

PUBLIC SECTOR - TELECOM. - GENERAL



1989

Post Office may follow Sats's lead

CHRIS CAIRNCROSS (26)

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Timing will depend on the final publication and release to Parliament of the report prepared by former Gencor chairman Wim de Villiers, government's chief adviser on privatisation.

Like Sats, SAPO is being restructured and divided into separate business units to improve performance by increasing the responsibility and accountability of its line staff and managers.

And, like Sats, the next step will be establishment of a government-owned company or companies in line for privatisation once satisfactory business results are achieved.

As with the Sats Bill, this will mean changes to existing legislation making provision for the creation of one or more commercial enterprises.

It will mean that the Post Office budget, traditionally tabled in Parliament towards the end of February, could be the last of its kind to be presented.

It is also being rumoured in government circles in Cape Town that legislation providing for the eventual privatisation of steel producer Iscor may be tabled sooner than expected.

Eskom was initially labelled as probably the first major state enterprise to go this route. But this now appears not to be the case and Iscor, followed by Alusaf and Foskor, are believed to be the more likely candidates to lead the trend.

Draft bill paves the way for SAPO privatisation

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12/1/89
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By CHRIS CAIRNCROSS

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Timing will depend on the final publication and release to Parliament of the report prepared by former Gencor chairman Wim de Villiers, who has taken on the mantle of government's chief adviser on privatisation

Like Sats, SAPO is being restructured and divided into separate business units in order to improve performance by increasing the responsibility and accountability of its line staff and managers

And, like Sats, the next step will be the establishment of a government-owned company or companies which will be in line for privatisation once satisfactory business results are achieved

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It is also being rumoured in government circles that legislation providing for the eventual privatisation of steel producer Iscor may be tabled sooner than ex-

pected. It may well be one of the issues which President P W Botha could use to highlight progress being made with government's privatization programme this year when he opens Parliament.

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SA 10 012

SATS AND POST OFFICE TARIFF HIKES IN THE PIPELINE

PRETORIA — Sats and Post Office tariffs are certain to be raised in the new financial year, according to sources here.

Sats is heading for a deficit in excess of R100m and PO tariffs, not raised at all during the current financial year, will be forced up by inflated costs, including the 15% pay hike for its 100 000 workers.

The expected increases will, with last Monday's big fuel price hike and other administered price rises expected in the first half of the

GERALD REILLY

year, give a powerful punt to inflation, economists warn.

Transport Minister Eli Louw budgeted for a total deficit of R96m for the whole of the 1988/89 financial year, and the authorities say it will be at least that.

Sats tariffs were increased from December by an average of 7,5%, while SAA raised domestic tariffs by 8% in November.

Louw has indicated that the December tariff hikes will add only

R130m to total revenue for the current financial year — not even enough to cover the surprise R192m in salary increases.

The 1989/90 budget will have to make provision for an additional R400m for salary increases

The 15% pay hike for postal workers will add R60,5m to expenditure this financial year, and another R250m for 1989/90.

Communications Minister Stoffel Botha budgeted R1,1bn for wages and salaries this financial year.

IN BRIEF

Bush's hostage call

WASHINGTON — President George Bush, in a clear message to Iran, said at the weekend efforts to win the release of US hostages in Lebanon would ease the diplomatic strains that have dominated relations between Washington and Teheran

Bush said the 10 Americans held captive in Lebanon would not be forgotten and he wanted his message "heard around the world".

Scrum over the ANC

CAPE TOWN — SARB president Danie Craven paid a snap visit to Brig Roy Doring, Divisional Commissioner of Police for the

Students may test provision

LONDON — Conservative students may take their university to court in a test case of the freedom of speech provisions in the 1986 Education Act after a controversial visit by an SA diplomat was banned for the second time

Liverpool University gave permission for SA Embassy second secretary Jan Casterlyn to speak to a meeting organised by Tory students on Friday, provided there was no advance publicity. However, anti-apartheid demonstrators planned a demonstration to greet his arrival, after news of the trip leaked out

Worried by the threat of disturbances, university registrar Peter Gayward withdrew permission for the visit and his decision was upheld by vice-chancellor Professor Graeme Davies yesterday.

Two SA diplomats were originally due to attend a similar meeting last term,

but that was also called off amid fears of public order problems

With financial backing from the right-wing Freedom Association, Tory students then proposed to use section 43 of the 1986 Education Act, which guarantees freedom of speech at institutions of higher education, to force the university to revoke its ban

They did not go to court at that stage, after reaching the compromise that the meeting could go ahead if there was an embargo on advance publicity

However, after receiving confirmation yesterday that the visit had been banned again, Liverpool University Conservative Association chairman Joe Baldwin said there was a "strong possibility" they would go to court this time.

Own Correspondent

6/Dec 23/1/89

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Post Office lifts profits for year

CAPE TOWN — The Post Office made a profit of R452,3 million in the 1987/88 financial year, the Postmaster-General, Mr Johann de Villiers, has reported

There was a "marked improvement", he said in his annual report tabled in Parliament yesterday.

He said revenue for the year had been R4 465 million — R201 million more than budgeted for — through the improved use of assets and a moderate upturn in the economy.

Total expenditure was reduced by R233 million from the budgeted R6 150 million

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POST OFFICE ACHIEVES COMPLETE FINANCIAL TURNAROUND

CAPE TOWN — The financial affairs of the SA Post Office (Sapo) exercised a complete turnaround in the 1987/88 financial year, with revenue increasing by R201m (4,7%) to R4,5bn.

Sapo's annual report, which was tabled in Parliament yesterday, pointed out that three years ago the organisation suffered losses.

The report said operating expenditure and appropriations during the year were reduced by R195m, while capex was curtailed by R81m. Actual loan redemption was R348m, higher than budgeted.

In addition, total expenditure was reduced by R233m, enabling Sapo to record an operating surplus of R774,9m before appropriations.

The privatisation of all, or elements of Sapo remain only a distant prospect this year, even though good

CHRIS CAIRNCROSS

progress had already been made with preliminary investigations and planning.

It is understood government's chief privatisation consultant Wim de Villiers has effectively completed his report into the strategy, policy, control structure and re-organisation of Sapo.

At this stage it is not known when this report will be made public. But it could be tabled in Parliament soon.

It will be closely followed by enabling legislation providing a legal framework for Sapo to be reorganised and restructured into separate business units as a prelude for eventual privatisation.

In Sapo's annual report new Postmaster-General Johann de Villiers says it is still difficult to attach a time

scale to the privatisation programme.

However, current planning is aimed at merely introducing the new management structures during 1989.

The annual report underlines the fact that Sapo is well on the road to establishing the sort of sound financial and capital structure which is a prerequisite to any sort of privatisation.

Deputy Postmaster-General Robbie Raath records in the annual report that in spite of the debt standstill, Sapo experienced no problems with arranging export credit finance for importing equipment.

New loans in foreign currency were also negotiated from funds held by overseas banks in the restricted accounts held by the Public Debt Commissioner.

STimes 2/2/89

Post Office in good shape

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THE spirit of privatisation is spreading through the public sector

The Post Office, which was showing losses only three years ago, ended 1987-88 with a record operating surplus of R774,9-million. New Postmaster-General Johann de Villiers says R452,3-million was contributed to the financing of capital expenditure.

The Post Office annual report — tabled in Parliament this week — says that at the beginning of the year revenue was estimated at R4,3-billion. But a moderate upturn in the economy and improved use of assets and resources resulted in a 4,7% increase to nearly R4,5-billion.

Operating expenditure and appropriations were cut by R195-million, or 4,6%, through strict financial

Business Times Reporter

discipline and control. Capital expenditure was reduced by R81-million, or 5%.

Loan redemption was higher than budget at R348-million.

At the same time, services were expanded. Nearly 226 000 new telephones were installed, reducing

the waiting list by 15% to 141 670. By the end of the year more than 4,4-million phones were installed in SA.

Mr De Villiers says the Post Office has for some time been engaged in privatisation and deregulation on a limited scale. The matter is now being looked into anew as a result of the Government's White

Paper

Mr De Villiers said good progress had been made on an investigation by Dr Wim de Villiers into the strategy, policy, control structure and organisation of the department.

But it is difficult to attach a timescale to the privatisation programme. A new management structure is being introduced.

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However, these merits are regularly reconsidered and as soon as the necessity for a person's detention falls away, that person is released as soon as possible
(a) and (b) Fall away

Public Safety Act: restriction orders served to former detainees

*19 Mrs H SUZMAN asked the Minister of Law and Order

(a) How many persons detained under the 1988 emergency regulations in terms of the Public Safety Act, No 3 of 1953, were subsequently served with restriction orders and (b) to which areas were they restricted in each case?

THE MINISTER OF LAW AND ORDER

(a) During 1988, certain conditions in terms of Regulation 3(8)(b)(i) of the Security Emergency Regulations were prescribed to 135 persons on their release, with which they have to comply

(b) It is not in the public interest or in the interest of the persons concerned to divulge this information

Public telephones: estimated cost of repair
*20 Mr J B DE R VAN GEND asked the Minister of Communications

What was the estimated cost of repairing public telephones in the (a) Republic and (b) Cape Province in 1988?

THE MINISTER OF COMMUNICATIONS

(a) R653 000 for repairs arising from vandalism and the theft of apparatus in the Republic, and
(b) R238 000 in respect of the Cape Province

Local telephone calls: introduction of metering system

*21 Mr J B DE R VAN GEND asked the Minister of Communications

Whether he intends introducing a metering system for local telephone calls in 1989, if so, (a) when, (b) in which areas and (c) what (1) time and (ii) distance factors will be taken into account per unit charged?

THE MINISTER OF COMMUNICATIONS

Yes, the matter will be dealt with fully in my budget speech
(a), (b) and (c) fall away

*22 Mr S S VAN DER MERWE — Law and Order [Reply standing over]

Vrye Weekblad registration fee charged

*23 Mr S S VAN DER MERWE asked the Minister of Home Affairs

(1) (a) What is the average registration fee paid by newspapers registered with his Department and (b) what considerations are taken into account in determining the registration fee charged,
(2) (a) what amount was a certain newspaper, the name of which has been furnished to the Minister's Department for the purpose of his reply, charged for registration with his Department, (b) what considerations were taken into account in determining this amount and (c) what is the name of this newspaper?

THE MINISTER OF HOME AFFAIRS

(1) to (2) Under the provisions of regulation 2(a), of the regulations made in terms of section 13 of the Newspaper and Imprint Registration Act, 1971, the prescribed fee which has to accompany an application for the registration of a newspaper is R10,00

However, if the hon member, with the expression "registration fee", has in mind the deposit which is payable in terms of section 15 of the Internal Security Act, 1982, I have to point out to him that my colleague, the Minister of Justice, determines the amount of such deposits in accordance with the provisions of section 15(1)(b) of the aforesaid Act

INTERPELLATIONS:

Own Affairs

White local authorities: maintaining of own community life

Mr H J Coetzee to ask the Chairman of the Ministers' Council +

In what way does the Government intend to maintain the own community life in the areas of jurisdiction of White local authorities?

*THE CHAIRMAN OF THE MINISTERS'

COUNCIL. Mr Chairman, I shall confine myself in my reply to the activities of the Ministers' Council of the House of Assembly, since this interpellation falls under own affairs

The Cabinet and general affairs departments are of course involved in maintaining the own community lives of the various communities in South Africa. This is done by means of the administration and implementation of quite a number of general laws relating to the recognition and protection of an own community life

The task entrusted to the Ministers' Council by the Constitution, in the case of the House of Assembly, is specifically to protect, maintain and further the own community life of the Whites. This we are doing and shall continue to do. The overall effect of the activities, expenditure of funds and functions of the Ministers' Council is that the White community, as a community, has its own institutions, schools, hospitals, homes for the aged, services, housing schemes and so on. This, coupled to a basic pattern of own residential areas, lays the foundation for a sound community life of its own

In the sphere of local government own local authorities are maintained as institutions of authority. Their precise task is to serve and promote the interests of the community that elected them. The Department of Education and Culture accomplishes this through the excellent training and education with which 954 475 White pupils are provided in 2 664 schools. The department also supports seven declared cultural institutions and controls four national monuments, including the Voortrekker monument. In the sphere of art, culture and recreation this department is engaged in 3 608 projects, involving 992 300 people

In regard to welfare housing a total of R216,71 million has been spent since the 1985-86 financial year. In the 1987-88 financial year alone 5 031 housing units were built for the White aged in welfare schemes. A total of 36 221 people, particularly young Whites, are at present benefiting from the subsidy scheme for first-home buyers. In 1984-85 9 753 residential units were constructed in the sphere of housing. The Ministers' Council is involved in 110 service centres for the aged, which serve 29 105 people. We are involved in 431 homes for the aged, which make provision for 30 722 people. The cost involved is R131,709 million. The control over 44 own affairs hospi-

tals, with 5 671 beds, is being transferred to the Ministers' Council on 1 April 1989. We are proud of what we have already achieved. [Time expired]

*Mr H J COETZEE. Mr Chairman, in view of the information the hon the Minister has given us, I am all the more convinced today that it is now clear that the NP is applying double standards on the level of third tier government [Interjections]

The hon the Chairman of the Ministers' Council says the parks of Vereeniging are open. He told us this only last week. The town secretary of Vereeniging says the parks are not open and not closed either, only certain people know. What about the swimming-baths? What about the library? What about the holiday resorts? Are they open or closed? Can the hon the Chairman of the Ministers' Council tell us what is happening in his constituency? Can the hon the Chairman of the Ministers' Council tell us what is happening in Klerksdorp? Is that swimming-bath open or closed?

In view of the actions of the police against the intimidators and boycotters in Port Elizabeth I should like to know why the police are not taking action in Boksburg as well? They did not do so because the city fathers of Boksburg are implementing NP policy, according to the document they issued prior to the municipal election. So why the hysteria? The reason for it is that that policy is being implemented on its behalf by a CP town council. During the boycott campaign and the establishment of bodies opposed to the CP town council, which was implementing NP policy, who was very active and appeared regularly on the front page of the *Boksburg Advertiser*? It was this person who appears together with the NP's greatest enemy, namely the PFP's Mr Izak Kramer—with none other than the hon member for Boksburg, Mr Izak Blanche!

The hon member for Boksburg stated in the *Financial Mail* of 9 December 1988 that in principle he supported the reservation of separate amenities. Why was he so keen to have Mr Kramer elected? Was the hon the Minister afraid that he would perhaps have to make the Boksburg MP number four on the list of dismissals if he were to institute an enquiry?

The hon the Minister of Transport Affairs says that everything has been thrown open, but what

Siemens lands a R10,5m contract

By Day 14/2/89

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SIEMENS has received a R10,5m order from the Post Office for the first stage of a three-phase project to increase the range and capacity of SA's mobile telephone network

Once the final stage of the project is complete the network capacity — now 3 000 subscribers — will be almost 16 000.

The first phase, scheduled to be operational early in July will increase the number of potential subscribers to approximately 5 000

The expanded network

will provide higher transmission and improved reception, says Siemens

Two new facilities will also be introduced — a call identification facility and a

call diversion, which diverts incoming calls to a telephone number at the subscriber's intended destination

Three new transmitting

stations in Heidelberg, Nootgedacht and Bronkhorstpruit will extend the range of the network in the south-east to the Heidelberg area, north-west to

Rustenburg/Sun City and north-east to Witbank

Demand for mobile telephones has increased faster than anticipated in the two years since the inception of the new car telephone system. Once the service was made available on a rental basis, the demand increased, particularly from business people who spend two hours and more of their day on the road

Stolen cheques: Schwarz unearths major scandal

APR 14 1989 (267) 101

Political Staff

PROGRESSIVE Federal Party finance spokesman Mr Harry Schwarz has unearthed a major scandal involving the theft of hundreds of inland revenue, maternity and unemployment benefit cheques

Mr Schwarz, who was alerted to the disappearance of the cheques by a constituent, believes they are being stolen at post offices. He fears he has only unearthed the tip of an iceberg and that the number of stolen cheques could run into thousands worth hundreds of thousands of rands.

Post and Telecommunications Minister Mr Stoffel Botha has launched an investigation into the matter.

Mr Schwarz said that while the intended recipients were forced to wait for months for their payments, accounts were being opened in their names, the stolen cheques deposited and the money withdrawn.

"This thing has social as well as

criminal implications," Mr Schwarz said. The people affected by the thefts were among the less well-off members of society and desperately needed the money.

Maternity benefits were supposed to assist people during their period of confinement, but he knew of cases where babies had actually been born before mothers received their cheques.

The disappearance of cheques was not limited to a few isolated cases. He had spoken to the Department of Manpower in Johannesburg where officials were being inundated with complaints about the non-receipt of cheques.

Mr Schwarz said he had complained to the Department of Manpower because it was asking people to sign forms saying they had lost the cheques before new ones were issued. The department had since stopped this procedure.

| NAME | ADDRESS | PHONE | DATE |
|---------------|---------|-------|------|
| Mr. J. M. ... | ... | ... | ... |
| Mr. P. ... | ... | ... | ... |
| Mr. R. ... | ... | ... | ... |
| Mr. S. ... | ... | ... | ... |
| Mr. T. ... | ... | ... | ... |
| Mr. U. ... | ... | ... | ... |
| Mr. V. ... | ... | ... | ... |
| Mr. W. ... | ... | ... | ... |
| Mr. X. ... | ... | ... | ... |
| Mr. Y. ... | ... | ... | ... |
| Mr. Z. ... | ... | ... | ... |

Star 17/1/89 (267)

PO seeks extra R198-m

The Department of Posts and Telecommunications needs an additional R198 million for the financial year ending March 31, according to the Additional Post Office Appropriation Bill tabled yesterday.

The Bill was introduced in Parliament by Minister of Posts and Telecommunications Mr Stoffel Botha.

According to estimates tabled with the Bill, the department's revised figure for staff expenses was now R1 873 133 000, compared to the R1 762 210 000 approved last year, and its international commitments had risen from R321 965 000 to R428 660 000.

A total of R19 232 000 was defrayed from savings on other functions of the department.

The total appropriation for the department for the 1988/89 financial year was therefore R6 229 036 000, compared to the original estimate of R6 030 650 000 — Sapa

2 Big parastatals aim to overspend by R604m

CAPE TOWN — ^{Friday 17/12/89} The country's two largest parastatals earmarked for eventual privatisation, SA Transport Services (Sats) and Posts and Telecommunications, are planning to overspend their collective budgets by more than R604m in the financial year ending March 31.

This was revealed in draft legislation tabled in Parliament yesterday in the form of additional appropriation Bills.

Posts and Telecommunications is asking for an additional amount of R198,4m to cover expenditure not catered for in its budget.

Transport Minister Eli Louw is requesting an additional R406,1m for Sats for this financial year.

Of this total, R372m is required to cover expenditure in respect of main-

CHRIS CAIRNCROSS

tenance of rail services and rolling stock, road transport and airports.

An amount of R34,2m is described as being allocated to a capital expenditure programme of an exceptional nature for which provision was not previously made.

Subsidies

In a schedule attached to the relevant Bill, this amount is to be or has already been spent on the construction, purchase or takeover of railways, new rolling stock and pipelines.

Most of this amount, accounting for some R25m, goes to Sats employee housing subsidies.

More than half of the Post Office's additional appropriation of R198,3m

was needed for staff expenditure, the Minister, Stoffel Botha, said yesterday.

Introducing the appropriation in Parliament, he said R110,9m was for staff salaries and benefits.

He said increased staff expenditure was mainly as a result of

- The general salary increase of 15% from January 1,
- Higher expenditure on service bonuses, leave gratuities and pension contributions,
- Higher housing subsidies arising from increased interest rates, and,
- Higher departmental contributions to medical schemes as a result of the increase in membership fees.

"This will increase total expenditure on staff to R1 873,1m, which is 6,3% higher than the original estimate of R1 762,2m," he said.

Phone hikes: Govt spurns housewives

767 Staff Reporter

THE government has turned down a plea from the Housewives League to soften the blow to consumers when the metering of local telephone calls is introduced.

The league asked the minister of posts and telecommunications to introduce a 10-minute instead of a three-minute metering period and to meter calls only during the day.

The league said poor people, specially the elderly, rely on telephones for communication.

Refusing, the minister said that the new system was not to obtain additional revenue or limit the use of the service but to eliminate anomalies.

The system will be tested on the Rand from April before being introduced in the Cape in October.

Under the new system

- The method used for trunk calls, where cost is based on time and distance, will be introduced for local calls.

- The duration of calls will be measured in metering periods based on the distances within the local exchange systems over which the calls are made. The first tariff step will cover calls made over a distance of 50km.

A post office spokesman said it was impossible to judge how the new system would affect subscribers.

"As long as local calls are kept short there should be no increase," he said.

cle is presently detained in the State Warehouse. The payment of the duty due as well as an amount in lieu of mitigation of seizure is presently the subject of correspondence with Mr Palazzolo's legal representatives

Black unemployment: latest survey

*23 Mr P G SOAL asked the Minister of Home Affairs

- (a) How many Black persons were unemployed as at the date of the latest current population survey and (b) what is the date of this survey?

The MINISTER OF HOME AFFAIRS

- (a) 820 000
(b) October 1988

Internal Security Act, detainees

*24 Mrs H SUZMAN asked the Minister of Law and Order

How many persons were detained in terms of section 29 of the Internal Security Act, No 74 of 1982, (a) during the period 9 February 1988 up to the latest specified date for which information is available and (b) in 1988?

The MINISTER OF LAW AND ORDER

- (a) 316 persons up until 15 February 1989
(b) 315 persons

Telephone applications outstanding, Greater Cape Town

*25 Mr J B DE R VAN GEND asked the Minister of Communications

What was the total number of outstanding telephone applications in areas reserved for (a) White and (b) Black occupation in the Greater Cape Town areas as at the latest specified date for which information is available?

The MINISTER OF COMMUNICATIONS

- (a) 2 309, and
(b) 3 730,
as at 1 October 1988

Western Cape Region Co-ordinating Committee on Squatting

*26 Mr J J WALSH asked the Minister of Constitutional Development and Planning

HOUSE OF ASSEMBLY

- (1) Whether a committee known as the Western Cape Region Co-ordinating Committee on Squatting has been formed, if so, (a) who are the members of the committee, (b) on what dates has it met and (c) to whom does it report,

- (2) whether this committee has made any recommendations, if so, what recommendations,

- (3) Whether the minutes of this committee are available to members of the public, if not, why not, if so, where may they be obtained?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

This matter vests in the Administrator of the Cape Province and he furnished the following information

- (1) Yes

- (a) Regional representative Office for Community Services Western Cape (CCA) as chairman Representatives of the three own affairs departments — and where circumstances necessitate — members of the relevant local authorities

- (b) 11/5/87, 10/6/87, 10/8/87, 12/10/87, 30/11/87, 25/1/88, 21/3/88, 3/5/88, 28/7/88, 27/9/88 and 21/11/88

- (c) Chief director land development co-ordination Branch Community Services, CPA

- (2) Yes

Departmental committee and recommendations not for public knowledge

- (3) No

Departmental Committee

*27 Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs

Cuban withdrawal - guarantees

- (1) Whether South Africa has received any guarantees that the promised Cuban withdrawal will be carried out in its entirety, if not, why not, if so, what guarantees,

- (2) Whether any arrangements have been made for preventing already withdrawn Cuban troops from being relocated in

other African countries, if not, why not, if so, what arrangements,

- (3) whether there is any South African representation on the monitoring force that will oversee the withdrawal of Cuban troops from Angola and their eventual return to Cuba, if not, why not, if so, what are the relevant details?

The MINISTER OF FOREIGN AFFAIRS

- (1) There is no such thing as guarantees in international relations and agreements. In other words there is no such thing as a guarantee of a guarantee at the international level. There are only undertakings and interests. Several agreements which have been concluded established undertakings *inter alia* also an undertaking by Angola and Cuba to withdraw all Cuban troops from Angola according to a timetable. At the same time internationally accepted mechanisms were established to monitor the withdrawal. Structures were also created to handle complaints.

- In 1978 it was for various reasons regarded as impossible to negotiate Cuban troop withdrawal from Angola. That 10 years later we indeed succeeded therein can be regarded as one of the greatest achievements which this country has ever attained on the diplomatic level, thanks to the Government's determination, knowledge of international tendencies, new initiatives in Africa, correct timing and the strong team spirit and close co-operation which exist between the Department of Foreign Affairs, the South African Defence Force, the National Intelligence Service and the South African Police.
- (2) Yes. The South African Government has clearly stated during the negotiations and also publicly that it will not tolerate the redeployment of Cuban troops in the southern African region. President Reagan said in a public statement during his term of office that withdrawal of the Cubans means withdrawal from Africa.
- (3) No. The monitoring of Cuban troop withdrawal has been entrusted to the United Nations Verification Mission (UNAVEM) who will have to complete its task to the satisfaction of the Secretary-General of the United Nations. Addi-

tional structures were, however, established to look after the interests of all the parties. What is of special importance is that the Government succeeded in establishing means which are far more effective in detecting cheating that would be the case if South Africa were represented on the monitoring force.

QUESTIONS FOR WRITTEN REPLY

General Affairs:

Civil pensioners, erroneous overpayment

6 Mr J J WALSH asked the Minister of National Health and Population Development

- (1) Whether, since 1 October 1985, any civil pensioners have been erroneously overpaid as a result of incorrect information on the pensions data base, if so, (a) how many pensioners were involved, (b) what was the total amount overpaid, (c) in respect of what date is this information furnished and (d) what steps are being taken to prevent such overpayments from occurring in the future,

- (2) whether the amount overpaid will be repaid from the pensioners concerned, if not, how will it be recovered, if so, what recourse is there for pensioners who are unable to make repayments,

- (3) whether such outstanding amounts may be repaid over a period of time, if not, (a) why not and (b) how will they be recovered, if so,

- (4) whether such an outstanding amount will be (a) subject to interest and (b) claimed against the estate in the event of the decease of the pensioner concerned,

- (5) whether his Department has taken or will take any steps in connection with the recovery of taxation overpayments resulting from these erroneous overpayments to pensioners, if not, why not, if so, (a) what steps and (b) when?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

- (1) Yes.

The MINISTER OF EDUCATION AND DEVELOPMENT AID

No
(a), (b) and (c) fall away

High school teachers retrained

*12 Mr K M ANDREW asked the Minister of Education and Development Aid

Whether any high school teachers in South Africa were retrained or made redundant in or at the end of 1988, if so, (a) how many, (b) why and (c) how many of these teachers were fully qualified?

B221E

The MINISTER OF EDUCATION AND DEVELOPMENT AID

Yes

(a) 22

(b) (i) Eleven unqualified teachers were retrained, to accommodate teachers who completed their studies at teacher training colleges during 1988 and who are contractually bound by the department

(ii) Eleven temporary teachers were retrained during 1988 because they chose not to join the service of the Owa-Owa Self Governing Territory because of the take-over of the Boshabelo territory. They were also not prepared to accept posts elsewhere in the Orange Free State-Region

(c) Nine of the teachers who were dismissed, are professionally qualified

South African Development Trust, purchase of land

*13 Mr P G SOAL asked the Minister of Education and Development Aid

- (1) Whether the South African Development Trust has purchased portions 2, 3 and 5 of farm 303 in the district of East London, if so,
- (2) whether it is the intention to extend Newlands, if not,
- (3) whether it is the intention to incorporate (a) farm 303 and (b) Newlands into Ciskei,

HOUSE OF ASSEMBLY

(2) whether this committee has reported, if not, why not, if so, (a) when did it report and (b) what were the main recommendations contained in the report,

(3) whether the executive education department has taken any action to implement any or all of the recommendations of the said committee, if not, why not, if so, what action?

B226E

The MINISTER OF NATIONAL EDUCATION

(1) Yes Two committees have already been instructed to undertake investigations in this regard

(2) The one committee has been appointed by the four departments of State responsible for education to evaluate the potential role of computer-aided education systems. This committee intends to commence its investigation once a report of the Human Sciences Research Council regarding the evaluation of the computer-aided education systems of the Department of Education and Training has been received. The committee has not received this report yet

The other committee has (a) reported on 24 June 1986 on (b) recommendations regarding minimum standards for computer hardware and accompanying system and other software in education

Within the education sector, a high priority is awarded to the fields of activity of these committees

(3) No, in respect of the former committee, since it has not commenced with its investigation yet. In respect of the recommendations of the latter committee, this question should be put to each department of State responsible for education

Government Service Pension Fund, buying back of pensionable service

*16 Mr R M BURROWS asked the Minister of National Health and Population Development

(1) Whether finality has been reached on the matter of applications for the buying-back of pensionable service in the Government Service Pension Fund which were in the possession of employing departments as at

21 September 1987, if not, why not, if so, (a) what final decision has been reached and (b) what body made this decision,

(2) (a) what total number of applications held by employing department as at 21 September 1987 were provisionally rejected and (b) what total amount would be required to be paid by the State for the purpose of pension benefits in respect of the applications so rejected?

B227E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) No, the funding of the financial implications of a possible concession to the relative applicants is still being investigated, (a) and (b) fall away,

(2) (a) 6 865,
(b) R256,7 million

Pietermaritzburg: backlog in telephone applications

*17 Mr M J ELLIS asked the Minister of Communications

Whether there is a backlog at present in dealing with telephone applications in the Greater Pietermaritzburg area, if so, (a) what is the extent of the backlog, (b) what are the reasons for it and (c) when is it anticipated that the backlog will be eliminated?

B228E

The MINISTER OF COMMUNICATIONS

Yes,
(a) 1 494 waiting applicants as at 31 January 1989,

(b) a lack of spare cable leads and in some cases a shortage of exchange equipment, and

(c) service will be provided progressively as cable works are completed and exchange equipment augmented. It is anticipated that all the present waiting applicants will be provided with service by June 1990

Brackenfell: medium wave radio transmitter closed down

*18 Mr J VAN ECK asked the Minister of Information, Broadcasting Services and the Film Industry

HOUSE OF ASSEMBLY

**Postal costs
likely to ~~rise~~
rise by 10 pc**

267

Star 6/3/89

By Peter Fabricius,

Postal tariffs are likely to rise by slightly less than 10 percent on average when Minister of Posts and Telecommunications, Mr Stoffel Botha, presents the Post Office budget today.

It is expected he will announce tariff increases in line with the increase in Sats fares and tariffs.

Official sources said that both budgets were following a policy ruling to keep increases below the inflation rate.

Mr Botha is also expected to announce that local telephone calls are to be metered.

His office has also indicated that the Wim de Villiers report on privatisation of post office services will also be tabled in Parliament today.

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Star 6/3/84
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Talking tersely will make cents

8/17/89 By Joe Openshaw 267

Those chatty, cosy and seemingly endless telephone calls people indulge in — specifically bored housewives and their effervescent teenage daughters — will from April 1 become a costly luxury

“Telephone visiting” will effectively end following the announcement that future local calls will be metered according to units of time and distance

At the moment, local calls cost about 13,5c regardless of the duration

The new tariff means a call to someone 50 km away which lasts three minutes will cost 13,5c. If the call is stretched to nine minutes it will cost 40,5c

The increase is also intended to discourage overloading of the lines

Thus compulsive talkers will have to cultivate the habit of brevity, but they can at least take the advice of the Post Office and make their calls out of peak traffic hours when the cost will be cheaper

Star 7/3/89

267

Postage and phone rentals to cost more

By Peter Fabricius, Political Correspondent

CAPE TOWN — Postage on standard letters will increase from 16c to 18c and telephone rentals will rise by 20 percent in a wide range of postal tariffs changes which come into effect on April 1.

They were announced in a R6 890 740 000 Post Office budget presented to Parliament yesterday by the Minister of Communications, Mr Stoffel Botha

Metering of local calls according to the length of the call would be phased in, starting with the Pretoria-Witwatersrand-Vereeniging areas in April, he said





Mr Botha explained that tariff increases were aimed at increasing revenue by 4,1 percent and would push up the consumer price index by 0,07 percent

There would be no increase in charges for telephone and telex calls but

- Telephone rentals would go up 20 percent from R15 to R18
- Party line rentals would go up by R3 to R19
- Telephone installation fees would rise from R125 to R140 (though social pensioners would still pay R25)
- Telegrams would rise from R2,50 minimum to R3,50
- Post on 1 kg parcels to be increased from R1,65 to R1,90

Mr Botha said he could not give an overall percentage increase in tariffs, but added that the cost of Post Office services for the average user would increase only "marginally"

"For example, a person who rents a telephone, mails 10 letters and sends one parcel of 1 kg a month

| | | | | | |
|--|---|--------------------------|---------------------|-----------|-------|
|  Telephone Rental & Installation (Main services) | Rental | EXISTING TARIFF 15,00 | NEW TARIFF 18,00 | | |
| | Installation | Social pensioners | 25,00 | Unchanged | |
| | | Other | 125,00 | 140,00 | |
| (Telephone calls and Telex charges remain the same) | | | | | |
|  Standardised letters | Inland | EXISTING TARIFF | NEW TARIFF | | |
| | Surface mail | 16c | 18c | | |
| | Airmail (Including postcards & aerograms) | 16c | 18c | | |
|  Parcels | | EXISTING TARIFF | NEW TARIFF | | |
| | Up to 100 grams | Surface | Air | Surface | Air |
| | Above 500 grams to 1000 | 1,15 | 1,20 | 1,30 | 1,35 |
| | Above 5000 to 10000 grams | 1,65 | 2,20 | 1,90 | 2,50 |
| | | 6,20 | 13,70 | 7,00 | 15,50 |
|  Registered | Registered Articles | EXISTING FEE 75c | NEW FEE 1,00 | | |
| | Express Delivery | 2,25 | 2,50 | | |

would pay R3,45 a month more for these services"

He said the metering of local calls was not aimed at increasing revenue but at eliminating anomalies in the tariff structure

Customers need not be affected adversely by the new method if they kept calls during office hours short and made longer calls after hours when tariffs would be cheaper

In the new system local and trunk calls over the same distance would cost the same, local calls of less than three minutes for which two or more units were charged under the present system would become cheaper, cheaper after-hours rates would apply to local calls as well as trunk calls, the charge would be determined by the call distance, the time of day and the day of the week

Mr Botha said total expenditure for 1988/89 was estimated at R6 422 million, which was R267,8 million or 4,35 percent higher than budgeted

Operating expenditure was expected to be R4 350 million, or R247,6 million higher than the original estimate of R4 102,4 million

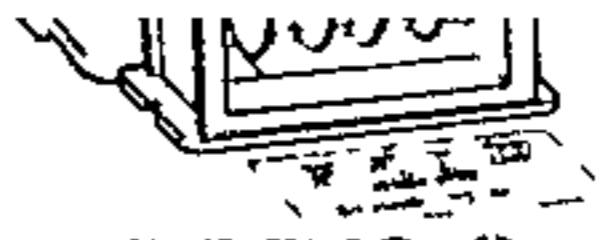
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PO increases slated by CP, PFP, consumers

Post Office tariff increases announced yesterday have been criticised by opposition parties and consumer groups.

The Conservative Party's spokesman on posts and telecommunications, Mr SP van Vuuren, said the increases were the "umpteenth price rises" to hit consumers in recent weeks and contributed to inflation.

PFP spokesman for posts and telecommunications, Mr Jan van Gend, said: "Although the increases are modest, I cannot accept there was any need.

"Government departments should not be building up reserves or strengthening their capital base at the expense of the consumer in these times of high inflation."

National Black Consumer Union spokesman, Mr Eldridge Matebula, said the organisation was "flabbergasted" by the increases in view of the number of recent price rises of many basic commodities which were now beyond the reach of the ordinary black person.

Mrs Lynn Morris, president of the Housewives' League, said an attempt to negotiate a concession on telephone rentals and metered calls for pensioners was unsuccessful.

"We also tried to have the metering unit increased from three minutes to five minutes, but we were told that the average telephone call lasts only three minutes."

● See Page 6.



TARIFF increases announced yesterday in the 1989/90 Post Office Budget were the "ump-teenth price shock" to hit the South African consumer in the past few weeks, the Conservative Party's official spokesman, on the portfolio, Mr S P van Vuuren (Ventersdorp), said yesterday.

Commenting on the budget introduced earlier in Parliament by the Minister of Posts and Telecommunications, Mr Stoffel Botha, he said "the tariff increases will undoubtedly contribute to the increase in the inflation rate".

The increases were unjustified particularly as the Post Office had again had a very favourable financial year, the Progressive Federal Party's official spokesman on Communications, Mr Jan van Gend (Groote Schuur), said.

"Although the increases are modest, I cannot accept there was any need (for them)," he said in a statement after the Budget was introduced in Parliament.

"The postal and telephone services are fundamental tools of communication and even a moderate increase affects the already strained pockets of pensioners and others with modest incomes".

The increases were unjustified because profits and operating surpluses were again well over budget.

The operating surplus of R538,6 million is more than double the budgeted figure of R241,8 million.

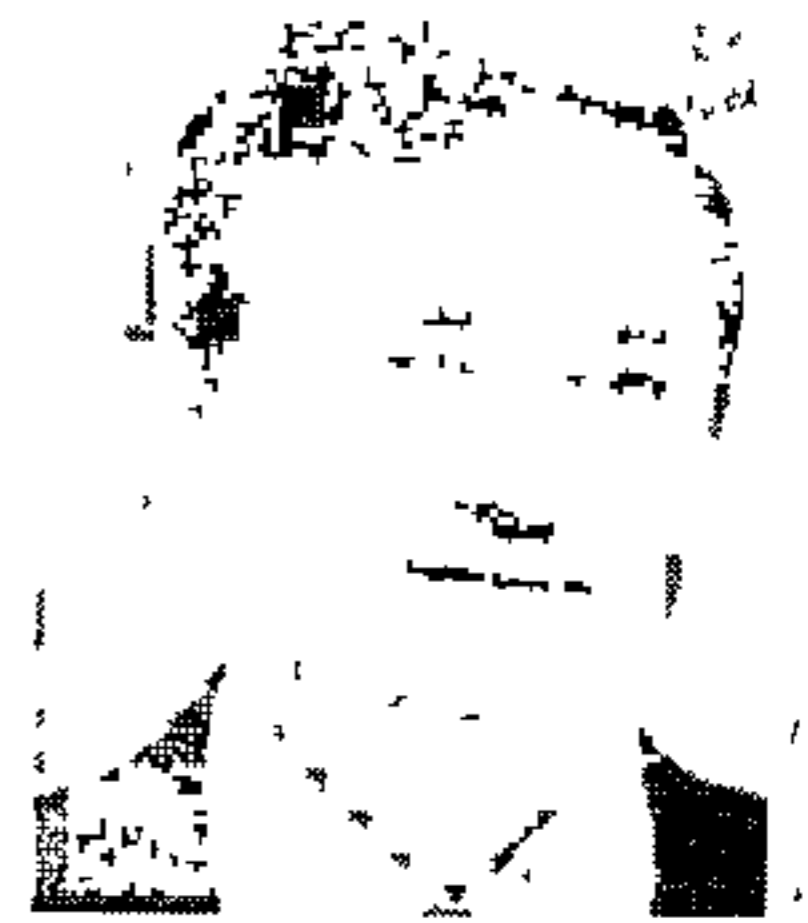
Mr Van Gend said Government departments should not be building up reserves or strengthening their capital base at the expense of the consumer in these times of high inflation.

"The pensioner and disabled person's plight will be added to by the pending introduction of the time metering on local calls".

"I will continue to fight against this proposal and am supported in my opposition by hundreds of thousands of elderly people all over South Africa," he said.

'Welter' of post office increases

P.O Budget



Mr Stoffel Botha

Political Staff

PARLIAMENT — Mr Stoffel Botha, the Minister of Communications, yesterday announced a welter of post office increases in a budget that was not altogether shorn of good news

The cost of posting a letter will soon be 18 cents and registered letters, parcels and express and priority mail will all cost more, while rental on telephones and installation costs will both rocket.

Dr Wim de Villiers, who drew up the report of the privatisation of the post office which was tabled in Parliament yesterday, concluded that the current dire position of the department was the result of "overspending on under-utilised telecommunications equipment"

Addressing the post office's forex losses of R1,5 billion, he said the risk and exposure of the department to such uncovered foreign loans could not be justi-

fied

He said the present policy and the rate of provision for losses appear insufficient "and merely postpone the day of reckoning"

Mr Botha confirmed at a press briefing yesterday that privatisation, because of the financial position of the post office, would now begin in only three years' time

Presenting a R6 005-million budget — R1 450 million of which is for capital expenditure — Mr Botha said the favourable trend in the finances of the post office had continued, thanks to the upturn in the economy

Operating expenditure during the 1988/9 financial year had been R247,6 million more than the original budget, due mainly to the 15% salary increase for post office officials

Mr Botha said operating expenditure for 1989/90 was R805 million more than the previous year due to salary increases, inflation and the lower rand exchange rate

He said that despite cost and price increases, the department had kept inland post office tariffs constant since July 1, 1987. However, in order to improve the financial position and debt ratio, increases were now necessary

The increases, he said, would create an operating surplus of R195,4 million

He added that since April 1, 1985, including the present tariff rises, the increases had been less than half the consumer price index

Reacting to the budget, the Conservative Party's Mr S P van Vuuren said the tariff increases would undoubtedly fuel inflation and were the latest in a number of price shocks for the consumer

The PFP's Mr Jan van Gend said he could not accept that there was any need for increases

The Labour Party's Mr Chris van Wyngaard welcomed the fact that there were no telephone increases but said the increase in postage would affect the ordinary man in the street

Case Trans
7/3/89
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P.O. TARIFFS

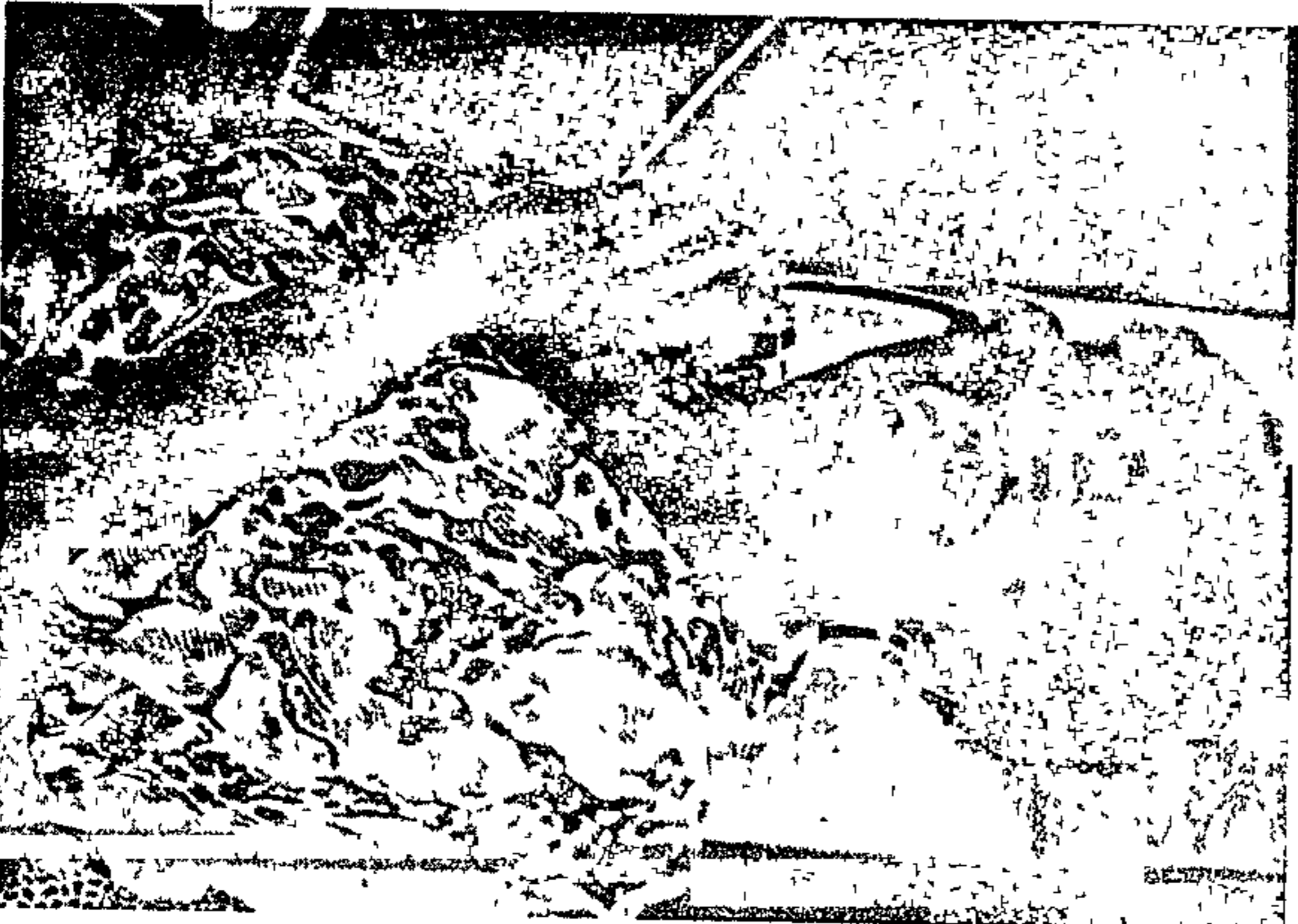
Sowetan
213/84
267

ROGGKET

SOWETAN Reporter

POST ON STANDARD LETTERS goes up from 16 to 18 cents, and telephone rentals rise 20 percent in a wide range of postal tariffs which come into effect on April 1.

Telephone calls to be metered



MISS IDA KUSHUMAN (above) of Matikeng, like many other subscribers, will soon have to pay more for telephone calls following the announcement by the Minister of Posts and Telecommunications, Mr Stoffel Botha, that local telephone calls will now be metered

They were announced in a R6 890 740 000 Post Office budget presented to Parliament yesterday by Minister of Posts and Telecommunications, Mr Stoffel Botha.

He also announced that metering of local calls according to the length of the call would be phased in, starting with the PWV areas in April this year.

Rentals

He said the tariff increases were aimed at increasing Post Office revenue by 4.1 percent and would push up the consumer price index by 0.07 percent.

There would be no increase in charges for telephone and telex calls, but

- Telephone rentals would go up 20 percent from R15 to R18.
- Party-line rentals, up

To Page 2

REPORTS, pictures and comments in this edition may be considered in terms of the Government's state of emergency



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P.O. tariffs to go up

Sowetan

213/84

From page 1

- R3 to R19,
- Telephone installation fees would rise from R125 to R140 (though social pensioners will still pay R25),
- Telegrams would rise from R2,50 to R3,50,
- Post on 1 kg parcels would be increased from R1,65 to R1,90

Mr Botha said that he

He said the metering of local calls by distance was not aimed at increasing revenue, but only at eliminating anomalies in the tariff structure.

Customers need not be affected adversely by the new method if they kept calls during office hours short and made longer calls after hours when tariffs would be cheaper.

The PO increases

Art. 711B 7/3/81 26c

THE main Post Office tariff increases announced by the Minister of Communications, Mr. Stoffel Botha, yesterday were

- Telephone rental — up R3 a month to R18
- Party line rental (automatic) — up R3 a month to R18, non-automatic up R3 to R19 a month
- Installation service — up R15 to R140 (social pensioners remain at R25), indoor extensions and additional jacks — up R10 to R60
- Telegram handling charges — up R1 to R3,50
The first 10 words will now cost R1,30 and each additional word 13c
- Standardised letters — up 2c to 18 cents, increases for non-standardised mail on a sliding scale
- Registered articles, express and priority mail — up 25 cents
- Postal order commission — up by 25c on a sliding scale

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TUESDAY, 7 MARCH 1989

tion on a pesticide tests with the Registrar of Act 36 of 1947 and the Minister of Agriculture

- (2) Yes, the research findings are available to members of the public in the form of scientific publications and scientific project reports
- (3) Yes, the research is of an ongoing nature, but according to thoroughly planned programmes that are dealt with in order of priority, taking into account the available manpower, equipment and funds. This programme involves 10 Research workers, 9 research Technicians and 4 research assistants. The budget for the financial year 1988/89 is R700 000 of which R307 000 is used for current expenditures. Nineteen research facets are conducted in this programme

For written reply

General Affairs

16 Mr J B DER VAN GEND asked the Minister of Communications

- (a) How many (i) White, (ii) Indian, (iii) Coloured and (iv) Black apprentices were indentured to his Department, and (b) in which trades were they indentured, as at 31 December 1988?

B70E

The MINISTER OF COMMUNICATIONS

- (a) (i) 51, and (ii), (iii) and (iv) none, and
- (b) motor mechanic (petrol) (10), motor mechanic (diesel) (3), painter/decorator (11), carpenter (17), plumber (1), panelbeater (1), and welder (8)

Technicians/postmen: resignations

17 Mr J B DER VAN GEND asked the Minister of Communications

- (a) How many employees in his Department resigned in 1988 and (b) how many such employees were (i) technicians and (ii) postmen?

B71E

HOUSE OF ASSEMBLY

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TUESDAY, 7 MARCH 1989

The MINISTER OF COMMUNICATIONS

- (a) 6 449, and
- (b) (i) 443, and (ii) 362

Vacant posts: designations

18 Mr J B DER VAN GEND asked the Minister of Communications

- (a) How many posts on the establishment of his Department were vacant as at 31 December 1988 and (b) what are the designations of these posts?

