest to ensure fairness and a diversity of views broadly representing South African society. It is also responsible for regulating the telecommunications industry in the public's interest. Icasa is responsible for collecting licence fees from telecommunications and broadcasting operators, revenue which is deposited into the National Revenue Fund. Icasa reports to the Minister of Communications.

The sudden increase in 2002/03 is due to the organisation receiving an additional R36,6 million to settle a tax liability with the South African Revenue Service on transfers Icasa received from the Department. Icasa's allocation is R128,6 million in 2003/04, R134,9 million in 2004/05 and R137,5 million in 2005/06.

National Electronic Media Institute of South Africa

The National Electronic Media Institute of South Africa (Nemisa) was established as a non-profit organisation in terms of the Companies Act (61 of 1973). It is a training institution for the broadcasting industry. Nemisa's vision is to become a practical, fully-fledged educational institute in electronic media skills development. Nemisa, through its board, reports directly to the Minister of Communications.

Nemisa is funded from monies appropriated by Parliament and included in the Department's vote. For 2002/03, the organisation received R13,2 million, which is used for training programmes, acquisition of capital assets and student costs.

Nemisa's baseline allocation rises to R13,8 million in 2003/04, R14,6 million in 2004/05 and R17,3 million in 2005/06.

Annexure

Vote 27: Communications

Table 27.9: Summary of expenditure trends and estimates per programme

Table 27.10: Summary of expenditure trends and estimates per economic classification

Table 27.11: Summary of expenditure trends and estimates per standard item

Table 27.12: Summary of personnel numbers and costs

Table 27.13: Summary of expenditure on training

Table 27.14: Summary of information and communications technology expenditure

Table 27.15: Summary of expenditure on infrastructure

Table 27.10: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome				Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	Current					Capital	Total			
	1999/00	2000/01	2001/02								2003/04	2004/05	2005/06
R thousand													
Current	758 756	4 362 218	1 103 972		799 950	41 789	841 739	834 818	817 410	-	817 410	841 329	875 879
Personnel	24 265	32 330	48 485		47 270	6 700	53 970	53 970	71 244	-	71 244	75 945	79 768
Salaries and wages	17 694	21 673	33 220		35 370	5 526	40 896	40 896	53 780	-	53 780	57 292	60 181
Other	6 571	10 657	15 265		11 900	1 174	13 074	13 074	17 464	-	17 464	18 653	19 587
Transfer payments	701 012	3 457 559	958 573		646 713	28 489	675 202	660 202	629 464	-	629 464	639 614	659 018
Subsidies to business enterprises	526 283	152 700	733 104		438 380	-	438 380	423 380	386 505	-	386 505	391 695	402 171
Other levels of government	-	-	-		-	-	-	-	-	-	-	-	-
social security funds	-	-	-		-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-		-	-	-	-	-	-	-	-	-
extra-budgetary institutions	118 713	163 122	169 413		162 883	33 439	196 322	196 322	182 563	-	182 563	192 339	205 652
provincial government	-	-	-		-	-	-	-	-	-	-	-	-
local government	-	-	-		-	-	-	-	-	-	-	-	-
Households and non-profit institutions	56 016	29 937	56 056		45 450	(4 950)	40 500	40 500	60 396	-	60 396	55 580	51 195
Foreign countries and international credit institutions	-	-	-		-	-	-	-	-	-	-	-	-
Other	33 479	58 129	96 914		105 967	6 600	112 567	120 646	116 702	-	116 702	125 770	137 093
Capital	8 183	19 619	24 366		23 501	22 450	45 951	52 872	-	25 105	25 105	25 514	31 250
Transfer payments	3 000	4 350	-		20 000	20 000	40 000	40 000	-	20 000	20 000	20 000	21 200
Other levels of government	-	-	-		-	-	-	-	-	-	-	-	-
Other capital transfers	3 000	4 350	-		20 000	20 000	40 000	40 000	-	20 000	20 000	20 000	21 200
Movable capital	5 183	15 269	24 366		3 501	2 450	5 951	12 872	-	5 105	5 105	5 514	10 050
Motor vehicles (transport)	689	249	154		95	-	95	95	-	692	692	765	800
Equipment - Computers	4 201	14 392	15 535		2 536	-	2 536	4 843	-	3 170	3 170	3 369	4 857
Equipment - Other office equipment	165	199	586		406	-	406	406	-	841	841	957	1 874
Other	128	429	8 091		464	2 450	2 914	7 528	-	402	402	423	2 519
Fixed capital	-	-	-		-	-	-	-	-	-	-	-	-
Land	-	-	-		-	-	-	-	-	-	-	-	-
Buildings	-	-	-		-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-		-	-	-	-	-	-	-	-	-
Other	-	-	-		-	-	-	-	-	-	-	-	-
Total	766 939	4 558 837	1 128 338		823 451	64 239	887 690	887 690	817 410	25 105	842 515	866 843	907 129

