

Vote 32

Telecommunications and Postal Services

Adjusted budget summary

		2019/20		
R thousand	Appropriation	Adjustments appropriation		Adjusted appropriation
		Decrease	Increase	
Amount to be appropriated	1 684 574	(2 480)	2 480	1 684 574
of which:				
Current payments	612 754	(2 480)	–	610 274
Transfers and subsidies	1 048 700	–	2 394	1 051 094
Payments for capital assets	23 120	–	86	23 206
Executive authority	Minister of Telecommunications and Postal Services			
Accounting officer	Director-General of Telecommunications and Postal Services			
Website address	www.dtps.gov.za			

Vote purpose

Develop ICT policies and legislation that create favourable conditions for accelerated and shared sustainable economic growth that positively impacts on the wellbeing of all South Africans.

2019 National macro organisation of government

The Department of Telecommunications and Postal Services will merge with the Department of Communications by 1 April 2020. The departments are working together to implement action plans for different workstreams to develop organisational and programme structures for the new Department of Communications and Digital Technologies.

Mid-year performance

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20
Number of ICT position papers developed for international engagements per year	International Affairs and Trade		2	2	–
Total number of identified connected government institutions maintained as part of the national broadband plan: Digital development (phase 1) per year	ICT Infrastructure Support	Outcome 6: An efficient, competitive and responsive economic infrastructure network	570	561	–

Mid-year progress

The department developed both targeted ICT position papers for international engagements in the first half of 2019/20, and connected 561 of the targeted 570 identified government institutions as part of the national broadband plan.

Adjusted estimates

Programme		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Administration	276 828	—	(5 450)	—	—	—	(5 450)	271 378
International Affairs and Trade	57 058	—	2 300	—	—	—	2 300	59 358
Policy, Research and Capacity Development	90 199	—	1 700	—	—	—	1 700	91 899
ICT Enterprise Development and Public Entities Oversight	744 233	—	(23 500)	—	—	—	(23 500)	720 733
ICT Infrastructure Support	516 256	—	24 950	—	—	—	24 950	541 206
Total	1 684 574	—	—	—	—	—	—	1 684 574
Economic classification								
Current payments	612 754	—	(2 480)	—	—	—	(2 480)	610 274
Compensation of employees	241 399	—	—	—	—	—	—	241 399
Goods and services	371 355	—	(2 480)	—	—	—	(2 480)	368 875
Transfers and subsidies	1 048 700	—	2 394	—	—	—	2 394	1 051 094
Provinces and municipalities	17	—	—	—	—	—	—	17
Departmental agencies and accounts	265 918	—	—	—	—	—	—	265 918
Foreign governments and international organisations	29 808	—	217	—	—	—	217	30 025
Public corporations and private enterprises	725 561	—	—	—	—	—	—	725 561
Households	27 396	—	2 177	—	—	—	2 177	29 573
Payments for capital assets	23 120	—	86	—	—	—	86	23 206
Machinery and equipment	9 687	—	86	—	—	—	86	9 773
Software and other intangible assets	13 433	—	—	—	—	—	—	13 433
Total	1 684 574	—	—	—	—	—	—	1 684 574

Programme 1: Administration

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Ministry	4 773	—	—	—	—	—	—	4 773
Departmental Management	49 179	—	—	—	—	—	—	49 179
Internal Audit	9 934	—	1 350	—	—	—	1 350	11 284
Corporate Services	117 842	—	(1 000)	—	—	—	(1 000)	116 842
Financial Management	75 375	—	(5 800)	—	—	—	(5 800)	69 575
Office Accommodation	19 725	—	—	—	—	—	—	19 725
Total	276 828	—	(5 450)	—	—	—	(5 450)	271 378

Programme 1: Administration (continued)

Economic classification		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Current payments	235 860	–	(7 627)	–	–	–	(7 627)	228 233
Compensation of employees	119 898	–	(5 450)	–	–	–	(5 450)	114 448
Goods and services	115 962	–	(2 177)	–	–	–	(2 177)	113 785
Transfers and subsidies	27 413	–	2 177	–	–	–	2 177	29 590
Provinces and municipalities	17	–	–	–	–	–	–	17
Households	27 396	–	2 177	–	–	–	2 177	29 573
Payments for capital assets	13 555	–	–	–	–	–	–	13 555
Machinery and equipment	6 611	–	–	–	–	–	–	6 611
Software and other intangible assets	6 944	–	–	–	–	–	–	6 944
Total	276 828	–	(5 450)	–	–	–	(5 450)	271 378