B72E

The MINISTER OF COMMUNICATIONS

- (a) 5 958 — which figure represents the difference between the total authorized establishment and the number of persons who occupy posts on the fixed establishment, and
- (b) Assistant Restaurant Manager, Superintendent, Assistant Printer, Assistant Musicologist, Assistant Quantity Surveyor, Assistant Human Resources Officer, Restaurant Manager, Architectural Draughtsman, Postmaster Grade 4, Postmaster Grade 3, Deputy Legal Adviser, Senior Human Resources Officer, Administrative Officer, Senior Psychometrist, Senior Administrative Officer, General Assistant, Personnel Officer, Job Evaluation Officer, Control Telecom Electrician, Senior Job Evaluation Officer, Control Telecom Mechanic, Telecom Officer, Operating Inspector, Mail Handling Officer, Industrial Journalist, Registry Clerk, Sorter, Industrial Social Worker, Branch Postmaster, Marketing Officer, Telegraph Officer, Printer, Senior Architect, Stenographer, Data Officer, Reprographic Manager, Technician, Driver, Psychometrist, Photographer, Psychologist, Senior Design Artist, Chief Inspector Works, Language Officer, Chief Human Resources Officer, Works Inspector, Chief Psychometrist, Telecom Electrician, Chief Job Evaluation Officer, Telecom Mechanic, Dealer, Security Assistant, Catering Assistant, Instructor, Telecom Assistant, Mail Handler, Learner Printer, Postman, Exchange Superintendent, Learner Works Inspector, Telephonist,

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TUESDAY, 7 MARCH 1989

Waiter, Inspector of Unformed Staff, Senior Housekeeper, Museum Design Artist, Senior Caretaker, Human Resources Officer, Cook, Senior Foreman, Internal Auditor, Senior Stores Foreman, Cost Investigation Officer, Foreman, Senior Security Officer, Design Artist, Security Officer

Hospitals beds needed/available

- 19 Dr M S BARNARD asked the Minister of National Health and Population Development
- How many hospital beds were (a) available and (b) needed for (i) White and (ii) non-White patients in hospitals falling under the control of his Department as at 31 December 1988?

B73E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

- (a) Medunsa Dental Hospital (i) and (ii) 10 beds,
- (b) (i) and (ii) no additional beds

Sandton: additional post offices/postal services

23 Mr D J DALLING asked the Minister of Communications

- Whether it is the intention to provide any additional (a) post offices and (b) postal services in the Sandton area in 1989, if so, (i) where, (ii) what services, and (iii) when, in each case?

B78E

The MINISTER OF COMMUNICATIONS

- (a) No,
 - (b) yes,
 - (i) Limbro Park and Sandton,
 - (ii) Limbro Park. The provision of a mail collection unit, and Sandton. The relocation of the existing post boxes to a separate lobby in the parking area of the same complex and the provision of an additional 1 500 post boxes, and
 - (iii) Limbro Park and Sandton. October 1989
- The following additional services are

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TUESDAY, 7 MARCH 1989

planned for the Sandton area for completion later than 1989

- (i) The construction of a new departmental post office with 2 000 private post boxes in Wendywood to replace the existing hired premises. The estimated date of completion is September 1990
- (ii) The establishment of a post office in Morningside. A departmental building is envisaged and a site has been identified. Negotiations for the purchasing thereof are underway

Note

In a written reply furnished in response to question No 130 on 15 March 1988, it was envisaged that a new departmental post office in Wendywood would be constructed during 1989. The project has unfortunately been unavoidably delayed as a result of changes in the planning of the building

Telephone services: applications outstanding

47 Mr D J DALLING asked the Minister of Communications

- (1) How many applications for telephone services were outstanding in respect of (a) the exchanges of (i) Bryanston, (ii) Randburg, (iii) Benmore Gardens, (iv) Kelvin, (v) Bramley, (vi) Rosebank and (vii) Sunninghill Park, and (b) any other exchanges serving the Sandton constituency, as at 31 December 1988,
- (2) when is it anticipated that the backlog in respect of each exchange will be eliminated,
- (3) What steps are being taken to satisfy the demand for telephones in respect of each such exchange?

B96E

The MINISTER OF COMMUNICATIONS

- (1) (a) (i) 157, (ii) 606, (iii) 155, (iv) 114, (v) 146, (vi) 136,

HOUSE OF ASSEMBLY

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Humand

[Handwritten scribble]

(vii) 128, and
(b) Farmall 82,
Fourways 87,
Olivedale 89,
Diepsloot 35,
Bromhof 361,
Crowthorne 47, and

(2) and (3) If everything proceeds according to plan, all the waiting applicants in these exchange areas will be provided with service within the next three months on completion of cable works

Farmall Restrictions on the provision of telephone services are at present in force owing to a shortage of telephone numbers in the exchange and in some cases cable leads. It is expected that the applications on hand will be met within the next six months as minor cable works are completed and by making use of numbers that become available as a result of the discontinuance of existing services. The existing exchange will be replaced by an electronic unit during the first half of 1990 which will result in this exchange being extended by 891 lines

Greater Pietermaritzburg. buses damaged/
drivers killed

111 Mr M J ELLIS asked the Minister of Transport Affairs

(1) (a) How many buses were damaged in the

Greater Pietermaritzburg area as a result of unrest in 1986, 1987 and 1988, respectively, and (b) what was the total cost of this damage in each of these years,

(2) (a) how many bus drivers of a certain transport company, the name of which has been furnished to the Minister's Department for the purpose of his reply, were killed as a result of such unrest in 1986, 1987 and 1988, respectively, and (b) what precautions are taken to ensure the safety of drivers and passengers?

B263E
The MINISTER OF TRANSPORT AFFAIRS

(1) and (2) I am unable to reply to the question of the honourable member as transport companies are not compelled by law to inform the Department of Transport of unrest incidents

Own Affairs

Pupils transported in subsidized school buses

14 Mr D J N MALCOMESS asked the Minister of Education and Culture

(a) What total number of pupils was transported daily in subsidized school buses, and (b) what was the total net annual cost of such transport, in each province in 1988?

B200E
The MINISTER OF EDUCATION AND CULTURE

| | (a) | (b) |
|-------------------|--------|---------------|
| Cape | 12 407 | 5 539 764,41 |
| Natal | 8 376 | 4 985 141,00 |
| Orange Free State | 3 974 | 1 137 924,00 |
| Transvaal | 48 122 | 24 583 184,00 |

[Handwritten scribble]

Humand

[Handwritten scribble]

HOUSE OF REPRESENTATIVES

QUESTIONS

†Indicates translated version

For oral reply

Own Affairs

Private schools: change in financing of subsidies

*1 Mr C J KIPPEN asked the Minister of Education and Culture

- (1) Whether any change has been effected or is envisaged in the formula or policy for the financing of subsidies for private schools falling under his Department, if not, why not, if so, what changes have been or are to be effected,
- (2) what is the current formula for the financing of such private schools,
- (3) whether he will make a statement on the matter?

C6E

The MINISTER OF EDUCATION AND CULTURE

(1) No. As far as the Department is concerned there is no need for any changes to

the present formula of subsidization of private schools

(2) Primary = 15% to 45% X cost per unit as per pupil in state schools X total enrolment of the school

Secondary = 15% to 45% X cost per unit as per pupil in state schools X 1,5 X total enrolment of the school

(3) A statement is not deemed necessary

Average expenditure per school

*2 Mr C J KIPPEN asked the Minister of Education and Culture

What was the average expenditure, excluding expenditure of a capital nature, per school falling under the control of his Department in 1987?

CISE

The MINISTER OF EDUCATION AND CULTURE

R347 527,83

†The CHAIRMAN OF THE HOUSE Order! I am obliged to say that a question is put to obtain information and facts. It requires a lot of work to obtain the information, and if the member concerned is not even present when it is replied to, I wonder for what reason the information was asked for [Interjections]

March 7 1989

Stew 7/3/89 Report on Post Office tabled

267

Govt privatisation plans questioned

By Bruce Cameron,
Political Staff

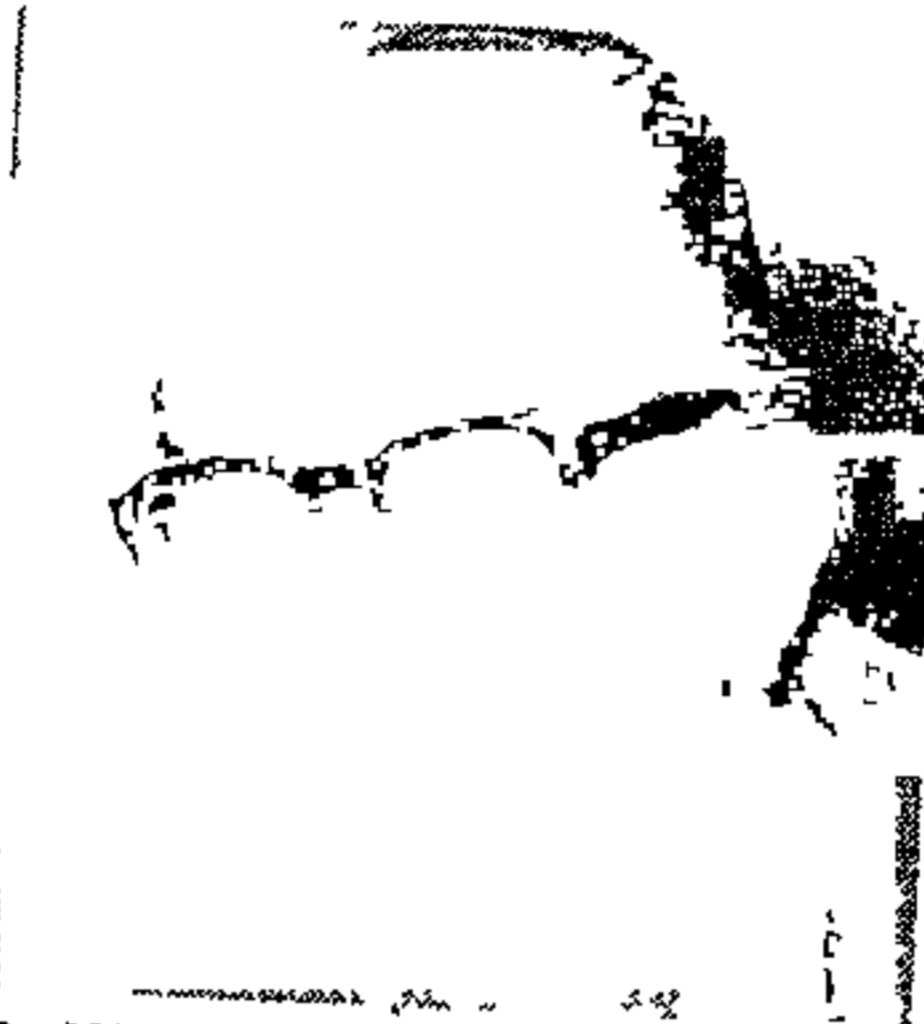
A major question mark has been raised over the Government's plans to privatise its major undertakings, particularly the Post Office.

The question mark has been raised by Dr Wim de Villiers, the very man who has been advising the Government on privatisation. His concern is expressed in a report on the Post Office, tabled yesterday.

He has recommended a three-phase programme for privatisation of Department of Posts and Telecommunications (P&T) services and called for the introduction of cost-related tariffs and elimination of cross-subsidisation as part of this plan.

Dr de Villiers has earmarked Telecommunications in particular for early privatisation.

He proposes that, as the first step, P&T activities be reorganised to bring them into line with business principles similar to those applying in the private sector. Specifically, those



Dr Wim de Villiers . . . worried about number of monopolies.

geared to the norms of return on capital and cost-related rates.

This would be followed by the introduction of control structures, organisational frameworks and strategic planning on the same basis as Eskom, but adapted for P&T.

The existing undertaking should be divided into two separate non-related undertakings — Postal and Banking Services and Telecommunications. The third and final step would be to change the statutory mandate of

both Posts and Telecommunications to create the required private-sector undertakings with the Government as controlling shareholder in the first instance.

"Stock exchange listings will be obtained for these undertakings as soon as qualifying results are obtained and the climate on the stock exchange is favourable. It is also proposed that separate undertakings, based on partnerships between the Telecommunications network and suitable private-sector partners, should be created to provide value-added services."

Privatisation would take place when the Government began selling shares to the public.

The basis of Dr Villiers' problem with privatisation is the increase in the number of monopolies in the private sector.

He also questions whether the Government should not also pay as much attention to monopolies as it has to privatisation.

● Communications Minister, Mr Stoffel Botha yesterday announced he was going ahead with the first stages of privatisation.

Increased telephone charges expected to give fax sales a boost

Star 10/3/87

267

By Stan Kennedy

The introduction in April of unit charges for local telephone calls of over three minutes is expected to boost sales of fax machines, particularly those with fast transmission speeds, as well as the installation of telephone management systems

From April 1, calls will be charged at 13,5c a unit and the customer will be charged for the length of the call divided by the call time unit and multiplied by 13,5c

"The advantage of fax over the telephone is that it takes less time to make an inquiry, explain a drawing or place an order," says Mr Jac Moolman, managing director, Nashua

"The average time to send a page by fax is 30 seconds, whereas to read a page over the telephone could take up to three minutes, and this would usually precede or follow a general conversation which extends the length of the call"

Large companies which have installed machines with slow transmission speeds face huge increases in their telephone bills, says Mr Mario Pretorius, MD of Protea Fax

"A fax that completes the handshake, or machine-to-machine recognition period, in 14 seconds and then sends an A4 page in 10 seconds means far lower telephone bills

"What the user saves on his monthly lease on a cheaper and slower machine will be nullified by a heavier telephone bill"

He argues that a user with a fax usage pattern of 80 percent local calls costing R200 a month

and 20 percent national costing R300 (national calls are already charged per unit), could find himself with a bill rising from R500 to R700 a month Using a high-speed fax which is 30 percent faster than the average, he could save R200 a month

A call unit from Johannesburg to Cape Town and Port Elizabeth is eight seconds, to Durban, East London and Kimberley 10 seconds, Bloemfontein 12 seconds and Pretoria 36 seconds In comparison, the telex unit charge for distances from one to 100 km is 60 seconds, 101 km to 200 km is 30 seconds, 201 km to 400 km is 15 seconds and more than 400 km is 12 seconds

A comparison of savings achieved by using a fax machine versus telex in sending an A4 page to Australia, Europe and Japan is telex R11,20 (fax R2,30), UK R10,80 (R2,30), USA R10 (R2,30), Middle East and Far East R14,80 (R2,30)

The Post Office recently cut the rental costs of telex and Teletex to make them more competitive with fax but Mr Grant Dunbar, Fastfax, says these machines belong in the technological graveyards, adding that most fax machines are cheaper than telex or Teletex

He believes the South African market will stabilise and grow by 10 to 12 percent a year and by 1992, he forecasts that about 270 000 fax machines will be installed in business

"But if prices reduce significantly, a second and far greater wave of sales will occur with the introduction of fax into the home market"

267

the lowest tariffs in the industrialised world
And the low phone rentals increase demand
artificially, De Villiers notes

A cut in capex would hurt local electronics
companies badly. In 1987, the PO spent
about R810m on capital goods — by some
estimates, about half the electronic goods
made here. Companies such as Altech,
TMSA and Siemens, which have invested
millions in plant and people to supply the
PO, would be seriously affected.

So too would companies such as Plessey,
Telkor, T R Services, and even the Industrial
Development Corp and Sames, SA's only
digital chip maker.

PO officials dispute De Villiers's assertion
that demand for telecommunications ser-
vices will rise by 5% a year. They say the new
digital technology has major advantages.

A problem is that the PO uses very long
amortisation periods to write off its equip-
ment — 20 years for phones and associated
terminal equipment, 36 years for transmis-
sion kit, cables and trunk exchanges. This is
not appropriate in an industry characterised
by rapid obsolescence. ■

81 Tues, 12/2/89

Bleep for local calls urged 267

THE possibility of telephone bills trebling because local calls are to be metered on the Reef next month has prompted an appeal made to the authorities to provide a three-minute warning bleep.

A local call costs 13,5c no matter how long one talks. But from next month every three minutes will cost 13,5c.

Glen Ramsay, marketing director for Teleboss, a manufacturer of telephone management systems, is not optimistic that his appeal will be heeded. The longer the calls, the more revenue for the Post Office and the more saleable the service becomes when privatisation gets under way, he says.

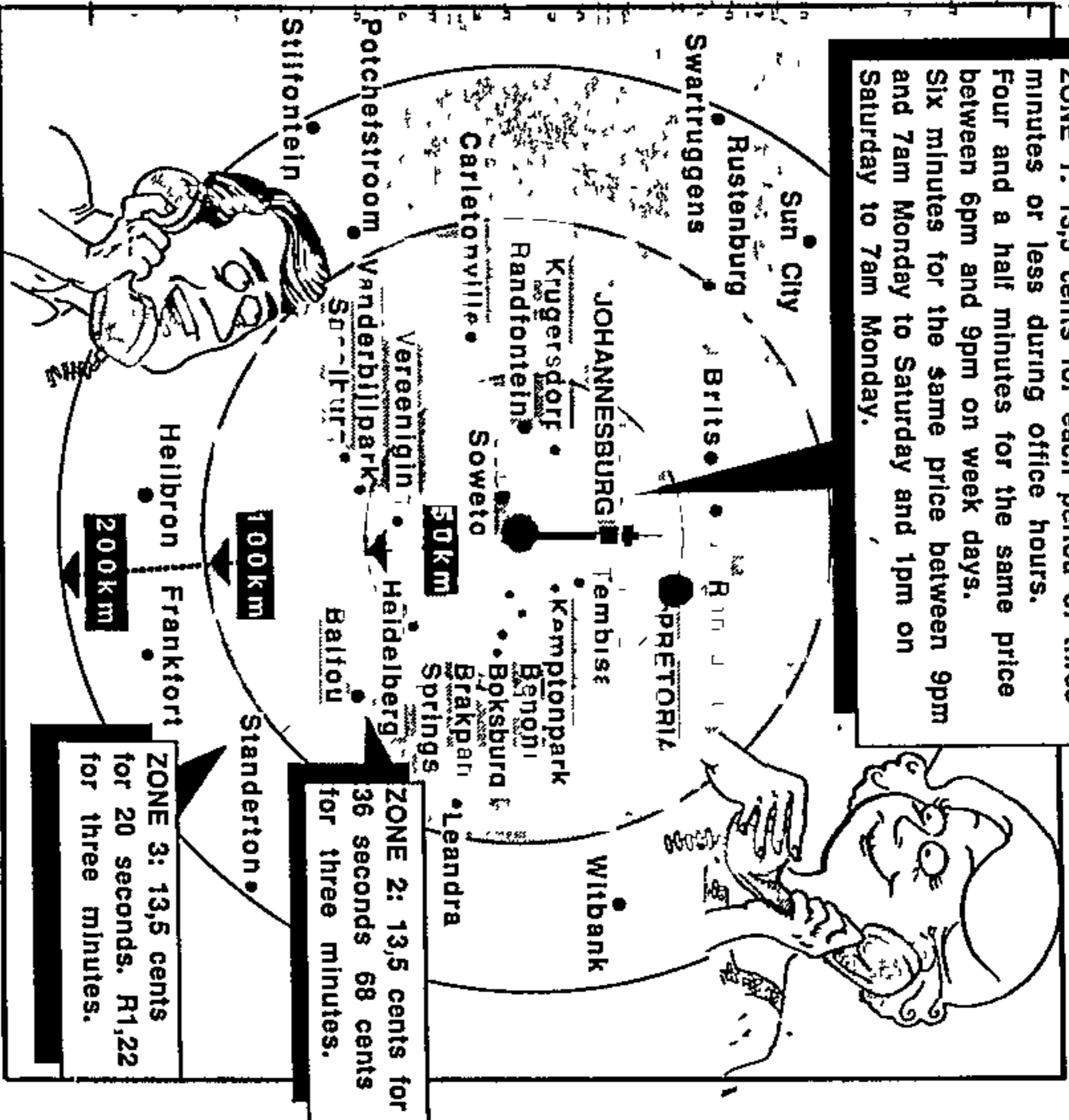
Mr Ramsay says a warning bleep device linked to the meter pulse will be fair warning to the subscriber that the cost of the call is mounting.

Monitor

Some calls pass through more than one meter pulse. A call from the Carlton Centre in Johannesburg to Jan Smuts Airport crosses two meter pulses and therefore costs 27 cents.

Mr Ramsay says South Africans should become more efficient and install a telephone management system if their bill is more than R400 a month. For as little as R80 rental, companies can monitor all calls made and their cost.

ZONE 1: 13,5 cents for each period of three minutes or less during office hours. Four and a half minutes for the same price between 6pm and 9pm on week days. Six minutes for the same price between 9pm and 7am Monday to Saturday and 1pm on Saturday to 7am Monday.



ZONE 2: 13,5 cents for 36 seconds 68 cents for three minutes.

ZONE 3: 13,5 cents for 20 seconds. R1,22 for three minutes.

Ring at the right time and save

Metering of local telephone calls announced by the Minister of Home Affairs and Communication, Mr Stoffel Botha, in Parliament last week will be phased in gradually over a three-year period.

A Post Office spokesman, Mrs Amanda Singleton, said, metering of local calls according to time and distance would be phased in over the Pretoria/Waterstrand/Vereeniging (PWV) area in the second quarter of 1989.

Natal would be next, towards the end of the year, and in the last quarter of 1990 the system would be introduced in the Western Cape and a part of the south-eastern Transvaal. It was envisaged that by the end of 1991 the new system will have been installed throughout the country.

The new rate structure, she said, will be "advantageous" in that local and direct-dialled trunk call rates over the same distances will be uniform. This means that a three minute local and direct-dialled trunk call to a place up to 50 km away from the place where the call is made will be metered as one unit, which will still cost 13,5 cents, as is so now. Any call shorter than three minutes will be treated as a three-minute call.

Between 6 pm and 9 pm on weekdays a 4½-minute call within a 50 km distance will constitute one unit and a six-minute call of the same distance will constitute one unit between 9 pm and 7 am from Monday to Saturday and from 1 pm on Saturday to 7 am on Monday. Thus it will be cheaper to make local telephone calls at night and on weekends.

During office hours, a 36-second call over a 50 km distance but within 100 km will constitute one unit. This means that a three-minute call within the same distance will now be five units, which will cost 68 cents.

A 20-second call over a 100 m distance but within 200 km during office hours will constitute one unit. A three-minute call, which will constitute nine units,

A new metering system being installed in the PWV area by the end of the year offers several advantages: **KAIZER NYATSUMBA reports**

will cost R1,22c

For instance, a call from downtown Johannesburg to Sandton or Alexandra (about 15 km), Soweto (12 km), Germiston/Katlehong (14 km), Benoni (45 km) will cost 13,5c for the first three minutes, 27c for between four and six minutes, and 40c for between seven and nine minutes.

A call from downtown Johannesburg to Springs/KwaThema (56 km), Pretoria (56 km) and Carletonville (77 km) will cost 13,5c for the first 36 seconds and 68c for the first three minutes. Similarly, a call from downtown Johannesburg to Witbank (150 km) will cost 13,5c for the first 20 seconds and R1,22c for the first three minutes.

Mrs Singleton said the new system has a lot of advantages for subscribers including:

- A three-minute local and direct-dialled trunk call up to 50 km will be metered as one unit.
- Local calls of less than three minutes for which two or more units are registered in the present system will be cheaper. A local three-minute call will be cheaper.

New rule is: talk less, and you'll pay less

Staff Reporter

The recently announced metering of local calls could triple certain subscribers' telephone bills, says Mr Glen Ramsay, marketing director of Teleboss — a supplier of management equipment. He advised telephone subscribers to start planning now "how to control costs" and to take advantage of after-hours rates.

He said "The good times start after 6 pm, when

between Krugersdorp and Johannesburg, for instance, goes through three exchanges and therefore meters three units — costing 41c — in the present system. In the new system a three-minute call between the two cities will meter only one unit and therefore charge 13,5c.

● Cheaper after-hours rates, which presently exclude local calls, will now apply to local calls.

● Direct-dialled trunk calls up to 50 km will be cheaper than they are at present.

● A metering period will be determined by the call distance, the time of the day and the day of the week. The new rate structure is aimed not at increasing Post Office revenue, but at bringing about "a more uniform structure".

At present users making a local call of short duration within the same exchange area are paying the same as those making a longer call. The rate structure is also not standardised for local calls within certain groups of exchanges (multi-exchange areas), said Mrs Singleton.

"This implies that a local call over a short distance is not necessarily cheaper than a local over a longer distance. The new call-rate structure largely eliminates these inconsistencies."

you can chat for longer for less money. It gets even better after 9 pm, as well as on Saturday afternoons and Sundays.

While the Post Office investigates the acceptability of equipment for single-line usage prior to issuing "stringent requirements and specifications" to manufacturers, Teleboss has in the meantime produced a telephone sticker which reads "Blessed are the brief, for they shall have lower phone bills."

PO BANK IS NOT CLOSING

THE dissolution or closure of the Post Office Savings Bank was totally out of question, the Postmaster General Mr Johan de Villiers said in a statement in response to reports in the media.

A committee had been appointed to investigate the effect that the phasing out of tax-free investments would have on the Post Office Savings Bank. The committee would also make recommendations on further action in this regard, the statement said.

The Post Office Savings Bank had great value for a large part of the population. The phasing out of the tax exemptions rendered it desirable to introduce

new market related taxable instruments in the bank.

Mr de Villiers also said that there was considerable potential for expanding the bank to render better and more comprehensive services than at present to the public at the hundreds of post office counters countrywide.

PO savings bank 'will not close'

THE Post Office savings bank was in no danger of being dissolved or closed after the Budget announcement on the phasing-out of tax-free investments, postmaster general Johan de Villiers said at the weekend.

Reacting to post-Budget media reports, De Villiers said a committee had been appointed to investigate the effect that the phasing out of tax-free investments would have on the bank.

The committee would also investigate the desirability of introducing a new market-related taxable instrument in the bank.

"There is considerable potential for expanding the bank to render better and

HELOISE HENNING

more comprehensive services."

De Villiers said in Rustenburg on Friday legislation providing for the separation of the Department of Posts and Telecommunications into two separate companies with government as the shareholder before privatisation, would be tabled in Parliament during this session.

He said privatisation of either of the two companies was not possible within two to three years and that the profit-making telecommunications would be the first to be privatised.

20/3/89
A/Dew

267

Opposition to metered calls grows

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OPPOSITION to the system of metering local telephone calls is gathering force, with some people calling for a concerted campaign to get it stopped, as it was in Australia two years ago.

Mr Jan van Gend, PFP MP for Grootte Schuur, said he had received petitions and hundreds of calls from people who wanted the introduction of metered calls stopped.

He has suggested in Parliament that the system be amended to make the initial metered period 15 minutes, followed by additional periods of two or three minutes.

The proposed system, as outlined by Posts and Telecommunications Minister Mr Stoffel Botha, has an initial metering period of three minutes.

The minister has said that most calls do not last more than three minutes and that the system is aimed not at increasing revenue but at stopping commercial enterprises from jamming telephone lines with long

data transmissions.

Mr Van Gend was particularly concerned that the elderly and bedridden who depended on the telephone for any outside contact would be penalised under the new system.

Dozens of people have also called the Cape Times to express their opposition to the scheme.

Mrs I M Evans of Fresnaye said she was in her eighties and a cripple. The telephone was her main contact with the outside world.

She said all pensioners should write to Mr Botha and make their protest known. "We (pensioners) get a concession on TV licences and anyone can live without a TV, but how do you live without a telephone?"

Mr Max Leeuwenberg of Rondebosch said he believed this was a non-political issue and that people of all persuasions should protest strongly against it. "In Australia, reaction to a similar plan from all political parties was so violent that Prime Minister Mr Bob Hawke was forced to stop it."

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PUBLIC SECTOR SALE AN EFFICIENCY BOOST

267 259 GERALD REILLY 258

PRETORIA — The SA economy had reached a stage where the state had to implement a privatisation programme to raise the efficiency of public sector undertakings, postmaster general Johan de Villiers said yesterday.

He told Business Day the state's involvement in the economy and the poor performance of its investments was a fundamental economic problem. *BDay 22/3/89*

Legislation to divide the posts and telecommunications department into two separate companies would come before Parliament this session, he said. The two companies, postal services and telecommunications, would belong to the state until shares were offered to the public.

He stressed telecommunications was already profitable and subsidised losses on the postal services. It was logically first in line for privatisation. A study would be launched soon to determine how the postal service could improve its operating results.

Whether the service could ever be made profitable to a point where it could be privatised was an open question, however.

DE VILLIERS REPORT

More bad points than good

Industry has reacted sharply to the proposals put forward by Dr Wim de Villiers on the future conduct of the Department of Posts & Telecommunications (P&T), and is particularly critical of his recommendation that government should retain its interest in P&T's operations

Users and electronics manufacturers are also angry that De Villiers "ignored" their offers to contribute to his investigation

"We find that very difficult to swallow," says a manufacturer who declines to be quoted directly. He adds that he was led to believe that the report would be available for comment before it was tabled, but this did not happen

A user organisation notes "We offered to develop comments and options to help Dr De Villiers in his study, not once but several times. We didn't have even the courtesy of a reply"

While there is wide support for the proposals to change the basis of P&T's operations to profit-seeking, tax-paying enterprises and that the present cross-subsidisation be phased out, there are reservations about the proposed boards which will control them

A spokesman for the National Data Communications Consultative Committee (NDCCC), which represents major data communications users, condemns De Villiers' recommendation that the government retain its interest in P&T operations

"The proposed supervisory board must not be a government instrument. That is what has been causing the financial mismanagement all along," he says. "Planning must be free of government and political intervention. We totally disagree with any price control and/or service control. The free market must determine price and service levels"

A big worry among users and manufacturers is that the recommended cuts in capital expenditure may affect their ability to do business in future. Several say De Villiers misunderstood the main reason for the shift from analogue to digital operation of the networks. This led to the very high capital spending programme which undermined P & T's capital base

"The programme to convert electromechanical telephone switches to electronic ones is to reduce maintenance costs," says the NDCCC

A spokesman for Altech comments "The digital network has provided the Post Office with far lower maintenance bills than its electromechanical predecessor. It also costs much less than electromechanical equipment" And he adds "Today's engineers are not keen to be trained for a lifetime's maintenance work on yesterday's technology"

The NDCCC says it does not agree that P&T is competing with the Western world for leadership in telecommunications. Rather it is attempting to remain compatible. "If we wish to feature in world trade by moving away from gold as our main export to manufactured goods, we had better be able to handle technology such as message switching, electronic document interchange, packet switching services, and so on"

The committee agrees that P&T has mismanaged its finances, but says "We don't agree that (it) should cut back sharply on capital expenditure just because of (that). If there is to be a cutback it should be motivated by sound business principles"

Dr John Temple, MD of Plessey SA, a major supplier of PABXs, says "I agree with (De Villiers') view that there has been overcapitalisation leading to overcapacity. The real challenge facing P&T is to reduce capital costs and to come up with cheaper and better ways of doing things. This calls for innovation in technology which the private sector can provide"

Altech views De Villiers' projection of 5% growth with concern, saying it could be 3% higher. "The figures provided by the minister show that demand among whites has increased by 16%, rural blacks by 700%, and urban blacks by a stunning 1200%," a spokesman says. "The socio-economic implications of these statistics are significant if the projections of the expansion of the network and its facilities turn out to be inadequate"

"SA must primarily be regarded as a First World country with a large and very rapidly developing Third World component. This requires that the Republic keep abreast of the Western world since we operate our economy and our major industries according to First World standards"

The NDCCC says the question of capacity needs to be analysed carefully. Pointing out that private companies, usually as a matter of policy, have up to double their immediately required capacity, it adds "SA is suffering under sanctions and P&T needs to obtain equipment as and when it can"

Plessey's Temple feels P&T's budgeting process is largely to blame. "It can take up to two years to install equipment after a need has been identified. This could be totally unrelated to the market then prevailing. A private company would invest more money immediately to meet increasing demand, and vice versa"

Most manufacturers accept the need to minimise capex, but there are worries that it could go too far. Altech points out that real capex is down almost 40%. "Every other

administration in the world today, developed and developing, is investing heavily in modern networks"

The NDCCC adds "It is quite acceptable to upgrade manual exchanges on a need basis, where this can be cost-justified. If this means not meeting some deadlines by the year 2007, this is no problem. However, setting a deadline of 2020 is also totally subjective. Dates should not rule the conversion, but economics only"

On tariffs, most feel that the present budget proposal not to increase fees is "encouraging". But they question how surpluses from the introduction of time-based charges for local calls will be allocated

The NDCCC feels tariffs should encourage efficient use of capacity. "Charging extra for voice communications on data lines is undesirable when it results in the underutilisation of infrastructure capacity," it says

Most observers are happy with the recommendation that P&T provide the network infrastructure and compete with the private sector on value-added services. But Temple rejects the recommendation to rationalise the networks run by P&T, Sats and Eskom

"This is increasing the monopoly," he says. "We may be missing an opportunity to liberalise transmission facilities and introduce an element of competition by allowing Sats and Eskom to sell the capabilities. Competition is the way to achieve the greatest efficiencies"

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FMM/L
24/3/89

'I agree with recommendations'



The *FM* interviewed Posts & Telecommunications Minister Stoffel Botha in the light of the De Villiers report which condemned financial management in the Department of Posts and Telecommunications (P & T).

FM: Do you agree that P&T's position is "dire" and the result of "overspending on underutilised equipment?" What effect did inflation and foreign exchange rates have on your spending targets?

Botha: When the De Villiers investigation first highlighted the unsatisfactory situation more than two years ago, my top management and I immediately started to actively curtail capital programmes with effect from the 1987-1988 financial year. Despite escalating prices, the capital estimate for the next financial year is 14,6% lower in rand terms than for 1986-1987. In real terms this represents a cutback of 39,3%. The capital structure has been much improved by the cutbacks on capital spending. We aim to achieve a debt ratio of 0,5 in a few years' time.

Do you agree with De Villiers' assessment of P & T's debt ratios, especially with regard to its foreign debt? Do you agree with his proposal to "sell" your foreign debt to the Reserve Bank?

We agree with Dr De Villiers' assessment of debt ratios. However, I would point out that the debt ratio at book value has improved from 1,7 in 1986-1987 to 1,06 in the current financial year and from 2,12 to 1,9 at current redemption value. The proposal that the foreign debt of the Post Office be trans-

ferred to the Reserve Bank is being discussed.

Do you disagree with any of his other recommendations? What alternative do you propose?

In principle I agree with the recommendations. Practice and future developments will require that the objectives are reviewed from time to time.

If his recommendations are implemented what do you think will be the results with regard to provision of service, to service levels, to your ability to attract and retain staff, and to your ability to generate profits and to pay tax?

The progressive conversion of the analogue network to digital working has already placed P&T in an extremely favourable position to meet the needs of the business community and to provide service in residential areas.

Its ability to sustain this and to proceed with the necessary replacement of obsolete equipment will depend upon the growth in the economy, the availability and cost of capital and the potential return on new investments. The telecommunication business is basically very sound and should be profitable enough to continue the provision of services and to even improve service levels where necessary, even as a tax-paying company.

We obviously need to retain and attract top-quality people. The new challenges and our proposed future status as a private-sector company should facilitate this. This would obviously require a market-related remuneration policy but increased productivity and efficiency should offset any potential cost increases in this regard.

What effects will cuts in capex, as suggested by De Villiers, have on local electronics man-

ufacturers such as Altech/STC, Siemens, Sames and so on? Do you believe, as some say, it could threaten the feasibility of a local electronics industry?

Although capital expenditure has been reduced it is still substantial and the reduction in itself should not threaten the feasibility of the industry. It appears that cuts in capital expenditure will have some negative effect on the manufacturers of telecommunication equipment in SA. Perhaps it has now become more imperative than before that the industry should embark on a process of rationalisation.

Do you think that more deregulation is possible now? If so, which areas are likely to be deregulated and when?

Deregulation of the telecommunications network infrastructure is not considered economic or practicable. In so far as the periphery of the network, for example terminals, is concerned, the introduction of an interface unit to connect a PC to the telex or teletex networks is a further step towards deregulation.

We will continue to watch other possibilities, especially in the area of value-added services with a view to minimising capital expenditure while exploiting the capacity of the network to the fullest.

You have already started implementing some of De Villiers' recommendations with respect to structure. What is the current position?

New organisation structures will be implemented in phases with effect from April. We plan to divide the present regions into separate business units for posts and telecommunications by October 1 this year. The division of corporate functions is planned for April 1 1990, to complete the division of the organisation into postal and telecommunications undertakings.

Post office tariffs ~~to rise~~ to rise tomorrow

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Star 3113187
Some post office tariffs will increase from tomorrow. Postage on standardised letters as well as post cards and aerogrammes will be 18c.

The new 18c stamp will feature a succulent plant. First day envelopes will be issued tomorrow at philatelic counters only.

The postage on a 1 kg parcel will be R3,50.

The installation charge for a telephone will rise to R140. The installation charge for social pensioners' telephones remains unchanged at R25.

The monthly rental will be R18, while the rental for party-line services will be R19. — Sapa.

Aer 5/4/84

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Postmaster gets 5 aides

New set-up in communication

The first phase of restructuring Department of Posts and Telecommunications has begun

The department said in a statement in Pretoria yesterday that since April 1 the Postmaster General, Mr Johan de Villiers, has been assisted by five general managers Mr Jimmy Taylor (engineering and telecommunications operations), Mr Pieter Senekal (manpower planning, personnel and training), Mr Pieter Jordaan (finance), Mr Wessel Oosthuysen (services) and Mr Willem van Rooyen (postal services operations)

Two companies

Phase one paves the way for the division of the department into two companies telecommunications and postal services

Legislation providing for the establishment of the two companies will probably be submitted to Parliament in the present sitting

Eight deputy general managers for posts and telecommunication services have been appointed as of April 1

Six deputy general managers for telecommunications are Mr Bernie Blume for the Cape Province, who is based in Cape Town, Mr Ben Dicks for the Transvaal, based in Pretoria and responsible for telecommunication in Transvaal (excluding Witwatersrand and the East Rand), Mr Ron Holmes, Natal and OFS, based in Durban and responsible for Natal and the Orange Free State, Mr Trevor Olmesdahl, Witwatersrand, based in Johannesburg and is responsible for telecommunication on the Witwatersrand and the East Rand

Two deputy general managers for telecommunications are based at the Post and Telecommunications headquarters in Pretoria Mr Dawie Malan (networks and telematics) and Mr Keith Prins (technology)

The two deputy general managers responsible for postal services are

Mr Manie Ebersohn postal services — south, based in Cape Town and responsible for the Cape Province and Natal, and Mr Hugo Smit postal services — north, based in Johannesburg and responsible for postal services in Transvaal and the Free State — Sapa

The MINISTER OF LAW AND ORDER

- (1) (a) I refer the honourable member to my reply to written question number 86 of 1988 (Hansard col 253)
- (b) 2 persons
- (2) No
- (a) to (c) Fall away

Detainees, death in detention

74 Mrs H SUZMAN asked the Minister of Law and Order

Whether any persons died in 1988 while being detained in terms of the security laws of the Republic, if so, (a) how many, (b) what were their names, (c) (i) on what date and (ii) in terms of what statutory provisions was each detained, (d) on what date did each of them die and (e) what was the cause of death in each case?

The MINISTER OF LAW AND ORDER

- (a) one person
- (b) ALFRED MAKALENG
- (c) (i) 12 June 1988
- (ii) in terms of the Security Emergency Regulations, 1988
- (d) 26 August 1988
- (e) Natural causes --- increased intra-cranial pressure as a result of intra-cerebral obstruction of cerebro-spinal fluid circulation caused by hydatid cyst phases of the pig tape-worm

67

Mr J B de R VAN GEND asked the Minister of Communications

- (1) What are the geographical boundaries of each exchange area in the Greater Cape Town area,
- (2) how many telephones are there in business premises in each such exchange area,
- (3) what was the waiting list for business telephone services in each such area as at 31 December 1988,

267

The MINISTER OF COMMUNICATIONS

(1) Descriptions of the geographical boundaries of each exchange area in the Greater Cape Town area entail much detail which is difficult to present meaningfully in written form. It would be more practical and informative to view the departmental maps depicting the relative information Should the honourable member be interested, the necessary arrangements can be made,

| | (2) | (3) | (4) |
|-------------------|--------|-----|-------|
| Altra | 511 | — | 156 |
| Ahltone | 2 690 | 20 | 2 535 |
| Atlantus | 472 | 3 | 907 |
| Banhok | 61 | — | 73 |
| Barrack Street | 7 818 | 3 | 4 606 |
| Bellville | 6 324 | 4 | 3 641 |
| Bellville North | 385 | — | 1 685 |
| Bergvliet | 2 401 | 1 | 2 761 |
| Bishop Lavis | 1 008 | 1 | 989 |
| Blackheath | 395 | — | 832 |
| Bloubergstrand | 83 | — | 269 |
| Bonteheuwel | 271 | — | 962 |
| Bothasig | 452 | 1 | 2 124 |
| Brackenfell | 963 | 6 | 2 058 |
| Braeview | 189 | 2 | 740 |
| Camps Bay | 334 | 3 | 649 |
| Clareinch | 3 882 | — | 1 133 |
| Cloetesville | 103 | — | 40 |
| Constantia | 698 | — | 478 |
| Courtrai | 348 | — | 333 |
| Crawford | 485 | 2 | 161 |
| Durbanville | 949 | — | 1 815 |
| Eastridge | 98 | — | 2 212 |
| Eerste River | 193 | 1 | 985 |
| Epping | 3 394 | 7 | 1 537 |
| Erica | 145 | — | 838 |
| Faure | 147 | — | 94 |
| Firgrove | 133 | — | 140 |
| Fish Hoek | 577 | — | 796 |
| Foreshore | 13 705 | 3 | 5 381 |
| Franschhoek | 209 | — | 323 |
| Goodwood | 2 327 | 1 | 2 325 |
| Gordon's Bay | 238 | — | 457 |
| Grassy Park | 403 | 3 | 2 413 |
| Groot-Drakenstein | 168 | — | 142 |
| Hanover Park | 450 | 2 | 831 |
| Hout Bay | 556 | — | 432 |
| Kenmere | 1 145 | — | 853 |

- (1) (a) I refer the honourable member to my reply to written question number 86 of 1988 (Hansard col 253)
- (b) 2 persons
- (2) No
- (a) to (c) Fall away

The MINISTER OF COMMUNICATIONS

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| Khayelisha | 69 | 6 | 2 194 |
| Klappanus | 94 | — | 78 |
| Koelenhof | 92 | — | 76 |
| Kommetje | 102 | — | 370 |
| Kraaifontein | 625 | 1 | 1 687 |
| Kuils River | 943 | 25 | 1 382 |
| Leeuwig | 9 511 | 5 | 5 448 |
| Lynedoch | 98 | — | 87 |
| Maccassar | 86 | — | 557 |
| Maitland | 5 736 | 8 | 2 498 |
| Manté | 26 | 1 | 34 |
| Melkbosstrand | 205 | — | 374 |
| Milnerton | 2 213 | 2 | 1 942 |
| Michelle's Plain | 1 035 | 1 | 3 227 |
| Muzenbergh | 651 | — | 1 177 |
| Muldersvlei | 101 | 1 | 83 |
| Nederburg | 679 | — | 722 |
| Noordhoek | 87 | — | 277 |
| Ottery | 1 146 | — | 1 385 |
| Paarl | 2 169 | — | 1 772 |
| Parow | 3 611 | — | 2 965 |
| Pinelands | 2 176 | — | 1 496 |
| Proteaville | 1 153 | 4 | 731 |
| Rondebosch | 3 170 | — | 4 117 |
| Salt River | 5 630 | — | 2 990 |
| Scarborough | 30 | 1 | 48 |
| Sea Point | 2 473 | 3 | 3 243 |
| Simon's Town | 415 | — | 360 |
| Sir Lowry's Pass | 56 | — | 64 |
| Somerset West | 1 935 | — | 2 447 |
| Steenberg | 125 | — | 785 |
| Stellenbosch | 3 009 | 4 | 2 703 |
| Strand | 1 292 | 5 | 2 103 |
| Strandfontein | 85 | — | 987 |
| Sunnysdale | 105 | — | 372 |
| Swartlip | 778 | — | 3 566 |
| Table View | 581 | — | 1 825 |
| Tyrielei | 3 283 | — | 4 178 |
| Welgemoed | 275 | — | 1 042 |
| Wellington | 826 | 1 | 643 |
| Windmeul | 81 | — | 57 |
| Wynberg | 5 014 | 1 | 3 102 |

* The position as at 31 January 1989

† These figures include both business and private telephone services installed during 1988 as separate figures are not available

Greater Cape Town telephone exchange areas

84 Mr J B de R VAN GEND asked the Minister of Communications

- (1) What are the geographical boundaries of each exchange area in the Greater Cape Town area,

| | (2) | (3) | (4) |
|-----------------|--------|-------|-------|
| Altra | 4 | — | 156 |
| Ahltone | 20 008 | 2 616 | 2 535 |
| Atlantus | 3 031 | 100 | 907 |
| Banhok | 500 | — | 73 |
| Barrack Street | 5 345 | 1 | 4 606 |
| Bellville | 6 238 | — | 3 641 |
| Bellville North | 5 390 | 5 | 1 685 |
| Bergvliet | 15 201 | 25 | 2 761 |
| Bishop Lavis | 4 856 | — | 989 |
| Blackheath | 1 446 | 89 | 832 |
| Bloubergstrand | 773 | 3 | 269 |
| Bonteheuwel | 4 863 | 59 | 962 |
| Bothasig | 7 652 | 79 | 2 124 |
| Brackenfell | 4 917 | 56 | 2 058 |
| Braeview | 2 016 | 18 | 740 |
| Camps Bay | 2 603 | 12 | 649 |
| Clareinch | 9 139 | — | 1 133 |
| Cloetesville | 1 276 | — | 40 |
| Constantia | 3 089 | — | 478 |
| Courtrai | 1 275 | — | 333 |
| Crawford | 3 300 | 27 | 161 |
| Durbanville | 6 030 | 31 | 1 815 |
| Eastridge | 2 742 | 162 | 2 212 |
| Eerste River | 2 527 | 411 | 985 |
| Epping | 2 280 | — | 1 537 |
| Erica | 4 152 | 60 | 838 |
| Faure | 148 | — | 94 |
| Fish Hoek | 3 150 | — | 796 |
| Firgrove | 530 | — | 140 |
| Foreshore | 379 | 7 | 5 381 |
| Franschhoek | 655 | — | 323 |
| Goodwood | 7 419 | 1 | 2 325 |

HUMAN OI

567

THURSDAY, 6 APRIL 1989

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| | | | | |
|-----------------------------------|--------|-----|-------|---|
| Gordon's Bay | 1 219 | 45 | 457 | † These figures include both private and business telephone services installed during 1988 as separate figures are not available |
| Grassy Park | 2 708 | 120 | 2 413 | |
| Groot-Drakenstein | 477 | 4 | 142 | |
| Hanover park | 4 333 | 307 | 831 | SAP stationing of patrol vehicles |
| Hout Bay | 2 527 | 2 | 432 | 88 Mr D J DALLING asked the Minister of Law and Order |
| Kenmere | 3 426 | 1 | 853 | (a) How many serviceable patrol vehicles (i) with and (ii) without radio equipment installed are stationed on a daily basis at the (aa) Sandton, (bb) Bramley, (cc) Wynberg/Alexandra and (dd) Lombardy East police stations and (b) in respect of what date is this information furnished? |
| Khayelitsha | 2 125 | 71 | 2 194 | |
| Klapmuts | 180 | — | 78 | |
| Koelenhof | 174 | 1 | 76 | |
| Kommetje | 1 811 | 2 | 370 | |
| Kraaifontein | 7 400 | 15 | 1 687 | |
| Kuils River | 4 574 | 129 | 1 382 | |
| Leeusig | 5 812 | 1 | 5 448 | |
| Lentegeur (proposed exchange) | — | 237 | — | |
| Lynedoch | 279 | — | 87 | |
| Macassar | 1 748 | — | 557 | |
| Maitland | 3 494 | 3 | 2 498 | |
| Mamré | 444 | — | 34 | |
| Melkbosstrand | 1 329 | 2 | 374 | |
| Milnerton | 3 416 | 6 | 1 942 | |
| Mitchell's Plain | 15 480 | 716 | 3 227 | |
| Muizenberg | 5 639 | — | 1 177 | |
| Muldersvlei | 139 | 14 | 83 | |
| Nederburg | 4 359 | 6 | 722 | |
| Nooienfontein (proposed exchange) | — | 462 | — | |
| Noordhoek | 540 | — | 277 | |
| Ottery | 9 007 | 10 | 1 385 | |
| Paarl | 4 083 | — | 1 772 | |
| Parow | 7 992 | 7 | 2 965 | |
| Pimelands | 3 982 | — | 1 496 | |
| Protaville | 2 258 | 2 | 731 | |
| Rondebosch | 11 896 | — | 4 117 | |
| Salt River | 5 457 | — | 2 990 | |
| Scarborough | 182 | 1 | 48 | |
| Sea Point | 12 559 | 9 | 3 243 | |
| Simon's Town | 1 122 | 5 | 360 | |
| Sir Lowry's Pass | 233 | — | 64 | |
| Somerset West | 5 916 | 32 | 2 447 | |
| Soutrivier | 5 457 | — | 2 990 | |
| Steenberg | 1 569 | 393 | 785 | |
| Stellenbosch | 6 292 | 22 | 2 703 | |
| Strand | 6 892 | 129 | 2 103 | |
| Strandfontein | 2 831 | 24 | 987 | |
| Sunnysdale | 1 432 | 2 | 372 | |
| Swartklip | 10 399 | 17 | 3 566 | |
| Table View | 4 435 | 114 | 1 825 | |
| Tieriet | 11 804 | 11 | 4 178 | |
| Welgemoed | 2 877 | 43 | 1 042 | |
| Wellington | 3 486 | 1 | 643 | |
| Windmeul | 275 | — | 57 | |
| Wynberg | 13 954 | 457 | 3 102 | |

* The position as at 31 January 1989

HOUSE OF ASSEMBLY

† These figures include both private and business telephone services installed during 1988 as separate figures are not available

SAP stationing of patrol vehicles
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(a) How many serviceable patrol vehicles (i) with and (ii) without radio equipment installed are stationed on a daily basis at the (aa) Sandton, (bb) Bramley, (cc) Wynberg/Alexandra and (dd) Lombardy East police stations and (b) in respect of what date is this information furnished?
B161E

THE MINISTER OF LAW AND ORDER

- (a) (i) (ii)
- (aa) 4 —
- (bb) 3 —
- (cc) 5 —
- (dd) 2 —
- (b) 10 March 1989

NOTE In question 137 (Hansard col 485) of 1988, 5 vehicles are indicated in respect of Lombardy East. Three vehicles of the detective branch were included in this number

Awaiting-trial youths, places of safekeeping
93 Mr J VAN ECK asked the Minister of National Health and Population Development

- (1) (a) How many places of safekeeping were there in the Republic for (i) White, (ii) Coloured and (iii) Black awaiting-trial youths as at 31 December 1988, (b) in which town is each situated, (c) what is the capacity of each and (d) what was the occupancy rate of each as at the above date,
- (2) whether any new places of safekeeping for such youths are being planned, if so, (a) where and (b) for which race groups and (c) when is each scheduled to be completed?

THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

- 1(a)(i)(b)(c) and (d)

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THURSDAY 6 APRIL 1989

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| WHITES | | | | BLACKS | | | |
|--------|----------------|-----------|--|--------|------------------|-----------|--|
| Number | Place | Capacity* | Occupancy* rate at 31 December 1988 | Number | Place | Capacity* | Occupancy rate* at 31 December 1988 |
| 7 | Pretoria | 90 | 71 | 3 | Soshanguve | 80 | 0 |
| | Edenvalle | 90 | 55 | | Rietgat | 80 | 0 |
| | Boksburg | 75 | 69 | | Pietermaritzburg | 25 | 5 |
| | Bloemfontein | 50 | 41 | | Pata | 25 | 5 |
| | Durban | 88 | 49 | | Durban | 300 | 3 |
| | Port Elizabeth | 50 | 58 | | Bayhead | 300 | 3 |
| | Cape Town | 62 | 33 | | | | |
| | | | 376 | | | | |

* Total capacity including awaiting-trial youths
* Total of all children in places of safety. Exact number of awaiting-trial youths at each of these places is not available

1(a)(i)(b)(c) and (d)

COLOURED

| Number | Place | Capacity | Occupancy rate* at 31 December 1988 |
|--------|----------------|----------|--|
| 7 | Cape Town | 170 | 7 |
| | Bonnytown | 80* | — |
| | Rosendal | 80* | — |
| | Vredeluis | 100* | — |
| | Port Elizabeth | 80* | — |
| | Nenna House | 100* | — |
| | Durban | 100* | — |
| | Ocean View | 80* | — |
| | Johannesburg | 80* | — |
| | Witwatersrand | 100* | — |
| | House | 100* | — |
| | Kimberley | 100* | — |
| | Mimosa House | 100* | — |

* No provision for awaiting-trial youths
1(a)(i)(b)(c) and (d)

* Total capacity including awaiting-trial youths
* Figures represent awaiting-trial youths only

(2) Yes, (a)(b) and (c)

WHITES

One place of safety in Edenvalle in addition to the existing place of safety
One place of safety each in Durban and Bellville to replace the existing places of safety

Provision will be made for awaiting-trial youths at each place
The date of completion are unknown because of shortage of funds

COLOURED

| Place | Capacity* | Scheduled date of completion |
|------------------|-----------|------------------------------|
| Johannesburg | 100 | December 1991 |
| Port Elizabeth | 100 | December 1989 |
| George | 100 | December 1991 |
| Worcester | 100 | December 1990 |
| Uppington | 100 | December 1992 |
| Bloemfontein | 100 | December 1991 |
| Mitchell's Plain | 100 | December 1992 |
| Atlantis | 100 | December 1992 |

* Provision will be made for 45 awaiting-trial youths at each place

BLACKS

| Place | Capacity* | Scheduled date of completion |
|----------------|-----------|------------------------------|
| Transvaal | 250 | January 1990 |
| Klippoortje | 170 | December 1989 |
| Bloemfontein | 100 | October 1990 |
| Cape Province | 100 | April 1989 |
| Koelenhof | 100 | May 1989 |
| Port Elizabeth | 100 | May 1989 |
| Kimberley | 100 | May 1989 |

* Total capacity including awaiting-trial youths

HOUSE OF ASSEMBLY

Paperless trading has potential in SA

WITH Electronic Data Interchange (EDI) — or paperless trading, as it's more commonly known — already a reality in Europe and the US, it's only a matter of time before SA follows suit

This is the view of ICL senior business consultant at ICL Roger Dawes, who has also been appointed to research EDI opportunities in the Malbak Group

Better service

He points out that major benefits of EDI are cost savings, fewer errors due to less manual intervention and thus fewer queries and more rapid information flow

"There is less paper generated, which tends to smooth the administration work necessary. Companies are also able to give better customer service, have improved cash flow and other benefits, such as tighter security, locked-in customers and in some

cases a better company image"

EDI is defined as the electronic transfer of structured data by agreed message standards between applications on separate computer systems

With the Department of Posts and Telecommunications (P&T) this month evaluating tenders for a message handling service, a spokesman points out that EDI is being studied in the context of this X400 message handling service because it can run on the back of this, with X400 effectively providing the all-important standard for EDI

Added impetus will be given to the EDI drive in SA with EDI 89, the first international conference on paperless trading which takes place in Johannesburg on April 18 and 19

One of four international speakers — George Klima — was responsible until recently for EDI at Super Valu Stores, a US\$9,4bn a year American grocery wholesaler and retailer. EDI now saves the store US\$600 000 a year in accounts payable and US\$6 000 a

day in the buying and administration offices, he says

In SA, the SA Article Numbering Association has issued its guidelines for EDI at a national level. SIT-PROSA, an organisation dedicated to simplifying export paperwork, is looking after international EDI

Cost-justifiable

Also, a consortium comprising experts from Malbak, BankorpData, ICL and Infonet is looking at the business potential for a public EDI service. One spokesman says an internal EDI service between Sankorp firms is cost-justifiable

The P&T source says that the Post Office is most likely to get involved in EDI on a competitive basis rather than from a monopolistic standpoint

"We will probably pinpoint a few niche markets and provide EDI services for these, rather than attempting to offer EDI services for all users," the spokesman says

Post Office operations split: New appointments

By SHARKEY ISAACS
Staff Reporter

THE Post Office has taken the first step to separate postal and telecommunications operations in the Cape by appointing heads for each service

Former post office deputy-general manager, Mr Bernie Blume, takes over as head of telecommunications and former deputy-regional manager, Mr H F "Manie" Ebersohn, as head of postal services in the Cape. Mr Ebersohn is a senior personnel director in the department.

Plans to restructure the Department of Posts and Telecommunications into two separate companies were announced this year by the Postmaster-General, Mr Johann de Villiers.

Legislation for the move is expected to be submitted during the present session of Parliament, according to a post office spokesman.

At a Press conference Mr Blume described his appointment as a "totally new ball game which would present an exciting challenge".

Mr Blume was born and educated in Cape Town, where he joined the Post Office in February 1947. He has worked in other centres and his appointment has brought him back to the Peninsula after an absence of 29 years.

"I'm pleased to be back," he said.

"My most immediate task is to help implement the new dispensation which is expected to be effected on October 1."

Mr George Bothma was appointed regional manager of posts and telecommunications in the Western Cape. His deputy will be Mr Chris Opperman, director of regional services.

Two financial managers in the Cape, Mr Dave Galloway (postal services) and Mr Clive Clayton (telecommunications services), have also been appointed.

(Handwritten initials)

| | | | | | |
|-------------------|---|----|-----|-------|-------|
| Orange Free State | 0 | 3 | 42 | 306 | 455 |
| Natal | 0 | 15 | 72 | 248 | 271 |
| Cape | 0 | 6 | 32 | 211 | 380 |
| (bb) TOTAL | 1 | 45 | 344 | 2 504 | 3 998 |

National Senior Certificate Black pupils

203 Mr K M ANDREW asked the Minister of Education and Development Aid

(a) How many Blacks at each school in the Western Cape falling under the control of his Department (i) entered for and (ii) wrote the National Senior Certificate examinations in 1988 and (b) how many entrants (i) passed, (ii) failed and (iii) obtained matriculation exemption at each such school?

B487E

| | | | |
|-----|---------------------|-----|-----|
| (a) | Fezeka Secondary | 95 | 95 |
| | Malizo Secondary | 203 | 203 |
| | I D Mkuze Secondary | 74 | 74 |
| | Langa Secondary | 70 | 70 |

The MINISTER OF EDUCATION AND DEVELOPMENT AID

| | | |
|--------------------------------|-----|-----|
| Luhlaza Secondary | 83 | 83 |
| Simon Hebe Secondary | 67 | 67 |
| Sizamile Jnr Secondary | 121 | 121 |
| Crossroads No 3 Secondary | 53 | 53 |
| Langa Comprehensive School | 66 | 66 |
| Gugulethu Comprehensive School | 56 | 56 |

| | | | | |
|-----|--------------------------------|----|-----|----|
| (b) | Fezeka Secondary | 45 | 50 | 13 |
| | Malizo Secondary | 87 | 116 | 9 |
| | I D Mkuze Secondary | 15 | 59 | 2 |
| | Langa Secondary | 35 | 35 | 11 |
| | Luhlaza Secondary | 63 | 20 | 20 |
| | Simon Hebe Secondary | 17 | 50 | 2 |
| | Sizamile Jnr Secondary | 68 | 53 | 14 |
| | Crossroads No 3 Secondary | 31 | 22 | 10 |
| | Langa Comprehensive School | 13 | 53 | 2 |
| | Gugulethu Comprehensive School | 13 | 43 | 1 |

(Handwritten note)

HOUSE OF ASSEMBLY

(Handwritten number 267)

QUESTIONS

Indicates translated version

For written reply

General Affairs

Posts/vacancies

82 Mr J B DE R VAN GEND asked the Minister of Communications

- (1) How many posts were there on the establishment of his Department as at (a) 31 December 1987 and (b) 31 December 1988,
- (2) (a) how many posts on the establishment of his Department were vacant as at 31 December 1988 and (b) how many of these posts had been filled temporarily or permanently in 1988?

B184E

The MINISTER OF COMMUNICATIONS

- (1) (a) 101 367, and
- (b) 101 683,
- (2) (a) 5 958, and

(b) these statistics are unfortunately not readily available. However, according to calculations approximately 2 000 of the aforementioned vacancies were filled at one stage or another and for various periods during 1988.

Agriculture value of production/exports

159 Mr R J LORIMER asked the Minister of Agriculture

What was the value of the Republic's agricultural (a) production and (b) exports in 1987 and 1988, respectively?

B361E

The MINISTER OF AGRICULTURE

- (a) 1987 = R14 312 million (estimate)
- 1988 = R16 514 million (estimate)

(Handwritten note)

- (b) 1987 = R3 193 million
- 1988 = R3 521 million (estimate)

Subsidies paid on bread/maize/butter

161 Mr R J LORIMER asked the Minister of Agriculture

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1987-88 financial year?

B363E

The MINISTER OF AGRICULTURE

- (a) R150 million,
- (b) R80 million,
- (c) Nil

The said payments were made under Vote 17 Programme 6 Agricultural Economics and Marketing

Agricultural products surpluses

177 Mr R J LORIMER asked the Minister of Agriculture

- (1) Whether there are any surpluses of agricultural products at present or any such surpluses are expected in 1989, if so, of which product,
- (2) what in each case are the (a) reasons for such surpluses and (b) price implications
- (3) what steps have been taken or are contemplated in each case to (a) counter the effect of such surpluses and (b) avoid them in future?

B413E

The MINISTER OF AGRICULTURE

- (1) Yes, there are at present and there will be surpluses during 1989 of a large number of agricultural products such as wool, mohair, hides, skins, maize, wheat, citrus fruit, deciduous fruit and canned fruit
- (2) (a) With the current production levels the local and overseas market potential is taken into account but in the case of especially maize and wheat the production levels are influenced by weather conditions
- (b) Export prices of maize and wheat compare favourably with domestic

(Handwritten initials)

| | | | | | |
|-------------------|---|----|-----|-------|-------|
| Orange Free State | 0 | 3 | 42 | 306 | 455 |
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B487E

| | | | | |
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| Malizo Secondary | | 203 | | 203 |
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|-------------------------------|-----|----|------|-----|-------|----|
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HOUSE OF ASSEMBLY

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B184E

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- (2) (a) 5 958, and

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Handwritten: Thursday

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- (1) Yes, there are at present and there will be surpluses during 1989 of a large number of agricultural products such as wool, mohair, hides, skins, maize, wheat, citrus fruit, deciduous fruit and canned fruit
- (2) (a) With the current production levels the local and overseas market potential is taken into account but in the case of especially maize and wheat the production levels are influenced by weather conditions
- (b) Export prices of maize and wheat compare favourably with domestic

Mail delivery has improved, says PO boss

APR 20/4/89
267

Staff Reporter

SIGNIFICANT progress has been made in mail deliveries, according to the Postmaster-General, Mr Johan de Villiers.

Mr de Villiers said in a statement the transport of mail was continually being monitored to eliminate problems with the "least possible delay".

A special task group from Posts and Telecommunications headquarters had been appointed for this purpose. It would collaborate with the regional managers

Problems with the delivery of mail arose when Sats introduced a new system of mini-containerisation at the beginning of the year.

"With the new system mail is now transported by goods train instead of passenger train," said Mr de Villiers.

Only occasional problems were being experienced in the Eastern Cape, with a general improvement in the transport of mail in the Western and Northern Cape.

In the Northern Transvaal delays were still being experienced in some instances, while the problems on the Witwatersrand had been largely eliminated.

Problems in the Free State had also been solved to a "large extent".

However, certain difficulties were still being experienced and were receiving urgent attention.

Sowetan 29/9/89

Phone shocks

267

By MZIKAYISE EDOM



Mrs Elizabeth Zwane holding a telephone account of R700 but she has no phone in her house.

PIC BY LEN KUMALO.

SCORES of Soweto residents were this week baffled after receiving exorbitant telephone accounts - in one instance a woman got a bill of R700,52 but she has no phone in her house.

The bills vary between R100 and R1 000 and most of the victims come from Diepkloof

A spokesman for Post and Telecommunications, Mrs I Campbell, confirmed that hundreds of families in the area especially those from Diepkloof, had received exorbitant telephone bills and blamed a computer for causing the "mix-up"

Victim warned to pay R1 000

"We are aware of the mistake and we hope to rectify it soon. We apologise for the inconvenience. The computer was fed with wrong information. It is a real mix-up and we are working round the clock to solve the mess," said Campbell.

She appealed to all those people whose telephone numbers start with 980, 935, 985 and 938

and were having problems with their accounts to contact the Krugersdorp office of the P and T at this telephone number, (011) 668-2911 during office hours

Mrs Elizabeth Zwane, of 3250 Zone 3, Pimville, received a bill of R700,52 on Monday and has been warned to pay before the end of the month or her "services" would be disconnected.

"I, have no telephone in my house and I was shocked when I received the statement. It is over six months since I made an application for a phone and I am still waiting for the post office people to install one," said Zwane.

Mr Langa Skosana of Diepkloof Extension received an account of R1 118,82

Agency chairman in call to Govt

Lift lid on Post Office privatisation

GOVERNMENT has been called upon to take the wraps off Post Office privatisation plans.

This would give the advertising industry time to adapt amid worries that while privatisation might be good for telecommunications it could be bad for postal services and become extremely expensive as a result.

Just what homework is being done by experts charged with looking at the privatisation of the Post Office? asks Brian Hopkins, chairman of FCB Response, a Johannesburg firm of advertising and direct marketing specialists.

His group is responsible for mailing out millions of mailshots, brochures, coupons, special offers and club communications every year.

All users of postal services — particularly big-volume business users — need to know what is happening and fast, he says.

Facts and figures on postal operations are vital to business users of the mails. Yet, there are no statistics available.

CHRIS MOERDYK

"A government-appointed committee is considering whether or not to recommend privatisation of postal and telecommunications, and what form any privatisation should take.

"There is concern that while privatisation would be good for telecommunications it could be bad for postal services — which might become extremely expensive."

Hopkins added "Costs need not rocket IF privatisation is properly implemented. The worrying thing is that not enough is known, and that politics and preconceived ideas might have more sway than facts.

"No information or sta-

tistics are available on exactly what goes through the mails, in what categories, at what seasonal peaks. Thousands of businesses make extensive use of the mail, but the exact dimensions and for what purposes is guesswork."

"Posts and Telecommunications should provide the figures or commission research to close the gaps in our knowledge."

Research, he says, is a standard tool in today's business world and the basis of most successful marketing. If the Post Office is to privatise, it will need an aggressive marketing strategy and they will need to implement it rapidly.

BELTEL

SAPT goes back to basics

SA Posts and Telecommunications (SAPT) has taken a hard look at the highly successful videotex services in France and Germany and has asked itself "Why can't we make Beltel work?"

It needn't have looked that far. The answer is simple. None of the three basic tenets of a successful videotex system — the mass marketing of inexpensive, easy-to-use terminals, a stable and reliable network and the development of a variety of useful commercial or business services — has been present in Beltel.

SAPT has spent anything from R15m to R30m on Beltel in the last five years, but the local videotex service continues to be sick, unreliable and increasingly unattractive. Although Beltel is beginning to bear the hallmarks of a white elephant, SAPT is unwilling to get out of the videotex business.

There are two main reasons. Videotex — the transfer of computer resident text and primitive graphics using telephone links — is, after considerable birth pains, establishing itself as an international communications medium in the US and Europe. More importantly, SAPT can see that telecommunications authorities are making big money out of videotex. With an eye to impending privatisation, SAPT, it appears, is determined to make Beltel pay.

Sounding more like Lee Iacocca than a Post Office official, SAPT's director of telematics Alan Knott-Craig last week told members of the SA Videotex Association "If we can't make a buck we don't want to be in the game."

In a bold, if somewhat overdue declaration, Knott-Craig announced that SAPT is

overhauling the Beltel network, its tariffs and the services it provides to users, and will present a stable and attractive videotex system by October 1.

With the bulk of its videotex revenues likely to come from the use of the telephone infrastructure, SAPT intends limiting itself to setting standards, providing computer facilities to information providers (IPs) and billing users.

According to Knott-Craig, SAPT will get Beltel stable by upgrading its hardware and software, reconfiguring the network to better serve the majority of users and information and service providers (who are in Johannesburg and Pretoria) and improving the technical expertise of the organisation's support staff. The redesigned network will not only be more reliable but easier to use.

"There will be improvements (in the network's reliability) by June and it will be acceptable by October 1. I am 90% certain we will reach these dates," says Knott-Craig.

SAPT intends making radical changes to its Beltel tariffs. To avoid the service being hit by the introduction of the metering of local calls later this year, Knott-Craig hopes to allow toll-free access to Beltel with users instead being charged for logging on to the system. He adds SAPT will take over the billing of users and pay IPs for the services that are accessed. In the past IPs charged users direct for their services. Knott-Craig also hopes to give IPs direct access to Beltel in order to cut the cost of developing and maintaining their videotex services.

An around-the-clock, toll-free Beltel help centre for users and IPs was introduced last month, and SAPT intends to contribute to the value of information on Beltel by setting up a Saptel database which will provide details of the organisation's services and tariffs. More importantly, SAPT is putting the telephone directory services on Beltel. Knott-Craig says both these databases will be commercially available by October 1.

In conjunction with these services, SAPT is committed to introducing low-cost videotex terminals. It has vacillated on the issue for years, but has finally drawn up specifications for the device. SAPT will go out to tender for the terminals and will award an exclusive licence for the supply of the products.

With an estimated end-user purchase price of R400, or a rental of R30/month, demand for the terminals — which could be on the market before the end of 1989 — could reach 40 000 units in the next few

years. The introduction of inexpensive terminals, together with a videotex-based telephone directory, was one of the driving forces behind the French Minitel service which boasts 4m users.

SA's Beltel system has under 9 000 users — half of which are inactive. Knott-Craig is confident that even if this figure did not increase, the proposed changes to the local videotex service would raise the traffic on the network by more than 500%.

SAPT has made promises before about getting Beltel on its feet. It has now, however, shown a willingness to tackle the basic flaws in the service. Identifying these flaws is a step forward. Fixing them is, of course, the real test. ■



Blaine Prottest

ARCAS 15/15/89 267

grows

By ANDREA WEISS, Staff Reporter

MORE than 33 000 people in the Western Cape have expressed their opposition to the metering of local telephone calls and a further 15 000 are expected to sign a petition by Friday.

The first reading takes place next week of a Bill stipulating that every three minutes of a call in a 50 km radius will be metered at a cost of 13,5 cents.

The National Council of Women (NCW), which has been circulating a petition, has extended its deadline until Friday, the weekend before the matter will be debated in Parliament



Branch chairman of the NCW, Miss M E Thomson, said today she hoped to see Minister of Communications Mr Stoffel Botha by Friday

A total of 33 759 signatures have been gathered in the campaign which has proved a severe strain on the NCW's budget

A last-minute bid to gather further signatures will end on Friday

According to organiser Mrs Eileen Benjamin, this will give the NCW the weekend to prepare the final results before the Bill is debated in Parliament

The petition asks the Minister to reconsider the system or make the initial metering period longer to allow the aged and house-bound continued use of an essential means of communication

In Pretoria, top management members of the Co-ordinated Consumer Council, the Council for Women, the Consumer Union and the Consumer Foundation met the general manager engineering and telecommunication operations, Mr Jimmy Taylor, to discuss the proposal

The decision to meter local calls was reached after 10 years of intensive study, Mr Taylor said

The main purpose of metering was not to gain additional revenue, but to eliminate anomalies in the present tariff structure

Subscribers who made short calls paid the same as people making long calls. Some subscribers thus subsidised others. This would be eliminated with the new system, he said

The metering period of three minutes for a local call unit would keep the Post Office's revenue from telephone traffic at more or less the same level, he said

He emphasised that subscribers need not necessarily be affected adversely by the new method. Calls during office hours should be kept short while longer calls should be made after hours



Miss M E Thomson in her office today

ARGUS 15/5/89

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Cheaper tariffs for local calls would also apply after hours. A local and direct-dialled trunk call up to 50 km would be metered at one call unit for three minutes during business hours. After hours the metering period would be determined by the time of day and the day of the week

Mr Taylor said the post office had launched an information campaign about the new system. Each telephone subscriber had already received a letter with their telephone account explaining the new system

The system would be phased in over three years. Subscribers would be notified when metering would begin in their area. The first phase begins in the Pretoria-Witwatersrand-Vereeniging areas next month

Natal would follow at the beginning of 1990 and in the last quarter of 1990 the system would be introduced in the Western Cape and part of the South Eastern Transvaal. The rest of the country would follow in the last quarter of 1991

Mrs Benjamin says anyone wanting to sign the petition can contact her at ☎ 024 26875 or the NCW office at ☎ 461 6716

Metered calls get go-ahead

By ANDREA WEISS
Staff Reporter

THE unpopular proposal to meter local telephone calls has already been approved by the Minister of Home Affairs and Communications, Mr. Stoffel Botha.

This information emerged in the wake of growing protest against the system by which every three minutes of a local call in a 50km radius will cost 13,5 cents.

Contrary to information supplied to the National Council of Women, who have gathered more than 33 000 signatures against the proposal, the matter does not have to be debated in Parliament.

PREROGATIVE

According to the Postmaster General, it is the prerogative of the minister to decide on matters of this nature and Mr. Botha has already approved the introduction of the new metering system which will be phased gradually, starting with the PWV area this year.

Miss M E Thomson, branch chairman of the NCW, said the fact that there was no Bill to be debated in Parliament did not mean that protest should stop.

"We can still object to the system, which we are doing," she said.

The deadline for the petition is Friday May 19.

● Argus telephones were kept busy yesterday as readers called in to express their objections and to support the NCW initiative.

Miss Thomson says anybody wishing to sign the petition should call NCW petition organiser Mrs Eileen Benjamin ☎ 024-26875 or the NCW office ☎ 4616716.

PO adamant on metered calls, says Stoffel Botha

MGU

17/5/89

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By BRUCE CAMERON
Political Staff

THE Post Office would not change its decision to meter local calls, Minister of Posts and Telecommunications, Mr Stoffel Botha said today.

In response to questions Mr Botha said the decision had not been taken lightly and was not aimed at generating large amounts of additional revenue for the Post Office.

He also announced that following the introduction of the new metering system in the PWV area this year it would be extended to Natal at the beginning of next year and to the Western Cape and part of the south eastern Transvaal in the last quarter of 1990.

The rest of the country would follow in 1991.

"The new concept of metering local telephone calls according to distance and time is aimed at levying charges in a way that is fair to all telephone

users and at promoting the efficient use of the telephone network"

Mr Botha said "the cost of providing network infrastructure is high and it is in the best interests of all subscribers that it be used efficiently.

"Long calls during office hours when some 82 percent of the telephone traffic is generated add to congestion"

The congestion could only be relieved by installing expensive additional infrastructure which would add to the costs for every subscriber, he said

Under the old charge system the normal unit was applied

(Turn to page 3, col 4)

12643 17/5/89

Metered calls coming, says Stoffel Botha

(Cont from page 1) 267

night and day but with the new system cheaper tariffs would apply in the evenings as was the case with direct dialled trunk calls

This was being done to encourage the use of the system, particularly for social calls, in off-peak hours

Mr Botha said there was also a need to overcome the anomalies created by the growth of metropolitan areas

In some areas a local call could be made over a distance of 70km while a trunk call could be made to an area only 50km away.

By changing the system, local daytime calls of up to 50km and not longer than three min-

utes, would register one call unit. In the past such a trunk call could cost up to three call units

● Argus reporter Dennis Cruywagen writes that more than 21 000 Post Office employees will not be hit as hard as the rest of us when metering is introduced

They do not pay a monthly rental fee and they get 100 metered call units a month free. And they keep the privilege when they retire, except that the number of free units is cut to 50 a month

This privilege to 21 600 of its 95 000 permanent employees costs the Post Office more than R700 000 a month, plus what it costs to subsidise an unknown

number of post office pensioners

In addition, the lucky employees do not pay for installation, provided that it is for one main service. At the present installation rate, this alone is worth more than R2,5-million

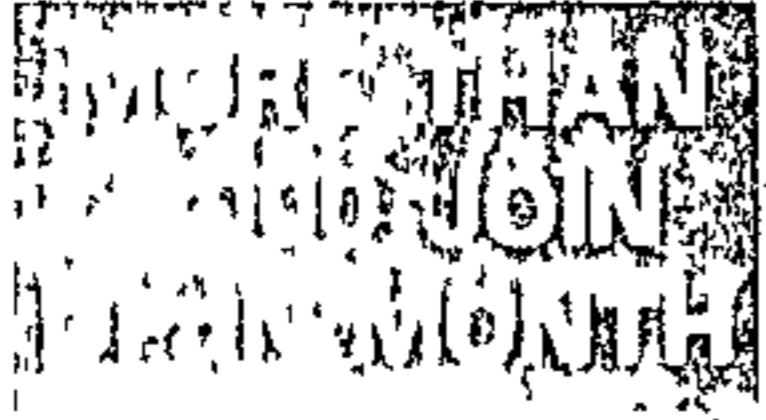
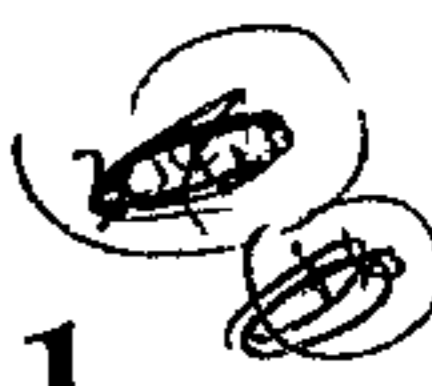
This privilege was confirmed yesterday by Post and Telecommunications media liaison officer Mr Ben Roodtman.

Only employees who had five years unbroken service and who were the breadwinners in their families qualified for the perks, he said

● The National Council of Women has so far gathered more than 33 000 signatures protesting against the proposed metering of calls

Maggie pays tribute to Helen

blum 18/5/89



Political Staff

CAPE TOWN — More than 5 000 people had joined the DP since its formation just over a month ago, and more than 15 000 had attended its public meetings, the party's political organisation national director Neil Ross said yesterday.

The meetings had been held in the major centres as well as a number of smaller towns, he said.

There had also been an interest in the party on university campuses

A further 37 meetings had already been arranged during the coming month and additional meetings would be scheduled because of the huge public response, Ross said

"The public response is such that, in some areas where the Nats have for many years not received challenges from enlightened political parties, the DP is likely to be fielding candidates in the coming election"

In another statement yesterday, Democratic Future Fund campaign director Robin Carlisle said the party would raise R11m over three years at the major level, for gifts over R12 000 a year, and R9m at constituency level over three years.

About 10 000 prospective donors would be invited to nine major and 31 country rallies, between May 22 and the end of June

CAPE TOWN — British Prime Minister Margaret Thatcher said yesterday that Helen Suzman had made a contribution second to no other in the long and difficult struggle against apartheid

A release from the British Embassy here said Thatcher had sent a message to Suzman saying she knew and understood the veteran MPs reason for not standing again for election to Parliament



● THATCHER

Thatcher said she knew that Suzman would continue outside Parliament to speak against injustice "with as much courage and determination as you have displayed throughout your political career"

She said "In the long and difficult

MIKE ROBERTSON

struggle against apartheid and towards a just society in SA, the contribution you have made is second to no other I would like to express my warmest personal admiration The principles you have upheld, for a long period alone in Parliament, are those to which we are dedicated also The example you have set is an inspiration to us all and we shall continue to be guided by it in our own efforts to contribute to justice and peace in SA"

British Foreign Secretary Sir Geoffrey Howe said "Mrs Suzman has been a stalwart opponent of apartheid for many years She has gained the admiration and respect of the international community She has made a unique contribution to the cause of peaceful change and real freedom in SA I hope her voice, speaking out for the value of human decency and democracy, will continue to be heard — and heeded"

De Klerk to meet Thatcher, Bush?

blum 18/5/89

CAPE TOWN — Government last night fuelled speculation that meetings between NP leader F W de Klerk and major Western leaders may be on the cards

Foreign Affairs Minister Pk Botha said arrangements were "in progress

Political Staff

for an informal meeting later this year" between British Prime Minister Margaret Thatcher and De Klerk

A meeting with US President George Bush was "being probed"

Botha defends meter system

blum 12/5/89

Political Staff

CAPE TOWN — The new telephone metering system was not aimed at making vast profits, but at making the most efficient use of the communications network, Communications Minister Stoffel Botha said here yesterday

The new system aimed to "eliminate call-charge anomalies" and ensure that subscribers paid only for the time they used the network, he said

With the growth of the metropolitan areas, the distinction between local and trunk calls in terms of distance had become distorted

Local three-minute daytime calls up to 50km away would now register one call unit In the past they could have registered up to three units, depending on the actual distance, said the Minister

Under the old system normal unit costs were applied day and night Now cheaper

tariffs would apply in the evening, at night and at weekends to encourage subscribers to use their telephones in off-peak periods

The new system would be phased in over three years, starting with the PWV and surrounding areas next month

Natal would follow at the beginning of next year and the Western Cape and South Eastern Transvaal in the third quarter of 1990

It would be introduced to the rest of the country in 1991

DP youth leader Michele Guttler said the new metering system would "isolate pensioners and effectively curtail their primary means of communications" For them, the telephone was not only a means of communication but also a companion

MINORC

OFFER FOR GOLD

OFFER LAPSED

Minorco announces that, following the lifting of the preliminary injunction which prevents Minorco from making an offer on its behalf on 10th April, it has decided to acquire the whole of the shares in "Gold Fields" not already owned by the City Code on Take-over

Get the full story in the press in

PO error leaves hundreds without pension

Cape Times
19/5/89

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Staff Reporters

A POSTAL error resulted in hundreds of township pensioners being sent home empty-handed after waiting for up to six hours in the cold early hours of Wednesday morning for their monthly pension cheques.

This emerged yesterday when a spokesman for the administrator's office said the Pretoria-printed vouchers had "gone astray" in the post and could not be reprinted in time for the payout date.

According to a 68-year-old pensioner, who complained to the Cape Times that he and his wife had only the remains of a loaf of bread left, the elderly crowd was told to come back on May 25, a week late.

The man, who declined to be identified, said black pensions were barely enough to last a month.

The administrator's spokesman said that news of the delay was spread "throughout the Cape Black Pensioners' Organisation and the Red Cross Society" the day before while officials of the administration had visited the affected payout point on the day to inform "those pensioners who turned up".

● Pensions to blacks have been paid out on a monthly basis since April 1 this year after decades of bi-monthly payments in contrast to other race groups, the spokesman said.

1 000 sign pensioners phone petition

Star
22/5/89 Municipal Reporter

A petition to reduce pensioners' telephone rentals and call tariffs attracted more than a 1 000 signatures in Yeoville yesterday morning, and the organisers will now go ahead with a nationwide campaign

Johannesburg city councillor Mr Martin Sweet said the first target was at least 5 000 names before calling for Government action as part of a commitment to security at grassroots level

"The plight of pensioners fighting poverty has been

worsened by their very real fears about deteriorating security

"Their telephone is often their only lifeline in a crisis. But many can no longer afford the cost," he said

"One year's phone rental equals one month's income for a pensioner, or in the case of blacks, two months' official allowance

"We will push for a reduction and at the same time call for tariffs to be set at a lower rate," Mr Sweet said

"Businesses already benefit from such a concession because their phone rentals are tax deductible," he said

"They pay about R10 a month for a line, which is far less than the charge to pensioners

"The plan (for pensioners) is feasible as it could simply be coded into the specific number," Mr Sweet explained

"This campaign will peak one month before the election, when we plan to present a massive petition to Parliament

"It is intended to tackle security at the front door instead of harping on emergency regulations and detention"

43 000 sign ^{ARGUS} ^{23/5/89} petition against metering calls ²⁶⁷

By ANDREA WEISS Staff Reporter

A petition with nearly 43 000 signatures protesting at the metering of local telephone calls will be handed to the Minister of Information and Communication Mr Stoffel Botha on Thursday morning.

According to National Council of Women petition organiser Mrs Eileen Benjamin, graphs indicate that signatories are increasing at a rate of 1 000 a day.

Four petitions with slightly different wordings will be handed to the Minister by a deputation of the National Council of Women.

The Cape petition will be handed to the Minister in the name of Mr S S Mancha of Devil's Peak whose letter to a morning newspaper spearheaded the campaign.

In his letter, Mr Mancha said "Wake up Cape Town and through the correct channels stop this overtaxing of an already overtaxed public."

According to Mrs Benjamin, the NCW were looking to the Minister "to set an example of compromise" which could be copied in other more important fields of negotiation.

PHASE TWO PLANNED

The meeting with the Minister will mark the completion of Phase One of a campaign launched by the NCW two months ago.

"Provided the public continues to lend its support, the NCW will, with the help of the Pick 'n Pay group, immediately move into Phase Two," Mrs Benjamin said.

As from today, all Pick 'n Pay outlets will have copies of the petition in both English and Afrikaans.

"Although not part of the formal submission to the Minister, these signatures are just as vital. By constantly feeding them to the Minister they will act as a reminder of public feeling, and make him aware that we have not dropped the matter," Mrs Benjamin added.

● Anyone wishing to know more about Phase Two is asked to call the NCW office on ☎ 461 6716, Mrs E Hudson on ☎ 76 21823 or Mrs E Benjamin on ☎ (024) 26 857.

Post offices set Christmas stamp record

By Paula Fray

Post offices on the Witwatersrand made record sales of R185 000 during the past South African Christmas Stamp Fund campaign from October to December last year

This was about R40 000 more than last year, members at the annual meeting of the Witwatersrand area committee were told. The funds are used for the preven-

tion of Tuberculosis (TB) in children

Witwatersrand chairman Mr Jacobus Laubscher said the 1988 campaign followed the highly successful 1987 campaign when R145 000 was raised

Despite the present, economic climate, a shortage of volunteers and the number of other charities also seeking donations, the fund still managed to surpass last

year's total, he said.

The Witwatersrand committee last year donated R35 000 to the children's TB centre at the Charles Hurwitz in Baragwanath Hospital. The money will be used for renovations.

The national vice-chairman of the fund, Mr Hugo Smith, said it made a meaningful contribution to the fight against TB

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Stoffel: 'Cuts' in phone metering

CAPC.

Times

2/6/89

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Political Staff

MAJOR cost-saving changes to the proposed controversial new telephone metering system were last night announced by the Minister of Posts and Telecommunications, Mr Stoffel Botha

They will almost double the time for an ordinary call — from three to five minutes — and push it up to 10 minutes a unit for calls between 8pm and 7am

The announcement followed widespread opposition to the new system and various representations to Mr Botha from individuals, consumer organisations and the National Council of Women

"In light of the of the current level of the cost of living and the specific economic circumstances most people in South Africa are experiencing, the Post Office also wants to contribute towards economic stability in our country," said Mr Botha After thorough consideration, the following concessions had been decided on

- The metering period of three minutes for a local call which was proposed for the new metering system is now extended to five minutes Calls from public phones are also extended to five minutes

- After-hours calls will now be metered as follows: From 6pm to 8pm, 7,5 minutes, and from 8pm to 7am the following morning, 10 minutes From 1pm on Saturdays to 7am on Mondays, 10 minutes (Previously the metering periods were 4,5 minutes and six minutes respectively)

- What used to be a trunk call over a distance of less than 50k, which used to be metered in units of 72 seconds, will now be metered in units of five minutes

Mr Botha said it had also been decided that the new system would be introduced a month later than originally proposed in the PWV area, on July 1 or 2, while the implementation date in other areas remained the same — Natal, beginning of 1990, Western Cape and part of south-eastern Transvaal, last quarter of 1990 and the rest of the country, last quarter of 1991

New phone metering system welcomed

By Kaizer Nyatumba

Consumer bodies today welcomed concessions made on the metering of local and certain trunk calls, and said a metering period of five, instead of three, minutes was "much more reasonable"

Reacting to the announcement last night by the Minister of Home Affairs and of Communications, Mr Stoffel Botha, in Cape Town that the metering period of three minutes for a local call unit would now be extended, consumer bodies said they were grateful

ELDERLY

"We are very pleased that the Minister has increased the metering period because that is what we had asked for," said the president of the Housewives' League of South Africa, Mrs Lyn Morris

She said "We feel that five minutes is a much more realistic time and we are pleased that the Minister has finally acceded

to our request"

The new concessions are

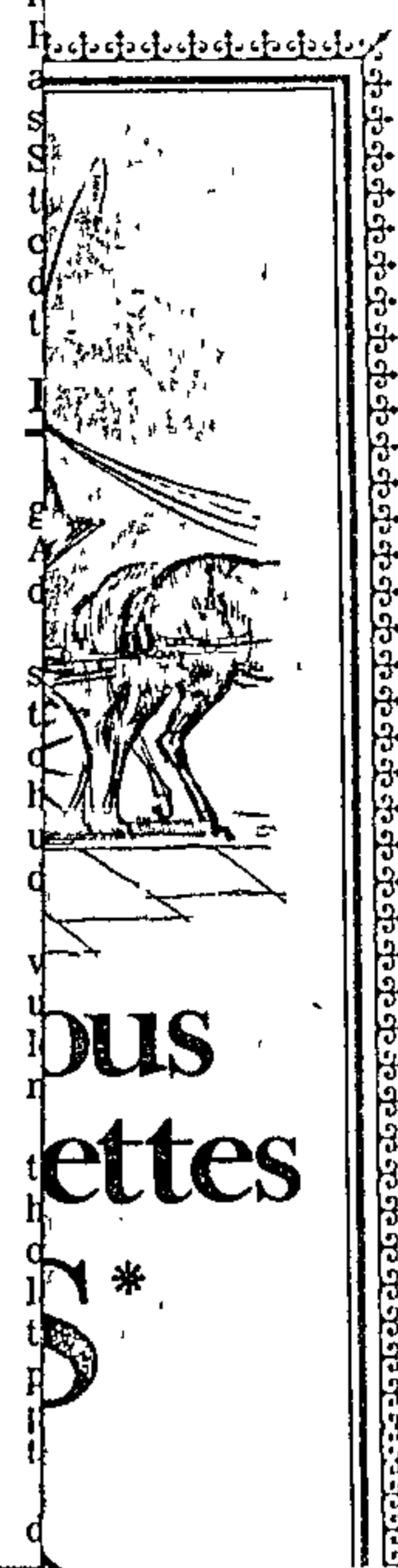
● The metering period of three minutes for a local call unit announced in the new metering system is now extended to five minutes

● The metering period of a 20c call from a public telephone is now extended to five minutes — from the present three minutes


● The metering of local telephone calls, dialled after hours, is now being adjusted as follows From 6 pm to 10 pm it will be 7,5 minutes and from 10 pm to 7 am the following morning, 10 minutes From 1 pm on Saturdays until 7 am on Mondays the metering period will now also be 10 minutes The metering periods were previously 4,5 minutes and six minutes.

● Trunk calls over distances less than 50 km will now also be metered in units of five minutes, instead of 72 seconds

The new system will be introduced in the PWV and surrounding areas on July 1 and 2



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Stoffel puts a smile on the dial . . .

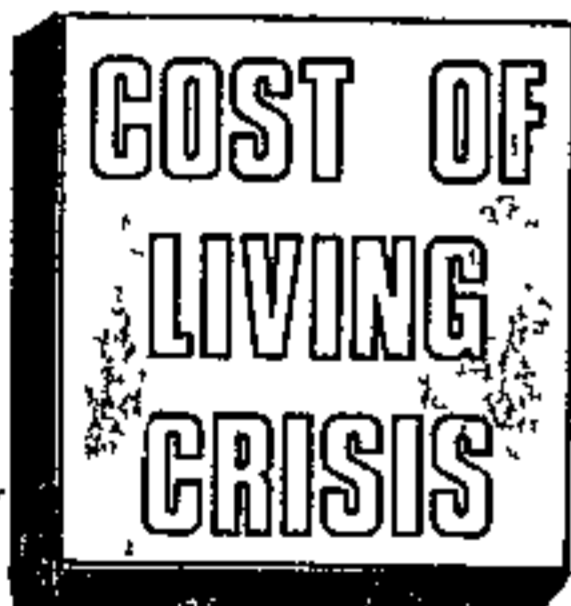
By BRONWYN DAVIDS
Staff Reporter

MAJOR telephone metering concessions announced by the government have been welcomed by the National Council of Women, organisers of a petition of 48 000 signatures protesting against the original proposals, and the Housewives' League.

Announcing the concession last night the Minister of Home Affairs and Communications, Mr Stoffel Botha, said they concessions followed representations by individuals and consumer organisations.

Mr Botha said "Owing to the present level of the cost of living, and the particular economic circumstances which most people in South Africa are experiencing, the Post Office wants to contribute towards maintaining economic stability in our country"

Petition organiser Mrs Eileen Benjamin said "We are naturally disappointed that we were not able to



achieve all that we had hoped for the hundreds of people who worked so hard collecting signatures for us.

"However, Mr Botha has proved that petitions are not 'just a waste of time', as so many people suggested

"Hopefully, the extra minutes will help contain increased telephone costs in the business sector, which were bound to be reflected in consumer prices to the aged

"Of particular relevance to the older folk is rate three, which will now be operational from 8 pm, instead of 9 pm, and each unit will be metered over a 10-minute period in place of the proposed six minutes."

Mrs Benjamin said the National Council of Women would be collecting figures on the effect of the five-minute metered unit on telephone accounts of the aged and housebound in the PWV area from August to October.

"In addition we will monitor increased costs to organisations such as Lifeline. The results of this research will then be collated and presented to Mr Botha's successor for discussion"

She said "Speaking to consumer representatives on May 10, Mr Taylor, public relations representative for the Pretoria post office, stated that 'the new regulations have not been cast in concrete and everything is being phased in experimentally'

"The National Council of Women welcomes this conciliatory tone, as it allows us the opportunity to nurture and build on the climate of goodwill and respect experienced by both sides during the presentation of our petition to Mr Botha on Thursday, May 21," she said

Mrs Lynne Morris of the Housewives' League said "We are very happy about the concessions as they have come in a compromise period

"We thank Mr Botha, but we will be asking for concessionary rentals for the

(Turn to page 3, col 2)



Extra call minutes welcomed

(Cont from page 1)
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1 pm on Saturdays to 7 am on Mondays, 10 minutes (Previously the metering periods were 4,5 minutes and six minutes, respectively)

Trunk and local call concessions announced by Mr Botha include

- The metering period of three minutes for a local call unit, which was announced in the new metering system, has been extended to five minutes

- The metering period of a 20-cent call from a public telephone has been extended to five minutes, instead of the present three minutes

- The metering of local telephone calls, dialled after hours, has been adjusted to 10 minutes a unit for calls between 8 pm and 7 am

- After-hour calls will be metered as follows from 6 pm to 8 pm, 7,5 minutes and from 8 pm to 7 am, 10 minutes, from

- What used to be a trunk call over a distance of less than 50km, formerly metered in units of 72 seconds, will now be in units of five minutes

- Local calls up to a distance of 50km during business hours will now cost 13,5 cents every five minutes instead of every three minutes, and 13,5 cents for 7½ minutes between 6 pm and 8 pm, and 13,5 cents for every 10 minutes between 8 pm and 7 am

- A major concession is that people who used to pay 13,5 cents for every 72 seconds for a call up to 50km will now pay 13,5 cents for every five minutes. After 6 pm, this will go up to 7,5 minutes, and after 8 pm, 10 minutes

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Fight for more telephone-charge concessions to continue

South Africans, who had grown used to talking on their telephones for as long as they pleased for one 135c unit within their local areas, were surprised when Mr Botha announced on March 6 that local telephone calls were going to be metered over three-minute intervals.

For the first time, telephone subscribers would have to keep an eye on their watches as they spoke on the phone. This would give a new and real meaning to the cliché, "Time is money."

The General Post Office swiftly assured the public that there was nothing sinister about the system, and added that there were, in fact, "several advantages" for the consumer.

A public outcry ensued, and housewives and consumer bodies made representations to the Minister, asking him either to scrap the new system or review it.

The Housewives' League of South Africa asked Mr Botha to increase the three-minute metering period to 10 minutes, and he replied that 10 minutes "was too long", according to the league's president, Mrs Lyn Morris.

The League then asked for a five-minute metering unit, and again Mr Botha told them that was too long.

In an unexpected move earlier this month, the Minister announced in Cape Town that local telephone calls would now be metered over a period of five, and not three, minutes as announced in March.

Does Mr Botha's about-turn amount to an acknowledgement of the harshness or unfairness of the initial three-minute metering period?

When Minister of Home Affairs and Communications Mr Stoffel Botha announced three months ago that local telephone calls were to be metered, it was said the new system would have several advantages for consumers. The Minister has since bowed to public pressure and has made some concessions. KAIZER NYATSUMBA reports

No, said a Post Office spokesman, Mrs Amanda Singleton. The initial three-minute period, she said, was based on research which showed that an average telephone call during office hours lasted for about two-and-a-half minutes, and the concessions were made largely for the sake of the elderly, the chronically ill and the disabled who relied on the phone.

The new system will be phased in gradually over a three-year period, starting with the Pretoria-Witwatersrand-Vereeniging (PWV) area on July 1 Natal will be next, at the beginning of 1990, and in the last quarter of that year the system will be introduced in the western Cape and a part of the south-eastern Transvaal.

It is envisaged that by the end of 1991 the new system will have been installed throughout the country.

The new concessions are:

- The metering period of three minutes for a local call unit has been extended to five minutes.
- The metering period of a 20c call from a public phone has also been extended from the present three minutes to five minutes.
- Trunk calls over distances of less than 50 km will now also be metered in units of five minutes instead of 72 seconds.
- The metering of local telephone calls after hours has been adjusted as follows: from 6 pm to 8 pm it will be 7.5 minutes; it will be 10 minutes from 8 pm to 7 am the following day, as well as from 1 pm on Saturdays until 7 am on Mondays. The metering periods were previously 4.5 minutes and six minutes respectively.

Mrs Morris said "Five minutes is much more realistic, but we will continue to ask the Minister to look at the position of the elderly, the chronically ill and the disabled, who use the phone as a link with the outside world."

On the other hand, the Post Office's Mrs Singleton insisted that there were advantages for the consumer in the new system. The new rate structure, she said, was aimed not at increasing the Post Office's revenue, but at bringing about "a more uniform structure".

Post Office probe into sending of 'fake telex'

Star 16/6/87
267
The Congress of South African Trade Unions (Cosatu) has called on the Minister of Home Affairs and Communication, Mr Stoffel Botha, to explain alleged Post Office involvement in a "fake telex" sent to all Cosatu regions yesterday.

Cosatu claimed the telex message contained the call-back code of the union's teletex machine. A call-back code gives the origin of a telex.

"It is not possible to introduce a fake call-back code on a teletex message unless this is done at the exchange," Cosatu said yesterday.

"There must therefore have been involvement of people in the Post Office," the organisation alleged.

"This is clear proof that the Post Office is involved in the dirty tricks of the security police."

The acting senior general manager of engineering and telecommunications operations, Mr Dawie Malan, said in Pretoria that the Post Office was investigating the method of transmission of the alleged fake telex.

"This can be done, among other things, by studying the call-record journal in the exchange."

"The Post Office has also requested Cosatu to fax an original copy of the received telex in question."

"The Post Office will make the result of the investigation available when it is completed," Mr Malan said — Sapa

Cops probe Cosatu cla

THE Commissioner of the South African Police, General Hennie de Witt, has ordered a full-scale investigation "at the highest possible level" into allegations by Cosatu that the Post Office was involved in the transmission of fake teletex messages to its regional offices.

The Postmaster-General, Mr. Johan de Villiers, said in a statement he had discussed the matter with De Witt "in view of the seriousness of the allegation".

This follows a statement by Cosatu on June 15 in which it called on the Minister of Posts and Telecommunications to explain alleged post

office involvement in a fake telex message sent on that day to all Cosatu regions. The telex allegedly used the call-back code of Cosatu's teletex machine.

Cosatu further alleged it is not possible to introduce a fake call-back code on a teletex message unless this is done at the exchange.

There must therefore have been involvement of persons in the Post Office.

"This is clear proof that the Post Office is involved in the dirty tricks of the Security Police. The Post Office has certainly been involved in tapping phones, faxes and telexes before, but we now have proof" — Sapa



Cosatu's Jay Naidoo

PO strike ²⁶⁴ called off ^{South}

A STRIKE by more than 100 Pretoria Post Office workers has ended

A spokesperson for the Post and Telecommunications Workers' Association (Potwa) said the strike ended last week because of a "technical problem"

The workers downed tools to protest the transfer of a Potwa official to another post office

29/6-5/7/89

No change ²⁶⁴ in strikes ^{South}

TWO marathon strikes involving more than 3 000 workers are continuing

A national strike by more than 2 000 workers at Everite Cement Division has entered its sixth week

The strikers, who include about 700 workers at the company's factory in Brackenfell, have established support committees which include representatives from community organisations

The Hex Tex strike in Worcester involving about 1 000 members of the Amalgamated Clothing and Textile Workers' Union of South Africa began almost two months ago

The workers are striking over a service bonus dispute

Union representatives met with management this week but no settlement was reached

29/6-5/7/89

Star 30/6/57

Metering of phone calls to begin ²⁶⁷ tomorrow

By Kaizer Nyatumba

Local telephone calls in the Pretoria/Witwatersrand/Vereeniging (PWV) area will be metered in units of five minutes from tomorrow

The metering of local telephone calls was announced in Parliament three months ago by Home Affairs and Communications Minister Mr Stoffel Botha

Recently Mr Botha bowed to public pressure over the metering of calls

He extended the metering period from three minutes to five minutes

He also announced other concessions which were widely welcomed by consumer groups as "much more reasonable".