Table 27.11: Summary of expenditure trends and estimates per standard item

	Expenditure outcome				2002/03			2003/04			2004/05		2005/06
	Audited	Audited	Preliminary outcome		Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Current	Capital	Total		
	1999/00	2000/01	2001/02		2002/03	2002/03	2002/03	2002/03	2003/04	2003/04	2003/04	2004/05	2005/06
R thousand													
Personnel	24 265	32 330	48 485		47 270	6 700	53 970	53 970	71 244	-	71 244	75 945	79 768
Administrative	13 841	21 794	37 271		35 586	1 200	36 786	55 759	45 997	-	45 997	49 507	52 818
Inventories	3 323	3 454	11 602		10 897	(500)	10 397	7 161	10 731	-	10 731	11 735	13 263
Equipment	7 235	17 630	27 362		6 693	2 450	9 143	16 064	5 138	5 105	10 243	11 116	15 303
Land and buildings	6 447	12 492	14 682		17 661	-	17 661	17 661	17 295	-	17 295	18 459	20 429
Professional and special services	7 578	17 417	29 904		38 631	5 900	44 531	36 873	37 541	-	37 541	40 467	45 330
Transfer payments	704 012	350 109	958 573		666 713	48 489	715 202	700 202	629 464	20 000	649 464	659 614	680 218
Miscellaneous	238	611	459		-	-	-	-	-	-	-	-	-
Total	766 939	455 837	1 128 338		823 451	64 239	887 690	887 690	817 410	25 105	842 515	866 843	907 129

Table 27.12: Summary of personnel numbers and costs¹

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	90	97	98	99	145
2 Telecommunications Policy	28	41	57	60	68
3 Postal Services	23	23	29	29	40
4 Multi-Media Services Policy	12	12	12	13	20
5 Auxiliary and Associated Services	-	13	13	13	18
Total	153	186	209	214	291
Total personnel cost (R thousand)	24 265	32 330	48 485	53 970	71 244
Unit cost (R thousand)	158.6	173.8	232.0	252.2	244.8

¹ Full-time equivalent

Table 27.13: Summary of expenditure on training

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
1 Administration	1 487	3 102	1 568	1 471	2 290	2 394	2 506
2 Telecommunications Policy	-	140	1 879	360	1 569	1 640	1 722
3 Postal Services	-	-	397	97	455	475	500
4 Multi-Media Services Policy	-	-	69	287	126	132	142
5 Auxiliary and Associated Services	-	273	105	1 667	330	344	364
Total	1 487	3 515	4 018	3 882	4 770	4 985	5 234

Table 27.14: Summary of information and communications technology expenditure

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2001/02	2002/03	2003/04		2004/05	2005/06	
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06		
1 Administration	1 875	1 149	1 174	1 249	1 662		
Technology	1 755	1 023	1 043	1 112	1 497		
IT services	120	126	131	137	165		
2 Telecommunications Policy	12 611	9 362	1 392	1 422	3 859		
Technology	12 611	9 362	1 392	1 422	3 859		
IT services	-	-	-	-	-		
3 Postal Services	536	204	268	298	1 464		
Technology	536	204	268	298	1 464		
IT services	-	-	-	-	-		
4 Multi-Media Services Policy	247	32	43	45	136		
Technology	247	32	43	45	136		
IT services	-	-	-	-	-		
5 Auxiliary and Associated Services	387	291	162	171	420		
Technology	387	291	162	171	420		
IT services	-	-	-	-	-		
Total	15 656	11 038	3 039	3 185	7 541		