Programme 2: International Affairs and Trade

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
International Affairs	13 812	–	–	–	–	–	–	13 812
ICT Trade/Partnership	43 246	–	2 300	–	–	–	2 300	45 546
Total	57 058	–	2 300	–	–	–	2 300	59 358
Economic classification								
Current payments	26 706	–	2 083	–	–	–	2 083	28 789
Compensation of employees	16 104	–	2 300	–	–	–	2 300	18 404
Goods and services	10 602	–	(217)	–	–	–	(217)	10 385
Transfers and subsidies	29 808	–	217	–	–	–	217	30 025
Foreign governments and international organisations	29 808	–	217	–	–	–	217	30 025
Payments for capital assets	544	–	–	–	–	–	–	544
Machinery and equipment	544	–	–	–	–	–	–	544
Total	57 058	–	2 300	–	–	–	2 300	59 358

Programme 3: Policy, Research and Capacity Development

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
ICT Policy Development	16 063	–	1 950	–	–	–	1 950	18 013
Economic and Market Analysis	5 878	–	(1 118)	–	–	–	(1 118)	4 760
Research	7 054	–	118	–	–	–	118	7 172
Information Society Development	51 456	–	1 300	–	–	–	1 300	52 756
Capacity Development	9 748	–	(550)	–	–	–	(550)	9 198
Total	90 199	–	1 700	–	–	–	1 700	91 899

Programme 3: Policy, Research and Capacity Development (continued)

Economic classification		2019/20						
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Current payments	89 480	–	1 614	–	–	–	1 614	91 094
Compensation of employees	59 873	–	1 200	–	–	–	1 200	61 073
Goods and services	29 607	–	414	–	–	–	414	30 021
Payments for capital assets	719	–	86	–	–	–	86	805
Machinery and equipment	710	–	86	–	–	–	86	796
Software and other intangible assets	9	–	–	–	–	–	–	9
Total	90 199	–	1 700	–	–	–	1 700	91 899

Programme 4: ICT Enterprise Development and Public Entities Oversight

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Public Entity Oversight	739 230	–	(24 700)	–	–	–	(24 700)	714 530
SMME Development	5 003	–	1 200	–	–	–	1 200	6 203
Total	744 233	–	(23 500)	–	–	–	(23 500)	720 733
Economic classification								
Current payments	30 051	–	500	–	–	–	500	30 551
Compensation of employees	22 665	–	1 000	–	–	–	1 000	23 665
Goods and services	7 386	–	(500)	–	–	–	(500)	6 886
Transfers and subsidies	713 940	–	(24 000)	–	–	–	(24 000)	689 940
Departmental agencies and accounts	239 313	–	(24 000)	–	–	–	(24 000)	215 313
Public corporations and private enterprises	474 627	–	–	–	–	–	–	474 627
Payments for capital assets	242	–	–	–	–	–	–	242
Machinery and equipment	242	–	–	–	–	–	–	242
Total	744 233	–	(23 500)	–	–	–	(23 500)	720 733

Programme 5: ICT Infrastructure Support

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Broadband	221 389	–	26 250	–	–	–	26 250	247 639
Digital Terrestrial Television	277 539	–	–	–	–	–	–	277 539
ICT Support	17 328	–	(1 300)	–	–	–	(1 300)	16 028
Total	516 256	–	24 950	–	–	–	24 950	541 206

Programme 5: ICT Infrastructure Support (continued)

Economic classification		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Current payments	230 657	–	950	–	–	–	950	231 607
Compensation of employees	22 859	–	950	–	–	–	950	23 809
Goods and services	207 798	–	–	–	–	–	–	207 798
Transfers and subsidies	277 539	–	24 000	–	–	–	24 000	301 539
Departmental agencies and accounts	26 605	–	24 000	–	–	–	24 000	50 605
Public corporations and private enterprises	250 934	–	–	–	–	–	–	250 934
Payments for capital assets	8 060	–	–	–	–	–	–	8 060
Machinery and equipment	1 580	–	–	–	–	–	–	1 580
Software and other intangible assets	6 480	–	–	–	–	–	–	6 480
Total	516 256	–	24 950	–	–	–	24 950	541 206