CONCESSIONS

The concessions included

- The metering period of three minutes for a 13,5c local call unit was extended to five minutes

- The metering period of a 20c call from a public phone was also extended from the present three minutes to five minutes

- Trunk calls over distances of less than 50 km will now also be metered in units of five minutes instead of 72 seconds

- The metering of local telephone calls after hours was adjusted as follows: From 6 pm to 8 pm it will be 7,5 minutes and 10 minutes from 8 pm to 7 am the following morning, as well as from 1 pm on Saturdays until 7 am on Mondays

The metering periods were previously 4,5 minutes and six minutes

The new system will be phased in throughout the country over three years

PO votes R1-m to boost image

Staff Reporter

267

Postmaster-General Mr Johan de Villiers yesterday announced a plan to improve client services at post offices

Mr de Villiers, who was opening the R11,5 million parcels office in Pretoria, said R1 million had been budgeted this year for the professional revamping of post offices *SKW 13/7/89*

"A project to install computerised point-of-sale terminals at larger post offices, which will shorten the service time considerably, has already been launched," he said

Mr de Villiers said all tariffs for transactions were stored in the terminal's memory and counter-staff would

no longer have to look up tariffs and do calculations themselves

As a result of recent research, the Post Office realised that while most people felt Post Office workers knew their work, were always helpful and neat, they felt workers were not always friendly

"This aspect is now receiving attention," Mr de Villiers said

He said that all these projects formed part of a new corporate image the Post Office wished to develop

Regarding privatisation, Mr de Villiers said if legislation was passed next year, the Post Office would be divided into two companies, each with its own management board and board of directors

"If the two companies perform well enough financially, and it is found to be in the best interest of the country, consideration will be given to the question of privatisation," he said

267 final 28/7/89

SASWITCH

Bankorp spreads its ATM net

Bankorp is investing R37m in automatic teller machines (ATMs) in an effort to improve service and reduce the Saswitch fees of its Trust Bank and Santambank subsidiaries

While shared ATM services such as Saswitch and Multinet — which are now linked

— have proved a boon to consumers, they are highly expensive for organisations such as Bankorp which have small ATM networks. The two Bankorp commercial banks each pay more than R250 000 a month in fees to Saswitch. The bulk of these fees are a result of customers of Trust Bank and Santambank using other financial institutions' ATMs. Much of these costs are absorbed by the banks.

By expanding their base of ATMs from 112 machines — 72 at Trust Bank and 40 at Santambank — to 360, the Bankorp subsidiaries expect to substantially reduce their customers' usage of other organisations' ATMs. The enlarged network will also increase the ATM revenues the two banks receive from other financial institutions.

A contract for the supply of 300 ATMs was awarded by Bankorp to NCR SA, now part of Fintech, last year. Installation of these machines has already begun and the last of these units is due to be up and running in June 1990.

Bankorp also hopes to further cut costs by merging the ATM services of Trust Bank and Santambank. Trust Bank's Trustteller service and the ATM facility of Santambank, which goes under the awful name of Twiki, will make way for a single Bankteller network. The first Bankteller ATMs went on line in Johannesburg last week. By the middle of next year, all of Bankorp's ATMs will operate under the Bankteller banner.

The Bankorp banks expect to recoup the cost of the expansion and upgrade of the ATM network, as a result of reduced Saswitch charges, within four years. Bankorp chief executive Chris van Wyk says the shared ATM service is an indication of the increased co-operation between companies in the Bankorp stable. He says companies in the Bankorp group will work together wherever possible to provide better and more cost-effective financial services.

According to Santambank MD Roeland Perold the combined service will reduce the two banks' support and maintenance costs and avoid the duplication of ATM facilities. He says it was a mistake for the banks to have two separate ATM services.

"People use other institutions' machines and it doesn't make any difference to their loyalty to their bank. It would be stupid to

have our own machines if we can share"

The Bankteller machines are claimed to be the first multi-institution ATMs in SA. When a customer inserts a Trust Bank card into a Bankteller machine a Trust Bank display will appear on the screen offering



that bank's services. If a Santambank card is inserted, a different display, offering Santambank services, will appear.

Perold says the concept of "common cash machines" could be extended to other financial institutions. He points out that these organisations already share the Saswitch switching service.

Nedperm is the only other financial institution with more than one ATM service. The company is investigating ways in which it can rationalise the computer facilities of its Nedbank and SA Perm subsidiaries (*Technology* June 2), but has yet to decide whether to merge the ATM services of the two companies.

Plessey backs imports

By Don Robertson

CLAIMS that cost cutting by the Department of Posts & Telecommunications (P&T) will threaten the electronics industry have been denied

It has been suggested that cutbacks by P&T would result in factories being closed and workers laid off

But Plessey SA managing director John Temple says telecommunication components supplied to P&T make up only about 1% of most companies' business

The arm's length agreement between component manufacturers and P&T assuring support for the industry was entered into about six years ago and expired 18 months ago

Dr Temple says the industry does not necessarily wish

to renew the agreement with the P&T because it is much cheaper to import components than make them in SA.

Automation

Production runs in SA are short and foreign plants also benefit from greater use of automation SA manufacture requires high labour input

Dr Temple describes his discussions with acting Postmaster-General Jimmy Taylor this week as routine. Similar talks have been held in the past

He says the discussions revolved around wages, one of about 10 factors under consideration

The strike by 440 workers at Plessey's Cape Town factory this week resulted from the company's inability to meet wage demands because of the high labour content of components, low production runs and moderate prices. Plessey extended its pay offer as far as it could

Siemens was forced to reduce the number of working hours and lay off staff at its Pretoria plant this year

It is believed that the Government is reducing or abolishing duties on imported components. Dr Temple welcomes it.

For instance, SA manufacturers produce only a 0,6W resistor, but users often re-

quire units of 0,1W It is largely because of the low production runs that the model ranges have to be restricted. The result is that a customer may have to pay more for it than for a similar one made in a long production run abroad.

Reduced

"My experience is that the component produced overseas can be imported at a hugely reduced price For this reason it would be better for SA manufacturers to import components and produce finished products."

He concedes, however, that

P&T expenditure cuts of up to 40% could make trading difficult in the next few years.

The reduction in purchases by the dominant buyer has forced many companies which depend on P&T to enter other markets This has added to competition.

Grant

Dr Temple says the future of the electronics industry will be determined by the Government, which recently provided it with a R40-million grant

The result could be manufacturers concentrating on producing completed units and not components

He believes duties and surcharges will soon be lifted to allow the import of cheap components

Plessey's products have a local content of about 85% and most of the technology is South African

In this week's talks Mr Taylor said his department had to reconsider whether it should support SA industry or not. SA products might have become too expensive

S/Times 30/7/89

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600 workers down tools over firing

Sowetan 25/8/89 By MONK NKOMO

ABOUT 600 workers at the African Telephone Cables factory in Brits have downed tools in protest over the arrest of a colleague accused of stealing from the company.

The workers, all members of the National Union of Metal Workers of South Africa, went on strike on Monday. A spokesman for the workers said the strike action was sparked off by the arrest of Mr John "Sparks" Mpande on Monday night.

The spokesman said Mpande was arrested by police following instructions from management. "This action by management is a breach of a grievance procedure we have with the company - that an employee suspected of a crime should first appear before a disciplinary committee before police are involved," he said.

He added management refused to discuss Mpande's arrest with shop stewards.

Mr Jan Nel, the company's Human Resources Manager, confirmed that the strike followed the arrest of Mpande. He also confirmed that the company had an agreement with the union which stipulated that a disciplinary hearing should be held before police are called in.

267 pencil 25/8/89

TELEPHONE SERVICE

Mis-directories

The new Johannesburg telephone directories are out. About 1,3m copies are stacked up in post offices, ready for pickup — a total of 2 834 pages for the white and yellow pages combined.

The SAPT is proud of its yearly effort and is quick to roll out a stream of impressive statistics. For example the Johannesburg white pages — the largest of the 25 published around the country — contain 313 399 listings and 61,5m characters, consumed 2 459 t of paper and cost R6,4m to print.

But there are problems:

□ The directory is already nearly seven months out of date. The closing date for new entries is the end of January each year, but the directories aren't available until August. The SAPT says it's a "massive task to update the directory," but with printing and computer technology as it is today, two or three months should be enough time to put it together. The biggest city in SA and one of the most important in Africa should have a

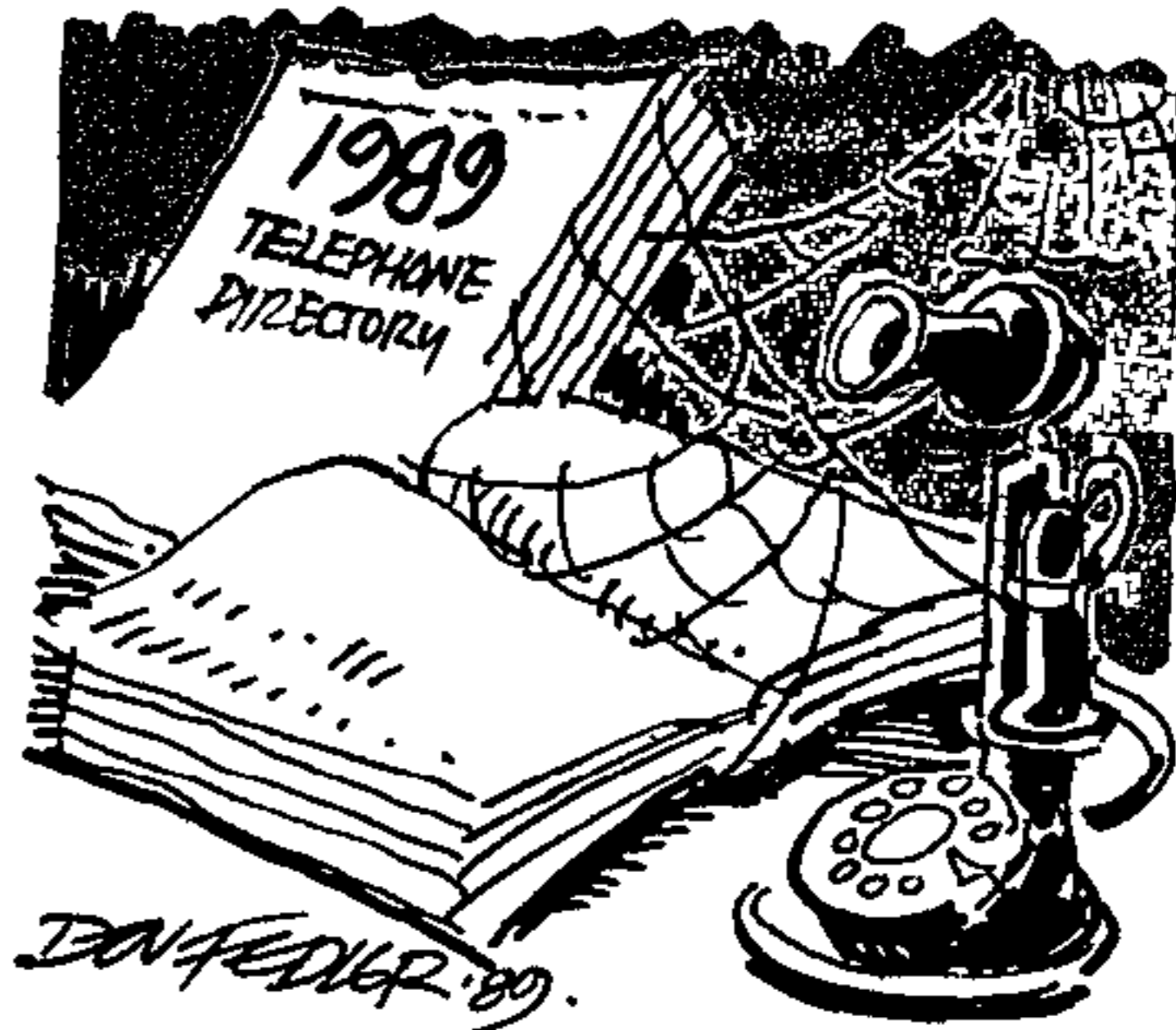
first-class directory,

□ At least three months before the 1989-1990 directories arrived, the SAPT ran out of the old directories. That meant that any businesses or residents losing a directory, moving into town or getting a telephone service for the first time, had to do without. This year the SAPT printed 8,6% more white-page directories (975 130 versus 897 964 last year) and 11,7% more yellow-page directories (313 399 against 277 301 last year).

□ In the hunt for directories, the "information and service assistance centre" in Johannesburg was of no use. In May it said the new Johannesburg directory would be out in late June. In June it said early August. In early August it said mid-September, delayed because of a "printing problem." When the directories appeared in mid-August, the head office claimed this was the usual publication date and denied there had been a delay; and

□ People who don't have a directory or need

a recently listed number are usually out of luck. The numbers to call for inquiries — 1023 or 1025 — are almost always engaged.



during working hours. A spokesman for the SAPT, Ben Rootman, says "the lines are constantly being monitored, but we're looking at installing additional terminals for the operators soon." Hopefully before the 1991 directory comes out! ■

PO asked to furnish proper mail statistics

01 P am 7/19/89 NEIL YORKE SMITH (267)

IMPROVED statistics on postal services are vital according to Brian Hopkins, chairman of FCB Response direct marketing

Hopkins said the likelihood of Post Office (PO) privatisation made it necessary for all postal services users, especially big-volume business users, to have access to detailed figures on postal operations.

He said it was vital that information and statistics be made available to spell out exactly what goes through the mail, in what categories and at what times. He said thousands of businesses made extensive use of the mail but the exact purposes and dimensions were unknown.

The Post and Telecommunications (P&T) should provide the figures or commission research, he said.

"There is concern that while privatisation would be good for telecommunications it could be bad for postal services — which might become extremely expensive," he said. Costs, however, would not rocket if privatisation was properly implemented.

He added insufficient information regarding how privatisation would affect the separate entities of telecommunications, which were profitable, and postal services, which were not, could cause confusion amongst those involved in structuring a privatisation deal.

Departments to go public 267

Star 26/9/87

Amendments to the Postal Act to enable the Department of Posts and Telecommunications to be converted into two separate public companies will be tabled in Parliament early next year. The State will initially be the sole shareholder in the companies, a senior director of the department, Mr Ben Bets, said. The preliminary legislation had already been drafted and separation of the two departments should be completed by April next year — Sapa

[The following text is extremely faint and largely illegible, appearing to be a list or table of data.]

PO to stay in business-telephone market

Biday 14/9/89
THE Post Office intends to maintain and develop its share in the business telephone systems (BTS) market

Senior GM engineering and telecommunication operations Jimmy Taylor says rumours that the PO will no longer market BTS and other systems are unfounded. He says these rumours apparently emerged as a result of the deregulation of

ZILLA EFRAT

the private automatic branch exchange (PABX) extension cabling and associated telephone instruments

Taylor says because of the spontaneous demand for BTS systems the PO has always maintained a low marketing profile in this field (267)

Split in state services on track

B/Dam 26/9/89

267

PRETORIA — The separation of postal and telecommunications services would for all practical purposes be completed by April next year, according to Post and Telecommunications Department chief director of strategic planning Ben Bets

He was speaking at a Damelin College graduation ceremony in Johannesburg

"We are working intensively to divide this state department with its 95 000 employees and an annual turnover of R5bn into two separate companies

"However, an important adjustment period lay ahead before privatisation could be considered," he said

The division of postal and communi-

GERALD REILLY

cations services into two separate companies had been launched seriously at the beginning of the year

The restructuring was also launched in April with the appointment of six chief managers for telecommunications and two for postal services, to support the top management structure, said Bets

Separate financial systems had been developed after 12 months of intensive work

The next step would be the division of the integrated regional directorate

Planning had gone well and separate regional managers could be functioning from October

"This milestone means that division of the department would then be 95% completed"

Bets said urgent attention was now being given to joint functions in the field of personnel management, finances and supportive services within the head office

Here too, good progress was being made in the separation process

"We are confident that that the separation between postal and telecommunications will be completed for all practical purposes by April 1 next year," he said

Record surplus for Post Office

PRETORIA — The Post Office has run up a record operating surplus of R894m in the past (1988/89) financial year.

Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers says this is R319m more than budgeted for and is an improvement of R120m or 15,4% on the previous financial year.

De Villiers said the Post Office could now limit loan funds for the financing of capital investment in 1988/89 to R73m.

Less than 91,3% of capital expenditure was financed from internal funds and only 8,7% from loan funds.

This was made possible in spite of the fact that tariffs were kept at the same level for 21 months.

During the same period, the consumer price index increased by 25%.

The Minister said the financial results were mainly attributable to increased effi-

ciency achieved through the application of strict financial discipline and cost-saving measures, reduction of capital programmes, efficient utilisation of resources and a higher return on investment.

The staff was reduced by 0,2%.

De Villiers pointed out that the economic upswing which stimulated the demand for services and led to a growth in traffic, had also had an influence.

A total of 282 446 new telephones were added to the telecommunications network, which brought the total number of telephones in use at the end of March 1989 to 4 744 353.

Inland telephone call units increased by 15,9% and overseas calls by 16,7%, data service increased by 4 926, bringing the total to 82 005.

GERALD REILLY

R10m

2719189.

267

PO has record surplus

The Post Office had a record operating surplus of more than R800 million in the 1988/89 financial year

The Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers, said this was R319 million more than the figure budgeted for, and R120 million more than the operating surplus in the previous financial year *ster 2719/89*

He said in a statement in Pretoria that this had enabled the Post Office to limit its loans for the financing of capital investment to only R73 million in 1988/89 *(267)*

These financial results could be attributed mainly to increased efficiency, which had been achieved by means of strict financial discipline and cost-saving measures, he said

Dr de Villiers said that 282 446 telephones had been installed during the financial year, which had brought the number of telephones in use at the end of March this year to 4 000 745. The number of local calls had increased in this period by about 16 percent, and overseas calls by nearly 17 percent — Sapa

Post Office rings up R894m profit

CAPL 11/15
27/9/89

267

Own Correspondent

PRETORIA — The Post Office ran up a record profit of R894 million in the past financial year

The Minister of Mineral and Energy Affairs and Public Enterprise, Dr Dawie de Villiers, said this was R379 million more than was budgeted for

It reflected an improvement of R120 million, or 15,4%, on the previous financial year

Less than 91,3% of capital expenditure was financed from internal funds and only 8,7% from loan funds

This was made possible despite the fact that Post Office tariffs were kept at the same level for 21 months

During the period the consumer price index increased by 25%

Dr De Villiers said the financial results were mainly attributable to

increased efficiency achieved through the application of strict financial discipline and cost-saving measures, reduction of capital programmes, efficient use of resources and a higher return on investment

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A total of 282 446 new telephones were added to the telecommunications network, which brought the number of telephones in use at the end of March 1989 to 4 744 353

Inland telephone call units increased by 15,9% and overseas calls by 16,7%

He said said the results could not have been achieved without the dedication and sacrifices of Post Office staff

A Post mail says he was beaten by 'Wit Wolwe'

By EDDIE KOCH *W. M. M. M.*

A POSTAL worker says he was assaulted by a black policeman he recognised and by three men who claimed to be "Wit Wolwe".

The attack was part of a long vendetta against union members, says the Post and Telecommunications Workers' Association (Potwa).

David Kutu, chairman of Potwa's Far Northern Transvaal Branch, was picked up by four men, three white and one black, and taken from his home near Warmbaths on Tuesday night, says union president EK Mosunkutu.

The men drove Kutu to the Warmbaths Dam in a white Ford Sierra. There he was assaulted, strangled with his own belt and threatened with being drowned in the dam.

Kutu has lodged an affidavit with the union's lawyers and a medical report on the extent of his injuries has been drawn up by a doctor. He says he was able to identify the black man in the group as a "Sergeant Letsoala" from the Warmbaths police.

Police headquarters in Pretoria said their Warmbaths branch had no knowledge of Kutu's allegations and urged him to make a formal complaint so that it could be investigated.

Kutu alleges the men, who told him they were from the "Wit Wolwe", vowed they would burn his house down if he did not stop working for Potwa.

"He was questioned about the worker summit that took place last month and asked what (Congress of South African Trade Unions general secretary) Jay Naidoo said at the meeting," Mosunkutu said. The men allegedly asked Kutu about his activities as a Potwa office-bearer and the work stayaway at postal depots in Warmbaths on September 5 and 6.

The attack was the latest in a series of right-wing threats and assaults that have been directed at Potwa members. Last month Mosunkutu received a letter from the "Wit Wolwe". It warned that, if he supported the defiance campaign, "ons sal sorg dat julle in julle eie lykshuise rondlé (we will make sure that you lie around in your own mortuary)".

Last week two Potwa members were badly assaulted by white workers at the Post Office engineering yard in Braamfontein, Johannesburg.

"It is clear that harassment and threats against Potwa and other freedom-loving people is escalating in our country," said Mosunkutu. "We have called on our members to arm themselves and form defence committees solely for the purpose of defending ourselves against attacks at work and in the townships."

15-21/9/89.



Row brewing over postal service in Khayelitsha

APCAS 20/11/87

267

By EDWARD MOLOINYANE
Staff Reporter

THE KHAYELITSHA post office — which relies on unofficial, fee-charging "postmen" to deliver the mail — continues to cause embarrassment and unfair economic hardship in the township.

The erratic service continues, despite the fact that parts of Khayelitsha are now properly serviced, with street addresses, and despite assurances from postal authorities more than a year ago that the situation would be remedied.

Postal deliveries are frequently performed by children who charge 10c an item.

I am only one of the many victims of the post office's inefficiency. I nearly lost the new house I bought for my family at 824, Town 2, Village 3, because correspondence sent to me in good faith by the building society was not delivered.

Legal action

My first intimation that something was wrong was when the building society threatened legal action for non-payment of my bond account.

The problem, I discovered, was that mail sent by the building society to the Khayelitsha post office had gone astray.

When I bought the house, I was so desperate for accommodation for my wife and two children that I asked the contractor to allow me to move in even though the house was not complete.

After the house was completed in February a building society representative told me my first instalment would be due at the end of March and details would be posted in the next day or two.

When I had not had any correspondence by the end of March, I spoke to the contractor, who was still building in the vicinity, and he told me that my papers were probably still being processed.

I believed him because I had also made arrangements with my employer, who had in fact been liaising with the society on my behalf, to deduct the instalment from my salary and I had signed a stop order.

The crunch came in June, when on my return from work I found two letters under the door.

One was the first bill, posted in Cape Town on February 20 — four months earlier. The other was a demand, posted at the same post office, on April 13. When I went to the building society, I was shocked to be shown copies of the two letters and numerous others I had not received.

Many residents of Khayelitsha have been similarly embarrassed and inconvenienced.

Mr A P Joubert, public relations officer for the Post Office, said the department was conducting a "comprehensive investigation" into all aspects of mail deliveries.

Business Day

SURVEY

There are 454-million numbers listed in the world's telephone directories, and these listings are supported by a rapidly developing and innovative industry in SA, telecommunications is the country's most important hi-tech sector **MELANIE SERGEANT reports**



BILL VENTER

Voice and data on one line

MAJOR cost savings can be made if voice and data share the same lines, and several South African companies are taking this route. Philips Telecommunications and Data Systems has products which it says, can show considerable benefits and major cost savings by using SAFO's Dignet lines for both voice and data transmission. By installing a CASE 150 Time Division Multiplexer (TDM) at each end of

a dignet link, users can share the link and have voice and data running simultaneously. "This will be of great benefit to organisations which need the lines to other branches and is very cost effective," says a spokesman. He quotes an example where the cost for normal analogue lines is R2/km. Installation of Dignet costs

R36 plus R1,90/km (if more than 20km are needed) a month. "Dignet is thus very attractive over long distances and as a Dignet line can accommodate three voice circuits and still have bandwidth for data communication, it provides a highly cost-effective means of communication. "We reckon the payback period for such an installation could be as short as 12 months."

6/Day 20/11/89

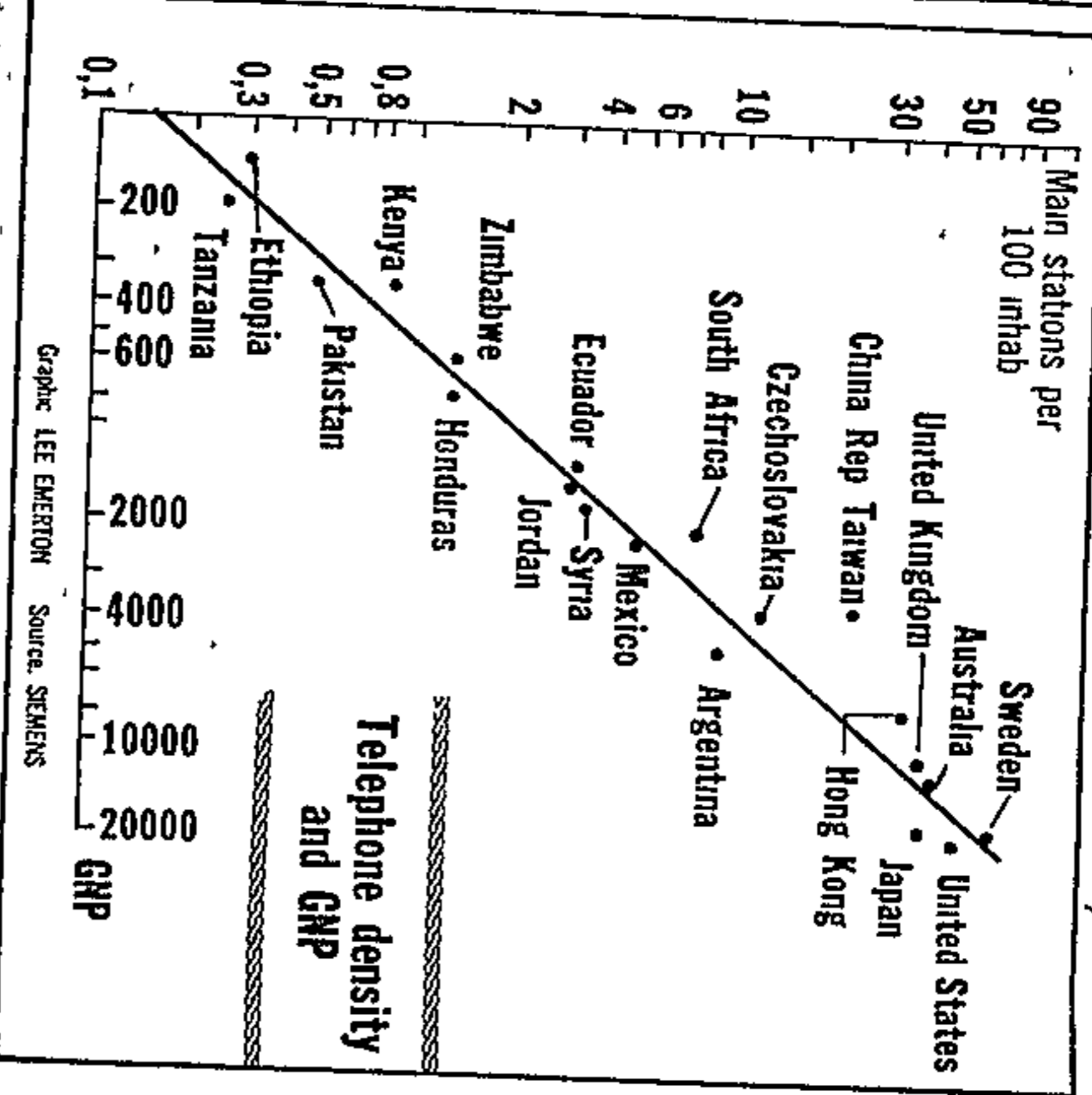
Development in hi-tech industry set to top R12-billion

SA'S ELECTRONICS and telecommunications industry is expected to top R12bn in the coming year. Altron executive chairman Bill Venter says three main forces are shaping the electronics markets. **Important**

"These are centralisation, decentralisation and networking. Telecommunications remains SA's most important hi-tech industry. "It is the key to increased efficiency in both the manufacturing and service sectors of the economy and is undergoing some of the most revolutionary changes in its history." The public network is offering services which were previously only provided in private telephone systems. At the same time, private subscriber networks are becoming increasingly complex - they are even being used in organisations to link geographically dispersed units in the same way as the public network. Venter says stationary terminals are becoming mobile through advanced radio technology. This same technology is making it possible to expand phone systems in areas difficult to reach with cables. "The rate of expansion of networks for mobile telephony is set to accelerate and the distinctions which now exist between stationary and mobile communications will disappear," he says.

Phones will no longer be connected to a fixed outlet. Instead, as portable units, they will be useable almost anywhere. When telecoms networks are supplemented with central databases, subscribers will be able to gain access cost effectively to new services. "These services may involve anything from debit-credit accounts to control and even allow voting by phone. "As far as the future of telecommunications is concerned, the main vehicle for trunk transmission will continue to be the single-mode optical fibre with lasers and dispersion-shifted

fibres penetrating the submarine and very long-haul operations." An important development will be the convergence of switching and flexible access multiplexing, which has already taken off in Europe. Venter expects Integrated Services Digital Network (ISDN) to assume greater significance despite its slow start in most countries. "It should enter the business environment via the new breeds of PABXs. "Never before has the telecommunications industry been faced with so many challenges of change, ranging from the advent of privatisation through to new technologies and market demands," he says.



A whole lot of

By Day 30/11/89

(267)

48% market growth is expected for this year

THE datacommunications market in SA is expected to grow 48% this year to R406m

This is according to a report published by researchers Business and Marketing Intelligence (BMI)

The report indicates that growth will slow in the next two years, with sales hitting R574m in 1990 and R715m in 1991

BMI information technology divisional manager Alan Paul says a factor driving this growth is the realisation that datacommunications is not only a tactical tool in business optimisation, but is a strategic weapon in the drive to-

wards companies gaining a competitive edge

"Networking is the skeleton that supports the whole structure of business communications and networks are the circulation system of the services industry

Atrophy

"Without them the entire process of economic growth would atrophy

"The next few years will be ones of fundamental change in datacommunications, with probable deregulation, liberalisation and privatisation of SAPO — currently the monopoly

supplier of datacommunications services — leading to dramatic opportunities for new businesses and innovative ways of operating," Paul says

Another feature will be the rise of a service-based sector to serve datacommunications users, which will grow 35% a year as hardware sales slow to 24% growth

Paul warns that the already critical skills shortage is likely to get worse, but there are signs that industry and SAPO are preparing to co-operate to bring some stability to the job market for communications technicians.

He says there will be a slow shift from host computer-oriented networks to peer to peer networks, evident by a change in the relative market share of front end processors — whose sales will drop — and multiplexers, which will fill the gap

Rocket

"Multiplexer sales will grow 82% this year and 52% in 1990. Sales of Local Area Network (LAN) hardware and software will rocket 90% to R69m in 1989, while systems to build bridges between networks

will grow 120%, but on a low base

"The study found that PC to mainframe connections are well established and has little prospect of growth. However, by 1992, 22% of all PCs purchased will be attached to a LAN, compared with barely 10% now," Paul says

Modem sales are likely to double between 1988 and 1991 to reach R109m, but growth will slow dramatically by then, partly due to greater use of SAPO's fully digital Diginet point to point service, which will attract nearly 30% more users, according to the report.

Outflow from post office savings likely to increase

26+ Finance Staff

The post office savings bank is losing between R30 million and R40 million a month and the latest announcement by the Minister of Finance on the phasing out over the next five years of tax-free investments is expected to boost this outflow.

However, senior general manager, finance, at the post office, Pieter Jordaan, said the withdrawal of tax-free benefits had to some extent been discounted as the Minister had made it clear in his Budget speech that he intended to phase out the concession.

Mr Jordaan assured investors that the interest rate on savings bank certificates would be adjusted yearly and the return would remain market related.

The post office savings bank has R2,67 billion of investment money. There is about R2 billion in savings bank certificates, R609 million in bank books and R65 million in Telebank.

The certificates carry a 9,5 percent interest and the other two instruments six percent.

Mr Kingsley Loney, regional general manager in the Cape of the Natal Building Society, said the move was unlikely to have an impact on the mortgage rate.

Societies had adjusted their investment portfolios and the top commercial bond rate was now 21,5 percent and the residential rate at 20,75 percent, compared with a 21 percent prime rate.

The pressure was really on the post office tax-free investments. People had been adjusting their investment portfolios in the light of the high rates.

An investment in a taxable instrument at 18 percent compared more than favourably with the 9,5 percent top tax-free rate.

An investment in a tax-free building society instrument had been restricted to R20 000 a person. However, one could invest up to R80 000 in the post office, depending on marital status. This was one of the main reasons why the post office had attracted so much investment money.

POST OFFICE

Getting ready for the market

With the winds of privatisation blowing ever stronger through the dusty corridors of the huge public sector, the Post Office is putting itself into marketing mode — and its profitable Telecoms division could be up for sale by 1993

“But we first need to better our financial position — by upgrading our services, reducing costs and improved marketing,” says Postmaster-General Johan de Villiers

Senior GM, finance, Pieter Jordaan, says the record R894m surplus reported in the year to March still represents a return of only 7,2% on assets of R12,3bn, while outstanding loans of R6,4bn place a heavy burden on the Post Office

Ironically, some segments of the private sector are against the privatisation of the Post Office's data transport network because this is seen as a national asset. But the services side of Telecoms should be deregulated to allow for more competition. Alternatively, there is support for turning the profitable Telecoms division into a public corporation, like Eskom, to be run on business lines by a private-sector board

While the debate goes on, De Villiers is preparing for a more market-related environment for the R18,2bn-a-year colossus New — and overdue — services under consideration include

- Improved direct-mail advertising services,
- Increased agency services at the branches across the country,
- Installing 3 200 point-of-sale terminals at branches nationwide, at a cost of R46,4m,
- Upgrading and modernising interiors,
- Installing new stamp vending machines,
- Approving the sale of new cordless telephones next year, as soon as testing and licensing are completed,
- Extending the “highly profitable” car phone network in the Cape Peninsula and Durban-Pinetown areas,
- Completing a new R500m submarine cable network from Cape Town to Madeira by 1995, and
- Legalising satellite TV

Since October 1 the department's eight regional divisions have been subdivided into Postal and Telecoms profit centres, under separate managements. By April 1 the division will be complete at head office level. “Following legislation next year, two new companies — Posts, and Telecoms — will be registered to operate independently as from January 1 1991,” De Villiers says

Telecoms looks like the obvious candidate for privatisation — but, based on current returns, it would not get the “right price,” he believes

“Though Telecoms declared an operating

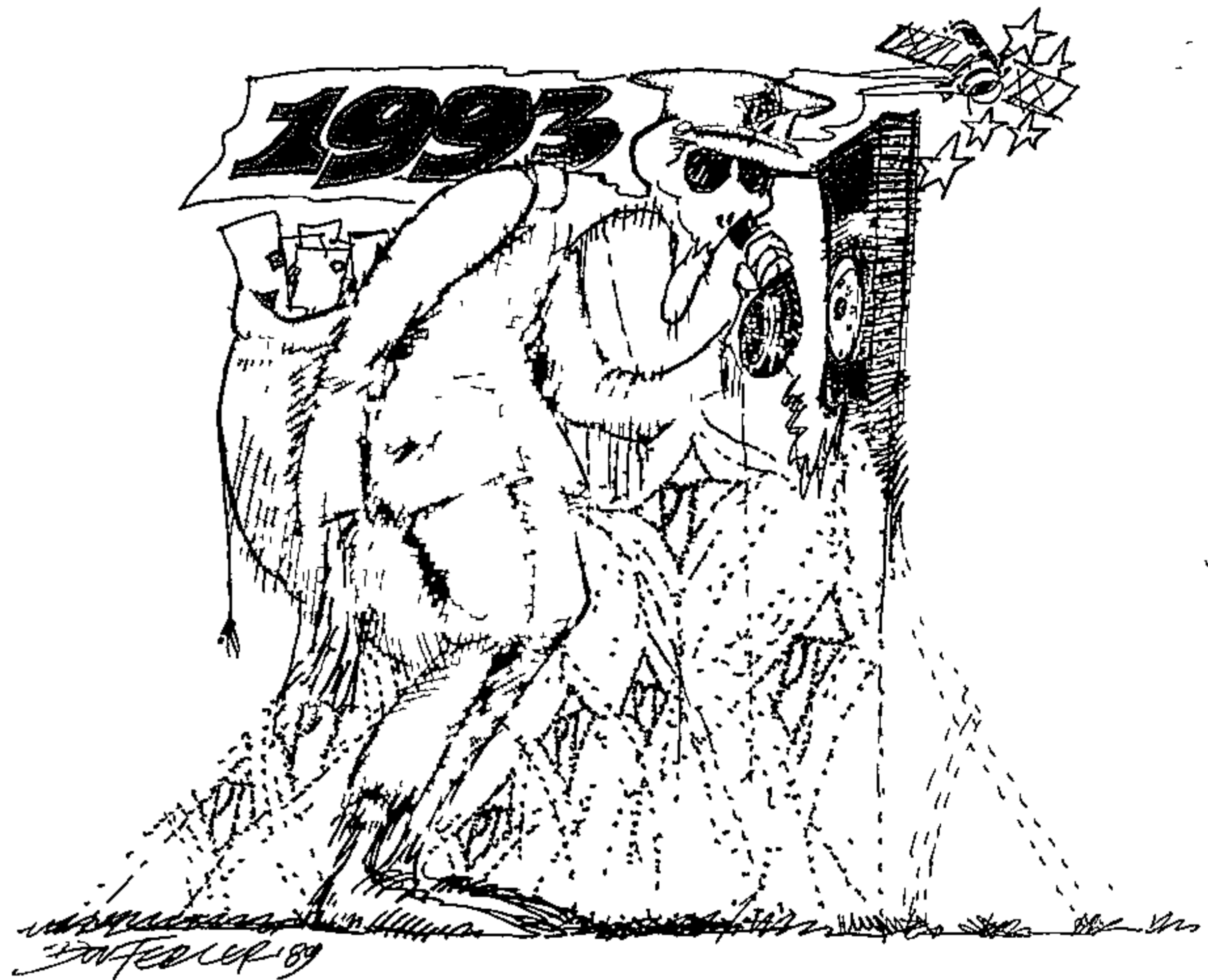
surplus of R1,1bn in the past financial year, about R200m was used to cross-subsidise the postal loss. If privatised, 50% of the balance (about R450m) would go on tax, leaving R450m for dividends, provision for loans and capital expenditure”

The Wim de Villiers report on Post Office finances recommended a cutback on Post Office capital expenditure that is aimed at replacing outdated electro-mechanical telephone exchange network with a modern digital system. But this, De Villiers says, will stymie efforts to make the Post Office more profitable by reducing labour costs, which constitute about 46% of the budgeted 1989-

remain high. Within these parameters, the Telecoms operating surplus pales somewhat. And some electronics companies agree that the time is not yet ripe to go private — if ever

“British Telecom now has competition in only about 2% of its operations, while in the US the division of Bell into seven small Bells led to seven regional monopolies — though on long-distance services, competition is available,” Plessey MD John Temple says

Siemens joint MD Geoff Heinebach says “I agree with De Villiers — Telecoms is not yet ready for privatisation. My vision is that the data transport network, as a national



1990 operating costs of R5,2bn.

To achieve this labour-cost saving, the costly switch to digital exchanges must be made because they require only a fifth of the labour of the old electro-mechanical exchanges

But, following the Wim de Villiers report, the digital exchange programme was cut back, with the Post Office's target date for complete “digitalisation” now pushed back to 2010. “For most Western nations, the target date is 1990,” Snedden says. “But I believe that pressure from trade and commerce will force government to bring our services up to date”

So the Post Office is caught in a cleft stick: it cannot commit more funds to upgrading its structure, which means that labour costs will

resource, should remain in public hands. But in the services field, open up the arena for increased competition. And in both cases we dare not fall behind the rest of the world, even though we face financial problems”

Philips MD Frank Touwen says the Post Office should charge for its Telecoms services in a “business-related way.” At the moment, it basically undercharges for services such as PABX, unfairly undercutting the private sector.

“The Post Office should provide the network and operate as the regulatory authority. It should leave services to the private sector — and should not compete directly with us in this field. And it should concentrate on expanding the network for popular services like car phones”

Final 9/12/89

SAA

Squashing a rival

SA Airways is throwing its weight around again. A charter operator's plan to bring 2 300 British tourists to SA for the holiday season may be scuttled because the airline refuses to allow the charter to sell seats in SA.

The operator, Masterleisure, planned six return flights from London's Gatwick Airport to Cape Town. But now Masterleisure may cut the flights to four, or cancel all of them, because of obstacles thrown up by SAA. Even if some flights do take off, the planes will be half empty if SA passengers are not allowed to buy tickets.

Johan Brits, managing director of Cape Town-based Masterbond Trust, Masterleisure's parent, says SAA's efforts to shoot down the charters has made the project a nightmare. Masterleisure first applied for 21 charter flights six months ago, eventually whittling down its request to six.

The forced scrapping of the charters would not only disappoint a large group of British tourists hoping to spend Christmas in SA, but also tarnish the image of the country's fledgling passenger charter industry and, indirectly, SA's entire tourist industry.

To operate the charters, Masterleisure leased a 392-seat Lockheed Tri-Star aircraft from British Airways subsidiary Caledonian Airways. Through its London office, the company sold packages that included return airfare and a week's accommodation for about R2 650. In comparison, SAA's cheapest return fare is R3 100.

Nearly all the available seats from the UK were sold even though marketing was confined to a small area in southwest England, says Masterbond chairman Koos Jonker. The first aircraft is due to land in Cape Town on Monday.

The Department of Transport gave the go-ahead for the charters, but SAA, which has the final say on all flights for paying passengers, prohibited tickets from being sold in SA, making it virtually impossible for Masterleisure to make a profit.

Jonker says SAA even turned down his offer to take over the first two returning charters to meet SAA's excess demand for seats to London. All he wanted was for SAA to cover the flights' operating costs, which would have left SAA with a profit of around R500 000, according to Jonker.

He claims that the two scheduled international carriers from Cape Town to London, SAA and British Airways, don't have seats available for the holidays and the waiting lists are growing. He says he has a letter from British Airways saying it has no objection to his charters taking paying passengers from Cape Town to Gatwick.

William Puk, British Airways' Cape Province manager, says the airline welcomes competition from any source. "Our policy is to meet competition head on."

SAA chief executive Gert van der Veer

denies that SAA opposes charters and says the airline supports efforts to bring in more tourists. But, he says, the airline must provide regular service year-round. He says it's "unreasonable" to expect SAA to "jeopardise" its normal scheduled service to "subsidise peak-time charters."

SAA spokesman Leon Els confirms that the airline opposed Jonker's application to sell tickets locally to fill his returning planes. He says this is in line with "guidelines laid down by the minister of transport" regarding charters. One of the guidelines' four points is that "no South African will be allowed to travel out of SA on such charters."

Els says Masterleisure knew this when it applied for the charters and the Directorate of Civil Aviation granted permission for the flights on that basis. He also confirms that Jonker offered SAA the empty return legs, but points out that to have accepted them would have contravened the minister's guidelines and would have been out of step with SAA's and international standards.

Els says SAA does have seats available on flights both to and from Cape Town this month and next. As of last week, there were 151 first-class seats available from Cape Town to the UK, 158 in business class and 18 in economy. On return trips for the same period, there were 38 first-class seats, 70 business class and 42 economy class. He says the waiting list for seats going to the UK was about 100 and, the other way, about 150.

He adds that the waiting lists are "well within the normal parameters" and are expected to be eliminated due to no-shows and cancellations.

Transport Minister George Bartlett was not available for comment this week on his department's charter guidelines.

The charter tourists would be staying in SA for an average of three weeks. John Robert, managing director of the Cape Tourism Authority, says the charters would be a significant boost for tourism, making up 1% of the 263 000 foreign tourists expected to visit the western Cape this season.

For SAA's critics, the Masterleisure episode is more evidence of the need to deregulate air travel in SA and to break SAA's monopoly of the skies. A report on deregulation commissioned by former Transport Minister Eli Louw last year is being finalised. Louw had asked a Department of Transport study team to recommend a new Air Services Act for introduction in parliament early next year.

SOFTWARE SHAKEOUT

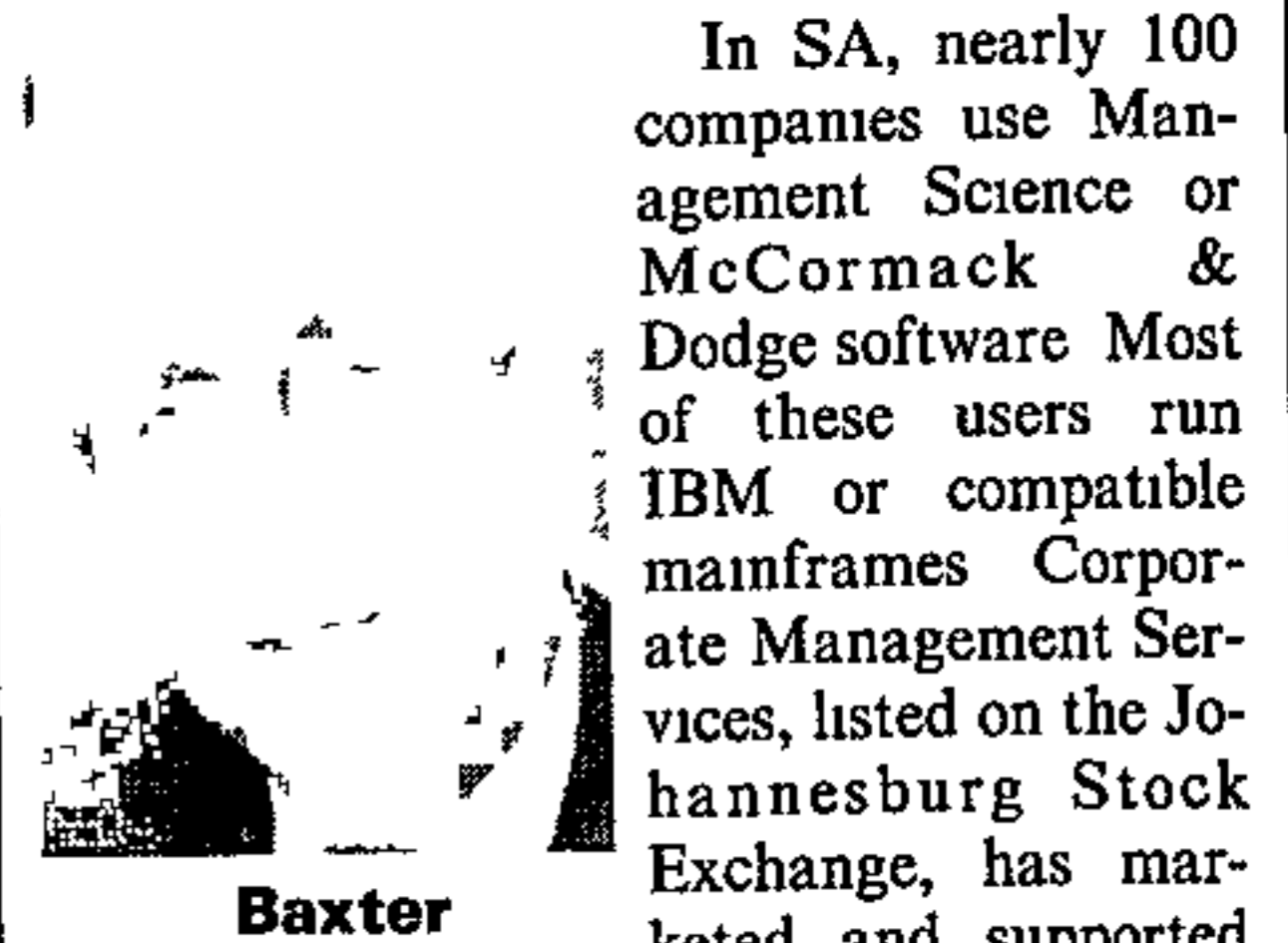
Feeling US tremors

Merger mania in the US continues to shape SA's R1bn-a-year software and services industry. Two of the largest suppliers of mainframe software applications in the US, Dun & Bradstreet subsidiary McCormack & Dodge and Management Science America,

have agreed to merge.

Dun & Bradstreet has offered Management Science shareholders US\$333m for the company. If the offer is accepted, which is likely, Dun & Bradstreet intends to combine the two companies under the banner of Dun & Bradstreet Software Services. The new company would have had a combined turnover of about \$440m this year, holding well over half of the US mainframe applications market.

The proposed merger of McCormack & Dodge with Management Science comes only a few months after Computer Associates, the largest independent supplier of software for IBM and compatible mainframes, completed the \$333m purchase of US company Cullinet. Last year, Computer Associates bought Cullinet rival Applied Data Research for \$170m.



Management Science products since it moved into the software market by acquiring the business of former Management Science agent Electronic Data Processing in February 1988.

Alan Baxter, Corporate Management's chief executive, says a clearer picture of the impact of the proposed merger on SA is not likely to appear until next month. Corporate Management secured a five-year distribution agreement with Management Science when it took over the agency.

Corporate Management generates the bulk of its revenues from the sale and maintenance of IBM mainframes and StorageTek data storage and retrieval products. Of the R16,6m turned over in the six months to September, only R3,8m was from the sale of software and related services. But Baxter is confident this figure will grow to R10m by the end of the company's fiscal year.

Income from Management Science products has been overshadowed by revenues from the company's Cincom range of mainframe systems software and its contracting and consulting services. Baxter insists, however, that the Management Science business is profitable.

McCormack & Dodge's financial applications products were marketed by its SA subsidiary until 1987, when parent Dun & Bradstreet severed its SA ties. The SA rights to the software products were sold to the former subsidiary, now trading as Millsoft, for an undisclosed sum. In July of last year, software and services group Q Data acquired Millsoft. Millsoft is responsible not only for the marketing and support of its product

Putting SA in space

SA could have its own satellite in orbit by June 1991. Stellenbosch and Cape Town universities plan to build a small experimental device in a bid to stimulate local development of satellite technology. The two universities are confident that the 40 kg satellite, branded Kleinsat, can be built locally and placed in orbit by a US or European agency for about R5m.

Kleinsat, which is likely to be modelled on the low-cost satellites developed by the Uni-

FINANCIAL MAIL DECEMBER 15 1989

versity of Surrey in the UK, will have a lifespan of up to 400 days and be used to conduct a variety of experiments in space. It will be tracked and controlled by two ground stations at Stellenbosch's Bureau for Systems Engineering.

The Cape universities hope to fund the project with private-sector contributions. At the top of the list of potential partners is Grinaker Electronics, which recently formed a new division, Grinsat, in order to gain a foothold in SA's fledgling satellite communications market.

Details of the satellite project were discussed at a two-day workshop held at the Stellenbosch Technopark last week. Delegates at the event included representatives from the SABC, Transport Services, BankorpData, Nasionale Pers and at least two international suppliers of satellite equipment.

Hein van der Merwe, who is programme manager at the bureau but will soon join Grinsat, says the Kleinsat project could lead the way for SA to acquire its own domestic satellite service. "Turkey, India, Brazil, Australia and Iran have or intend to launch domestic satellites. This business is no longer a black art; it's a commercial market."

Willem Botha, programme manager of the Satellite Application Centre of the Council for Scientific and Industrial Research, believes that the project would enable SA to develop commercial niches in the satellite systems industry: "It is important that SA gets its feet wet in space."

The benefits of satellites are plentiful. Highly flexible, they are being used in many countries to complement telecommunications networks on the ground. They are well suited for providing links to remote regions as well as to mobile receivers on ships, airplanes, trains and trucks.

Doubts raised

While satellites offer SA many applications, the feasibility of SA putting its own system in orbit is questionable. An investigation by the Industrial Development Corp in 1986 estimated the cost of putting two medium-sized commercial satellites in space — at least one backup is needed — at R400m. Another R20m would be required each year, says the report, to staff and maintain the two tracking stations needed to monitor and control the devices.

The Post Office has been a member and shareholder of the international satellite consortium Intelsat since 1971. This service is responsible for virtually all of SA's international telecommunications traffic. The Post Office, which is the only SA organisation permitted to control satellite transmissions, subleases the Intelsat service to SABC, M-Net, some financial institutions and other organisations.

The Post Office has long insisted that SA's digital-microwave and fibre-optic infrastructure is more cost-effective for local communications than satellites. It recently received government approval to spend R500m on an

underwater fibre-optic communications cable to the Canary Islands and Madeira to link with the northern hemisphere. The cable, due to be in place by 1994, will complement and back up the international telecommunications links provided by Intelsat, says Post Office general manager for telecommunications Jimmy Taylor. More money is being spent throughout the world on undersea communications cables than satellite services, he says.

The Post Office is likely to come under pressure to release its grip on satellite services in SA. A number of organisations, particularly SABC, want to use more commercial satellite services. The corporation believes that satellites could improve the quality and scope of its transmissions and enable it to introduce new technology.

Intelsat can offer a package of five satellite transponders (receiving and transmitting stations) by 1991 that will provide direct satellite communications throughout southern Africa. SABC appears keen to lease three of these devices, at a cost of about R23m a year. If it goes ahead, it will become a strong lobbying force for further deregulation of SA's telecommunications services. ■

(267) Fmax

15/12/89

Pulling the plug on fancy phones

PRETORIA — Only approved apparatus may be connected to the telephone network and unauthorised equipment could result in the suspension of the client's telephone service, the Posts and Telecommunications Department said yesterday.

"This goes for fancy telephones, telephone answering machines, tape recorders and facsimile machines. Concerning cordless telephones, no model has been approved for use in SA," a department statement said.

(267)
"A fancy telephone which is not licensed is not the ideal Christmas gift for the 'man who has everything,'" it said.

The use of apparatus not meeting the department's high technical requirements could "degrade transmission standards and harm the quality of service."

21/12/89
"Where it is found that unauthorised apparatus is connected to the telephone network, it is summarily disconnected. It could result in the suspension of the client's telephone service."

"When purchasing an attachment a client should insist that the supplier or dealer furnish proof that the apparatus is approved." — Sapa

§ PUBLIC SECTOR.

TELECOMMUNICATION - GENERAL

1990

Winnie's phone is cut - Post Office

THE telephone service to Mrs Winnie Mandela's Diepkloof home has been suspended because more than R4300 is outstanding on the account, said a spokesman for the Posts and Telecommunications Department.

Callers to the unlisted number are advised that the service has been temporarily interrupted.

Post Office spokesman Mr Kobus Laubscher said the phone was cut on Tuesday.

The last account for the service in the name of J Ramela of Diepkloof 585 was paid in November.

Agreement

He said the normal procedure would be followed in this case.

The subscriber is given 21 days to pay.

The Post Office then attempts to make some arrangement for payment and failing agreement, the matter is handed over to the State Attorney.

SADF cuts numbers

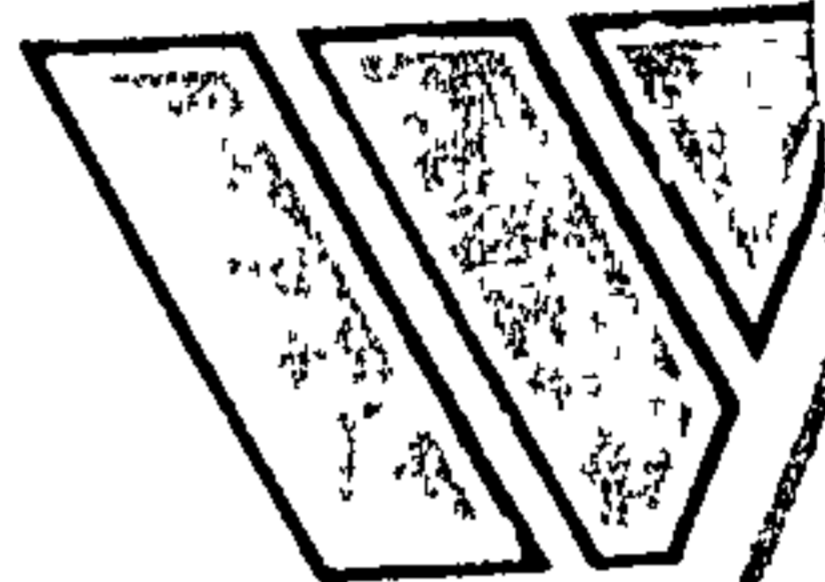
THE fact that the SADF had scaled down its presence in some black townships was nothing new, a South African Defence Force spokesman said in Pretoria yesterday.

He was commenting on reports that troop numbers were being reduced in South Africa's black residential areas.

The spokesman said the SADF had been scaling down its township patrols since last year.

An exception was made in unrest-ridden Natal areas where the SADF continued to support the South African Police.

Earlier reports said the SADF was currently withdrawing troops from Soweto and from Pretoria townships.- Sapa.



TEMBISA ELINDINGA SECTION

Low street
DO YOU

- * We will spend R2 house
- * We will include se extra cost
- * We will subsidise by R100 for a wh
- * We will present "I ♥ Dobsonville"
- * As a new home ow Dip Draw" - Fridg coupon with when

Send this coupon for furt
WIETPRO HOUSI

NAME

ADDRESS

CODE HOMI

AREA OF INTEREST. "ELI

COMPANY

POSITION

Soweto 8/21/90

F1M 9/2/90

268

across-the-board increase. The decision rests with Public Enterprises Minister Dawie de Villiers; his reply is expected in early March. Potwa has about 16 650 members. Discussions with the other six Post Office associations, representing about 41 500 members, are still going on.

Senior personnel manager Pieter Senekal says the Post Office wants to avoid a confrontation, as previous action had adversely affected labour relations — "especially between the workers and the first line of supervision." But he warns that if strikers are fired, re-employment is not guaranteed.

The importance of mail, telephone and other services means that casual labour must be employed during a strike. Senekal says such strike-breakers "naturally cannot be easily dismissed after a strike has been resolved. There is thus no guarantee that the Post Office will be able to take back dismissed staff immediately."

Should the union decide to call a strike, says Senekal, "the Post Office might be compelled to withdraw stop-order facilities for Potwa members who will receive no salary during that period."

Union spokesman Sizwe Matshikiza accused management of negotiating in bad faith by issuing such threats and by putting up notices in the workplace asking workers "to be patient." He says there would only be a strike if a proper mandate is received from members in a ballot.

POST OFFICE

F1M 9/2/90

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Warning signals

Postal and related services could be hit by a strike by the Post Office & Telecommunications Workers' Association (Potwa), affiliated to Cosatu

Officials and union representatives were locked in discussion earlier this week. The union is demanding a minimum wage of R1 100 a month — up R578 from the present minimum. The union also wants a R400

POST OFFICE PRIVATISATION

Rocky road ahead

The Post Office's transition to a State-owned corporation — let alone a private company — will be difficult. Last week there was a small example of just how difficult.

One of the biggest hurdles is cutting the myriad cross-subsidies, but last week a tentative effort in this direction was stonewalled by the SA Agricultural Union. Consequently, the Post Office postponed a plan to raise monthly telephone rentals in rural areas from R20 to R90 over two years.

The plan was pushed back at least three months after the union appealed to Dawie de Villiers, Minister of Mineral & Energy Affairs and Public Enterprises. The R90 wouldn't have covered even half the cost — the Post Office estimates it must charge at least R234 a month to break even on rural service.

Jimmy Taylor, Post Office senior general manager — engineering and telecommunications, acknowledges that the organisation must break free of political constraints to become a successful commercial enterprise. The Post Office takes its first major step towards privatisation in April when it will be split in two — Telecommunications and Postal Services. Parliament is expected to pass legislation this session to create two separate State-owned corporations in preparation for eventual privatisation.

Telecommunications turned in a surplus of just over R1bn last year while Postal Services lost R168m, according to the Post Office's annual report, released last week. The total operating surplus was R894m, R119m up on 1988, on revenue of R5,2bn.

Postal Services has been subsidised by fast-growing and highly profitable Telecommunications for years. Substantial surgery is required if it is to stand on its own. Postmas-

ter-General Johan de Villiers maintains that the Post Office has a social responsibility to provide service to remote areas, even if it is unprofitable, but warns that tariffs for this service must be increased to bring them more into line with costs. Even this probably won't be enough for Postal Services to start reporting profits.

Telecommunications, which operates in one of the world's fastest-growing economic sectors, offers far greater potential for privatisation. Management, however, appears to be in no hurry. Though Telecommunications has substantially liberalised its business — allowing others to instal and maintain PABXs and subscriber equipment such as terminals and fax machines, and even to provide limited telecommunications services — the organisation is intent on keeping control of its communications infrastructure.

Just as it's in SA's long-term interest to move telecommunications services out of the hands of politicians, Taylor says, it's also important not to be tied to the short-term profit motives of shareholders. He believes such a move might compromise the organisation's ability to make long-term capital investments. Capital expenditure on the national telecommunications network totalled R1,3bn last year.

Taylor maintains that privatisation could be at least three years away. Even then, Telecommunications should retain a monopoly on its communications infrastructure, he says. He suggests this monopoly should be answerable to an independent regulatory authority similar to those in the US and UK.

Wim De Villiers' report on the Post Office — compiled before his appointment last year as minister for administration & privatisation — backs Taylor. Though it slammed the Post Office for excessive spending and poor efficiency, it claimed that the national communications network is a natural monopoly.

This contrasts with the US, where dozens

FIRM ON SOFTWARE

Unidev subsidiary Cortech is living up to its pledge last year to become a major player in the R1,3bn-a-year computer software and services industry. It has made Mike Wilson responsible for software interests. Wilson, who joins Cortech next month, is MD at Compusons, software subsidiary of rival Datarok.

Cortech MD Louis Greenblatt says Wilson will head a company that will coordinate the group's software and services operations.

The company, as yet unnamed, is expected to specialise in IBM, DEC and Unix minicomputer software.

With estimated turnover of R150m for the 10 months ending last December, Cortech is the smallest of the five local information-technology groups. Cortech made its first move into the software market in December when it acquired 36% of the Ohio group.

of telecommunications companies compete, and the UK, which licensed a second telecommunications supplier, Mercury, on the privatisation of British Telecom in 1984.

Though telecommunications are regulated worldwide to some degree, the US and UK governments maintain that only competition can eradicate hidden inefficiencies and provide maximum service. Spurred by the privatisation of British Telecom, many countries in Europe, as well as Japan and New Zealand, are adopting a similar approach.

Whether Telecommunications will keep a monopoly is likely to depend on its ability to serve its major customer — business. About 65% of revenues come from the business sector. Large users, particularly financial

institutions, are pressing for "First-World" services such as electronic data interchange, combined voice and data communications and specialised value-added networks. Telecommunications has met many of these demands but bars private companies from setting up their own networks to fill the gap.

In probably its biggest move towards deregulation, Telecommunications decreed last year that the private sector could set up value added networks to serve retailers, financial institutions and other companies, provided these customers use the Post Office's telecommunications infrastructure. Further deregulation can be expected once Telecommunications becomes a State-owned corporation. But the organisation is unlikely to give up its monopoly without a fight. ■

Rule is 'best man for the job'

The Department of Posts and Telecommunications had eliminated all racially discriminatory measures, the Minister of Public Enterprises, Dr Dawie de Villiers, said yesterday.

Introducing the Post Office budget for 1990/91, Dr de Villiers said the Post Office fully subscribed to the principle of equality of labour.

With the scrapping of discriminatory measures, Post Office personnel of all population groups could participate in the provision of adequate postal and telecommunications facilities.

They could also render services to all communities that would form part of the new SA.

The only criteria for the employment of people would be competence, age, language proficiency and personal qualities.

Dr de Villiers said candidates of all population groups competed on an equal footing for promotion following the compilation of combined merit lists.

When effecting promotions, however, local circumstances would be taken into account.

All restrictions pertaining to supervisors had been eliminated, and the policy of the "best person for the post" was being applied — Sapa

Phone rentals, postal charges to go up

By Peter Fabricius

Phone rentals will go up R3 and post on standard mail by 3c a letter in new tariffs to be introduced on April 1.

These were among several tariff increases announced in a record R8 088,5 million Post Office budget presented to Parliament yesterday by Public Enterprises Minister Dr Dawie de Villiers.

The average increase in tariffs would be an "absolute minimum" of 4,3 percent and would apply on a par to unprofitable services, he said.

Dr de Villiers said the Post Office would show a surplus of R4 million this year. But the tariff increases were nonetheless needed to avoid high financial costs on loans for capital expenditure which would have pushed up the Post Office's debt ratio.

Some of the main tariff increases were:

- Telephone rentals to rise from R18 to R21, but not increase social and other pensioners would not increase.
- Post on standard letters to go up from 18c to 21c.
- Surface post on a 1 kg parcel would be increased by 20c from R1,90 to R2,10.
- Handling costs per telegram up from R3,50 to R4.
- Telegram tariff per word up from 13c to 15c.
- The phone rental on party lines up to R22 a month.
- The special low phone rental discount fee of R25 for installing phones which social pensioners pay will be extended to other pensioners who earn the same or less than them.
- Other announcements included a new optical fibre undersea telephone cable

- connecting South Africa to Europe to be installed by 1993/94 at a cost of about R500 million.
- A new house telephone system to be introduced enabling intercom conversations between up to four extensions
- Cordless telephones to be legalised.

The total estimated expenditure for the Post Office in 1990/91 was R8 088,5 million, 12 percent more than in the present financial year.

Operating expenditure would be an estimated R6 116,7 million — 15,7 percent more than in 1989/90 because of normal growth in business, cost and price increases and higher financing loans and anticipated higher interest rates on loans and exchange rate adjustments.

Capital expenditure was estimated at R1 739 million — R105 million or 6,5 percent more than in 1989/90. This was still only a 7 percent real increase.

Operating surplus

Capital spending would mainly be aimed at projects which generated the most revenue.

The revenue for 1990/91 was estimated at R6 353,2 million, up R375,2 million or 6,3 percent.

After operating expenditure and other appropriations of R6 349,5 million had been deducted, a small operating surplus of R4 million would remain.

With this surplus, R669 million would have to be borrowed in 1990/91 for financing capital spending. It would be "irresponsible" to take up such large loans, Dr de Villiers said.

Also, the Post Office was compelled to continue rationalising the tariff structure gradually to phase in more cost-related tariffs for unprofitable services and phase out cross-subsidising



Improved terms for P O workers

Political Correspondent

Post Office workers are to be given full collective bargaining rights under the Labour Relations Act. These are to be phased in via amendments to the Post Office Act.

The Post Office is to be subjected to the provisions of the Labour Relations Act in the foreseeable future, Dr Dawie de Villiers, Minister of Public Enterprises, said when he presented the Post Office Budget to Parliament yesterday.

Dr de Villiers said the amendments to the Post Office Act would offer management and organised labour the opportunity of developing the necessary negotiation skills to enter the more complex arena of the Labour Relations Act without undue disruption.

| Service | EXISTING TARIFF | | NEW TARIFF | |
|---|--|-------------|------------|-----------|
| | Old | New | Old | New |
| Telephone Rental & Installation (Main services) | Rental | R18,00 | R21,00 | Unchanged |
| | Installation | R25,00 | R25,00 | Unchanged |
| Standardised letters | Inland | 18c | 21c | Unchanged |
| | Surface mail | 18c | 21c | |
| | Airmail (including postcards & aereograms) | 18c | 21c | |
| TELEGRAMS | Handling | R3,50 | R4,00 | Unchanged |
| | Tariff per word | 13c | 15c | |
| Parcels | 1kg parcel | R1,90 | R2,10 | Unchanged |
| | Telephone backlog | down by 20% | | |

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New info system by telephone in March

A LOW-COST Beltel terminal known as Minitel will be available by the end of March (267)

SA Post and Telecommunications director of Telematics, Mr Alan Knott-Graig, said in a statement yesterday that Minitel would be rented out on a monthly basis.

It will include not only the Minitel itself, but totally free lifelong maintenance, as well as free membership of Beltel. Some time 20/2/90

Rental

Users of Minitel will automatically become a Beltel user without having to pay the usual monthly R5 rental for Beltel.

The inclusive monthly rental payable is estimated at R34.

The user's telephone account will be debited for the rental of the Minitel as well as for the use of Beltel.

Knott-Graig said application forms for Minitels will be available at main post offices or by telephoning the toll-free Beltel help centre on (021) 419-5913 - Sapa

By PETER FABRICIUS, Political Staff

POST and telephone rental increases are likely to be announced today when the Post Office budget is presented to parliament by the Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers.

He is expected to announce that post on standard letters will rise from 18 cents to 20 cents or more and telephone rent will increase from R18 to just over R20.

However, the increases are likely to remain under the inflation rate of 15 to 16 percent.

No increases are expected in telephone call tariffs, it is understood.

Record budget

The Post Office budget is expected to be a record R8 billion-plus. Dr De Villiers is likely to argue that the main reason for the increase is to finance the 10 percent pay increase for public servants announced on Friday.

He is also expected to provide information about the progress which has been made to privatise the Posts and Telecommunications Department.

● The Argus Correspondent reports from Pretoria that the second new coin in South Africa's redesigned coinage made its appearance in banks and shops across the country today.

The copper-coloured 5c piece — which follows on last year's appearance of a R2 coin — will soon be accompanied by 1c, 10c, 20c, 50c and R1 coins.

The 1c coin is due to make its appearance in July, the 10c coin in September and the 50c and R1 coins in June next year followed by a 20c coin.

Blue crane

The South African Mint in Pretoria said today that 20 million new 5c pieces — emblazoned with the national bird, the blue crane, on one side and the South African coat-of-arms on the other — were already in circulation and that nearly 500 million would be manufactured this year.

It is expected that the phasing-out of the existing silver 5c piece will take some years to complete. In the meantime, many of the existing coins are being melted down to form the basis for the controversial new R2 coin.

The new 5c coin weighs 4,5g and is round with a diameter of 21mm. It is slightly smaller than the R2 piece.

POSTS AND TELEPHONE RENTALS LIKELY TO RISE

267
26/2/80

Post Office rates go up

THE Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers, yesterday announced a wide range of Post Office tariff increases.

De Villiers announced the following changes:

* Monthly telephone rentals up by R3 to R21 for automatic exchanges and R22 for party lines;

* Handling cost of telegrams from R3,50 to R4, the word rate from 13 to 15 c for ordinary and from 26 to 30c for urgent telegrams;

* Inland standardised mail, surface and air, from 18c to 21c;

* Inland non-standardised letters (to 100g) from 30c to 35c

SAPA

(surface) and 40c to 45c (air);

* Parcels (up to 100g) similarly increase from R1.30 and R1.35 to R1.45 and R1.50;

* Rebates on bulk posting reduced from 20 percent for 10 000 to 20 percent for 5 000 pre-sorted dispatches;

* Registration of postal articles from R1 to R1.20 with compulsory

● To page 2

Tariffs up

● From page 1

registration increased from R2 to R2.40 and

* Private post bag rentals go up from R24 a year to R28

The monthly rentals of a single telephone service to social pensioners and pensioners whose income did not exceed a social pension would remain unchanged

The reduced installation and transfer charges applicable to social pensioners would now also apply to any pensioners whose income did not exceed that of a social pensioner

These announcements were made in the Minister's record R8 088.5 million budget for the 1990/91 financial year

Best
man
for
job
policy

CME

Ten 1/8

27/2/90

268

~~268~~

Dr De Villiers

Political Staff

THE Post Office has switched to a "best man for the job" policy, Dr Dawie de Villiers, Minister of Public Enterprises, said yesterday

He said in his budget speech yesterday that in line with government policy, the Post Office fully subscribed to the principles of equality in the labour field

"All measures that may still have had a discriminatory connotation have been eliminated," he said

All personnel could now participate equally in the service

"Henceforth, educational qualifications, selection-test results, experience, age, language proficiency and personal qualities will be the only criteria for the employment of people

"The principle of the best person for the post, without considering the population group to which a candidate belongs, has been implemented"

Postmen may become a thing of the past

Political Staff

DR Dawie de Villiers warned in Parliament yesterday that the familiar postman could become a thing of the past.

Street deliveries were probably the most labour-intensive facet of the postal service and could be replaced by "mail collection points".

Up to now collection points were used only when street deliveries were complicated by the geography of an area or a shortage of delivery staff.

Use PO services with care, says council

Staff Reporter

Star 27/2/90

(286)

(269)

The Consumer Council has advised consumers to use Post Office services with more discretion to lessen the impact of the tariff increases announced yesterday by the Public Enterprises Minister, Dr Dawie de Villiers.

Consumer Council director Mr Jan Cronje said while he welcomed the possibility of better services, it was a pity some tariff increases were higher than the inflation rate. Concessions for pensioners have been welcomed by the Johannesburg Association for the Aged.

● See Page 13.

More PO price rises on the way

Chf. Temp 17/2/90

267 268

Political Staff

THE Minister of Public Enterprises, Dr Dawie de Villiers, presented the Post Office budget yesterday, with a wide range of tariff increases — and more are in the pipeline.

He was presenting a record R8-billion budget. Increases generally range between 14,3% and 16,7%, with the postage on a standard letter rising from 18c to 21c and telephone rentals from R18 to R21 a month. Telegram and parcel tariffs will also increase from April 1.

The sole good news is that no increase in the metered call rate is planned because of the switch to the new system in terms of which the duration of calls will be measured.

There is some good news for pensioners who receive a maximum of R267 a month, as their telephone rentals will remain R18 a month. In addition their installation and transfer fees of R25 will be extended to other pensioners.

Dr De Villiers stressed that the tariff adjustments had been limited to the "absolute minimum" and would apply only to unprofitable services. The effect of the adjustments on the inflation rate would be 0,07%.

Dr De Villiers singled out postal operations as the area in which more tariff increases could be expected, although a task force was now undertaking an extensive strategy study of

PO increases

- Telephone rentals up from R18 to R21 a month
- Handling charges per telegram up from R3,50 to R4
- Inland telegrams. Tariff for first 10 words increased from R1,30 to R1,50 and from 13c to 15c for each additional word.
- Standard letter postage increased from 18c to 21c.
- Non-standard letters. A range of hikes from 5c to 80c per item.
- Parcels. Increases varying from 15c to R1,45.
- Registered post from R1 to R1,20
- Express delivery from R2,50 to R3
- Priority mail from R2,25 to R2,75
- Private post rental from R24 to R28

these operations

He said two factors contributed to postal losses

- Many tariffs were insufficient to compensate for the expenditure incurred

- The services rendered were labour-intensive.

Dr De Villiers said efforts were being made to increase revenue through aggressive marketing

Presenting a budget making provision for expenditure of R7,2bn and an operating surplus of R387m, Dr De Villiers said the proposals in the budget were based on expected continued growth.

He said the political reforms in progress created a "spirit of optimism here and abroad" which could lead to a new era for South Africa

This would definitely result in the strengthening of the country's trade relations abroad and undoubtedly stimulate the economy, he said

Experience had taught that an upswing in the economy had a "multiplier effect" on the demand for especially telecommunications services

Dr De Villiers said operating expenditure was estimated at R8,008,5bn, 12% more than the current financial year, while tariff revenue was estimated at R6,3bn53,2 million, about 6,3% more than the current financial year

● More reports — Page 5

Hikes in post and telephone tariffs

CAPE TOWN — Tariff hikes of 16,7% for posting letters and for telephone rentals were the main features of the R8bn Post Office budget tabled by Public Enterprises Minister Dawie de Villiers in Parliament yesterday.

De Villiers said he expected the Post Office to record an operating profit of R280m in the coming financial year.

The Post Office will be looking to raise R1,2bn on capital markets to finance capital projects and to pay back an expected R500m in savings withdrawals after the phasing out of tax-free benefits.

MIKE ROBERTSON

After tariff hikes which come into effect from April 1 — including the raising of telephone rentals by R3 to R21 and the cost of posting a standard letter by 3c to 21c — the Post Office is expecting a gross operating surplus of R512,5m.

Provision for loan redemptions (R155m), an increase in standard stock capital (R63m) and costs of developing satellite systems (R14,8m), will reduce this to R280m.

De Villiers said the Post Office had

made good progress in reducing its ratio of debt to capital employed from 121,45 in 1987/88 to 104,04 in 1988/89 and 0,96 in the current financial year.

A senior Post Office official said the ratio should come down to 0,90 at the end of the 1990/91 financial year.

He said the total Post Office debt had increased from R6,4bn in 1988/89 to an expected R6,6bn at the end of this financial year.

Actual debt, after deducting savings bank funds invested, was R5,5bn at the end

□ To Page 2

PO tariff hikes

of 1988/89 It was expected to be R5,9bn at the end of this financial year.

Capital employed, which stood at R5,3bn at the end of 1988/89, was expected to rise to R6,2bn at the end of the current financial year.

The spokesman said the Post Office expected to finance 71% of its expected R1,634bn capital expenditure in the coming year from internal sources.

In his budget speech, De Villiers said telephone call charges were to remain the same. But, the new system which measured the duration of local calls, already implemented in the PWV area and Natal, would be in operation countrywide by the end of 1991.

Other increases announced by De Villiers included a 50c hike to R4 in the hand-

ling cost for telegrams and a 2c increase to 15c per word for telegrams.

Postage on a 1kg parcel, posted surface mail, would be increased to R2,10. The cost of posting the same-sized parcel air mail would be increased by 25c to R2,75.

For pensioners, he said, telephone rental charges would remain the same.

□ EDWARD WEST reports the overall approach to the running of postal and telecommunication affairs was welcomed by the National Consultative Committee of Post Office Affairs (NCCPA).

In a statement yesterday, it said the phasing out of cross-subsidisation and the adoption of a cost related tariff structure was a pragmatic step in that direction.

● See Page 6

□ From Page 1

| | | | | |
|------|-------------------|-----|-------|-------|
| (ii) | Orange Free State | 124 | 139 | 290 |
| | Transvaal | 851 | 1 097 | 2 089 |
| | Natal | 202 | 246 | 474 |
| | Cape | 305 | 442 | 792 |

Pupils. Total enrolment

18 Mr K M ANDREW asked the Minister of Education and Culture

The MINISTER OF EDUCATION AND CULTURE

- (1) (a) 504 984, *Hansard 28/2/90*
- (b) 366 823,

| | | | | | |
|-----|-------------------|----------|---------|----------|--------|
| (2) | Cape | (a)(i) * | (ii) * | (b)(i) * | (ii) * |
| | Natal | 40 962 | 29 371 | 4,5% | 4,3% |
| | Orange Free State | 287 248 | 201 377 | 2,11% | 2,82% |
| | Transvaal | | | | |

* not available.
 ** Excluding special education
 *** Including special education

Natal provincial education: budget

19 Mr R M BURROWS asked the Minister of Education and Culture.

The MINISTER OF EDUCATION AND CULTURE.

- (a) R291 000 000,
- (b), (e) and (g) R7 675 000,
- (c) R7 220 000,
- (d) R4 300 000,
- (f) R10 862 000

B210E

Hansard 28/2/90

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HOUSE OF REPRESENTATIVES

QUESTIONS

Indicates translated version

For oral reply

General Affairs

Chatty, PE: post office

1 Mr W J DIETRICH asked the Minister of Mineral and Energy Affairs and Public Enterprises

- (1) (a) What progress has been made, since the reply to Question No 3 on 19 April 1989, in regard to the provision of a post office in Chatty, Port Elizabeth, and (b) when is it anticipated that building operations will be (i) commenced and (ii) completed,
- (2) whether any new problems have arisen in connection with this post office since the

date of the above reply, if so, what problems,
 (3) whether he will make a statement on the matter?
 C8E

The DEPUTY MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

- (1) (a) The site aspect has since been finalised and planning consultants have been appointed. Preliminary design proposals which have been received from the consultants are presently under consideration, and
- (b) provided nothing unforeseen occurs and depending on the availability of funds it is expected that building operations will (i) commence during June 1991 and (ii) be completed by June 1992,
- (2) no,
- (3) no

Split personality (267)

The Post Office's lucrative telecommunications business is being prepared for privatisation but its inefficient postal services look like they will be spending a long time in government hands

Postal services are expected to lose R183,5m for the year ending March 31. The fast-growing telecommunications business is prospering and due to report an operating surplus of R880m.

Combined revenues are likely to be almost R6bn for this financial year and should hit R6,6bn by March 1991. The total operating surplus is expected to reach R387,7m, compared with a forecast of R195,4m, for the year ending March 31.

With the Post Office committed to removing cross subsidies and clamping down on loss-making services, the postal operation is likely to have a tough time standing on its own feet during the next few years. Parliament is expected to pass legislation this session to split the Post Office into two State-owned corporations in preparation for privatisation.

Though the telecommunications operation appears flush with cash, the postal business looks increasingly sick. This financial year's expected deficit of R183,5m is up from R168m last year. Despite postal tariff hikes, effective from April 1, the service is expected to plunge deeper into the red and report a R220m loss next year.

Presenting the Post Office Budget in parliament this week, Public Enterprises Minister Dawie de Villiers put most of the blame for the losses on uneconomic postal tariffs and high labour costs.

To reduce losses the Post Office is considering ways of using the national network of post offices to generate more revenue through new services and a higher volume of mail. Cost-cutting measures under review include the closure of uneconomic post offices, a cutback in door-to-door deliveries of mail in favour of central pick-up points, and increased mechanisation of letter and parcel handling. The Post Office has budgeted R13,8m, up from a meagre R393 000 last

year, to buy automatic mail-handling equipment in the next year.

The biggest obstacle to profitability is the postal services' archaic tariffs structure. Prices are going up to bring charges more into line with costs. For example, the price of posting a local letter will rise from 18c to 21c. These hikes will still fall far short of offsetting the cost of providing the services. Delivering a local letter costs 29c.

The Post Office tariff hikes will raise R276m in the next year but unprofitable services will still drain it of R485m. Most of these loss-making services are postal operations though telephone rentals — which will also cost more on April 1 — and telecommunications services in rural areas continue to be priced below cost. (267) ■

Nats laugh off cheap phones for the elderly

CAPE TIMES 3/3/90

Political Correspondent

NATIONALIST MPs jeered and laughed yesterday when Mr Jan van Eck (DP Claremont) told Parliament that it was essential that pensioners be able to afford telephones to ensure their safety.

Speaking during the debate on the Post Office budget, Mr Van Eck said amid a barrage of heckling that it was well known that pensioners who lived on their own were advised by police to acquire a telephone so they could call the police, the fire brigade or ambulance in case of a burglary, an assault, a fire or when a domestic accident left them stranded with an injury.

However, many pensioners could not afford this vital lifeline.

He called on the government to cut phone rentals for South Africa's 1 080 000 old-age pensioners, many of whom were forced "to eke out a miserable existence".

Mr Van Eck said that for pensioners, telephones were not a luxury but a necessity — "the telephone is their

vital link, sometimes their only link, to essential services".

"By refusing to reduce their rentals to a more affordable R5 a month, the government is taking away their phones.

"Any MP — and that includes the Minister (Dr Dawie de Villiers) — who refuses to agree to a reduction in phone rentals for pensioners, deserves to be publicly labelled as a callous and uncaring fat-cat who does not deserve to be re-elected," Mr Van Eck said.

Ms Carole Charlewood (DP Umbilo) said that elderly people, particularly those who were bedridden, would be able to maintain better contact with others if the metering of local calls were started only after 15 minutes.

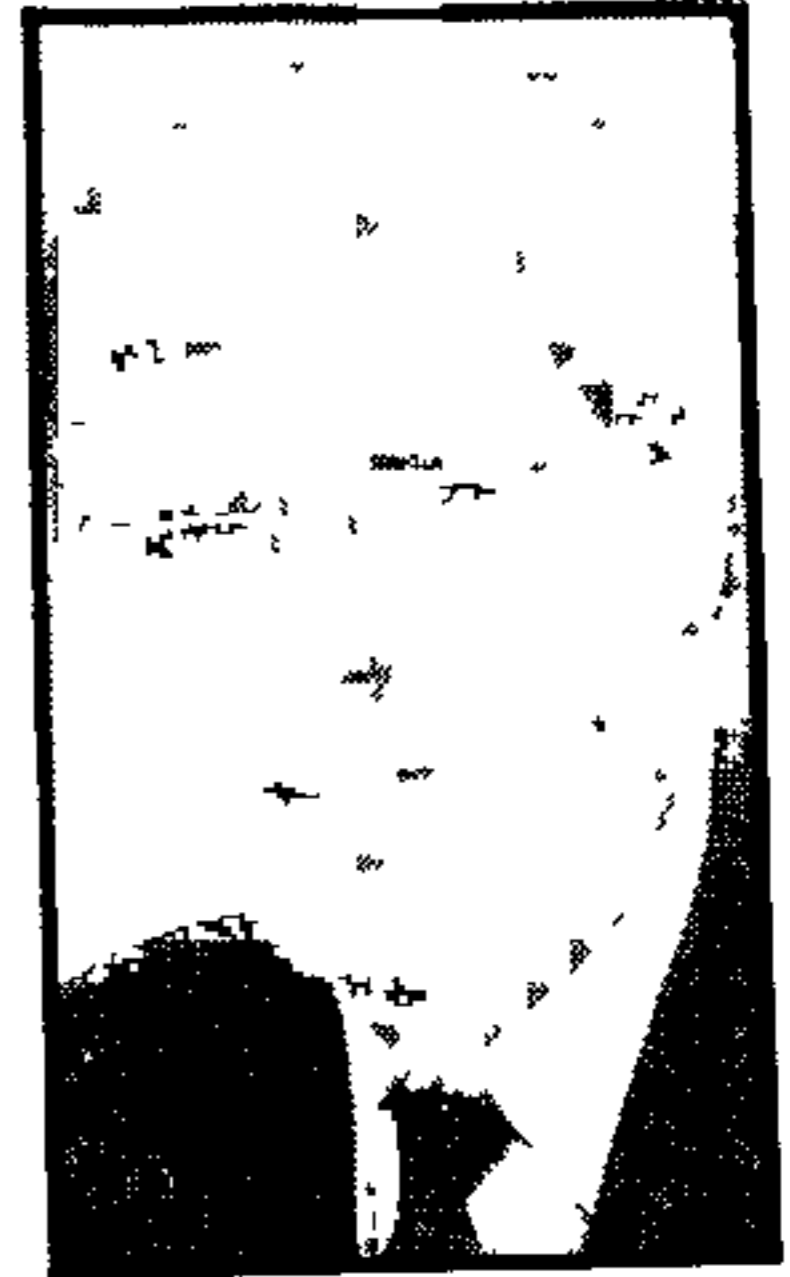
"For many people like this, a call to a counselling service can be a lifesaver," she said.

Replying to the debate, Dr De Villiers said that although the telephone needs of pensioners and the elderly had to be satisfied, the scrapping of their telephone rental services would be impossible.

Telecommunications

Ability to afford imports hinges on export capability

267



GRAHAM BELL

THERE are explosive forces driving the telecommunications industry to a networking technology revolution for the 1990s

Grinkar Data Systems (GDS) chairman Graham Bell says all technological developments work within the context of economic parameters and these could have a major impact on the explosive growth theory. He quotes salient points from ex-Siltek MD Tilman Ludin's address to the 1989 Capital Expenditure Conference on local electronics industry prospects.

Ludin noted that rand value is of particular importance to SA and with it the ability to afford imported equipment is directly related to the country's capability to be a net exporter.

Statistics show the top five net electronics producers in 1988 were Japan, South Korea, Taiwan, Singapore and Malaysia.

The largest net electronics consumers were the US, Canada, the UK, Italy

and Australia.

"SA ranks sixth as a net importer of electronics goods, with a net import bill of R2,8bn in 1987, highlighting a serious import dependency and lack of local content. In 1988 the electronics import bill reached R3,4bn.

"Electronic Data Processing (DP) hardware accounts for 42% of all electronics imports, with this percentage likely to increase in the next decade to 50% or more.

Inflation

"We are facing an 11% dollar-equivalent import growth, or a 21% rand-equivalent cost increase, reflecting an imported inflation content due to the falling rand.

"The import bill translated into dollar value and then to a portion of SA's annual gold earnings, indicates we are paying for our computer imports with an increasing gold production portion, and all electronics imports account for close

to 20% of gold earnings," Bell says.

Ludin continued with positive recommendations: "Opportunities abound for entrepreneurs to redress the situation.

"Despite high capital costs, the local electronics industry has taken up the challenge of reducing the inflated export bill, giving it potential for funding its own growth and success.

"During 1987, R8m of communications equipment was exported.

"The figure for 1988 indicates an export level of at least R30m — still too small, but indicative of rapid growth — and with significant potential for modems and other locally designed datacommunications products.

"Last year, this figure probably approached R100m."

Still on the economic front, Ludin commented that the much-heralded moves by the state towards privatisation are welcomed by the private sector.

"The parastatal that will

most directly affect the electronics industry is undoubtedly South African Posts and Telecommunications (SAPT), already implementing the De Villiers privatisation plan.

"The management structure is in place, and by April 1990, SAPT's reorganisation into separate entities will have laid the foundations for a two-year operating plan preparing the two bodies for eventual privatisation by April 1992.

Drastic

"The uncertainties caused by the De Villiers plan prior to its issue were probably the main reasons for drastic cutbacks in SAPT's 1988 capital equipment spending, which has been on a three-year decline.

"Capex telecommunications spending in 1986 amounted to R1bn — excluding cable purchase — falling by 16% in 1987, by a further 8% in 1988, and last year it fell by 21% to a low of R644m.

"This represents a real decline of 60% after considering inflation, but 1990 should see some improvement in spending, with a forecast R690m," said Ludin.

SA has one of the best telecommunications infrastructures worldwide, owing to the previous disproportionately high spend on equipment.

"Digital exchanges are becoming as commonplace in South African cities as they are in Europe. This provision of high-level services obviously spills over to X 25, Diginet and Diginet-Plus services."

Bell says company size and type of business will govern the flavour of network design and implementation.

"We are about to witness one of the strongest networking growths experienced in SA — limited only by technological skills, the availability of resources and rand value," he says.

By Day 8/3/90

PHONE MANAGEMENT SYSTEM CUTS THE COSTS BY UP TO 50%

267

TELECOMMUNICATIONS expenses are one of the top five operating costs of many organisations.

The ability to manage these is crucial if companies are to ensure cost-effective use of the phone system and thus maximise their profitability.

One effective control on spiralling costs is a telephone management system.

It's been found in medium to large organisations, phone costs can be cut by up to 50%.

Philips Telecommunications & Data Systems' Ferdie Damhuis says with one system it's possible to

assign each extension to an appropriate position within the company's organisational structure.

Typically, extensions are grouped into departments so management can account for communication costs in each level of the organisation.

"Parameters like extension information, Post Office tariffs and call thresholds are entered via a keyboard and a large variety of processors, workstations, printers and peripherals are available to suit different organisations.

"Call records are then generated by the PABX on

completion of each call and contain information such as the originating extension, destination dialed and the date, time and duration of calls.

"Two methods are used to cost calls, the first relying on meter pulses provided by the Post Office, and the second relying on the management system to perform cost calculations," Damhuis says.

Abnormal expenses are identified as they occur so prompt action can be taken, and cost statistics can be analysed and overall telephone use is monitored so the phone systems and controls can be fitted to the users' needs.

FORMATION TECHNOLOGY

Higher tariffs not expected to hit networking growth

NEW tariffs for telecommunications services which are to be implemented from April 1 should not do too much harm to the 50% growth rate expected for wide area networking in SA.

Indeed, while most industry sources feel any price increases are unwelcome, these should be acceptable to the user community.

Grimaker Data Systems chairman Graham Bell explains that major cost increases are on network terminating units (NTUs), while those for 48 and 64 Kbit (or kilobit) a second and for Dignet Plus line usage are only about 10%.

"If a user has a 1 000km link, his major increase will definitely be on line charges, not on his NTUs which are needed at each end of the line."

Bell reckons that pitted against the benefits of telecommunications facilities now available, the tariff in-

Reports by
MELANIE SERGEANT

creases are not prohibitive compared with the benefits available to companies using them.

On the Dignet Plus service, the cost of NTU rentals has hardly increased, rising from R190 to R200 a month.

On the popular Saponet-P X 25 packet switching network, the tariff for network concentrators remains the same, but call charges increase.

A Posts & Telecommunications spokesman explains that volume charges increase from 8c to 14c per kilosegment, while call duration charges increase from 2c to 4c an hour.

"Saponet is still cost effective, even though these are significant increases in percentage terms. They

are negligible for customers except for those sending many gigabytes a day," he says.

Bell explains that for users sending such large quantities of data, Dignet remains the most cost-efficient option.

The Posts and Telecommunications spokesman explains that with Dignet an extensive review of tariffs was necessary to make the service more cost related.

"All telecommunications services including phones saw tariff increases imposed, and this includes local leads and analogue lease services."

The rental cost of NTUs required for Dignet will increase from R46 to R80 a month and Dignet port charges will be increased from R46 to R70 a month.

Dignet line charges increase by around 10%, with similar line and port charges for Dignet Plus.

In the name of the Comrades

A little more than 10 years ago the *FM* was printed in Johannesburg on a Wednesday night and delivered by postal services reasonably regularly to subscribers in the same city on Friday morning. Today, the *FM* has to print on Tuesday night in order — if we be lucky — to ensure patchy delivery by postal services to subscribers by Friday.

Two years ago, when the *FM* inadvertently broke a parliamentary embargo — along with another weekly magazine — no less an important personage than the Speaker of parliament and a former Cabinet minister, Louis le Grange, found it hard to credit that it took three days for the Post Office to deliver a magazine in the city in which it was posted.

Today, a growing number of businesses in Johannesburg arrange to have their issues collected by hand at the printers on Wednesday afternoon rather than await PO delivery. Subscribers on the coast are not so lucky.

In our experience, it can take up to two weeks for an airmail letter posted in Johannesburg to be delivered in Cape Town. We suspect that it might well be faster to send letters to Cape Town via our London office.

Ordinary letters posted in Johannesburg take at least four days to be delivered in the same city. No wonder the purveyors of fax machines and special courier services are

having a field day.

Yet Posts & Telecommunications Workers' Union spokesman Floyd Mashele says that when government monopolists like the Post Office are privatised "they lose interest in serving the community and are interested only in making profits."

If Mashele's idea of service is what the Post Office does today he is a sadly misinformed man. Maybe he is just one of those who believe, like Nelson Mandela, in African time. Simply put, that means you aim to be as late as possible for your own funeral — and everything besides along the way.

If the Post Office is not privatised soon — and if the view of its employees like Mashele are allowed to prevail — it will be back to delivering letters in a forked stick within another 10 years. And while we are waiting for our letters to be so delivered, we can stand in the meat commissar's queue for no meat and after that try the baker commissar's queue for no bread.

Maybe the good news is that you will not need to subscribe to the *FM* because your shares will all be worth precisely the same as every other share — which is sweet Fanny Adams. Unless, of course, you wish to read the speech of the minister of Posts & Telegraphs telling you how devoted he and Comrade Floyd are to serving your best interests. ■

HOUSE OF REPRESENTATIVES

QUESTIONS

†Indicates translated version
For oral reply
General Affairs

Hillbrow area: health conditions

*1 Mr T R GEORGE asked the Minister of National Health and Population Development

- (1) Whether her Department recently investigated health conditions in the Hillbrow area, if not, why not, if so, (a) when and (b) with what result
- (2) whether she will make a statement on the matter? *Hansard 21/3/90* C22E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) No, in terms of section 20 of the Health Act, 1977 (Act 63 of 1977) it is the duty of the City Council of Johannesburg to take all lawful, necessary and reasonably practicable measures to maintain its district at all times in a hygienic and clean condition and to prevent the occurrence of any nuisance within its district. Where any condition which will or could be harmful or dangerous to the health of any person occurs within the district of a local authority, it is the responsibility of the local authority to remedy such condition.

Whenever I receive a complaint that the health of any person within the district of a local authority is endangered by any harmful condition however, the Department of National Health and Population Development may take certain steps in terms of Act 63 of 1977. No such complaint has recently been received as far as the Hillbrow area is concerned and therefore no recent investigation was conducted by the Department. I am however aware of the fact that the City Council of Johannesburg is at present intensively investigating health conditions in the specific area.

Toekomsrus, police station

*2 Mr T ABRAHAM asked the Minister of Law and Order

- (1) Whether it is the intention to build a police station in Toekomsrus, Randfontein, if not, why not, if so, (a) where in Toekomsrus and (b) when is it anticipated that building operations will be (i) commenced and (ii) completed,
- (2) whether he will make a statement on the matter? *Hansard 21/3/90* C23E

The MINISTER OF LAW AND ORDER

(1) No, because the need for a police station has up until now, not yet been identified (a) and (b) Fall away

(2) If the honourable member is of the opinion that there is a need for a police station in the area, on request I am prepared to have a feasibility study carried out for that purpose

Riverlea, post office

*3 Mr T R GEORGE asked the Minister of Mineral and Energy Affairs and Public Enterprises *Hansard 21/3/90*

- (1) Whether any progress has been made in regard to the building of a post office in Riverlea, Johannesburg, if so, (a) what progress and (b) when is it anticipated that building operations will be (i) commenced and (ii) completed,
- (2) whether any problems have arisen in regard to this post office, if so, what problems,
- (3) whether he will make a statement on the matter? *267* C24E

The MINISTER OF LAW AND ORDER (for the Minister of Mineral and Energy Affairs and Public Enterprises)

- (1) Yes,
 - (a) A suitable site has been acquired and planning of the building has commenced
 - (b) (i) May 1991
 - (ii) November 1991,

HOUSE OF REPRESENTATIVES

UWC, payment of certain staff members

*4 Mr P A S MOPP asked the Minister of National Health and Population Development

- (1) Whether an amount of R759 000 is to be paid over to her Department for payment of certain staff members of the University of the Western Cape upon retirement, if so,
- (2) whether she will furnish particulars of the staff members concerned, if not, why not, if so, what are their (a) names and (b) ages,
- (3) whether part of this amount is to be paid out as a result of legal action that was instituted, if so, what are the relevant details,
- (4) whether she will make a statement on the matter? *Hansard 21/3/90* C28E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

| (1) Yes, | (a) Names | (b) Ages at retirement |
|----------|-----------------------|------------------------|
| | Mr P P Kurstein | 58 |
| | Mr J H C Stassen | 48 |
| | Mr H J Pienaar | 53 |
| | Prof P J Smith | 53 |
| | Mr N K Prins | 40 |
| | Mr A D P J v Rensburg | 52 |
| | Mr A P S de Kock | 59 |
| | Mr A J P P v Rensburg | 47 |
| | Mr E J van Zyl | 48 |
| | Prof N M du Plessis | 53 |
| | Prof T J Roos | 57 |
| | Mr J M Paley | 41 |
| | Mrs C E du Plessis | 49 |
| | Mr M B de Kock | 51 |
| | Mrs C J Struit | 34 |
| | Mr G D Bekker | 52 |
| | Mr F H Boot | 52 |

Fire-arm licences different requirements

*5 Mr A ESSOP asked the Minister of Law and Order

- Whether different requirements are set for the issue of fire-arm licences to Whites and non-Whites, if not, what requirements are set, if so, what requirements are set for (a) Whites; (b) Coloureds, (c) Indians and (d) Blacks? *Hansard 21/3/90* C29E

The MINISTER OF LAW AND ORDER

No

Irrespective of race and sex, each application is considered on the basis of the personal circumstances of the applicant concerned and certain general and specific guidelines.

Personal circumstances include inter alia the applicant's age, educational qualifications, status in the community, marital status and the nature of the profession or occupation

General guidelines include inter alia the following

Whether the fire-arm is suitable for the purpose for which it is required,

Whether it is required for the protection of life and/or property,

Whether it is required for practising sport

Specific guidelines include inter alia the following

The applicant's knowledge of the handling of the fire-arm concerned.