Virements and shifts within the vote**Programmes**

1. Administration
2. International Affairs and Trade
3. Policy, Research and Capacity Development
4. ICT Enterprise Development and Public Entities Oversight
5. ICT Infrastructure Support

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(7 627)	Programme 2		2 300
Compensation of employees	Vacant posts	(2 300)	Compensation of employees	Personnel remuneration	2 300
	Vacant posts	(1 200)	Programme 3		1 200
	Vacant posts	(1 000)	Compensation of employees	Personnel remuneration	1 200
	Vacant posts	(950)	Programme 4		1 000
			Compensation of employees	Personnel remuneration	1 000
			Programme 5		950
			Compensation of employees	Personnel remuneration	950
			Programme 1		2 177
Goods and services	Various goods and services items	(2 177)	Households	Claims against the state ¹	2 177
Shifts within the programme as a percentage of the programme budget		0.8%			
Virements to other programmes as a percentage of the programme budget		2.0%			
Programme 2		(217)	Programme 2		217
Goods and services	Contractors ¹	(217)	Foreign governments and international organisations	Foreign membership fees ¹	217
Shifts within the programme as a percentage of the programme budget		0.4%			
Virements to other programmes as a percentage of the programme budget		0.0%			

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3		(86)	Programme 3		86
Goods and services	Venues and facilities	(86)	Machinery and equipment	Computers and office equipment	86
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(24 500)	Programme 3		500
Goods and services	Consultants	(500)	Goods and services	Development of a business case for the Digital Development Fund	500
Departmental agencies and accounts	Universal Service and Access Fund for the revised broadcasting digital migration model ²	(24 000)	Programme 5		24 000
			Departmental agencies and accounts	Independent Communications Authority of South Africa to make provision for the spectrum licensing process ²	24 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		3.3%			
Total		(32 430)			32 430

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement.

Expenditure outcome for 2018/19 and actual expenditure for 2019/20

Programme	2018/19					2019/20			
	Adjusted appropriation	Outcome				Adjusted appropriation	Adjusted appropriation/Total (%)	Actual expenditure	
		Apr 18 - Sep 18	% of adjusted appropriation	Apr 18 - Mar 19	% of adjusted appropriation			Apr 19 - Sep 19	% of adjusted appropriation
R thousand									
Administration	235 207	91 785	39.0	235 003	99.9	271 378	16.1	114 142	42.1
International Affairs and Trade	79 985	66 499	83.1	85 084	106.4	59 358	3.5	41 926	70.6
Policy, Research and Capacity Development	84 980	35 702	42.0	85 426	100.5	91 899	5.5	39 131	42.6
ICT Enterprise Development and Public Entities Oversight	3 205 149	124 609	3.9	3 200 454	99.9	744 733	44.2	376 271	50.5
ICT Infrastructure Support	401 615	239 029	59.5	388 447	96.7	517 206	30.7	190 351	36.8
Total	4 006 936	557 624	13.9	3 994 414	99.7	1 684 574	100.0	761 821	45.2

Economic classification	2018/19					2019/20			
	Adjusted appropriation	Outcome				Adjusted appropriation	Adjusted appropriation/Total (%)	Actual expenditure	
		Apr 18 - Sep 18	% of adjusted Sep 18 appropriation	Apr 18 - Mar 19	% of adjusted Mar 19 appropriation			Apr 19 - Sep 19	% of adjusted Sep 19 appropriation
R thousand									
Current payments	541 183	192 059	35.5	539 195	99.6	610 274	36.2	160 606	26.3
Compensation of employees	224 300	109 569	48.8	219 343	97.8	241 399	14.3	108 174	44.8
Goods and services	316 883	82 490	26.0	319 852	100.9	368 875	21.9	52 432	14.2
Transfers and subsidies	497 495	362 611	72.9	500 154	100.5	1 051 094	62.4	599 450	57.0
Provinces and municipalities	15	6	40.0	13	86.7	17	0.0	4	23.5
Departmental agencies and accounts	247 556	131 102	53.0	247 556	100.0	265 918	15.8	139 303	52.4
Foreign governments and international organisations	27 084	27 084	100.0	28 538	105.4	30 025	1.8	30 025	100.0
Public corporations and private enterprises	203 900	203 900	100.0	203 900	100.0	725 561	43.1	399 752	55.1
Households	18 940	519	2.7	20 147	106.4	29 573	1.8	30 366	102.7
Payments for capital assets	21 258	2 831	13.3	6 406	30.1	23 206	1.4	1 764	7.6
Machinery and equipment	10 145	1 572	15.5	4 772	47.0	9 773	0.6	826	8.5
Software and other intangible assets	11 113	1 259	11.3	1 634	14.7	13 433	0.8	938	7.0
Payments for financial assets	2 947 000	123	0.0	2 948 659	100.1	–	–	1	–
Total	4 006 936	557 624	13.9	3 994 414	99.7	1 684 574	100.0	761 821	45.2