The applicant's knowledge of the legal provisions regarding the safekeeping and use of fire-arms,

The applicant's previous convictions,

Does the applicant have a safe place for storage of the weapon,

Has the applicant previously been declared unfit to possess a fire-arm;

Has the applicant previously lost a weapon or were any of his fire-arms confiscated,

Does the applicant live in an urban or rural area,

Does the applicant possess any other fire-arm, Exceptional circumstances which may influence the applicant's application

HOUSE OF REPRESENTATIVES

HOUSE OF DELEGATES

QUESTIONS

†Indicates translated version.

For written reply

General Affairs

Lenasia Extension/Lenasia South/Zakkeriyya Park, postal delivery service

6 Mr D K PADIACHEY asked the Minister of Mineral and Energy Affairs and Public Enterprises

Whether there is a postal delivery service for (a) Lenasia Extension 8, 9, 10 and 11, respectively, (b) Lenasia South and (c) Zakkeriyya Park; if not, why not, in each case, if so, what are the relevant details?

DS2E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

- (a) No,
(b) no,
(c) no

Lenasia Extensions 8 and 11 are served sufficiently by means of mail collection points. These collection points were established because of difficulties experienced at the time to recruit sufficient and suitable mail delivery staff. The Department could also not succeed in its efforts to persuade the residents to provide mail boxes and to display street numbers at their home addresses.

The residents of Extensions 9 and 10 at present receive their mail through the *poste restante* at the Lenasia Post Office. Only Extension 9 has thus far been proclaimed as a residential area and the erection of a mail collection point will commence as soon as possible. The local authority concerned is not prepared to approve land-ownership in unproclaimed areas which impedes the erection of mail collection points in Extension 10 at this juncture. Street numbers are not displayed and/or letter boxes have not been provided at the majority of the home addresses in these two areas. Difficulty is also foreseen in recruiting sufficient and suitable mail delivery staff and the erection of mail collection points is the obvious manner in which to serve residents.

The residents of Lenasia South and Zakkeriyya Park collect their mail by means of private post boxes rented elsewhere or through the *poste restante* at the Grasmere Post Office. The establishment of two mail collection points and a post office in Lenasia South has been approved and the expected date of completion of these is April 1992. The establishment of a mail collection point to serve the residents of Zakkeriyya Park has also been approved. Negotiations to purchase a stand for this purpose are in progress.

Lenasia South and Zakkeriyya Park are situated approximately 14km and 17km from the nearest postal depot respectively. Difficulty is also foreseen in recruiting sufficient and suitable mail delivery staff in this instance and the residents' requirements can best be satisfied by the establishment of three mail collection points.

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Education, 61

Own Affairs

Education and Culture, 90

Bruwer, Mr A A B—

Own Affairs

Agricultural Development, 706

Burrows, Mr R M—

Own Affairs

Education and Culture, 569

Charlewood, Mrs C H—

General Affairs

Finance, 670

Chetty, Mr K—

Own Affairs

Education and Culture, 739

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Own Affairs

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General Affairs

Manpower, 403

Rabie, Mr J A—

General Affairs

Planning and Provincial Affairs, 123

Telecom's SA phone bonanza

LONDON — Telephone calls between SA and Britain are yielding bonanza profits for British Telecom (BT), according to an exposé in yesterday's Financial Times

Quoting a confidential internal report on the year ended March 1988, the newspaper reports BT's forecast revenue from its SA traffic was £17m and profits £13m — a margin of 76,5%.

— This meant that BT was charging more than four times its costs for SA calls. Only Israel was more lucrative with revenues shown as £9m and profits £8m — an 89% margin.

The report said BT's global international calls yielded turnover of £770m which generated profits of £445m, an average margin of 57,8%.

BT said it could not comment on the figures. A spokesman said: "We are in competition with Mercury Communications and these are trade secrets."

The Financial Times has been running an investigation into the international cartel based in Switzerland which largely dictates the costs of cross-border telephone calls. And the British watchdog body, the Office of Telecom-

267
JOHN CAVILL

munications (OfTel), has launched an investigation into international charges which have risen in spite of cost reductions achieved through the use of fibre optic and digital technology.

BT said yesterday: "As we have said we would like to reduce our rates but we are largely tied into other systems which are government-owned."

Mercury Communications, owned by Cable and Wireless, which is BT's sole rival, said its international charges were roughly 10% lower, although they varied. In the case of SA the saving was just over 3%.

The FT report said: "Since the (internal) document was written the company's profit margins have almost certainly increased as advances in technology and economies of scale from higher traffic have cut costs."

WILSON ZWANE reports SA Posts and Telecommunications spokesman Ben Roodtman said his department could not comment on tariffs determined and charged by BT or by any company for international calls.

0218/19/190
19/11/88

HOUSE OF ASSEMBLY

QUESTIONS

-Indicates translated version

For written reply

General Affairs

Hansard 4/4/90

TV licences in Mamelodi/Soweto

182 Mr L F STOFBERG asked the Minister of Mineral and Energy Affairs and Public Enterprises +

(1) How many television licences were issued to residents of (a) Mamelodi and (b) Soweto before 1 January 1990.

(2) (a)(i) how many such licences have not been renewed in respect of (aa) Mamelodi and (bb) Soweto since 1 January 1990 and (ii) in respect of what date is this information furnished and (b) how many inspectors are engaged on a (i) full-time and (ii) part-time basis in tracing unlicensed television sets in (aa) Mamelodi and (bb) Soweto?

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

B457E

(1) Separate statistics in connection with television licences issued to viewers in Mamelodi and Soweto are not departmentally available as licences can be renewed at any post office in the country irrespective of the address of the viewer. The Post Office acts in this instance as an agent for the SABC and does not keep a record of television licence holders, and

(2) falls away

CCB members

186 Mr S S VAN DER MERWE asked the Minister of Defence

(1) Whether five persons whose names have been furnished to the South African Defence Force for the purpose of the Minister's reply, were members of the Civil

HOUSE OF ASSEMBLY

Hansard 4/4/90
Co-operation Bureau, if so, (a) when did they join and (b) what are their names.

(2) whether any of them are still members of the Bureau, if not, when did each of them cease to be a member, if so,

(3) whether any of them are still receiving remuneration from State funds for their services, if not, (a) why not, and (b) when did they last receive remuneration from State funds, in each case, if so, what are the relevant details?

The MINISTER OF DEFENCE

B463E

The Civil Co-operation Bureau issue is presently under investigation by the Harms Commission and in the light thereof it is not possible to answer further questions in this regard

Members of the Civil Co-operation Bureau have already been summoned as witnesses to testify before the Harms Commission. The Civil Co-operation Bureau issue is presently also the subject of an investigation by the SA Police and the supplying of answers, as requested, may hamper such investigations

(1) to (3) Fall away

Contact between SADF and two persons

187 Mr S S VAN DER MERWE asked the Minister of Defence

(1) (a) What is the date of the last contact between (i) officers and/or (ii) any other members of the South African Defence Force or Ministry of Defence and two persons whose names have been furnished to the Defence Force for the purpose of the Minister's reply, (b) what form did such contact take and (c) what are the names of the persons concerned,

(2) whether any steps have been taken by the Defence Force to aid the (a) South African Police and/or (b) Namibian Police Force to find these persons, if not, why not, if so, what steps?

The MINISTER OF DEFENCE

B464E

The Civil Co-operation Bureau issue is presently under investigation by the Harms Commission

mission and in the light thereof it is not possible to answer further questions in this regard

Members of the Civil Co-operation Bureau have already been summoned as witnesses to testify before the Harms Commission. The Civil Co-operation Bureau issue is presently also the subject of an investigation by the SA Police and the supplying of answers, as requested, may hamper such investigations

(1) and (2) Fall away

CCB activities

188 Mr S S VAN DER MERWE asked the Minister of Defence

Whether the Civil Co-operation Bureau took part in any activities aimed at a certain organisation, the name of which has been furnished to the South African Defence Force for the purpose of the Minister's reply, if so, (a) what activities, (b) when, (c) on whose instructions, (d) at what financial cost and (e) what is the name of the organisation concerned?

B465E

The MINISTER OF DEFENCE

The Civil Co-operation Bureau issue is presently under investigation by the Harms Commission and in the light thereof it is not possible to answer further questions in this regard

Members of the Civil Co-operation Bureau have already been summoned as witnesses to testify before the Harms Commission. The Civil Co-operation Bureau issue is presently also the subject of an investigation by the SA Police and the supplying of answers, as requested, may hamper such investigations

(a) to (e) Fall away

Transkei: representations re certain person

255 Mr C W EGLIN asked the Minister of Foreign Affairs

(1) Whether he or his Department has at any time made representations to any person in the Government of Transkei in connection with the pending prosecution in Transkei of a certain person, whose name has been furnished to the Minister's Department for the purpose of his reply, if so, (a) when were these representations

made and (b) what is the name of this person,

(2) whether these representations included any (a) request that the Transkei authorities drop their pending prosecution of the person in question and (b) other requests, if so, what was the response to each specified request?

Hansard 4/4/90 B666E

The MINISTER OF FOREIGN AFFAIRS

(1) and (2) The Honourable Member will no doubt agree that his question arises from certain recent media reports according to which Gen Bantu Holomisa was reported to have alleged that I and/or the South African Ambassador in Umtata and/or members of the Department of Foreign Affairs exerted pressure on him to withdraw criminal charges against the person concerned. I have already denied these allegations by means of a public statement

Neither I, nor my Department, nor our Ambassador in Umtata is aware of any charges formulated against individuals. A request can, therefore, not be made to withdraw charges which do not exist

I have an understanding of Gen Holomisa's problems. But he must also have an understanding of the problems of the South African Government

When the State President and I visited Transkei on 11 January 1990, the State President emphasised to Gen Holomisa and his military Council that it is in Transkei's interest to speedily institute a civilian government. Gen Holomisa was of the opinion that the Military Council still required a long time to clean up the corruption of the previous government. It is not clear why a new civilian government elected in a free election cannot do this

Initially the South African Government wholeheartedly welcomed the Military Council's motive of cleaning up corruption. In fact, my Department and I were the driving force behind the appointment on 25 February 1986 of the Commission of Enquiry of which Mr Justice T H van Reenen was chairman. Thereafter my Department and I played an active role in having the Alexander Commission appointed on 21 August 1986. We made possible the financing of the Commission

Reward offered for company's missing link

ABOUT 40 firms situated in Randburg's version of "Silicon Valley" have lost about R1,8m in business over the past 18 months because of the theft of telephone cables

The problem has reached such proportions that company MDs at the Kya Sand industrial park — an area dominated by electronics firms — are prepared to offer substantial cash rewards for information leading to a prosecution

Instrotech MD David Howcroft said during the past three weeks thieves had made off with 50m sections of cabling on three separate occasions, resulting in the loss of three days of business

5/10/89 17/4/90
DANIEL SIMON

Howcroft said the thieves would make only R130 from the copper content of each 50m stretch stolen, but the company suffered a daily loss of about R200 000 in business while telephone links were down

Since the firm moved to the area two years ago, thieves had struck nine times

"At first it was something of a joke, but the thefts have become so serious we are losing a substantial amount of business

"We suspect the incidents are sabotage-related, as only small sections of cable are

267
sawn off and stolen — at the same place each time," Howcroft said

He said firms would be prepared to offer a substantial reward to end the problem

Digital Process Measurements MD Peter Crouse said if the problem persisted, he would be forced to install a car phone

Post Office spokesman Ben Roodtman said the theft of telephone cables was causing a "substantial" loss. During the 1988/89 financial year, 16 000km of cabling, worth about R1m, had been stolen

A Randburg police spokesman said detectives were following up a "very good" lead which could lead to an arrest

231490 267

R1,428bn set aside for phone services

PRETORIA — SA Posts and Telecommunications (P & T) will spend more than R1,465bn on the expansion of post and telecommunications services this financial year, it announced yesterday.

Sapa reports that postmaster-general Johan de Villiers said of that amount, R1,428bn would be spent on the installation of 217 000 additional telephone services around the country.

An amount of R10,3m would be used for telecommunications buildings to accommodate, among other things, 40 new telephone exchanges.

A total of 157 other exchanges would be expanded, replaced by electronic exchanges or converted.

De Villiers said R10m would be spent on building 26 new post offices around the country, and more than R13,8m on the upgrading of mail-handling.

New exchanges were planned in the northern, western and eastern Cape, and in the Free State, Natal, northern Transvaal and Witwatersrand.

On the Witwatersrand, exchanges were planned for Boksburg East and Meyersdal, among others. A new international exchange would be established in Hillbrow, Johannesburg.

De Villiers said these planned expansions proved P & T was committed to maintaining a high standard of service to its clients.

□ SUSAN RUSSELL reports that seven P & T staff associations have told De Villiers the non-pensionable allowance paid to all employees from April 1 was not enough.

A statement issued by the department

□ To Page 2

Cap. Times 23/4/90
**SAPT to
spend
R1 465m**

(267)
PRETORIA — South African Posts and Telecommunications (SAPT) will spend more than R1 465m on the expansion of post and telecommunication services in this financial year, SAPT announced yesterday.

The Postmaster General, Johan de Villiers, said that of that amount, R1 428m would be spent on installing 217 000 new telephone services country-wide.

In the Western Cape three new exchanges would be established at Pelican Park, Diepwater and Mfesane — Sapa

HOUSE OF REPRESENTATIVES

QUESTIONS

Indicates translated version

For written reply

General Affairs

Handwritten: 23/4/90

Pensions, civil/military

13 Mr C B HERANDIEN asked the Minister of National Health and Population Development

How many persons of each population group were in receipt of each specified category of (a) civil and (b) military pensions as at the latest specified date for which figures are available?

Handwritten: C37E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(a) and (b)

| Population Group | Civil Pensions | Military Pensions |
|------------------|----------------|-------------------|
| Whites | 88 265 | 9 713 |
| Coloureds | 9 769 | 1 126 |
| Indians | 2 594 | 44 |
| Blacks | 40 752 | 643 |
| Total | 141 380 | 11 526 |

Bethelsdorp constituency: telephones

17 Mr W J DIETRICH asked the Minister of Mineral and Energy Affairs and Public Enterprises

Handwritten: 267

(1) How many (a) private and (b) public telephones were there in (i) Bethelsdorp Extension (aa) 27A, (bb) 27B, (cc) 27C, (dd) 23, (ee) 24, (ff) 26 and (u) Booyens Park in the Bethelsdorp constituency, as at 31 December 1989;

(2) whether there was a shortage of telephones in any of these suburbs as at 31 December 1989, if so, (a) how many applications were outstanding at that date

and (b) when is it anticipated that the shortage will be eliminated in each case?

C44E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

The required information is not readily available as at 31 December 1989 and what follows reflects the position as at 27 March 1990

(1) (a) (i) (aa) 3

(bb) 62

(cc) 118

(dd) 239

(ee) 306

(ff) 128

(u) 856

(b) (i) (aa) 0

(bb) 0

(cc) 0

(dd) 0 See Note

(ee) 0

(ff) 0

(u) 7;

Note

Steps have been taken to provide a public telephone in Bethelsdorp Extension 23 and it is expected that the service will be installed during April 1990

(2) yes,

(a) 24, 7 and 12 in Bethelsdorp Extension 27A, Booyens Park and Bethelsdorp Extension 24 respectively,

(b) the applicants will be provided with telephone service as follows

Bethelsdorp Extension 27A By June 1990 if nothing unforeseen occurs

Booyens Park After the completion of a cable project during the last quarter of 1990

Bethelsdorp Extension 24 As soon as the applicants provide conduit pipes for the Department's cabling

Handwritten: 267

In cases where, owing to aesthetic or other reasons, local authorities require that all cabling be laid underground, it is the client's responsibility to arrange for the provision of a conduit pipe from the boundary of

his premises to his house at his own expense. This requirement was introduced in view of the vast difference in costs between an overhead access line and the considerably more expensive underground connection

| | |
|--|--------|
| SATOER/ SATOOR | 258 |
| Botaniese Tuine/ Botanical Gardens | 100 |
| Parkeraad/ Parks Board | 718 |
| Bosboufakulteit, Universiteit van Stellenbosch/ Faculty of Forestry, University of Stellenbosch | 26 |
| Regshulpraad/ Legal Aid Board | 64 |
| SA Koördinerende Verbruikersraad/ SA Co-ordinating Consumers' Council | 49 |
| NPA — statutêre instellings/ NPA — statutory institutions | 3 864 |
| KwaZulu | 53 917 |
| Lebowa | 46 354 |
| Gazankulu | 31 066 |
| Owagwa | 12 926 |
| KaNgwane | 13 779 |
| KwaNdebele | 9 050 |

SADF pensions: widows

280 Lt-Gen R H D ROGERS asked the Minister of National Health and Population Development *Hansard 26/4/90*

- (1) What percentage does the widow of a deceased pensioner of the south African Defence Force receive of the pension paid to her late husband,
- (2) whether consideration has been given to raising the pension of such a widow to 75 per cent of the original pension, if not, why not, if so, with what result?

B725E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT.

- (1) Fifty per cent,
- (2) Yes, in view of the considerable financial implications and the difficulties in financing such a concession, the matter is still under consideration.

Hansard 26/4/90
Durban/Empangeni, Durban/Margate: upgrade. *26/4/90*
297 Mr J A J ~~1084~~ *Hansard 26/4/90* asked the Minister of Transport †

- (1) Whether it is the intention to upgrade the N2 route between (a) Durban and Empangeni and (b) Durban and Margate, if so, (i) from what sources of financing, (ii) at what cost, and (iii) over what period, in each case,
- (2) whether any assurances on the (a) sources of financing and (b) dates of completion of these two sections of road were given in the past, if so, what assurances,
- (3) whether these assurances are being or will be departed from, if so, what are the relevant details, in each case?

B768E

The MINISTER OF TRANSPORT

- (1) (a) Yes, specifically the section between Umdloti and Marredal (north of Empangeni), which is situated between Durban and Empangeni;
- (b) yes, specifically the section between Hibberdene and Southbroom, which is situated between Durban and Marredal,

- (i) from the National Road Fund and capital market loans,
- (ii) at the estimated cost—
Umdloti to Marredal — R550 million
Hibberdene to Southbroom — R300 million, and
- (iii) over the period of construction—
Umdloti to Marredal — 1990 to 1999*
Hibberdene to Southbroom — 1990 to 1998,
but subject to the availability of funds,

- (2) (a) no
 - (b) no, construction programmes are always subject to the availability of funds,
 - (3) falls away
- * Construction of the new road sections is planned to be completed by 1996 and the

Hansard 26/4/90
construction of the second carriageway of the existing Ballito - New Guelderland section by 1999 *26/4/90*

Sandton constituency: telephone services
312 Mr D J DALLING asked the Minister of Mineral and Energy Affairs and Public Enterprises

- (1) How many applications for telephone services were outstanding in respect of (a) the exchanges of (i) Bryanston, (ii) Randburg, (iii) Benmore Gardens, (iv) Kelvin, (v) Bramley, (vi) Rosebank and (vii) Sunninghill Park, and (b) any other exchanges serving the Sandton constituency, as at 31 December 1989,
- (2) when is it anticipated that the backlog in respect of each exchange will be eliminated,
- (3) what steps are being taken to satisfy the demand for telephones in respect of each such exchange?

B792E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

- (1) (a) (i) 112,
- (ii) 132,
- (iii) 166,
- (iv) 59,
- (v) 80,
- (vi) 200,
- (vii) 100, and
- (b) Farmall 14,
Fourways 148,
Olvedale 52,
Diepsloot 7,
Bromhof 89,
Crowthorne 52,

- (2) and (3)
- All the waiting applicants in these exchange areas have since been provided with tele-
phone service

Hansard 26/4/90

267

- Randburg, Benmore Gardens, 1
- Kelvin, Rosebank, 1
- Sunninghill Park, 5
- Fourways, 6
- Olvedale and Bromhof, 3
- Bromhof, 1
- 1
- 6

The majority of waiting applicants in these exchange areas have in the interim been provided with service and only the following numbers in the exchange areas indicated are still waiting for service

Sandton: post offices/postal services

315 Mr D J DALLING asked the Minister of Mineral and Energy Affairs and Public Enterprises:

- Whether it is the intention to provide any additional (a) post offices and (b) postal services in the Sandton area in 1990, if so, (i) where, (ii) what services, and (iii) when, in each case?

B800E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

- (a) Yes,
- (i) In Kelvin,
- (ii) a post office, and
- (iii) September/October 1990 The establishment of the proposed post office has been postponed as a result of a delay with the extension to the shopping centre complex in which it will be accommodated
- (b) Yes,

(i) Lubro Park and Buccleuch,

(ii) the provision of mail collection points, and *Handwritten: 26/4/90*

(iii) Lubro Park As a result of problems with the contractor it was not possible to provide the mail collection point by October 1989 as was indicated last year The expected date of completion is now June/July 1990, and

Buccleuch Endeavours are at present being made to identify a suitable site The completion date of the buildings is not known at this stage

The following supplementary information is furnished for the sake of completeness

(i) Sandton Post Office

The necessity to relocate the post boxes to a separate locale has fallen away It will accordingly not be possible to provide the additional 1 500 private boxes as previously intended

(ii) The planned new departmental post office building to house the Wendywood Post Office has been postponed on account of financial considerations The expected date of completion is now May 1992

(iii) For economic reasons it has for the time being been decided not to continue with efforts to acquire a site for the erection of a post office in Morningside Endeavours are instead now being directed at obtaining suitable hired accommodation

Own Affairs

1989 Matriculation examination scripts: markers
64 Mr K M ANDREW asked the Minister of Education and Culture

- (1) Whether markers of matriculation examination scripts are required to have (a) certain qualifications and (b) any experience, if not, why not, if so, what (i) qualifications and (ii) experience,
- (2) whether all markers of 1989 matriculation examination scripts had the necessary (a) qualifications and (b) experience, if not,

(3) (a) how many (i) had and (ii) did not have the necessary qualifications or experience and (b) (i) why were the latter persons used as markers and (ii) what (aa) qualifications and (bb) experience did they have, *Handwritten: 26/4/90*

(4) over what period of days did the marking take place? *Handwritten: 26/4/90*



B559E

The MINISTER OF EDUCATION AND CULTURE

(1) (a) and (b) (i) and (ii) Yes, each marker has to have experience in the Senior Secondary phase and an appropriate qualification,

(2) (a) and (b) no, shortages were experienced in the Transvaal,

(3) (a) Transvaal (i) 5 146 (ii) 314

(b) (i) shortage of teachers who fully satisfied all requirements

(ii) (aa) the relevant subject was included in the person's degree or diploma

(bb) previous teaching experience of the subject but not necessarily in the senior secondary phase,

(4) an average of 10 days in the respective examining bodies.

1989 Matriculation examination scripts: markers
66 Mr K M ANDREW asked the Minister of Education and Culture

(1) Whether markers of 1989 matriculation examination scripts were required to mark a certain number of scripts (a) per day and (b) in total, if not, why not, if so, how many in each case,

(2) what were the hours of work for markers at marking centres,

(3) whether these markers were allowed to take scripts home to mark, if so, (a) why, (b) subject to what controls and (c) how many per (i) day and (ii) night,

(4) (a) on what basis and (b) how much were they paid?

B561E

The MINISTER OF EDUCATION AND CULTURE *Handwritten: 26/4/90*

(1) (a) No, but guidelines were issued to ensure that all marking would be completed in the allocated time,

(b) no, but certain targets were set which varied per subject,

(2) an average of 8 hours per day, *Handwritten: 26/4/90*

(3) yes, in exceptional cases in the Cape only,

(a) 'in a few instances justified by circumstances,

(b) as agreed individually with the chief marker,

(c) (i) and (ii) varied according to circumstances,

(4) (a) per hour in Natal, R10,50 per hour Orange Free State and Transvaal

(b) depending on the length of the examination paper between R2,05 and R3,65 per script

Teachers leaving service

101 Mrs C H CHARLEWOOD asked the Minister of Education and Culture

How many (a) permanent and (b) temporary teachers did his Department lose in each province in 1989 (i) on account of (aa) marriage, (bb) retirement, (cc) ill health, (dd) termination of service, (ee) death, (ff) the acceptance of non-teaching posts and (gg) further study and (ii) for other reasons? *Handwritten: 26/4/90*

B675E

The MINISTER OF EDUCATION AND CULTURE

(a)

| | | | | | | | | | |
|-------|-----|------|------|------|------|------|------|------|------|
| | (i) | (aa) | (bb) | (cc) | (dd) | (ee) | (ff) | (gg) | (ii) |
| Cape | 55 | 167 | 44 | 0 | 17 | 117 | 21 | 179 | |
| Natal | 14 | 57 | 19 | 0 | 7 | 93 | 11 | 226 | |
| ORF | 13 | 30 | 9 | 1 | 6 | 192 | 1 | 72 | |

Transvaal

| | | | | | | |
|-----|-----|----|---|----|-----|----------|
| 122 | 254 | 84 | 5 | 38 | 228 | 47 2 036 |
|-----|-----|----|---|----|-----|----------|

(b)

| | | | | | | | | |
|-----------|----|----|---|---|---|-----|---|-----|
| Cape | 8 | 11 | 1 | 1 | 0 | 53 | 0 | 140 |
| Natal | 6 | 23 | 6 | 0 | 0 | 61 | 2 | 5 |
| Transvaal | 13 | 15 | 1 | 2 | 6 | 137 | | 918 |

*Information not available *Handwritten: 26/4/90*

Universities: budget cuts

103 Mr J H MOMBBERG asked the Minister of Education and Culture *Handwritten: 26/4/90*

(1) Whether any cuts had been made in the budgets of universities falling under his Department in respect of the 1989-90 financial year, if so, what cuts,

(2) whether he will make a statement on the matter? *Handwritten: 26/4/90*

B677E

The MINISTER OF EDUCATION AND CULTURE

(1) Yes, an average of 20% of the amount generated by the subsidy formula,

(2) no

Reduction of teaching staff

114 Mr K M ANDREW asked the Minister of Education and Culture *Handwritten: 26/4/90*

(1) Whether any schools have been advised that they will have to reduce the number of (a) temporary and (b) permanent teachers on their staffs at the end of 1990, if so, in respect of each province, how many (i) schools have been so advised and (ii) teachers are involved, if not,

(2) whether any schools will be so advised, if so, when? *Handwritten: 26/4/90*

B782E

The MINISTER OF EDUCATION AND CULTURE

(1) (a) No,

(b) no,

(2) yes, as soon as there is certainty regarding the position at schools in 1991

Bad phone habits will take their toll

CORPORATE South Africa is all set to waste millions of rands in the next few months . . . because it doesn't know how to answer the phone.

When the Department of Posts and Telecommunications launched a fully-fledged tollfree service last month the new service should have been a golden opportunity for thousands of companies. But the reality is that many will waste the chance, and their money, too.

This warning comes from Bill Swales, telemarketing expert with the South African Direct Marketing Association.

He pointed out "We may soon see the tollfree number replacing the postbox number as a response mechanism. But if a company uses it just like a postbox and takes no other action to gear up for the new era, then they will waste time and money."

Customers

"Without the proper systems and training on the inside, that tollfree facility could cost them customers as well as cash."

He added "In the first, experimental phase several highly sophisticated marketing companies demonstrated how to use the new tollfree facility and did superbly well. If the remainder try to follow suit without any grounding in the new skills, they will be in trouble. Across the country as a whole, millions could be wasted."

Mr Swales pointed out that already some companies do not know how to answer the phone properly. They shunt callers around from department to department, and create resentful rather than happy customers.

In the tollfree era, training and systems weaknesses like that would be magnified.

The Direct Marketing Association and the Department of Posts and Telecommunications have launched an information and education drive to improve the knowledge and skills of companies.

kerk, was now long overdue.

Satellite dish use legalised

DURBAN — Privately owned satellite dishes will soon be legal. (267)

Mineral, Energy, Affairs and Public Enterprises Minister Dawie de Villiers announced that after recommendations by a task group investigating private satellite dishes, licensing was being considered.

Opening the fourth Telematics Conference in Durban, De Villiers said users of receiving dishes might be licensed to receive national or international television programmes from satellites.

Users will not be allowed to relay the signal beyond their premises.

He said the reception would fall within the scope of the Radio Act of 1952 and other radio regulations.

The cost of the licence would compare favourably with existing licence fees.

De Villiers said in the past the SA Post and Telecommunications Department had been criticised for not allowing private satellite dishes.

But Intelsat, the international consortium which owns and operates a global communication satellite system of which SA was a member, required that all earth stations using their service had to be registered. — Sapa

ALGEMENE KENNISGEWINGS

**KENNISGEWING 405 VAN 1990
DEPARTEMENT VAN POS- EN
TELEKOMMUNIKASIEWESE
WYSIGING VAN DIE TARIEFLYS VIR
TELEKOMMUNIKASIEDIENSTE**

Hiermee word ingevolge artikel 2B (3A) van die Poswet, 1958 (Wet No. 44 van 1958), bekendgemaak dat die Posmeester-generaal, handelende kragtens artikel 2B (1) (e) van genoemde Wet, bepaal het dat die gelde, tariewe of koste uiteengesit in die onderstaande Bylae ten opsigte van die betrokke dienste geëis of ontvang moet word.

BYLAE

1.0 In hierdie Bylae beteken die uitdrukking "die Tarieflys" die Tarieflys vir Telekommunikasiedienste afgekondig by Goewermentskennisgewing No. 1192 van 1 Julie 1977, soos gewysig.

2.0 Die Tarieflys word hiermee verder soos volg gewysig:

2.1 *Vervang* die bestaande besonderhede teenoor "Ascension" in item 34.1 deur "16,80 5,60 5,60".

2.2 *Vervang* die bestaande besonderhede teenoor "St Helena" in item 34.1 deur "16,80 5,60 5,60".

2.3 *Voeg* "5,60" in onder die opskrif "Persoonlikeoproepgeld" in item 34.1 ten opsigte van; Ecuador; Gaboen, Republiek; Hongaarse Volksrepubliek; Kaaimanseilande; Madagaskar, Demokratiese Republiek, Maleisie; Malta, Republiek; Puerto Rico, Unie van Sosialistiese Sowjetrepublieke; Virginiese Eilande (VSA) en Zaire, Republiek.

(25 Mei 1990)

KENNISGEWING 406 VAN 1990

**DEPARTEMENT VAN HANDEL EN NYWERHEID
HANDELSWAREMERKE-WET, 1941
(WET No 17 VAN 1941)**

**VOORGENOME VERBOD OP DIE GEBRUIK
VAN DIE EMBLEEM EN VLAG VAN DIE
MALTA POLISIEMAG**

Ooreenkomstig die vereistes van artikel 13 van die Handelswaremerke-wet, 1941, word hierby bekendgemaak dat die Wêreldorganisasie vir Intellektuele Eiendom (WIPO) ingevolge artikel 6ter van die Konvensie van Parys vir die beskerming van Industriële Eiendom, 1883, soos gewysig, 'n versoek namens die Regering van Malta gerig het dat 'n verbod, kragtens artikel 15 (1) van die vermeldde Wet, op die gebruik van die embleem en vlag van die Malta Polisiemag geplaas word in verband met enige handel, besigheid, beroep, of bedryf of in verband met 'n handelsmerk, merk of handelsomskrywing wat op ware aangebring is, uitgesonderd die gebruik daarvan deur die genoemde Regering of sy gevolmagtigdes. Die vermeldde embleem en vlag lê ter insae by die kantoor van die Registrateur van Handelsmerke, Kamer 302, Zanzagebou, Proesstraat 116, Pretoria.

Belanghebbendes word versoek om vertoe wat hulle in verband met die aangeleentheid wil rig, skriftelik by die Registrateur van Handelsmerke, Privaatsak X400, Pretoria, 0001, in te dien sodat dit hom binne 30 dae na publikasie van hierdie kennisgewing bereik.

(25 Mei 1990)

GENERAL NOTICES

**NOTICE 405 OF 1990
DEPARTMENT OF POSTS AND
TELECOMMUNICATIONS**

**AMENDMENT OF THE TARIFF FOR
TELECOMMUNICATION SERVICES**

It is hereby made known, in terms of section 2B (3A) of the Post Office Act, 1958 (Act No. 44 of 1958), that the Postmaster General, acting under section 2B (1) (e) of the said act, has determined that the fees, rates or charges set out in the Schedule below are to be demanded or received in respect of the services concerned.

SCHEDULE

1.0 In this Schedule the expression "the Tariff" means the Tariff for Telecommunication Services promulgated under Government Notice 1192 of 1 July 1977, as amended.

2.0 The Tariff is hereby further amended as follows:

2.1 *Substitute* the existing particulars against "Ascension" in item 34.1 by "16,80 5,60 5,60".

2.2 *Substitute* the existing particulars against "St Helena" in item 34.1 by "16,80 5,60 5,60".

2.3 *Insert* "5,60" under the heading "Personal call fee" in item 34.1 in respect of Cayman Islands; Ecuador; Gabon Republic; Hungarian People's Republic; Madagascar, Democratic Republic of; Malaysia; Malta, Republic of, Puerto Rico; Union of Socialist Soviet Republics; Virgin Islands (USA) and Zaire, Republic of.

(25 May 1990)

NOTICE 406 OF 1990**DEPARTMENT OF TRADE AND INDUSTRY**

**MERCHANDISE MARKS ACT, 1941
(ACT No. 17 OF 1941)**

**PROPOSED PROHIBITION OF USE OF THE
EMBLEM AND FLAG OF THE MALTA POLICE
FORCE**

In pursuance of the requirements of section 13 of the Merchandise Marks Act, 1941, it is hereby notified that the World Intellectual Property Organisation (WIPO) has, by virtue of article 6ter of the Paris Convention for the Protection of Industrial Property, 1883, as amended, conveyed a request on behalf of the Government of Malta for the prohibition in terms of section 15 (1) of the said Act, of the use of the emblem and flag of the Malta Police Force in connection with any trade, business profession or occupation or in connection with a trade mark, mark or trade description applied to goods, other than the use thereof by or with the consent of the said Government. The above-mentioned emblem and flag are available for inspection at the office of the Registrar of Trade Marks, Room 302, Zanza Building, 116 Proes Street, Pretoria.

Interested persons are invited to submit, in writing such representations as they may care to make in regard to the matter to the Registrar of Trade Marks, Private Bag X400, Pretoria, 0001, to reach him within 30 days of the publication of this notice.

(25 May 1990)

WILSON ZWANE

POSTAL services on the Witwatersrand were playing havoc with communication, SA Chamber of Business (Sacob) spokesman Bill Lacey said yesterday.

In a telephone interview, Lacey said there had been numerous complaints about mail deliveries in the Witwatersrand region since the beginning of this year.

"One would expect mail delivery on the Witwatersrand to take three days at most. But from experience I know it sometimes takes more than seven days," he said.

Delays in delivery played havoc with communication among people who were dependent on the postal services.

The Post Office should set standards by

267
B/Dav 16/5790

Delays in Reef mail delivery are accused of causing havoc

which its postal services could be guaranteed, Lacey said.

"If one knows how long it takes mail to reach a certain destination, one can plan accordingly. As it is, postal services on the Reef leave much to be desired," he said.

"There have been no problems with mail from outside the Witwatersrand.

"And I don't know why the Post Office cannot secure the same services on the Reef," Lacey said.

Posts and Telecommunications (P & T)

spokesman Amanda Singleton said postal services were up to date despite the decision by the Post Office to terminate deliveries in January this year.

"We have no backlogs at the moment. The only backlog we had on the Witwatersrand was when the black staff went on strike in Roodepoort last week. But that is resolved," Singleton said.

Anyone with mail delivery problems should contact the Post Office so the matter could be investigated.

POLITICS

Bill recommends that P & T be split in two

267

18/6/90

CAPE TOWN — Draft legislation recommending the separation of the Department of Posts and Telecommunications (P & T) into two companies, which may become privatisation candidates, was tabled in Parliament yesterday.

The Post Office Amendment Bill, tabled by Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers, recommends that the department be split into two enterprises, the Postal and Post Office Savings Bank enterprise and the Telecommunications enterprise, and that these be vested in two companies.

The aim of the draft legislation is, in line with recommendations of the De Villiers report on the Department of Posts and Telecommunications, to restructure the financial management of the department to ensure greater efficiency

This could be achieved, for example, by applying management techniques to the capital-intensive telecommunications enterprise which differ from those applied to the more labour-intensive postal division.

The De Villiers report also made recommendations on the companies' structure, with particular reference to the interests of the state and the protection of the public against exploitation by a private monopoly

LESLEY LAMBERT

But the legal draftsmen say that while



DE VILLIERS

the Bill aims to make provision for some recommendations of the De Villiers report, other recommendations will be dealt with in subsequent legislation.

One significant recommendation which will be addressed at a later stage is the creation of authorities to regulate the restructured operation

The state will not be able to sell shares in the companies until this subsequent legislation is in operation.

The Bill stipulates that the companies be forbidden to sell off more than 10% of their assets or entering into partnerships without the approval of the Minister.

Graded levels for telematic services 'a priority'

GRADED service levels for certain telematic services are a main SA Posts and Telecommunications priority for 1990 and 1991, a move which is welcomed by large service users

At the Fourth National Telematics Conference in Durban recently, Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers said those who wanted a 24-hour maintenance service would be able to subscribe to such a level of service, provided they paid for it and SAPT

could provide the service in the area it was required

"Where customers require their circuits to be restored within a specified period of time, they can subscribe to such a service at the prevailing tariff

"The details of these service levels are currently being negotiated between the Post Office and the National Telematic User Group (NTUG)," he said

But the severe shortage of skilled technical staff in the Witwatersrand area had to be dealt with and

extensive management systems for telematic services put in first

By early 1991, a remote management system for 75% of all point-to-point circuits in SA will be installed. And a major project to provide operations personnel in the regions with fast response realtime management systems is under way.

SAPT's senior director of networks and telematics, R Harker, told the conference that users today would not tolerate long outage times

on their circuits. (267)

He said SAPT would offer three grades of service — standard, special, and premium (268)

Users would pay a fixed monthly fee or retainer for a particular service level and a higher tariff to cover the cost for SAPT staff to travel users' premises to localise or fix faults. A penalty would apply if SAPT staff were called out for faults on users' equipment

B. De V. 1990

FIM 8/6/90

267

referring to the Post Office wage dispute.

It could develop into an all-out strike in the next two weeks — even though strikes are outlawed in essential services. This follows last weekend's announcement by the Post Office that workers represented by the staff association Post Office & Telecommunications Workers' Association could not be granted a further wage increase this financial year because it could be approved only by government.

Pensionable allowances

Personnel manager Pieter Senekal (who met Public Affairs Minister Dawie de Villiers last week to discuss the demands) says a lack of funds rules out staff associations' demands that the non-pensionable allowance, granted on April 1, should be made into pensionable allowance.

Union president Kgabisi Mosunkutu says members have been informed of management response. He points out that go-slows, demonstrations and wildcat strikes began three weeks ago to back demands for wage increases.

These, he believes, could soon become a strike.

the minimum wage offered by the Post Office is higher than that of most other major employers.

The Post Office is looking at extending promotion opportunities on certain lower levels and at the possibility of greater wage flexibility for these groups. Further, the department is "still committed to keeping its staff's salaries on a livable level" and will consider the wage issue again in the next financial year. ■



De Villiers ... discussed the union demands

Union media liaison officer Sizwe Matshikiza last week denied rumours that the association was co-ordinating countrywide strike action this month. Commenting on whether the union would approach government to approve a raise, Mosunkutu points out that the minister has been involved in discussions with Senekal and is aware of the demands.

The union is demanding a minimum R1 100 a month and an across-the-board increase of R400 a month. The current minimum is R627,50 after increases ranging from 9% to 20% earlier this year.

According to Senekal, the demand for a R1 100 minimum is based on calculations for a family of six and "could not be accepted on a general basis." He also points out that

POST OFFICE DISPUTE FIM 8/6/90

Strike in the mail 267

"Business can ill afford further deterioration of mail services." That's the view of SA Chamber of Business spokesman Bill Lacey,

Motor ⁽²⁶⁷⁾ phones spread to Cape, Natal

SITunes 10/6/90

THE single most important development in mobile communications is the radio telephone network known as Motorphone

The system's capacity will be more than doubled this year and coverage extended to certain coastal regions to meet growing demand for cellular networks

SA Posts and Telecommunications (SAPT) senior deputy director, systems management and development, Andre Kruger says the network of base stations, currently confined to about 5 500 PWV users, will be extended to Durban-Maritzburg and the Cape Peninsula in the last quarter of 1990

PWV subscribers will also be able to use Motorphone when visiting the coast

Potential

Mr. Kruger says "Motorphone in Natal will cover the whole of Durban-Pinetown-Maritzburg. The fringe will be about 30km north of Umhlanga and south to Amanzimtoti"

Inland coverage will extend 30km north of Maritzburg on the N3 highway

Installation of 15 base stations will provide for about 3 600 subscribers

The Motorphone network in the Cape Peninsula will be installed at the same time as Natal's. Initial coverage will also include Somerset West and Paarl and as far north as Atlantis

A total of 16 base stations will provide for 3 000 subscribers at the Cape

"Although no fixed budgetary provision has been made, SAPT intends to expand Motorphone further. Potential areas are the Free State and Secunda as well as the road between Johannesburg and Durban"

Investigations have been launched into the possible use of Motorphone to provide a service to certain rural subscribers

Magnetic

Siemens constructed transmitting stations for SAPT on the Reef and in the Rustenburg and Witbank areas last year. It extended coverage in the PWV area and increased capacity from 3 200 to 5 500 subscribers

SAPT is responsible for the Motorphone infrastructure, and the telephones are supplied by Philips and Siemens

"Phones must include 35% local content," says Siemens national sales manager Ernst Sangl

Philips mobile radio division general manager Gert du Plessis says the latest phones use smart instead of magnetic cards as a subscriber's means of identity

"Smart cards are the size of a credit one, but have a microcomputer which can contain about 45 phone numbers"

Handwritten: 12/11/90

(a) 23 persons *(267)*
 (b) 11 persons
 (3) No *(267)*
 (a) and (b) Fall away

SAP: frauds office

411 Mr H H SCHWARZ asked the Minister of Law and Order

- (1) Whether there is a special frauds office in the South African Police at present, if not, why not, if so, what is the (a) nature and (b) strength of this office,
- (2) whether it is intended to strengthen the said office, if not, why not, if so, what are the relevant details?

B958E

The MINISTER OF LAW AND ORDER

- (1) No, because the Commercial Crime Unit of the South African Police is responsible for these investigations
- (a) and (b) Fall away
- (2) Falls away

Saturdays: postal deliveries

421 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs and Public Enterprises

- (1) Whether the postal authorities have terminated the postal delivery service on Saturdays in any areas, if so, (a) with effect from what date, (b) why, (c) in respect of which areas and (d) (i) when and (ii) by whom was the decision taken,
- (2) whether any complaints have been received from the public in this connection,
- (3) whether he will make a statement on the matter?

Handwritten: 12/6/90 B998E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

- (a) Initially during October 1983 only on the Witwaterstrand on two Saturdays of the month This arrangement was extended country-wide during July 1986 and during January 1990 the

Handwritten: 12/11/90

Whether any applications for (a) telephone services and (b) private post boxes were outstanding in the Johannesburg North constituency as at the latest specified date for

which figures are available, if so, (i) how many and (ii) when is it anticipated that the backlog will be eliminated?

(267) B1080E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

(a) Yes,

(i) 724 as at 30 April 1990,

(ii) In addition to applications that are met on demand on a continuous basis where telephone numbers and cable leads are available, service will be provided as follows to waiting applicants in the areas indicated

| Exchange area | Number waiting applicants | When services are to be provided |
|--|---------------------------|--|
| Bramley (includes the suburbs of Eltonhill, Winston Ridge, Kentview and Birnam) | 102 | Within the next three months as cable works are completed |
| Rosebank (includes the suburbs of Farway, Illovo, Melrose, Melrose North, Melrose Estate, Birdhaven, Dunkeld West, Parktown North, Parkhurst and Craighall Park) | 191 | Within the next 5 months as cable works are completed |
| Randburg (includes the suburbs of Craighall and Blaragwone) | 387 | Within the next 2 months when an extension to the Randburg exchange is taken into use and as cable works are completed |
| Linden (includes the suburbs of Victory Park, Pieterneef Park, Pine Park, Blaragwone and Beaconsfield Estate) | 44 | Within the next month as cable works are completed |

(b) Yes,

(i) 307 as at 17 May 1990 (Birnam Park 19, Parkhurst 21, Craighall 52, Pinegowrie 215),

(ii) The installation of additional private post office boxes at Birnam Park, Parkhurst and Craighall is not possible because of the structure of the buildings. The waiting applicants at these centres can only be accommodated as and when existing boxes become vacant and specific dates for the elimination of the backlog cannot, therefore, be furnished. The Pinegowrie Post Office will be moved to new premises during October 1990 where 2 100 private post boxes will be installed which will eliminate the backlog of waiting applicants. It should be mentioned that vacant private boxes exist at Saxonwold (64), Northlands (24), Bramley (792) and Parklands (352)

Whipping as punishment

476 Mr L FUCHS asked the Minister of Justice

- (1) Whether whipping as a punishment is (a) permitted and (b) applied in South African prisons; if so, (i) under what circumstances, (ii) (aa) who applies the punishment and (bb) how are such persons
- (2) whether any alternative punishments are available to the prisoner, if so, what are the alternatives, if not, (a) why not and (b) what procedures are available to pris-

(267) selected and (ii) what precautions are taken to ensure that the health of the prisoner is not adversely affected.



● SNEDDEN

Computers the exception in poor electronics field

B1009 14/6/90

267

**BUILT AN ARK
OFFER YOU ONE?
SERVICE:**

R:

- OWER) **R3 995**
- R2 995**
- R2 595**
- R2 495**

ELS AVAILABLE

the PWV home/office delivery
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0s of programmes from PD Library

THE BROKERS:
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FLORIDA 672-9251
RETORIA (012) 341-6946

CUTS in capital expenditure by SA Posts & Telecommunications (SAPT) and Armscor, as well as lower consumer spending, have dealt severe blows to growth in the high-flying electronics market

Exceptions to low growth are computer systems, software and services, which are expected to show inflation-beating growth. Software and services are predicted in BMI-TechKnowledge's latest electronics industry report to grow by 33% this year and 26% next year. Data processing (DP) hardware growth is slowing to about 21% this year and 16% next year.

Apart from these and transportation systems which are expected to show growth of 18% this year, other sectors will barely keep pace with inflation.

But there's a slowdown in worldwide industry growth — from 22% in 1988 to 9% forecast for this year. In SA

MELANIE SERGEANT

sales reached R10,4bn in 1989 and are expected to grow to just R11,7bn this year

"Add to this figure another R850m in services revenue and the industry is expected to be worth R12,7bn this year. This represents revenue growth of 12% or minus 3% in real terms for 1990," says BMI-TechKnowledge director Alan Paul

A turnaround is unlikely until at least 1992 because of lower-than-inflation growth in most sectors, and following abnormally high growth in 1988 which was largely due to the PC market's sudden boom.

Consumer

The report shows DP hardware taking an increasing portion of revenues, rising from 18% in 1984 to 28% in 1992, and software and services growing from 6% to 17%

In this time, telecommunications system sales have fallen from 20% to 17%, consumer electronics from 16% to 8% and components from 11% to 7%

Local manufacture is increasing very slowly, partly because of the drop in telecommunications system manufacture by major suppliers to SAPT. Local manufacture and assembly in 1989 was just over 18% of total industry value

Altech executive chairman Don Snedden says although local manufacture volumes at his group have been substantially reduced, the depth of products which can be made is unchanged

"All systems have been affected, but none eliminated. New products and manufacturing techniques continue to be introduced, and if SAPT spending returns to previous levels, our plants will cope," he says

Paul says "In the next five years the electronics industry will be dependent on a number of factors in the political and economic spheres. The rapid changes in the political climate in SA have caught the industry mostly unprepared, with very few industrialists ready to do business, on an export basis, with the outside world"

Snedden says Altech is always looking at exports, but the telecommunications market is difficult to penetrate

"For example, European countries support their own manufacturers, but opportunities exist in developing countries if finance can be found

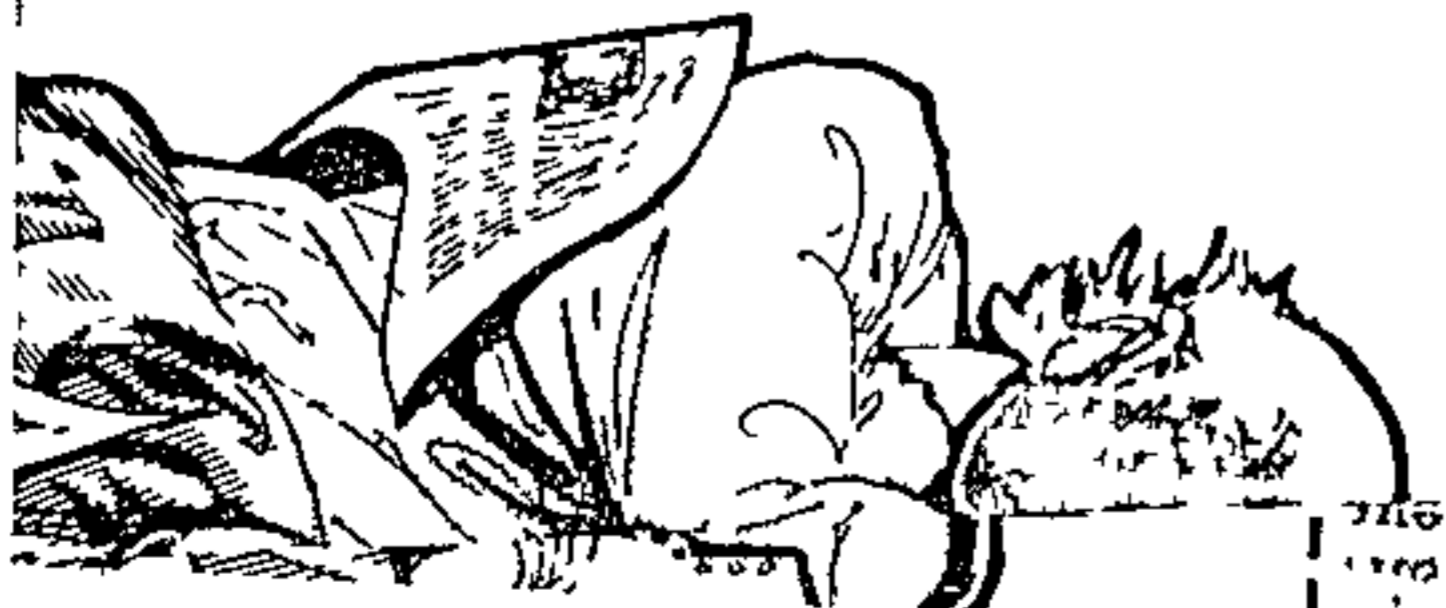
Scenarios

"We're exploring this avenue in conjunction with our overseas associate Telemetrix. We feel other local opportunities exist, and we're broadening the scope of our activities"

Turning to growth prospects, Paul says "The range of scenarios that will determine growth and industry performance has increased dramatically in the last six months

"The effects on the industry could vary from a low-growth forecast of a nominal 1% to 2% a year to a high-growth forecast of as much as 18% a year from 1992 onwards"

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steps on the job**



POST OFFICE FIM 22/6/90 (267)

Never on a Saturday

One would have thought that, with the deterioration in postal services (*Leaders* June 15), the Post Office would be striving to offer

FIM 22/6/90 (267)

a better service rather than further diminishing it

However, answering questions in parliament last week by the DP's Roger Hulley, Public Enterprises Minister Dawie de Villiers confirmed that Saturday deliveries to homes in large centres had been suspended

Disruptive effect

The reason is that postmen seldom complete home deliveries before 4 pm on Saturdays "The department was, therefore, experiencing increasing opposition to Saturday deliveries, which was visibly starting to have a disruptive effect on the quality of mail deliveries on weekdays as well"

De Villiers reassures Post Office customers that mail addressed to private boxes is still being sorted on Saturdays and that "only mail intended for street addresses is affected The arrangement exists that all street mail to hand on a Saturday is delivered the following Monday"

The new arrangement applies to all except small centres where mail can be delivered within normal office hours on Saturdays Postmen at bigger depots will apparently still be employed until noon on Saturdays to sort mail for delivery on Mondays So much for keeping the customer satisfied ■

Short circuit in electronics industry

W. Mail 22/6/90

Cutbacks by Armscor and the Posts and Telecommunications department has caused a drop in the electronics industry. But the computer section is growing
Daily Mail Reporter

GROWTH worldwide is slowing in the electronics industry, from 22% in 1988 to 9% forecast in 1990

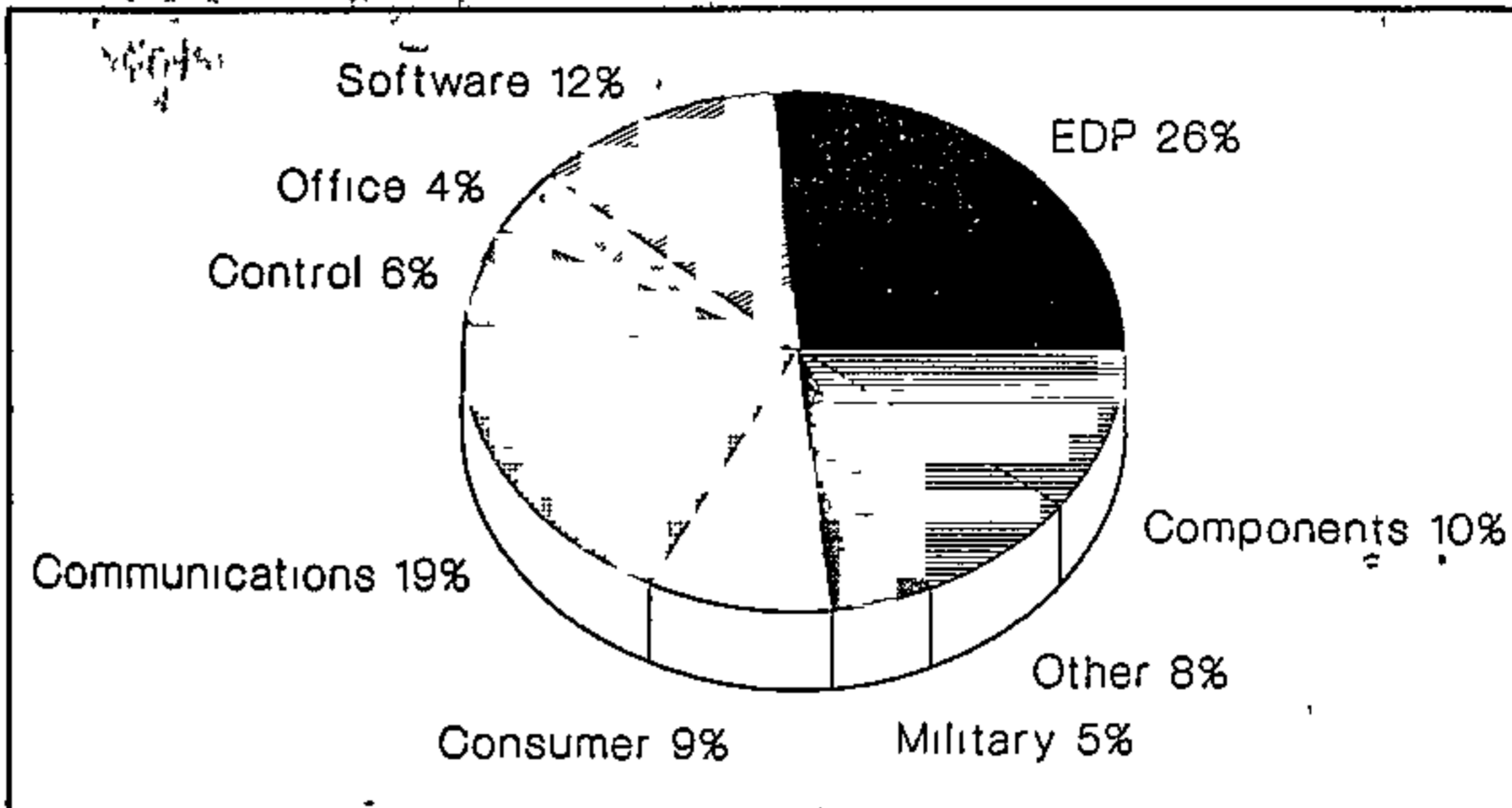
In South Africa too, growth is decelerating, according to the latest Business & Marketing Intelligence report on the industry.

The South African electronics industry recorded revenue of R10,4-billion in sales of new equipment in 1989. Sales are expected to reach R11,7-billion in 1990. If another R850-million in services revenue is added to this figure the industry will be valued at R12,7-billion in 1990.

The world market for electronics equipment will be worth \$733-billion in 1990, of which \$130-billion is in Eastern bloc countries. The balance of \$603-billion is in Western and Third World countries.

BMI-TechKnowledge's report on the Electronics Industry recently published, forecasts a revenue growth of 12% in South Africa, or minus 3% in real terms for 1990.

"A turnaround for the industry is unlikely to happen until at least 1992, due to less than inflationary growth in most sec-



The breakdown of the electronics industry by value in 1989

267

tors, following an abnormally high growth year in 1988.

Cutbacks in capital expenditure by South African Posts and Telecommunications and by Armscor have affected the industry and will continue to make an overall negative impact. Two exceptions to low growth are computer systems and software and services. These two sectors will continue to show better-than-inflation growth prospects for the future, with software and services due for growth of 33% this year, and 26% next year. DP hardware growth is slowing to a probable 21% this year, and 16% next year," says Alan Paul, Director of BMI-TechKnowledge.

Major growth highlights for 1990 include

- Software & services at 33%
- DP hardware at 21%
- Transportation systems at 16%

All other sectors will barely keep pace with inflation in 1990

In terms of industry segmentation, DP hardware is accounting for an increasing portion of the pie, rising from 18% in 1984 to 28% in 1992, while at the same time software and services is growing from 6% to 17% of the industry. During this period telecommunications has declined from 20% to 17%, the consumer share has fallen from 16% to 8%, and components from 11% to 7%

GPO is working on its backlog

THE Post Office is doing everything in its power to ensure a satisfactory flow of mail, says Postmaster General, Mr Johan de Villiers

In a statement issued yesterday De Villiers admitted, however, that the Post Office had "unfortunately in recent times experienced specific operating problems with the processing of mail".

The Post Office has been severely criticised in recent weeks for not providing an efficient postal service.

Transport

According De Villiers, this can be attributed to "sporadic labour problems such as stayaway actions in certain areas, failure of mechanical mail sorting equipment, a beyond expected increase in mail volumes and transport shortcomings.

"It is especially the larger sorting offices that are affected most and where a backlog is sometimes experienced."

He said the Post Office was addressing the problems and that everything possible was being done to normalise matters.

"High-level talks to solve problems in the labour field take place regularly. Endeavours are also being made to address the problems in general by the provision of more staff and the performance of overtime duty." Sapa.

Postal services getting worse, survey shows

ARBUS 28/6/90
267
By DICK USHER, Business Staff

IF you think mail deliveries are getting worse, you're probably right.

A survey by a top periodical publisher has shown "an alarming deterioration" in postal services over the past six months.

The survey was carried out by Reader's Digest and results were compiled from four separate mail shots sent out during the survey period.

In the Western and Central Cape, the first mailing showed that 93,3 percent of the items were delivered in less than four days, 6,7 percent delivered in four to eight days and only 0,1 percent took more than eight days.

The fourth mailing showed 75 percent of items delivered in under four days, 18,8 percent took between four and eight days and 6,3 percent took more than eight days.

By the fourth test, the average time taken for a piece of mail to reach its destination had risen from 2,06 days to 4,06 days.

"TERRIBLY WORRIED"

Mr Colin McCarthy, director of the Cape Chamber of Industries, said results of the survey had been taken up with the Post Office.

"We are terribly worried about postal delays and the effects they are having on business," he said.

The Postmaster-General, Mr Johan de Villiers, said the Post Office had recently had problems with mail processing, but was doing everything in its power to ensure a satisfactory flow of mail.

It was especially the larger sorting offices where backlogs were sometimes experienced.

He attributed the problems to sporadic labour problems such as stayaways, failure of mechanical sorting equipment, a larger-than-expected rise in mail volumes and transport shortcomings.

Everything possible was being done to normalise matters.

More modern equipment with increased sorting capacity had been ordered for Cape Town and Johannesburg.

● The Department of Post and Telecommunications had offered R108 a month increase to general assistants and labourers in the sector, a union spokesman said yesterday.

Mr Kgabis Mosunkutu, president of the Postal and Telecommunications Workers Union (Potwa) said the offer would raise the minimum wage from R627 a month to R735.

He said management also had offered to increase the 9 percent salary increase which was implemented in April, to 10 percent.

KENNISGEWING 566 VAN 1990 • NOTICE 566 OF 1990

DEPARTEMENT VAN POS- EN TELEKOMMUNIKASIEWESE
DEPARTMENT OF POST AND TELECOMMUNICATIONS

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STAAT VAN INKOMSTE EN UITGAWE • MEI 1990
STATEMENT OF REVENUE AND EXPENDITURE: MAY 1990

| | Begroting Estimates 1990-91 | Maand van Mei Month of May | | Totaal Mei Total May | | |
|---|-----------------------------------|-------------------------------|--------------------|-------------------------|---------------------|---|
| | | 1990 | 1989 | 1990/91 | 1989/90 | |
| | R | R | R | R | R | |
| Bedryfsuitgawe: Pos-, Geldoordrag-, Agentskap- en Tele- kommunikasiedienste | 6 124 874 000* | 451 792 000 | 331 174 388 | 842 686 000† | 707 728 778† | Operating Expenditure: Postal, Money transfer, Agency and Telecom- munications services |
| Kapitaaluitgawe: Telekommunikasie | 1 428 000 000 | 97 450 000 | 90 820 906 | 251 277 000 | 202 538 831 | Capital Expenditure: Telecommunications |
| Grond, Geboue en Be- huising | 134 970 000 | 8 787 000 | 7 259 432 | 19 142 000 | 7 520 675 | Land, Buildings and Housing |
| Voertuie | 48 000 000 | 1 127 000 | 50 044 | 3 332 000 | 69 158 | Vehicles |
| Kantoor-, Dataverwer- kings-, Poshanteer en Voorraadtoerusting | 128 000 000 | 1 181 000 | 839 359 | 1 258 000 | 1 835 830 | Office, Data Processing, Mail handling and Stores Equipment |
| Totaal | 1 738 970 000* | 108 545 000 | 98 969 741 | 275 009 000† | 211 964 494† | Total |
| Bedrae wat uit die bedryf- surplus aangewend staan te word: Voorsiening om delging van lenings en effek van wisselkoers- veranderings oor 'n ge- skikte tydperk te versprei | 155 000 000 | — | — | 155 000 000 | 220 000 000 | Amounts to be appro- priated from the ope- rating surplus: Provision to spread re- demption of Loans and effect of exchange rate changes over a suitable period |
| Personeelbehuisingske- ma | 1 000 | — | — | — | — | Staff Housing Scheme |
| Verhoging van Stan- daardvoorraadkapitaal | 63 000 000 | — | — | — | — | Increase of Standard Stock Capital |
| Bydrae tot Saswitch | 1 000 | — | — | — | — | Contribution to Sas- witch |
| Bydraes tot Intelsat | 14 800 000 | — | — | — | — | Contributions to Intelsat |
| Totaal | 232 802 000* | — | — | 155 000 000† | 220 000 000† | Total |
| Inkomste: Telefoondienste | 5 323 800 000 | 400 676 000 | 391 776 545 | 804 724 000 | 756 614 397 | Revenue: Telephone services |
| Teleksdienste | 69 525 000 | 6 972 000 | 7 750 890 | 13 684 000 | 15 795 746 | Telex services |
| Genteksdienste | 55 080 000 | 3 283 000 | 3 679 968 | 5 909 000 | 6 618 826 | Gentex services |
| Huurverbindinge | 264 050 000 | 20 802 000 | 16 620 239 | 44 547 000 | 32 560 429 | Leased circuits |
| Posdienste | 676 458 000 | 51 232 000 | 44 712 299 | 98 078 000 | 86 223 171 | Postal services |
| Geldoordragdienste | 43 267 000 | 3 074 000 | 2 174 103 | 7 729 000 | 6 391 115 | Money transfer services |
| Agentskapdienste | 26 491 000 | 1 224 000 | 504 689 | 2 365 000 | 1 764 651 | Agency services |
| Nie-bedryfsinkomste | 170 555 000 | 758 000 | 3 931 124 | 3 000 000 | 6 298 554 | Non-operating revenue |
| Totaal | 6 629 226 000* | 488 021 000 | 471 149 857 | 980 036 000† | 912 266 889† | Total |

* Interne heffings nie ingesluit nie
Internal charges not included

† Nóg inkomste nóg besteding is gelykmatig oor die boekjaar versprei. Sekere groot bedryfsuitgawebetelings geskied kwartaalliks, halfjaarlik of jaarlik, terwyl kapitaaluitgawebetelings saamhang met die uitvoering van bepaalde kort- en langtermynkontrakte

Neither revenue nor expenditure is evenly spread over the financial year. Certain large operating expenditure payments are made quarterly, half yearly or annually, whilst capital expenditure payments are related to the execution of specific short and long term contracts

(13 Julie 1990)/(13 July 1990)

B/Day 16/7/90

Couriers may help out with postal delays

THEO RAWANA

A HUGE backlog in postal deliveries has forced the Post Office to look into the possibility of using private couriers in a bid to speed up deliveries.

Posts and Telecommunications spokesman Amanda Singleton said the probability of contracting couriers to transport mail was being investigated.

She said the Post Office would write out specifics for tenderers and couriers could tender.

• "The couriers will only transport mail from main post offices to depots — not do a door-to-door delivery operation," she said.

Sapa reports Western Cape deputy senior director of postal services Jurie Swart as saying courier contractors had helped to deliver to rural area depots for some time.

Referring to business complaints about outdated sorting equipment compounding delays, Swart said "We believe we have an efficient mail-sorting system at Cape Town and technicians are in the process of further updating our equipment."

Postmaster-General Johan de Villiers said last month the Post Office was giving urgent attention to the problem of delays in mail deliveries

Prohibited (267)

An effort would be made to expand the in-house transport network and the transport facilities of couriers.

He said private couriers were not allowed to deliver mail "Private couriers are prohibited from delivering direct mail to the public or mail from individuals to private houses

Deputy chairman of Sun Courier's holding company Uniserv Barry Saxton said Post Office delivery problems could be solved within price ranges acceptable to the public.

He said his companies had the infrastructure for fast and efficient national delivery, including outlying areas and small towns

The Post Office could be helped with major problems areas such as speed and reliability in transporting mail to post offices, especially those in outlying areas and also in minimising the sorting delays.

The SA Post and Telegraphs division announced on Friday that a priority mail service between Pretoria and East London was going to be put to the test for six months.

OK gives notice of 570 retrenchments

OK BAZAARS has issued retrenchment notices to 570 employees in the PWV area due to the effects of prolonged striking by SA Commercial Catering and Allied Workers' Union (Saccawu) members.

However, talks will resume this week between the union and OK, Checkers, and Southern Sun in an attempt to end industrial action

OK spokesman Gavin Brown said wage negotiations with the union would continue on Thursday, but the retrenchments would go ahead as initially planned

Affected workers were notified on Friday that their employment contracts would be terminated at the end of the month Brown refused to comment on the nature of the talks, which have been held sporadically over the past two weeks.

Saccawu national organiser Jeremy Daphne denounced the retrenchments and said the company had undertaken at talks held last week to consider the union's demand to withdraw the notices.

As the strike entered its seventh week, Daphne said the union would take an improved management offer

DANIEL FELDMAN

to its members for consideration this week.

The union originally demanded a R160 across-the-board monthly increase, as well as an R800 minimum monthly wage, while OK offered service-related increases and a minimum wage of R710 a month after a year's service

Mediation between the union and Checkers is scheduled to resume today. Saccawu has lowered its demand to a R150 across-the-board increase, and management has offered R138

Talks between the union and Southern Sun continued throughout last Thursday night and into Friday The outcome of the talks could not be established yesterday.

Daphne also said the union had written to Law and Order Minister Adriaan Vlok "in the light of ongoing police harassment" The letter stated that the arrests of picketers were not only without any justification in law, but constituted "a gross interference with workers' rights to picket".

Unless arrests were discontinued, the union would reserve its right to seek relief in the Supreme Court.

Nationalisation of mines must hit economy expert

DANIEL FELDMAN

NATIONALISATION of the mining industry will inevitably lead to a mis-allocation of resources, inefficiencies and the detriment of the economy, says Chamber of Mines senior economist David Kennedy.

In the latest edition of the chamber's newsletter, Kennedy said "The risks involved in tampering with an industry that employs over 750 000 people and provides some 55% of the country's foreign exchange earnings must outweigh any perceived advantages." B/Day 16/7/90

Economic research showed there were no imperative economic or financial reasons for nationalisation, and any government already had the power and the necessary means to exercise fairly effective control without resorting to public ownership, he said.

In addition, the experiences of Eastern Europe, the cost of nationalisation in Western Europe and the failure of nationalisation in Third World countries like Zambia and Burma offered proof that nationalisation did not work.

sation did not work.

Modern economic studies had shown empirically that State-controlled industries were almost certain to be less efficient than privately-owned businesses.

"For private enterprise to survive and prosper in SA it may be necessary to depart from its proper and correct role of aiming to maximise profit and to take a more active part in fulfilling socio-economic expectations," said Kennedy

"This may include allocating more resources to education and training, and perhaps even some kind of affirmative action employment programme. This should help to defuse current antagonisms and help provide an acceptable face for capitalism in SA"

Kennedy said nationalisation was not based on tangible economic/financial criteria, but was in fact an emotional reaction to perceived injustices

F/M 13/7/90

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The Minitel units are being offered for rental at R37,77 a month, including a R5 Beltel subscription fee. The Post Office is banking on the campaign to swell the ranks of Beltel users and lure more information and service providers into the service. There are 170 companies and institutions, including Pick 'n Pay, Wits Business School, Teletech, Frankel Kruger, the Argus group and the FM's parent, Times Media, now providing information and services on Beltel.

Until recently the Post Office has marketed Beltel as a cheap means of transmitting information in the form of text or primitive graphics. It is now stressing the system's interactive capability — users can select products and place orders with a supplier — as an indispensable tool for business. Already, financial institutions such as Standard, First National and United offer electronic banking on Beltel.

The mass distribution of Minitel terminals played a key role in the growth of videotex in France, where terminals are supplied free as an electronic replacement for the telephone directory. There are now more than 5m Minitel units in what is the world's biggest video-

text market and another 80 000 are installed each month.

Communications Frontiers MD Deon van Vuuren expects about 10 000 Minitel units to be installed in SA in the next year and 20 000 the following year. *Simon Cashmore*

F/M 13/7/90

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POST OFFICE F/M 13/7/90

Ringling up Beltel (267)

The Post Office may yet have the last laugh in the long-running Beltel saga. The public videotex service is, at last, beginning to make money. The Post Office is confident that Beltel, which only last year seemed destined to become a white elephant, will emerge as a money-spinner.

Alan Knott-Craig, the Post Office's director of telematic services, says the service is expected to recoup its start-up costs — estimated at R30m — by 1993. There are now about 12 300 Beltel users and Knott-Craig expects this figure to reach 100 000 by 1996.

This is an impressive projection for a service that the Post Office nearly scrapped just two years ago. Officially launched in June 1986, after four years of field tests, Beltel fell far short of expectations. A myriad of technical problems, lack of skilled staff and a befuddled marketing strategy repelled many potential subscribers as well as companies looking to offer information or services.

However, an extensive rescue plan devised by the Post Office in May last year has dramatically improved the quality of the Beltel network and made the service much more attractive.

Plug into the future

Videotex services, already widely used in France, West Germany and other countries, allow home and business users to plug their computer terminals into a telephone or data network to obtain a wide variety of information, such as telephone numbers, news reports and prices for the newest products.

Last week Beltel was relaunched to businesses and consumers on the back of a more than R1m TV and press marketing campaign. The campaign, funded by the Post Office and Johannesburg-based Communications Frontiers, is promoting the use of a low-cost Beltel terminal called Minitel.

The marketing of the Minitel terminal — a move seen as vital to the long-term success of Beltel — is a rare joint venture between the Post Office and the private sector. The Post Office is responsible for the distribution and maintenance of terminals and billing customers. Communications Frontiers, the local agent for the Minitel terminal, will import the units from Telic Alcatel in France and supply the Post Office.

Putting the haste in the post

The dismal state of postal services has contributed to a 65% annual growth rate over the past three years in the booming courier business. Even stronger growth is possible in the years ahead as airline deregulation opens the skies to increased competition for parcels and packages between SA Airways and private airlines

Under the Postal Act only the Post Office may deliver ordinary letters and mail to businesses and households.

"We mainly concentrate on business-to-business documents and even goods deliveries — and, in any case, our tariffs for transporting these goods are prohibitive, compared to the Post Office's 21c for a letter," says XPS Services MD Peter Baker. "Even so, business is booming"

Baker says the courier industry would be very interested in helping the Post Office move its bags from towns such as Nelspruit to Johannesburg overnight at a far cheaper rate than now charged for individual items

"We spoke to the Post Office about a year or two ago about the service we can offer, but since then nothing has happened," Baker says. XPS operates about 300 trucks countrywide and guarantees overnight deliveries between average-sized towns "That includes towns like Upington and Nelspruit"

Senior GM, Postal Services, Willem van Rooyen, says the Post Office is investigating the possibility of using private hauliers, not courier services, to transport its bags between centres "But no finality has yet been reached in this regard, while we are also looking at expanding our own road transport network."

However, in the Cape, courier contractors have been used to help deliver post to rural areas for some time — though not in the Peninsula

Industry also has some ideas on how to improve service

Brian Hopkins, chairman of the Post Office sub-committee of the National Consultative Committee on Post Office Affairs, a private-sector committee, says the Post Office should consider charging different tariffs for first-class and second-class mail

"But then the administration of sorting these out could add further to delays"

While postage charges could be increased to improve profitability, government's anti-inflation stance makes it difficult to charge cost-related tariffs now

"I have seen no improvement in deliveries on the Reef — an SA Chamber of Business memo sent out June 28 had failed to reach most members by July 11," says chamber economist Bill Lacey. Johannesburg City Council management committee member Paul Asherson adds that postal deliveries now take place only once a week in Soweto. The reasons: "A lack of security, only six post offices serving about 2m people, and street numbers that had been painted out"

While Post Office customers suffer, the courier business is booming. XPS, started in 1984, now boasts a turnover of about R100m a year and transports about 80 t-100 t a day, of which 18 t-20 t goes by air. "And the competitive threat from Safair coming on the market has already led to SAA improving its service," Baker says.

Safmarine group air interest executive Piet van Aswegen says Safair now awaits the promulgation of the new Air Services Bill, which was to have come into operation on July 1 but has not yet been signed "As soon as it becomes law, we will apply for our licence and hope to be competing with SAA before Christmas"

Uniserv's Sun Couriers delivers about 400 t of cargo daily countrywide with its 400 trucks and, says Uniserv executive chairman Tiger Wessels, it handles 300 000 parcels monthly for 12 000 clients

"But as we guarantee delivery within 24 hours we cannot do this at 21c an item, as the Post Office does," Wessels says

Adds Sun Couriers' Barry Saxton. "Our services complement those of the Post Office"

DHL International GM Dave Spargo says US companies such as Federal Express and the United Parcel Service have revolutionised the courier business, offering worldwide, guaranteed delivery services "They have forced the US Post Office to become more competitive and market-orientated"

Meanwhile, new Link Airline GM marketing Des Collins says his company is also eyeing the lucrative courier business "That is where the profits are —

and we are well placed to meet demand to certain areas, with our expanding fleet of 13 aircraft"

Arnold van Huyssteer



KENNISGEWING 601 VAN 1990

DEPARTEMENT VAN POS- EN TELEKOMMUNIKASIEWESE

WYSIGING VAN DIE TARIEFLYS VIR TELEKOMMUNIKASIEDIENSTE

Hiermee word ingevolge artikel 2B (3A) van die Poswet, 1958 (Wet No. 44 van 1958), bekendgemaak dat die Posmeester-generaal, handelende kragtens artikel 2B (1) (e) van genoemde Wet en met die goedkeuring van die Minister van Mineraal- en Energiesake en Openbare Ondernemings bepaal het dat die gelde, tariewe of koste wat in die onderstaande Bylae uiteengesit word, ten opsigte van die betrokke dienste geeis of ontvang moet word.

NOTICE 601 OF 1990

DEPARTMENT OF POSTS AND TELECOMMUNICATIONS

AMENDMENT OF THE TARIFF FOR TELECOMMUNICATION SERVICES

It is hereby made known, in terms of section 2B (3A) of the Post Office Act, 1958 (Act No. 44 of 1958), that the Postmaster General, acting under section 2B (1) (e) of the said Act and with the approval of the Minister of Mineral and Energy Affairs and Public Enterprises, has determined that the fees, rates or charges set out in the undermentioned Schedule are to be demanded or received in respect of the services concerned.

BYLAE

1.0 In hierdie Bylae beteken die uitdrukking "die Tarieflys" die Tarieflys vir Telekommunikasiedienste afgekondig by Goewermentskennisgewing No. 1192 van 1 Julie 1977, soos gewysig:

2.0 Die Tarieflys word hiermee verder soos volg gewysig

2.1 Voeg die volgende nuwe item in:

| No | Diens | Installeer- en ander kostes | Maandlikse huur tensy anders vermeld |
|---------|--|-----------------------------|--------------------------------------|
| 16 51 | Spesiale dienste | R | R |
| 16 51 1 | Spesiale tellerlesings op versoek van 'n klient, per geleentheid | 10,00 | — |

SCHEDULE

1.0 In the Schedule the expression "the Tariff" means the Tariff for Telecommunication Services promulgated under Government Notice No. 1192 of 1 July 1977, as amended.

2.0 The Tariff is hereby further amended as follows:

2.1 Insert the following new item:

| No | Service | Installation and other charges | Monthly rental unless otherwise stated |
|---------|---|--------------------------------|--|
| 16.51 | Special services | R | R |
| 16 51 1 | Special meter readings at the request of a client, per occasion | 10,00 | — |

(27 Julie 1990/27 July 1990)

KENNISGEWING 602 VAN 1990

DOEANE- EN AKSYNSTARIEFAANSOEKE. — LYS 27/90

Onderstaande aansoeke betreffende die Doeane- en Aksynstarief is deur die Raad van Handel en Nywerheid ontvang. Enige beswaar teen of kommentaar op hierdie vertoe moet binne ses weke na die datum van hierdie kennisgewing aan die Raad van Handel en Nywerheid, Privaatsak X753, Pretoria, 0001, gerig word. Die aandag word daarop gevestig dat die skale van reg wat in die aansoeke genoem word, dié is wat deur die applikante aangevra is en dat die Raad, afhangende van sy bevindinge, hoer of laer skale van reg mag aanbeveel.

Verlaging van die reg op:

DDT [1,1,1-trichloor-2,2,-bis (p-chloorfeniel) etaan], indeelbaar by tariefsubpos 2903 62.20, van 20 persent *ad valorem* tot vry van reg.

[RHN-verw. T5/2/6/2/1 (900223)]

Applikant:

Avima (Edms.) Bpk., Posbus 4153, Luipaardsvlei, 1743.

NOTICE 602 OF 1990

CUSTOMS AND EXCISE TARIFF APPLICATIONS. — LIST 27/90

The following applications concerning the Customs and Excise Tariff have been received by the Board of Trade and Industry. Any objections to or comments on these representations must be submitted to the Board of Trade and Industry, Private Bag X753, Pretoria, 0001, within six weeks of the date of this notice. Attention is drawn to the fact that the rates of duty mentioned in the applications are those requested by the applicants and that the Board, depending on its findings, may recommend lower or higher rates of duty.

Reduction in the duty on:

DDT [1,1,1-trichloro-2,2,-bis (p-chlorophenyl) ethane], classifiable under tariff subheading 2903.62 20, from 20 per cent *ad valorem* to free of duty.

[BTI Ref T5/2/6/2/1 (900223)]

Applicant:

Avima (Edms.) Bpk., P.O. Box 4153, Luipaardsvlei, 1743.

BUSINESS DAY, Thursday, August 2 1990

Giant post office for Shareworld rejected

MAJOR development plans for Shareworld/MegaCity hang in the balance after the Post Office rejected the idea of a 25 000-box post office which is central to the development

An interested party said the whole scheme had been placed in jeopardy by the intransigence of postal authorities, who could not have investigated the proposition adequately as there was an overwhelming need for the post office in the Soweto area

The post office was pivotal in attracting the mass of people needed to make other parts of the development — including a taxi interchange, garage, hotel and 90 shops — financially viable

Johannesburg Transportation Committee chairman Paul Asherson — who is acting as a facilitator for the development — said yesterday he was disappointed that the Post Office felt the post office was not a viable proposition. Discussions with the Postmaster-General and Minister were now of utmost importance, he said

Asherson said despite the fact that there

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TANIA LEVY
were only 300 post office boxes for 2-million Sowetans, the Post Office had said it felt the community was already well served

There were about 650 000 Sowetans with bank or building society accounts who needed the security and privacy of post office boxes, as did 20 000 spaza shop owners, 3 000 taxi owners and 6 000 taverners, said Asherson. The renters of Soweto's 70 000 telephones required a more reliable delivery of telephone accounts than the present once-a-week delivery to homes

Asherson said hand delivery to residential addresses would be phased out in the future. The Department of Posts and Telecommunications had not been asked to build the post office, only to man it.

Witwatersrand regional manager Martin Nel confirmed the Post Office felt the proposed Shareworld post office was unnecessary. Soweto residents were adequately served by existing services

van die Suid-Afrikaanse Polisie, hierby dat gemagtigde beamptes van die Stadsraad van Kempton Park persone mag deursoek vir die doel van verlening van toestemming tot die binnegaan of betreding van persele of voertuie wat die eiendom is van, of geokkupeer of gebruik word deur of onder die beheer is van die Stadsraad van Kempton Park.

Aldus geteken te Pretoria op die 24ste dag van Julie 1990.

M. VANEYK,
Adjunk-kommissaris: Suid-Afrikaanse Polisie.

No. 1825

3 Augustus 1990

VERLENING VAN DEURSOEKINGSBEVOEGDHEDE AAN GEMAGTIGDE BEAMPTES VAN DIE STADSRAAD VAN KRUGERSDORP

Kragtens die bevoegdheid verleen aan die Minister van Wet en Orde by artikel 2 (2) (g) van die Wet op Beheer van Toegang tot Openbare Persele en Voertuie, 1985 (Wet No. 53 van 1985), welke bevoegdheid ingevolge artikel 5 van die Wet aan my gedelegeer is by Goewermentskennisgewing No. 1631 van 20 Julie 1990, gepubliseer in *Staatskoerant* No. 12647 van 20 Julie 1990, bepaal ek, Mulder van Eyk, Adjunk-kommissaris van die Suid-Afrikaanse Polisie, hierby dat gemagtigde beamptes van die Stadsraad van Krugersdorp persone mag deursoek vir die doel van verlening van toestemming tot die binnegaan of betreding van persele of voertuie wat die eiendom is van, of geokkupeer of gebruik word deur, of onder die beheer is van die Stadsraad van Krugersdorp

Aldus geteken te Pretoria op die 24ste dag van Julie 1990.

M. VANEYK,
Adjunk-kommissaris: Suid-Afrikaanse Polisie.

ALGEMENE KENNISGEWINGS

KENNISGEWING 605 VAN 1990

DEPARTEMENT VAN POS- EN TELEKOMMUNIKASIEWESE

WYSIGING VAN DIE TARIEFLYS VIR TELEKOMMUNIKASIEDIENSTE

Hiermee word ingevolge artikel 2B (3A) van die Poswet, 1958 (Wet No. 44 van 1958), bekendgemaak dat die Posmeester-generaal, handelende kragtens artikel 2B (1) (e) van genoemde Wet, bepaal het dat die gelde, tariewe of koste uiteengesit in die onderstaande Bylae ten opsigte van die betrokke dienste geëis of ontvang moet word.

BYLAE

1.0 In hierdie Bylae beteken die uitdrukking "die Tarieflys" die Tarieflys vir Telekommunikasiedienste afgekondig by Goewermentskennisgewing No. 1192 van 1 Julie 1977, soos gewysig

Police, hereby determine that authorized officers of the Town Council of Kempton Park, may search persons for the purpose of granting permission to enter or enter upon premises or vehicles which are the property of, or are occupied or used by, or are under the control of the Town Council of Kempton Park.

Signed at Pretoria on this 24th day of July 1990.

M. VANEYK,
Deputy Commissioner: South African Police.

No. 1825

3 August 1990

GRANTING OF SEARCH POWERS TO AUTHORIZED OFFICERS OF THE TOWN COUNCIL OF KRUGERSDORP

By virtue of the powers vested in the Minister of Law and Order by section 2 (2) (g) of the Control of Access to Public Premises and Vehicles Act, 1985 (Act No. 53 of 1985), which powers have been delegated to me in terms of section 5 of the Act by Government Notice No. 1631, dated 20 July 1990, published in *Government Gazette* No. 12647, dated 20 July 1990, I, Mulder van Eyk, Deputy Commissioner of the South African Police, hereby determine that authorized officers of the Town Council of Krugersdorp, may search persons for the purpose of granting permission to enter or enter upon premises or vehicles which are the property of, or are occupied or used by, or are under the control of the Town Council of Krugersdorp.

Signed at Pretoria on this 24th day of July 1990.

M. VANEYK,
Deputy Commissioner: South African Police.

GENERAL NOTICES

NOTICE 605 OF 1990

DEPARTMENT OF POSTS AND TELECOMMUNICATIONS

AMENDMENT OF THE TARIFF FOR TELECOMMUNICATION SERVICES

It is hereby made known, in terms of section 2B (3A) of the Post Office Act, 1958 (Act No. 44 of 1958), that the Postmaster General, acting under section 2B (1) (e) of the said Act, has determined that the fees, rates or exchanges set out in the Schedule below are to be demanded or received in respect of the services concerned.

SCHEDULE

1.0 In this Schedule the expression "the Tariff" means the Tariff for Telecommunication Services promulgated under Government Notice No. 1192 of 1 July 1977, as amended.

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2.0 Die Tarieflys word hiermee soos volg verder gewysig:

Voeg die volgende in alfabetiese volgorde by:

34.1 Operateurbeheerde oproepe:

| Diens na | Grondtarief | | Persoonlike-oproepgeld |
|---|----------------------------|-------------------|------------------------|
| | Minimum koste vir 3 minute | Tarief per minuut | |
| | R | R | R |
| "Jordanië, Hasemietese Koninkryk van" | 18,00 | 6,00 | —" |

(3 Augustus 1990)

KENNISGEWING 606 VAN 1990

SENTRALE STATISTIEKDIENS

DIE HOOF: SENTRALE STATISTIEKDIENS maak vir algemene inligting bekend dat die Verbruikersprysindeks soos volg is:

Verbruikersprysindeks, alle items (Basis 1985 = 100)

Junie 1990 = 201,8.

(3 Augustus 1990)

KENNISGEWING 607 VAN 1990

PROVINSIALE ADMINISTRASIE VAN DIE KAAP DIE GOEIE HOOP

PLETTENBERGBAAL.—VERWYDERING VAN SEESAND UIT DIE PIESANGSRIVIERMOND

1. Ingevolge artikel 3 (5) van die Strandwet, 1935 (Wet No. 21 van 1935), word hiermee bekendgemaak dat dit die voorneme is om 'n huurooreenkoms met die Plettenberg Bay Country Club aan te gaan waarin voorsiening gemaak word vir die verwydering van 'n voorafbepaalde hoeveelheid seesand van die Piesangsriviermond.

2. 'n Liggingsplan van die gebied wat deur die voorgestelde wetgewing geraak word, lê ter insae by die kantoor van die Hoofdirekteur Werke, Provinsiale Administrasie van die Kaap die Goede Hoop, Kamer 429, Dorpstraat 9, Kaapstad.

3. Besware teen die voorgestelde verhuuring moet by die Hoofdirekteur: Werke, Privaatsak X9078, Kaapstad, 8000, ingedien word voor of op 31 Augustus 1990.

A. N. LATEGAN,
Hoofdirekteur: Werke.

(3 Augustus 1990)

KENNISGEWING 608 VAN 1990

KANTOOR VAN DIE KOMMISSIE VIR ADMINISTRASIE

RAAD OP MEDEDINGING

AANSOEK OM PERMANENTE VRYSTELLING INGEVOLGE ARTIKEL 14 (5) (b) VAN DIE WET OP DIE HANDAWING EN BEVORDERING VAN MEDEDINGING, 1979 (WET No. 96 VAN 1979), VAN DIE VERBOD OP HORIZONTAL SAMESPANNING OOR MARKVERDELING SOOS AFGEKONDIG IN GOEWERMENSKENNISGEWING No. 801 IN STAATSKOERANT No. 10211 VAN 2 MEI 1986

Die Raad op Mededinging maak hierby vir algemene kennisname bekend dat Sparletta (Edms.) Bpk. (Sparletta) ingevolge artikel 14 (5) (b), van die Wet op die Handhawing en Bevordering van Mededinging, 1979

2.0 The Tariff is hereby further amended as follows:

Insert the following in alphabetical order:

(267)

34.1 Operator-controlled calls:

| Service to | Basic rate | | Personal call fee |
|--|------------------------------|-----------------|-------------------|
| | Minimum charge for 3 minutes | Rate per minute | |
| | R | R | R |
| "Jordan, Hashemite Kingdom of" | 18,00 | 6,00 | —" |

(3 August 1990)

NOTICE 606 OF 1990

CENTRAL STATISTICAL SERVICE

THE HEAD: CENTRAL STATISTICAL SERVICE notifies for general information that the Consumer Price Index is as follows:

Consumer Price Index, all items (Base 1985 = 100)

June 1990 = 201,8.

(3 August 1990)

NOTICE 607 OF 1990

THE PROVINCIAL ADMINISTRATION OF THE CAPE OF GOOD HOPE

PLETTENBERG BAY.—REMOVAL OF SEA SAND FROM THE PIESANGS RIVER MOUTH

1. Notice is hereby given in terms of section 3 (5) of the Sea-Shore Act, 1935 (Act No. 21 of 1935), that it is proposed to enter into a lease with the Plettenberg Bay Country Club regarding the removal of a predetermined quantity of sea sand from the Piesangs River Mouth.

2. A locality sketch of the area affected by the proposed legalisation lies for inspection at the office of the Chief Director: Works, Provincial Administration of the Cape of Good Hope, Room 429, 9 Dorp Street, Cape Town, 8000.

3. Objections to the proposed lease must be lodged with the Chief Director: Works, Private Bag X9078, Cape Town, 8000, on or before 31 August 1990.

A. N. LATEGAN,
Chief Director: Works.

(3 August 1990)

NOTICE 608 OF 1990

OFFICE OF THE COMMISSION FOR ADMINISTRATION

COMPETITION BOARD

APPLICATION FOR PERMANENT EXEMPTION IN TERMS OF SECTION 14 (5) (b) OF THE MAINTENANCE AND PROMOTION OF COMPETITION ACT, 1979 (ACT No. 96 OF 1979), FROM THE PROHIBITION OF HORIZONTAL COLLUSION ON MARKET SHARING AS PROMULGATED BY GOVERNMENT NOTICE No. 801 IN GOVERNMENT GAZETTE No. 10211 OF 2 MAY 1986

The Competition Board hereby makes known for general information that Sparletta (Pty) Ltd (Sparletta) has applied in terms of section 14 (5) (b) of the Maintenance and Promotion of Competition Act, 1979 (Act

SAPT posts surplus of R693m

Cape Times
10/8/90

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Siphon Ngcobo has been appointed public affairs and development manager for Masonite (Africa) Ltd. Ngcobo will manage more than 80 social responsibility programmes.



A.C. Bischoff, previously alternate director, has been appointed finance director of Everite Group Ltd.

PRETORIA. — The South African Posts and Telecommunications (SAPT) realised an operating surplus of R693 million for the 1989-90 financial year.

In a press statement released yesterday, the Minister of Mineral and Energy Affairs and Public Enterprises, Dawie de Villiers, says revenue was 14,6% more than in the previous financial year and came to R5,981bn.

Initially, revenue growth of only 4,1% was expected from tariff adjustments on 1 April 1989.

De Villiers said at the annual meeting of senior SAPT officials in Pretoria it was possible to limit operating expenditure to only R5,288bn.

This was possible, despite rising costs on virtually every terrain, a weak dollar-rand exchange rate which negatively affected foreign payments as well as higher salary expenditure.

Return on overall investment came to 13,46%, while the debt ratio improved from 1,04 for the previous financial year to 0,99.

De Villiers said this achievement was made possible by savings on every possible terrain and by applying intensified financial discipline and control.

De Villiers announced that the cabinet, with a view to the commercialisation of SAPT, has approved two executive senior managerial posts — one for the postal and one for the telecommunications undertaking, under control of the Postmaster General. Appointments in these posts, in rank equal to director-general, will be made soon.

The process of commercialisation requires SAPT's management structure to be adapted. For this, draft legislation is presently serving before Parliament.

The legislation, which makes provision for two separate undertakings, Telcoms and Postal Services, will not only establish the undertakings as state-owned, but will also ensure that SAPT can compete with its competitors on even ground.

De Villiers said the cabinet endorsed the commercialisation of SAPT as it was in the best interests of the economy.

He emphasised that the legislation in no way makes provision for the alienation of the state's interests. The undertakings will, for the foreseeable future, remain state-owned — Sapa.

Metal markets

LONDON — Closing prices (in sterling) on the London Metal Exchange in the order of Turnover, market tone, cash buyer/seller, three months buyer/seller, fifteen months buyer/seller and settlement

Copper A 1633,00/1583,00, 1389,50
Tin 5980,00/6100,00, 6600,00
Lead 471,50/473,00, 448,00

Testing time (267)

Postmaster General Johan de Villiers says he posts about 10 letters a month and — as far as he knows — all arrive on time. To test the service, the *FM* decided to conduct its own survey by posting 60 letters — 10 to each of six cities.

Everyone has a favourite postal horror story — the cheque arriving after the credit card had already been cancelled, job offers arriving after the job was filled by someone else, wedding cards arriving after the divorce. But these are just anecdotal. Where's the hard, scientific evidence that you would be no worse off with carrier pigeons?

The good news for De Villiers is that all 60 letters in the test did arrive. The bad news is that many took their own sweet time.

All letters were posted on different days of the week from Diagonal Street, Johannesburg. The slowpokes were the ones sent to an address just on the other side of town. Nine



The Post Office still has lots of problems to sort out

letters took five days, including a weekend. The 10th needed an amazing 10 days — more than even most of the letters to North America took.

All 10 letters sent to our Cape Town office took four days to arrive — not too bad considering that the four included a weekend. Mail sent to our Durban office did better: nine letters were delivered in two days, the 10th took four days.

Mail sent overseas travelled at a turtle's pace. Eight letters took seven days to reach London; the other two took eight days. Mail

FIM 24/8/90 (267) sent to Princeton, New Jersey — between New York and Philadelphia — trickled in. Four letters took six days. Three letters took seven days. The eighth took 11 days, the ninth, 12 days; and the final one, 17 days.

Then there's Nova Scotia, Canada. Six letters arrived quickly enough, in six days. But the other four wandered for three weeks and three days. We were ready to report them missing in action. But this may owe more to Canada's unreliable mail system, which is prone to strikes by sorters.

De Villiers says he knows there are problems and the Post Office is working on them (*People* July 27). He adds that it is phasing out old sorting machines and modern equipment has been ordered for Johannesburg and Cape Town. A labour dispute that disrupted service was settled last month. A decision on whether to use private courier companies to help get the mail through will be made shortly, a spokesman says.

The *FM* will conduct a second test in January to measure any improvement. But the real answer, of course, lies in scrapping the laws that prevent private companies from competing directly with the Post Office and privatising the operation so that it runs like a business. That's also a sure way to end the Post Office's massive losses, which, in the fiscal year ending March 31, totalled R183,5m.

Faced with intense opposition from the ANC and the unions, however, government has taken privatisation off the agenda. Even the Bill to commercialise the Post Office, while keeping it in State hands, was postponed until next year. The upshot is the Post Office will continue to lose business to fax machines and private messengers — and maybe even carrier pigeons. ■

KENNISGEWING 737 VAN 1990

DEPARTEMENT VAN POS- EN TELEKOMMUNIKASIEWESE

WYSIGING VAN DIE TARIEFLYS VIR TELEKOMMUNIKASIEDIENSTE

Hiermee word ingevolge artikel 2B (3A) van die Poswet, 1958 (Wet No. 44 van 1958), bekendgemaak dat die Posmeester-generaal, handelende kragtens artikel 2B (1) (e) van genoemde Wet, bepaal het dat die gelde, tariewe of koste uiteengesit in die onderstaande Bylae ten opsigte van die betrokke dienste geëis of ontvang moet word.

NOTICE 737 OF 1990

DEPARTMENT OF POSTS AND TELECOMMUNICATIONS

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AMENDMENT OF THE TARIFF FOR TELECOMMUNICATION SERVICES

It is hereby made known, in terms of section 2B (3A) of the Post Office Act, 1958 (Act No. 44 of 1958), that the Postmaster General, acting under section 2B (1) (e) of the said Act, has determined that the fees, rates or charges set out in the Schedule below are to be demanded or received in respect of the services concerned

BYLAE

1.0 In hierdie Bylae beteken die uitdrukking, "die Tarieflys" die Tarieflys vir Telekommunikasiedienste afgekondig by Goewermentskennisgewing No 1192 van 1 Julie 1977, soos gewysig.

2.0 Die Tarieflys word hierby soos volg verder gewysig:
Vervang die bestaande item 34.3 deur die volgende.

| No | Diens | Koste |
|--------|--|--|
| "34 3 | DATEL- EN FAKSIMILEEOPROEPE DEUR 'N OPERATEUR TOT STAND GEBRING. | |
| 34 3 1 | Oproepe wat deur 'n operateur verbind word omdat direkte skakelgeriewe nie vir die oproeper beskikbaar is nie | Die oproepkoste voorgeskryf by item 34 1 plus 'n heffing gelykstaande aan die koste vir 'n oproepduur van een minuut |
| 34 3 2 | Oproepe wat deur 'n operateur verbind word in gevalle waar direkte skakelgeriewe tot die oproeper se beskikking is | Die oproepkoste voorgeskryf by item 34 1 plus 'n heffing gelykstaande aan die koste vir 'n oproepduur van drie minute" |

SCHEDULE

1.0 In this Schedule the expression "the Tariff" means the Tariff for Telecommunication Services promulgated under Government Notice 1192 of 1 July 1977, as amended.

2.0 The Tariff is hereby further amended as follows:
Substitute the following for the existing item 34 3:

| No | Service | Charge |
|--------|---|--|
| "34 3 | DATEL AND FACSIMILE CALLS ESTABLISHED THROUGH AN OPERATOR. | |
| 34 3 1 | Calls that are connected by an operator because direct dialling facilities are not available to the caller | The call charge prescribed at item 34 1 plus a surcharge equal to the charge for a call duration of one minute |
| 34 3 2 | Calls that are connected by an operator in instances where direct dialling facilities are available to the caller | The call charge prescribed at item 34 1 plus a surcharge equal to the charge for a call duration of three minutes" |

(7 September 1990)

KENNISGEWING 738 VAN 1990

DEPARTEMENT VAN HANDEL EN NYWERHEID

WET OP SKADELIKE SAKEPRAKTYKE, 1988

Ingevolge die bepalings van artikel 10 (3) van die Wet op Skadelike Sakepraktyke, 1988 (Wet No. 71 van 1988), publiseer ek, Kent Diederich Skelton Durr, Minister van Handel en Nywerheid en Toerisme, hiermee die verslag van die Sakepraktykekomitee oor die uitslag van die ondersoek deur die Komitee gedoen kragtens Algemene Kennisgewing 87 van 1990 soos gepubliseer in Staatskoerant No. 12280, gedateer 9 Februarie 1990, soos in die Bylae uiteengesit.