Expenditure trends for the first half of 2019/20

Total expenditure in 2018/19 was R4 billion, 99.7 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2018/19 was R557.6 million, 13.9 per cent of the 2018/19 adjustment estimate, whereas expenditure in the first half of 2019/20 was R761.8 million, 45.2 per cent of the adjusted estimate for the year. Compared to the first half of 2018/19, expenditure over the same period in 2019/20 increased by R204.2 million, 36.6 per cent, mainly due to the introduction of a subsidy to the South Africa Post Office for universal service obligations.

Departmental receipts

Economic classification	2018/19					2019/20				
	Adjusted estimate	Outcome				Budget estimate	Adjusted estimate	Adjusted receipts estimate/Total (%)	Actual receipts	
		Apr 18 - Sep 18	% of adjusted estimate	Apr 18 - Mar 19	% of adjusted estimate				Apr 19 - Sep 19	% of adjusted estimate
R thousand										
Departmental receipts	517 828	516 156	99.7	749 642	144.8	600 635	598 366	100.0	514 721	86.0
Sales of goods and services produced by department	53	29	54.7	58	109.4	53	74	0.0	50	67.6
Transfers received	26 250	25 000	95.2	26 000	99.0	–	–	–	–	–
Interest, dividends and rent on land	490 877	490 822	100.0	723 109	147.3	600 142	600 110	100.3	516 470	86.1
Sales of capital assets	68	6	8.8	52	76.5	–	–	–	19	–
Transactions in financial assets and liabilities	580	299	51.6	423	72.9	440	(1 818)	(0.3)	(1 818)	100.0
Total	517 828	516 156	99.7	749 642	144.8	600 635	598 366	100.0	514 721	86.0

Revenue trends for the first half of 2019/20

Mid-year revenue in 2018/19 was R516.2 million, 99.7 per cent of the 2018/19 adjustment estimate, whereas revenue in the first half of 2019/20 was R514.7 million, 86 per cent of the adjusted estimate of R598.4 million for the year. Compared to the first half of 2018/19, revenue over the same period in 2019/20 decreased by R1.4 million, 0.3 per cent. This was mainly due to the incorrect recognition of some revenue in 2018/19, resulting in more revenue being recognised and paid over to the National Revenue Fund than should have been. This will be rectified in the department's 2019/20 annual report.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

2019/20								
R thousand	Appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Administration								
Households								
Other transfers to households								
Current	27 396	–	2 177	–	–	–	2 177	29 573
Claims against the state	27 396	–	2 177	–	–	–	2 177	29 573
International Affairs and Trade								
Foreign governments and international organisations								
Current	29 808	–	217	–	–	–	217	30 025
Universal Postal Union	6 741	–	(298)	–	–	–	(298)	6 443
International	18 905	–	(76)	–	–	–	(76)	18 829
Telecommunications Union								
African Telecommunications Union	1 119	–	(5)	–	–	–	(5)	1 114
Pan-African Postal Union	1 120	–	22	–	–	–	22	1 142
Organisation for Economic Cooperation and Development	194	–	(8)	–	–	–	(8)	186
Commonwealth	529	–	(67)	–	–	–	(67)	462
Telecommunications Organisation								
DONA Foundation	1 200	–	(92)	–	–	–	(92)	1 108
Smart Africa Alliance	–	–	741	–	–	–	741	741
ICT Enterprise Development and Public Entities								
Oversight								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	61 017	–	(24 000)	–	–	–	(24 000)	37 017
Universal Service and Access Fund	61 017	–	(24 000)	–	–	–	(24 000)	37 017
ICT Infrastructure Support								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	–	–	24 000	–	–	–	24 000	24 000
Independent Communications Authority of South Africa	–	–	24 000	–	–	–	24 000	24 000