K. D. S. DURR,
Minister van Handel en Nywerheid en Toerisme.

NOTICE 738 OF 1990

DEPARTEMENT OF TRADE AND INDUSTRY

HARMFUL BUSINESS PRACTICES ACT, 1988

In terms of section 10 (3) of the Harmful Business Practices Act, 1988 (Act No. 71 of 1988), I, Kent Diederich Skelton Durr, Minister of Trade and Industry and Tourism, do hereby publish the report of the Business Practices Committee on the result of an investigation made by the Committee pursuant to General Notice 87 as published in Government Gazette No. 12280 dated 9 February 1990, as set out in the Schedule.

K. D. S. DURR,
Minister of Trade and Industry and Tourism.

Post Office will be 'Sapos' and 'Telkom'

SA's postal and telecommunications system will not be privatised, says Postmaster-General Johan de Villiers.

In an SABC-TV broadcast last night, he said draft legislation had been presented to Parliament to make provision for the conversion of SA Post and Telecommunications into two public companies, Sapos and Telkom SA.

De Villiers said the state would own the companies.

According to proposed legislation, the state could not sell its shares, so there was no question of privatisation.

The diverse activities of telecommuni-

MATTHEW CURTIN

cations and postal operations made their separation necessary.

Telecommunications was a capital-intensive operation while postal services were labour-intensive.

De Villiers predicted that dividing posts and telecommunications and managing each according to its needs would result in greater efficiency.

Before the companies were founded, boards of directors for the two firms would be appointed and regulations pro-

viding for a collective bargaining forum for each would be drawn up.

De Villiers said the companies, recognised staff associations, and trade unions would have equal representation on the bargaining forums, which would be presided over by independent chairmen.

De Villiers gave the assurance that all staff benefits were protected in the draft legislation.

Service conditions would not be less favourable than at present.

There would be no retrenchments as a direct result of restructuring, he said.

'SAPT will not be privatised'

PRETORIA — SA's Postal and Telecommunications (SAPT) systems will not be privatised, according to the Postmaster General Johan de Villiers

De Villiers made the announcement in a SABC television broadcast yesterday in which he sketched the plans for dividing SAPT into two state-owned companies

Telkom SA is the new name for SA's telecommunications system, and

the postal system will be known as Sapos

De Villiers said owing to the diverse activities of telecommunications and postal operations it was necessary to separate the two undertakings.

He said telecommunications were capital-intensive while postal services were labour-intensive. Dividing posts and telecommunications and by managing each according to its own particular needs and characteristics, would result in greater efficiency

De Villiers said draft legislation had been presented to Parliament to make provision for the department to be converted into two public companies. The state would own the companies

"According to this pro-

posed legislation the state cannot sell shares in the companies. There is thus no question of privatisation"

De Villiers said boards of directors for the two companies would be appointed before the forming of the companies

One of the board members would be appointed MD of the company concerned and would act as chairman of that company's management board.

He said before the companies were founded, regulations would be issued which made provision for the forming of a collective bargaining forum for each of the companies

The company and the recognised staff associations and trade unions would have equal repre-

sentation on the bargaining forum, he said

The forum would have an independent chairman. The management board of each company, with permission of the board of directors, could change conditions of service

Salaries and wages, fringe benefits, allowances, leave and pension, could not, however, be changed without a process of collective bargaining

De Villiers gave the assurance that all staff benefits were protected in the draft legislation. Service conditions would not be less favourable than the present ones.

No staff member would be retrenched as a direct result of restructuring, he said — Sapa

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KENNISGEWING 756 VAN 1990 • NOTICE 756 OF 1990
DEPARTEMENT VAN POS- EN TELEKOMMUNIKASIEWESE
DEPARTMENT OF POSTS AND TELECOMMUNICATIONS
STAAT VAN INKOMSTE EN UITGAWE JULIE 1990
STATEMENT OF REVENUE AND EXPENDITURE JULY 1990

| | Begroting Estimates 1990-91 | Maand van Julie Month of July | | Totaal April tot Julie Total April to July | | |
|---|-----------------------------------|----------------------------------|--------------------|---|-----------------------|--|
| | | 1990 | 1989 | 1990/91 | 1989/90 | |
| | R | R | R | R | R | |
| Bedryfsuitgawe: Pos-, Geldoordrag-, Agentskap- en Tele- kommunikasiedienste | 5 124 874 000* | 790 957 500 | 291 303 969 | 1 993 678 000† | 1 460 471 305† | Operating Expenditure: Postal, Money transfer, Agency and Telecom- munications services |
| Kapitaaluitgawe: Telekommunikasie | 1 428 000 000 | 126659 600 | 81 508 812 | 478 629 000 | 369 498 499 | Capital Expenditure: Telecommunications |
| Grond, Geboue en Be- huising | 134 970 000 | 9 437 600 | 9 440 964 | 39 674 000 | 31 538 020 | Land, Buildings and Housing |
| Voertuie | 48 000 000 | 43 600 | 1 448 799 | 6 446 000 | 2 199 918 | Vehicles |
| Kantoor-, Dataverwer- kings-, Poshanterings- en Voorraadtoerusting | 128 000 000 | 7 537 800 | 12 058 512 | 11 765 000 | 21 772 505 | Office, Data Processing, Mail handling and Stores Equipment |
| Totaal | 1 738 970 000* | 143 678 600 | 104 457 087 | 536 514 000† | 425 008 942† | Total |
| Bedrac wat uit die bedryf- surplus aangewend staan te word: Voorsiening om delg- ing van lenings en effek van wisselkoers- veranderings oor 'n ge- skikte tydperk te versprei | 155 000 000 | — | 220 000 000 | 155 000 000 | 220 000 000 | Amounts to be appro- priated from the ope- rating surplus Provision to spread re- demption of loans and effect of exchange rate changes over a suitable period |
| Personeelbehuisingske- ma | 1 000 | — | — | — | — | Staff Housing Scheme |
| Verhoging van Stan- daardvoorraadkapitaal | 63 000 000 | — | — | — | — | Increase of Standard Stock Capital |
| Bydrae tot Saswitch | 1 000 | — | — | — | — | Contributions to Sas- witch |
| Bydraes tot Intelsat | 14 800 000 | — | — | — | — | Contributions to Intelsat |
| Totaal | 232 802 000* | — | 220 000 000 | 155 000 000† | 220 000 000† | Total |
| Inkomste: Telefoondienste | 5 323 800 000 | 446 237 500 | 376 980 305 | 1 686 740 000 | 1 512 756 639 | Revenue Telephone services |
| Teleksdienste | 69 525 000 | 6 564 500 | 8 027 368 | 26 702 000 | 31 967 545 | Telex services |
| Genteksdienste | 55 080 000 | 3 050 600 | 3 298 145 | 12 802 000 | 13 221 723 | Gentex services |
| Huurverbindings | 264 050 000 | 21 354 900 | 17 303 654 | 87 966 000 | 67 344 032 | Leased circuits |
| Posdienste | 676 458 000 | 50 595 400 | 46 164 260 | 199 640 000 | 175 623 582 | Postal services |
| Geldoordragdienste | 43 267 000 | 3 300 400 | 3 511 939 | 14 738 000 | 14 002 613 | Money transfer services |
| Agentskapdienste | 26 491 000 | 1 582 800 | 1 480 521 | 5 645 000 | 4 397 831 | Agency services |
| Nie-bedryfsinkomste | 170 555 000 | 12 826 500 | 11 596 852 | 23 372 000 | 35 517 921 | Non-operating revenue |
| Totaal | 6 629 226 000* | 545 512 600 | 468 363 044 | 2 057 605 000† | 1 854 831 886† | Total |

* Interne heffings nie ingesluit nie
Internal charges not included

† Nóg inkomste nóg besteding is gelykmatig oor die boekjaar versprei. Sekere groot bedryfsuitgawebetelings geskied kwartaaliks, halfjaarlik of jaarlik, terwyl kapitaaluitgawebetelings saamhang met die uitvoering van bepaalde kort- en langtermynkontrakte.

Neither revenue nor expenditure is evenly spread over the financial year. Certain large operating expenditure payments are made quarterly, half yearly or annually, whilst capital expenditure payments are related to the execution of specific short and long term contracts (14 September 1990)

KENNISGEWING 757 VAN 1990

**DEPARTEMENT VAN BINNELANDSE
SAKE**

**TUSSENVERKIESING VAN 'N LID VAN DIE
VOLKSRAAD IN DIE KIESAFDELING RAND-
BURG.—BESONDERHEDE VAN NOMINASIE-
HOF EN KIESBEAMPTTE**

Ek, Petrus Jacobus Colyn, Hoofverkiesings-
beampte—

(a) bepaal hierby ingevolge artikel 34 (3) (a) van die Kieswet, 1979 (Wet No. 45 van 1979), ten opsigte van die kiesafdeling Randburg vir die Volksraad, Ferndale Gemeenskapsentrum, hoek van

NOTICE 757 OF 1990

DEPARTMENT OF HOME AFFAIRS

**BY-ELECTION OF A MEMBER OF THE HOUSE
OF ASSEMBLY IN THE ELECTORAL DIVISION
OF RANDBURG.—PARTICULARS OF NOMINA-
TION COURT AND RETURNING OFFICER.**

I, Petrus Jacobus Colyn, Chief Electoral Officer—

(a) hereby fix in terms of section 34 (3) (a) of the Electoral Act, 1979 (Act No. 45 of 1979), in respect of the Electoral Division of Randburg for the House of Assembly, Ferndale Community

Blom 1419190
**Airfares
to go up
another 8%**

EDYTH BULBRING

PRETORIA — SAA domestic airfares would increase by 8% after September 16, following the introduction of a fuel levy, SAA spokesman Leon Els said yesterday. (267)

About 24 of the 648 weekly domestic flights on all routes will be withdrawn in order to cut costs on fuel.

The 8% fuel levy, a first in SAA's history, was necessary because of the unusual increases in aircraft fuel brought about because of the Gulf crisis, Els said.

It was subject to re-evaluation.

This is the second fare increase in less than six weeks. Fares on domestic flights went up by 12% for economy class and 17% for business class on August 8.

A single business class ticket from Johannesburg to Cape Town will cost R461 (R428), an economy class single from Johannesburg to Cape Town will cost R369 (R342), while a midnight flight from Johannesburg to Cape Town will cost R235 (R215).

Item 34.1: Amend the names of the undermentioned countries as follows:

| Old name | New name |
|--|---------------------------------------|
| "Czechoslovak Socialist Republic | Czech and Slovak, Federal Republic of |
| Hungarian People's Republic | Hungary, Republic of |
| Poland, People's Republic of | Poland, Republic of |
| Roumania, Socialist Republic of | Romania |
| Yemen Arab Republic | Yemen, Republic of". |

Item 34.1: Delete the following entries

"Burma, Socialist Republic of the Union of; Ivory Coast, Republic of"

(28 September 1990)

KENNISGEWING 805 VAN 1990

KENNISGEWING VAN AANSOEK OM GOEDKEURING VIR DIE OPRIGTING VAN 'N NUWE ABATTOIR KRAGTENS ARTIKEL 12 (1) VAN DIE WET OP DIE ABATTOIRBEDRYF, 1976 (WET No 54 VAN 1976)

Kennis geskied hiermee kragtens artikel 12 (1) van die Wet op die Abattoirbedryf, 1976 (Wet No 54 van 1976), dat mnr H Zaal, Posbus 100, Dannhauser, 3080, kragtens artikel 11 van genoemde Wet by die Minister van Landbou aansoek gedoen het om goedkeuring vir die oprigting van 'n nuwe abattoir te Gedeelte 3 op die plaas Roadside 8959

Indien die aansoek toegestaan word, sal die abattoir gebruik word vir die slag van 15 beeste of 150 skape/bokke of 25 varke per dag vir die voorsiening van vleis aan die inwoners van Dannhauser en omgewing

Iemand wat vertoe of besware in verband met bogenoemde aansoek wil rig, moet sodanige vertoe of besware aan die Voorsitter, Abattoirkommissie, Privaatsak X250, Pretoria, 0001, rig binne 'n tydperk van 30 dae vanaf datum van publikasie van hierdie kennisgewing en op die wyse uiteengesit in die regulasies kragtens genoemde Wet uitgevaardig.

Aandag word gevestig op die bepalinge van regulasie 11 (6) van die genoemde regulasies wat vereis dat iemand wat vertoe of besware teen 'n aansoek aan die Minister voorlê, terselfdertyd 'n afskrif van die stuk waarin sy besware uiteengesit is op die betrokke applikant moet bestel

L.W.: Die regulasies vereis dat besware onder eed bevestig en in drievoud voorgelê moet word.

(28 September 1990)

KENNISGEWING 806 VAN 1990**DEPARTEMENT VAN MANNEKRAG****WET OP ARBEIDSVERHOUDINGE, 1956****AANSOEK OM REGISTRASIE VAN 'N VAKVERENIGING**

Ek, David William James, Nywerheidsregistrator, maak ingevolge artikel 4 (2) van die Wet op Arbeidsverhoudinge, 1956, hierby bekend dat 'n aansoek om registrasie as 'n vakvereniging ontvang is van die Plastic Workers Union. Besonderhede van die aansoek word in onderstaande tabel verstrek.

Enige geregistreerde vakvereniging wat teen die aansoek beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p/a die Departement van Mannekrag, Mannekraggebou 123A, Schoemanstraat 215, Pretoria (posadres: Privaatsak X117, Pretoria, 0001)

NOTICE 805 OF 1990

NOTICE OF APPLICATION FOR APPROVAL FOR THE ERECTION OF A NEW ABATTOIR IN TERMS OF SECTION 12 (1) OF THE ABATTOIR INDUSTRY ACT, 1976 (ACT No 54 OF 1976)

It is hereby made known in terms of section 12 (1) of the Abattoir Industry Act, 1976 (Act No 54 of 1976), that Mr H Zaal, P.O. Box 100, Dannhauser, 3080, has in terms of section 11 of the said Act applied to the Minister of Agriculture for approval for the erection of a new abattoir on Portion 3 of the farm Roadside 8959

If the application is granted, the abattoir will be used for the slaughter of 15 head of cattle or 150 sheep/goats or 25 pigs per day for supplying meat to the residents of Dannhauser and vicinity

Any person intending to submit representations or objections in regard to the above-mentioned application shall forward such representations or objections to the Chairman, Abattoir Commission, Private Bag X250, Pretoria, 0001, within a period of 30 days from the date of publication of this notice and in the manner set out in the regulations published under the said Act

Attention is invited to the provisions of regulation 11 (6) of the said regulations which require any person who submits objections to an application to the Minister to serve on the applicant concerned a copy of the document in which his objections are set out

Note. The regulations require that objections be affirmed under oath and submitted in triplicate

(28 September 1990)

NOTICE 806 OF 1990**DEPARTMENT OF MANPOWER****LABOUR RELATIONS ACT, 1956****APPLICATION FOR REGISTRATION OF A TRADE UNION**

I, David William James, Industrial Registrar, do hereby, in terms of section 4 (2) of the Labour Relations Act, 1956, give notice that an application for registration as a trade union has been received from the Plastic Workers Union. Particulars of the application are reflected in the subjoined table

Any registered trade union which objects to the application is invited to lodge its objection in writing with me, c/o the Department of Manpower, 123A Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001), within one month of the date of publication of this notice.

KENNISGEWING 804 VAN 1990

DEPARTEMENT VAN POS- EN TELEKOMMUNIKASIEWESE

WYSIGING VAN DIE TARIEFLYS VIR TELEKOMMUNIKASIEDIENSTE

Hiermee word ingevolge artikel 2B (3A) van die Poswet, 1958 (Wet No. 44 van 1958), bekendgemaak dat die Posmeester-generaal handelende kragtens artikel 2B (1) (e) van genoemde Wet, bepaal het dat die gelde, tariewe of koste uiteengesit in die onderstaande Bylae ten opsigte van die betrokke dienste geëis of ontvang moet word.

NOTICE 804 OF 1990

DEPARTMENT OF POSTS AND TELECOMMUNICATIONS

AMENDMENT OF THE TARIFF FOR TELECOMMUNICATION SERVICES

It is hereby made known, in terms of section 2B (3A) of the Post Office Act, 1958 (Act No. 44 of 1958), that the Postmaster General, acting under section 2B (1) (e) of the said Act, has determined that the fees, rates or charges set out in the Schedule below are to be demanded or received in respect of the services concerned.

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BYLAE

1.0 In hierdie Bylae beteken die uitdrukking "die Tarieflys" die Tarieflys vir Telekommunikasiedienste afgekondig by Goewermentskennisgewing No. 1192 van 1 Julie 1977, soos gewysig.

2.0 Die Tarieflys word hiermee verder soos volg gewysig met ingang van 1 Oktober 1990

Item 34.1: Voeg die volgende in alfabetiese volgorde by

| Diens na | Grondtarief | | Persoonlike oproepgeld |
|------------------------------------|----------------------------|-------------------|------------------------|
| | Minimum koste vir 3 minute | Tarief per minuut | |
| | R | R | R |
| "Aruba. | 16,80 | 5,60 | 5,60 |
| Bhutan, Koninkryk van | 16,80 | 5,60 | 5,60 |
| Cote d'Ivoire, Republiek van | 16,80 | 5,60 | 5,60 |
| Myanmar, Unie van | 16,80 | 5,60 | 5,60" |

Item 34.1: Voeg "5,60" in onder die opskrif "Persoonlike oproepgeld" ten opsigte van "Angola; Dominikaanse Republiek; Gibraltar; Mayotte, Franse Departement van, Oman, Sultanaat".

Item 34.1: Vervang die bestaande besonderhede teenoor "Jordanië, Hasemitiese Koninkryk van" deur "16,80 5,60 5,60".

Item 34.1: Wysig die name van die nagenoemde lande soos volg:

| Ou naam | Nuwe naam |
|---|---|
| "Hongaarse Volksrepubliek | Hongarye, Republiek van |
| Jementies-Arabiese Republiek | Jemen, Republiek van |
| Pole, Volksrepubliek | Pole, Republiek van |
| Roemenië, Sosjalistiese Republiek | Roemenie |
| Tsjeggo-Slowaakse Sosjalistiese Republiek | Tsjeggiëse en Slowaakse Federale Republiek" |

Item 34.1: Skrap die volgende inskrywings:

"Birna, Sosjalistiese Republiek van die Unie van, Ivoorkus, Republiek van die".

SCHEDULE

1.0 In this Schedule the expression "the Tariff" means the Tariff for Telecommunication Services promulgated under Government Notice No. 1192 of 1 July 1977, as amended.

2.0 The Tariff is hereby further amended as follows with effect from 1 October 1990

Item 34.1: Insert the following entries in alphabetical order:

| Service to | Basic rate | | Personal call fee |
|---------------------------------|------------------------------|-----------------|-------------------|
| | Minimum charge for 3 minutes | Rate per minute | |
| | R | R | R |
| "Aruba. | 16,80 | 5,60 | 5,60 |
| Bhutan, Kingdom of | 16,80 | 5,60 | 5,60 |
| Cote d'Ivoire, Republic of.. .. | 16,80 | 5,60 | 5,60 |
| Myanmar, Union of..... | 16,80 | 5,60 | 5,60" |

Item 34.1: Insert "5,60" under the heading "Personal call fee" in respect of "Angola; Dominican Republic, Gibraltar; Mayotte, French Department of; Oman, Sultanate of"

Item 34.1: Substitute "16,80 5,60 5,60" for the existing particulars against "Jordan, Hashemite Kingdom of".

PENDING STRIKE *FM 16/2/90*

Dawie's dilemma

Post Office fears of a strike by Cosatu's Posts & Telecommunications Workers' Association, which has more than 16 000 members, have failed to materialise. The union decided to give Public Enterprises Minister Dawie de Villiers the opportunity to respond to wage demands.

However, the association will hold marches on Saturday in major centres to publicise their opposition to privatising the Post Office. Assistant general secretary Tlhalefange Sekano says the union fears privatisation will see most of its 17 000 members being laid off (Most are "temporary employees" Sekano says this is despite the fact that they contribute to various employee schemes.)

The union also fears post and telephone services will become more expensive and cause added hardship for members, many of whom have relatives in homelands.

It has notified the minister of these fears and expects a reply with his response to their wage demand.

The *FM* learns that De Villiers has been asked by Post Office officials to ensure that black workers are granted market-related increases.

~~11/11/90~~

~~11/11/90~~

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Post Office demo

Sunday Times Reporter

(268)

A GROUP of about 1 000 workers marched through central Durban yesterday to protest against privatisation

The chanting, ANC flag-waving, toyi-toying workers — led by the Post and Telecommunications Workers' Association and other Cosatu unions — marched to the central Post Office and delivered a petition to assistant director of labour relations Pieter van Rensburg. *STimes 18/2/90.*

Potwa's demands included the immediate scrapping of planned privatisation of the Post Office and other parastatal organisations, a living wage and maternity rights.

New deal for Post Office staff

CAPE TOWN — The Post Office has eliminated all discriminatory measures and its employees will be appointed and assessed on merit alone, Minister of Public Enterprises Dawie de Villiers said yesterday.

He said in his budget speech that in line with government policy the Post Office fully subscribed to the principles of equality in the labour field. "All measures that may still have had a discriminatory connotation have been eliminated," he said. "Henceforth, educational qualifications, selection test results, experience, age, language proficiency and personal qualities will be the only criteria for employment."

"When effecting promotions, how-

Political Staff

ever, local circumstances will in particular cases be taken into account to ensure that decisions are taken in the best interest of clients, the officer and the community," he said.

□ Sapa reports that De Villiers also said the provisions of the Labour Relations Act could be applied to the Post Office Act following proposed amendments to the legislation governing the conditions of service of Post Office employees.

He said the proposed amendments provided for the introduction of more purposeful joint negotiation and dispute settlement provisions — Sapa

6/10/24 27/2/90

(354)

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GENERAL NOTICES**NOTICE 1069 OF 1990****TRANSVAAL PROVINCIAL ADMINISTRATION:
HEALTH SERVICES BRANCH**

MENTAL HEALTH ACT, 1973
(ACT No. 18 OF 1973)

**APPOINTMENT.—HOSPITAL BOARD, WESTFORT
HOSPITAL, PRETORIA**

Under section 47 of the Mental Health Act, 1973 (Act No 18 of 1973), the Administrator of the Province of the Transvaal has appointed the following person as a member of the Hospital Board, Westfort Hospital, Pretoria, with effect from 26 November 1990 for the remaining period of the three year term which expires on 14 March 1993.

Rev. M. D. Robbertze.
(21 December 1990)

ALGEMENE KENNISGEWINGS**KENNISGEWING 1069 VAN 1990****TRANSVAALSE PROVINSIALE ADMINISTRASIE:
TAK GESONDHEIDSDIENSTE**

WET OP GEESTESGESONDHEID, 1973
(WET No. 18 VAN 1973)

**AANSTELLING.—HOSPITAALRAAD, WESTFORT-
HOSPITAAL, PRETORIA**

Kragtens artikel 47 van die Wet op Geestesgesondheid, 1973 (Wet No. 18 van 1973), het die Administrateur van die provinsie Transvaal die volgende persoon as lid van die Hospitaalraad, Westforthospitaal, Pretoria, met ingang van 26 November 1990 vir die oorblywende tydperk van die driejaartermyn wat op 14 Maart 1993 verstryk, aangestel.

Ds. M. D. Robbertze.
(21 Desember 1990)

NOTICE 1070 OF 1990—KENNISGEWING 1070 VAN 1990
DEPARTMENT OF POSTS AND TELECOMMUNICATIONS
DEPARTEMENT VAN POS- EN TELEKOMMUNIKASIEWESE

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STATEMENT OF REVENUE AND EXPENDITURE OCTOBER 1990
STAAT VAN INKOMSTE EN UITGAWE. OKTOBER 1990

| | Estimates Begroting 1990-91 | Month of October Maand van Oktober | | Total October Totaal Oktober | | |
|--|---|---|--|---|--|---|
| | | 1990 | 1989 | 1990/91 | 1989/90 | |
| | R | R | R | R | R | |
| Operating Expenditure: Postal, Money-transfer, Agency and Telecommunications services | 6 116 681 000* | 502 875 900 | 368 508 471 | 3 588 258 200† | 2 667 269 636† | Bedryfsuitgawe: Pos-, Geldoordrag-, Agentskap- en Telekommunikasiedienste |
| Capital Expenditure: Telecommunications Land, Buildings and Housing Vehicles Office, Data Processing, Mail-handling and Stores Equipment | 1 428 000 000 135 000 000 48 000 000 128 000 000 | 119 387 800 17 922 400 3 549 900 814 900 | 148 447 502 13 009 043 37 173 2 156 999 | 848 905 900 89 698 400 15 167 300 16 287 100 | 753 043 672 81 642 912 6 463 508 33 187 247 | Kapitaaluitgawe: Telekommunikasie Grond, Geboue en Behuising Voertuie Kantoor-, Dataverwerkings-, Poshantoor en Voorraadtoerusting |
| Total ... | 1 739 000 000* | 141 675 000 | 163 650 717 | 970 058 700† | 874 337 339† | Totaal |
| Amounts to be appropriated from the operating surplus: Provision to spread redemption of loans and effect of exchange rate changes over a suitable period Staff Housing Scheme Increase of Standard Stock Capital Contribution to Saswitch Contributions to Intelsat | 155 000 000 1 000 63 000 000 1 000 14 800 000 | — — — — — | — — — — — | — — — — — | 220 000 000 — 55 000 000 — — | Bedrae wat uit die bedryfsurplus aangewend staan te word: Voorsiening om delging van lenings en effek van wisselkoersveranderinge oor 'n geskikte tydperk te versprei Personeelbehuising-skema Verhoging van Standaardvoorraadkapitaal Bydrae tot Saswitch Bydraes tot Intelsat |
| Total | 232 802 000* | — | — | — | 275 000 000† | Totaal |

| | Estimates Begroting 1990-91 | Month of October Maand van Oktober | | Total October Totaal Oktober | | |
|-------------------------|-----------------------------------|---------------------------------------|--------------------|---------------------------------|-----------------------|---------------------|
| | | 1990 | 1989 | 1990/91 | 1989/90 | |
| | R | R | R | R | R | |
| Revenue. | | | | | | Inkomste: |
| Telephone services | 5 323 800 000 | 445 075 600 | 410 732 133 | 3 040 487 600 | 2 704 794 863 | Telefoondienste. |
| Telex services | 69 525 000 | 6 193 600 | 7 271 459 | 44 418 700 | 54 643 289 | Teleksdienste. |
| Gentex services | 55 080 000 | 3 414 300 | 756 445 | 23 872 400 | 21 658 392 | Genteksdienste |
| Leased circuits | 264 050 000 | 23 504 300 | 17 424 491 | 160 524 800 | 120 753 417 | Huurverbindings |
| Postal services | 676 458 000 | 61 009 400 | 48 151 967 | 367 612 700 | 350 098 725 | Posdienste |
| Money-transfer services | 43 267 000 | 3 595 600 | 3 274 655 | 25 481 500 | 24 168 290 | Geldoordragdienste |
| Agency services | 26 491 000 | 7 168 900 | 4 112 043 | 17 091 400 | 11 905 819 | Agentskapdienste |
| Non-operating revenue | 170 555 000 | 6 690 700 | 17 433 120 | 63 072 100 | 82 239 385 | Nie-bedryfsinkomste |
| Total | 6 629 226 000* | 556 652 400 | 509 156 313 | 3 742 561 200† | 3 370 262 180† | Totaal |

* Internal charges not included
Interne heffings nie ingesluit nie

† Neither revenue nor expenditure is evenly spread over the financial year. Certain large operating expenditure payments are made quarterly, half yearly or annually, whilst capital expenditure payments are related to the execution of specific short and long term contracts.

Nóg inkomste nóg besteding is gelykmatig oor die boekjaar versprei. Sekere groot bedryfsuitgawebetelings geskied kwartaalwys, halfjaarlik of jaarlik, terwyl kapitaaluitgawebetelings saamhang met die uitvoering van bepaalde kort- en langtermynkontrakte.

(21 December 1990)/(21 Desember 1990)



NOTICE 1071 OF 1990

THE SOUTH AFRICAN COUNCIL FOR PROFESSIONAL ENGINEERS

NOTICE OF FINDING OF AN INQUIRY INTO THE ALLEGED UNPROFESSIONAL CONDUCT OF A PROFESSIONAL ENGINEER, HELD IN TERMS OF SECTION 23 OF THE PROFESSIONAL ENGINEERS' ACT, 1968 (ACT No. 81 OF 1968)

The following particulars concerning a professional engineer who was found guilty at the above-mentioned inquiry held on 14 November 1990 are hereby published for general information:

| Name of person | Nature of offence of which convicted |
|---|--|
| Bellingan, Christopher (Reg No 690992) | Guilty of contravening subregulations 10.2 and 10.3 promulgated under Notice No R 1527 of 17 July 1981 in that the accused failed to discharge his duties to his client in an efficient and competent manner, and failed to order his conduct so as to uphold the dignity, standing and reputation of the profession. Punishment: The accused was suspended from practice for a period of six months, suspended for three years in contravention of Regulation 10.2. A reprimand was given in contravention of Regulation 10.3. |

(21 December 1990)

NOTICE 1072 OF 1990

DEPARTMENT OF MINERAL AND ENERGY AFFAIRS

RESERVATION OF LAND FOR THE PURPOSES OF A PUBLIC ROAD

The Mining Commissioner for the Mining District of the Orange Free State has, in terms of section 179 (1) (b) of the Mining Rights Act, 1967 (Act No. 20 of 1967), reserved for the purposes of a public road a strip of proclaimed land on the farm Virginia 15, Administrative

KENNISGEWING 1071 VAN 1990

DIE SUID-AFRIKAANSE RAAD VIR PROFESSIONELE INGENIEURS

KENNISGEWING VAN BEVINDING VAN 'N ONDERSOEK GEHOU KRAGTENS ARTIKEL 23 VAN DIE WET OP PROFESSIONELE INGENIEURS, 1968 (WET No. 81 VAN 1968), NA BEWEERDE ONBEHOORLIKE GEDRAG VAN 'N PROFESSIONELE INGENIEUR

Onderstaande besonderhede rakende 'n professionele ingenieur wat na afhandeling van bogemelde ondersoek op 14 November 1990 skuldig bevind is, word hierby vir algemene inligting bekendgemaak:

| Naam van persoon | Aard van beweerde oortreding waaraan skuldig bevind |
|---|--|
| Bellingan, Christopher (Reg No 690992) | Skuldig aan oortreding van subregulasie 10.2 en 10.3 van die Regulasies uitgevaardig kragtens Kennisgewing No R. 1527 van 17 Julie 1981 deurdat hy versuim het om sy verpligtinge teenoor sy klient op 'n bevoegde en bekwaam wyse na te kom, en nie die waardigheid, status en goeie naam van die professie hoog gehou. Straf: Die beskuldigde is geskors uit die praktyk vir 'n tydperk van ses maande, opgeskort vir drie jaar t.o.v. die oortreding van Regulasie 10.2. 'n Bepaling is opgelê t.o.v. die oortreding van Regulasie 10.3. |

(21 Desember 1990)

KENNISGEWING 1072 VAN 1990

DEPARTEMENT VAN MINERAAL- EN ENERGIESAKE

UITHOU VAN GROND VIR DIE DOELEINDES VAN 'N OPENBARE PAD

Die Mynkommissaris vir die myndistrik Oranje-Vrystaat het 'n strook geproklameerde grond op die plaas Virginia 15, administratiewe distrik Ventersburg, myndistrik Oranje-Vrystaat, provinsie die Oranje-Vrystaat, soos getoon op 'n sketskaart waarvan

\$300m undersea cable link planned

EDYTH BULBRING

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A \$300m optical-fibre submarine telecommunication cable system will be built next year to meet the increasing demand for links between SA and overseas telecommunication enterprises

The Department of Post and Telecommunications says 13 enterprises from 12 different countries, including Britain, Germany and Italy will be co-owners of the new SAT-2 submarine cable system

SA will contribute the bulk of the costs - R500m

BIDAN 31/12/90

The existing SAT-1 submarine system between SA and southern Europe, which was commissioned in 1969, had already reached its planned lifespan of 20 years

The new system is expected to meet the telecommunication demand to 2020

Representatives from eight of the telecommunication enterprises will attend a ceremony in Pretoria on January 4 to sign an agreement for the construction and maintenance of the cable system

The system, with a capacity of 7 680 channels, will be about 9 500km long, reaching from the Cape West Coast to the Canary Islands and Madeira

It will interconnect with other submarine optical-fibre digital cable systems to form part of an international submarine cable network

The laying of the cable should start in the middle of 1992 and the system should be operational in May 1993

PUBLIC SECTOR — TELECOMM, — GENERAL

JANUARY — DEC,

Foreign loans won for cable project

GERALD REILLY

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PRETORIA — The Department of Posts and Telecommunications obtained 100% in foreign financing for the £151m needed for its new 9 200km-long optical fibre submarine cable project.

Announcing this in Cape Town yesterday, Postmaster-General Johan de Villiers said the tender for the cable between the Cape west coast, Canary Islands and Madeira had been awarded to STC Submarine Systems of Britain and Alcatel Submarcom of France, which had submitted a combined tender. STC was the primary contractor. *6/02/91 11/11/91*

The official order of the £151m contract would be signed in London on Monday. The Post Office's contribution to the project, known as Sat-2, amounted to about £106m.

Sat-2 is a joint venture between SA and telecommunication enterprises from Britain, the Netherlands, Spain, Portugal, France, Italy, Switzerland, Belgium, Canada and Ireland.

De Villiers said the tender had not been negotiated in that the Post Office had called for tenders from companies it believed could do the job competently.

The co-owners of Sat-2 had called for international tenders to obtain the best possible price.

SA's international telecommunications traffic was growing by more than 14% a year, he said. Conservative estimates showed that income generated from the undersea cable should cover the redemption of the loan as well as the interest on it.

The new Sat-2 cable system would have a 7 680-channel capacity and would be connected with other submarine optical fibre digital cable systems to form part of an international submarine cable network, he added.

TELECOMMUNICATIONS

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THE POST OFFICE LOOSENS ITS GRIP

The Post Office is finally relenting and will soon open its lucrative telecommunications business to far greater participation by the private sector

Proposals that include allowing more competition, deregulating many telecommunications services, and setting up an independent services, and regulatory authority are understood to have been approved by Postmaster-General Johan de Villiers.

Drawn up by a Post Office task force late last year, the proposals are based on the deregulation directives set out by the European Commission and draw on the experiences of the UK, Germany, France and Italy.

If accepted by Public Enterprises Minister Dawie de Villiers, which seems likely, the proposals will open the way for companies to use the Post Office's telecommunications facilities to provide customers with a host of value-added services. These include the electronic transfer of funds and messages, management of other companies' data networks and the remote processing of corporate information.

Large telecommunications users, including banks such as Standard and First National and some mining houses, together with computer suppliers ICL and ISM, have long been pressing the Post Office for permission to provide such services

In Europe and the US these services represent one of the fastest-growing sectors of the telecommunications industry.

Until recently the Post Office refused to consider such initiatives for fear of seeing its telecommunications income eroded. Its telecommunications operations are expected to produce a surplus of R744m in the current financial year

The liberalisation of major telecommunications markets throughout the world and increasing pressure from users appear to have forced the Post Office to accept greater competition

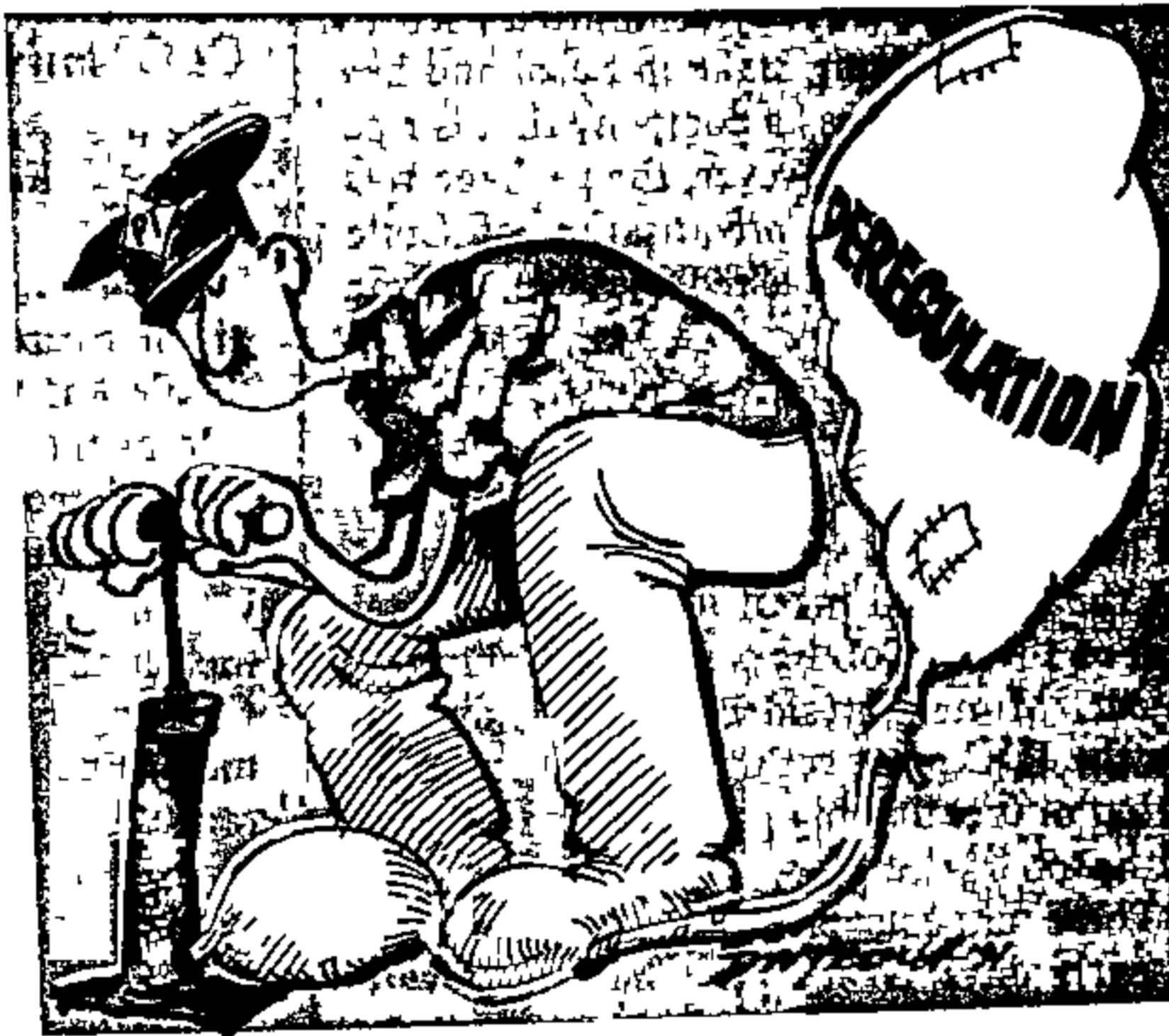
The proposals, intended to replace the tentative licence conditions issued as a first step towards liberalisation last year, are due to be given to major users for comment this month before being presented to De Villiers. They could be implemented by the end of the year

The Post Office declines to reveal details of the recommendations until its main users have been informed but a copy of the proposals obtained by the *FM* indicates that the

organisation intends keeping a firm grip on the provision of telecommunications services

It wants to retain its statutory monopoly on the national transmission network and telephone services and is pressing for strict regulation of potential competitors. Companies will be able to lease facilities such as data lines from the Post Office and charge customers for using them only if there is value added to these services. The straightforward resale of any excess capacity will be forbidden.

The Post Office defines this added value by suggesting that within two years of a



service provider starting business, the cost of the facilities it leases from the Post Office should be less than 25% of annual turnover. In order to avoid any cross-subsidies, it adds that these service providers, or value-added network operators, must be registered as self-standing companies.

To ensure that its telecommunications revenue does not, in the short term at least, decline as a result of deregulation, the Post Office wants to introduce special tariffs for companies that use a single leased line to serve more than one customer. These penalties would fall away once the Post Office had made up the potential shortfall in income from tariff increases in other areas.

The Post Office argues that this mechanism will enable it to proceed with deregulation without having to undo the many cross-subsidies in its telecommunications services. For example, revenue from long-distance telecommunications traffic now subsidises telephone equipment fees. The removal of cross-subsidies has been a major stumbling block for deregulation in Europe, where the introduction of cost-related charges has been going on for several years.

Eager not to miss any boom in value-

added telecommunications, the Post Office wants greater flexibility to market and price its services more competitively. It also wants to follow the example of telecommunications authorities in the UK and France and, if necessary, acquire a shareholding in emerging value-added network operators.

Clearly the key to successful deregulation is the creation of an independent regulator such as Britain's Office of Telecommunications or the Federal Communications Commission in the US. The Post Office agrees that such a step is needed, regardless of the degree of commercialisation or privatisation planned for the organisation.

In view of the sectors the Post Office wants to retain, it would be more equitable to let such an independent authority define what is in the best interests of telecommunications users.

Simon Cashmore

PHARMACEUTICALS DRAGGING THEIR FEET

Time is running out for the Pharmaceutical Society to avoid prosecution for breach of competition law. The society was ordered by the Competition Board to submit new Medikredit contracts to medical schemes by January 1 or risk having the matter turned over to the police (*Business* January 18).

Medikredit, a subsidiary of the society, supplies pharmacies with medicines and the pharmacies are then able to claim the cost from medical aids rather than in cash from the patients. The new Medikredit contracts are supposed to allow pharmacies greater flexibility in pricing the medicines.

David Boyce, who administers Medikredit in the Transvaal, says an addendum to the contracts that explains the new pricing formula is being sent to 3 000 contract holders from pharmacies and medical schemes. The contracts themselves are also being changed. FIM 8/2/91

But major medical scheme administrators have not yet received the new contracts and some have informed the Competition Board of this in writing. The Representative Association of Medical Schemes says it won't comment until after its pharmaceutical subcommittee meets next week.

Competition Board chairman Pierre Brooks says that judging by the correspondence he has received, he is not satisfied that the society has made a concerted effort to circulate the new contracts. The old contracts violate the prohibition of horizontal price collusion and collusion on conditions of supply

The board is adopting a new get-tough

(267)
PO writes off R25-m

The Department of Posts and Telecommunications wrote off R24,9 million as irrecoverable revenue in 1988/89, the Auditor-General said in a report tabled yesterday. *See 12/2/91*

The report said R21 million of this amount was in respect of 89 034 cases of unpaid telephone rentals and trunk calls, and R3,9 million in respect of 24 323 cases of damaged telephone routes and street distribution boxes, missing telephones and miscellaneous items. — Sapa

POST OFFICE — 1 ^{FM 1572191}
²⁶⁷
BRACING FOR REFORM

The commercialisation of the Post Office is far from certain but, nevertheless, the vast organisation is getting ready. It has appointed two heavyweight consultants to advise it during the run-up to the planned commercialisation later this year — Jack Clarke, non-executive chairman of computer supplier ISM, and Donald Masson, CE at retailing group Tradegro.

Clarke, who was MD at ISM and its predecessor IBM SA for 17 years, will assist the Post Office's telecommunications arm, while Masson will work to straighten out the money-losing postal operations. Proposed legislation that would split the Post Office into two State-owned companies — telecommunications provider Telkom and SA Postal Services — is due to come before parliament this year.

But the legislation, which would hopefully pave the way for privatising the Post Office, faces a rocky road. A similar proposal was expected to be heard in parliament last year but was shelved. The Post Office workers' union together with some senior managers have long resisted attempts to operate the organisation like a business by exposing it to greater competition, subjecting it to taxes and forcing it to run more efficiently. They fear that this will lead to retrenchments coupled with demands for increased productivity from the employees who remain.

However, the Post Office's annual report, released last week, shows that the organisation has already restructured in preparation for commercialisation; since January the telecommunications and postal operations have been separately managed. Chief execu-

BUSINESS & TECHNOLOGY

tives for the two business units are likely to be appointed once the legislation is passed. It is unclear whether these posts will be filled from within the Post Office, where many



Masson

FM 1572191



Clarke

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senior managers — including Postmaster General Johan de Villiers — are due to retire soon, or from the private sector.

The report gives an indication of what's in store for whomever is appointed. Though the Post Office's revenue rose 14,6% to R5,98bn in the year to March 1990, higher operating costs and curbs on tariff increases pushed its operating surplus down 22,5% to R693m.

Telecommunications services, which include the loss-making telex and telegraph services as well as the telephone and data networks, accounted for 88,7% of the Post Office's income, but saw its surplus drop 19% to R861m. This is expected to decline further in the current financial year to R744m.

With an operating loss of R168m, the postal services operation, which will include the Savings Bank if the proposed legislation is approved, wiped out much of the Post Office's surplus. The postal services loss is forecast to grow to R220m in the year to March.

How government will fund the postal services losses in the future is unknown. Certainly, consumers will have to foot more of the bill.

Pieter Jordaan, the Post Office's senior GM, finance, warns that the policy of containing tariff increases below the rate of inflation could damage the organisation. He points out that since April 1985, annual increases in tariffs have been on average 4,6 percentage points below the rate of inflation.

Though the Post Office says it intends keeping tariff increases below the inflation rate, commercialisation will almost certainly bring with it increased charges, particularly for postal services, as the organisation rids itself of the effects of cross-subsidisation and prepares to let market forces play a greater role in its operations. ■

Increase in Post Office tariffs expected

POST Office tariff increases are expected to be announced by Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers when he tables his 1991/92 budget in Parliament today.

Certain to be increased, are the "unprofitable" tariffs, sources say.

De Villiers has warned of a slow phasing out of uneconomic tariffs and a move to a more cost-related base.

Putting pressure on tariff structures are inflation, high interest rates on loans and pay hikes for the Post and Telecommunications Department's 95 000 workers. And an expected pay rise of 12%

GERALD REILLY

from April will add in excess of R250m to expenditure in the coming financial year, bringing the total pay bill to about R2,3bn.

Postmaster-General Johan de Villiers has also hinted that adjustments to unprofitable service tariffs were logical.

In the current financial year tariff hikes were limited to the uneconomic services.

Sources said other tariff adjustments outside of the uneconomic services were also likely.

18/10/91 25/2/91

(267)

PO tariffs to go up from April

267
50 meter
26/2/91

POSTAL and telephone service charges will increase from April 1.

Announcing the increases, the Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers, said his department had experienced great pressures last year.

Labour disputes, stayaways and the high levels of interest rates had forced the department to raise fees.

The increases that will affect the consumer immediately from April 1 are.

- * Telephone unit charges increase from 13,5c to 15c,
- * Unit costs from pub-

**By ISMAIL LAGARDIEN
Political Correspondent**

lic telephones increase from 20c to 30c;

* Telephone rental increases from R21 to R24 a month,

* Telephone installations increase from R140 to R155;

* Stamps increase from 21c to 25c,

* Packages which weigh 1kg increase from R2,10 to R2,50;

* International telephone calls increase from 13,5c to 15c a unit for 1,5 seconds;

* Telegrams increase from R4 to R4,40. In the case of ordinary telegrams, the price of R1,50 for the first 10 words increases to R1,70

and each additional word jumps from 15c to 17c.

In the case of an urgent telegram the price for the first 10 words rises from R3 to R3,40 and each additional word from 30c to 34c.

The minimum charge for ordinary telegrams rises from R5,50 to R6,10

* The fee for registered postal items increases from R1,20 to R1,50;

* Certification of a postal article increases from 60c to 75c;

* Priority mail increases from R2,75 to R3,50;

* Express delivery of a postal article increases from R2,75 to R3,50;

* Postal order commission varies between 1c and R2,30 and from April 1 the variation rises to between 2c and R2,70;

* Money orders (inland) handling charges increase from R1,75 a money order plus 1,25 percent to R2 plus 1,5 percent,

* Telegraphic money orders increase from R2,75 and 1,25 percent levy to R3,20 and 1,50 percent plus R1,75 for the advice telegram plus 17c a word.



More for letters, phone calls from April

By Jacqueline Myburgh

267

Star 26/2/91

Telephone and postal tariffs are to rise by an average of 10,6 percent on April 1

The Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers, said this yesterday in presenting the Post Office budget

Dr de Villiers announced







- A telephone call unit would cost 15c (previously 13,5 c)
- Telephone rentals would increase by R3 a month to R24
- Postage on ordinary letters would rise by four cents to 25 c
- Telephone installation fees would rise from R140 to R155
- Pensioners would continue to pay R25 for installation and R18 monthly rental.

Big business in the shape of the National Consultative Committee on Post Office Affairs today demanded improvements in efficiency and productivity in the Post Office to justify the increases

The committee is a private sector watchdog run by the SA Chamber of Business, the Afrikaanse Handelsinstituut and the Steel and Engineering Industries Federation

The president of the Housewives' League, Lyn Morris, said the increased tariffs would push up business costs and "come

New Postal and telecommunication charges from April 1

| | EXISTING TARIFF | | NEW TARIFF | |
|---|-----------------|-------|------------|-------|
| | R | c | R | c |
| Telephone Services | | | | |
|  Call charges per unit | 13,5 | | 15 | |
| Payphone call charges per unit | 20 | | 30 | |
| (Main services) | | | | |
|  Rental | 21,00 | | 24,00 | |
| Installation and transfer fees | 140,00 | | 155,00 | |
| <small>Installation & transfer fees for i ro pensioners remains the same at R25</small> | | | | |
| International Telecommunications | | | | |
|  Operator controlled calls per minute | 5,60 | | 6,20 | |
| Direct dialled calls to overseas per unit of 1,5 seconds | 13,5 | | 15 | |
| Telegrams (Inland) | | | | |
|  Handling | 4,00 | | 4,40 | |
| Ordinary: First 10 words | 1,50 | | 1,70 | |
| Urgent: Additional words + 10%each | 3,00 | | 3,40 | |
| Postal services Inland | | | | |
|  Standardised letters up to 50gms | Surface | 21c | 25c | 25c |
| | Air | 21c | 25c | 25c |
| Non-standardised letters up to 100gms | Surface | 35c | 40c | 55c |
| | Air | 45c | 40c | 55c |
|  Parcels up to 100gm | 1,45c | 1,50c | 1,75c | 1,80c |

Graphic by Liz Werder

straight down to the consumer's pockets"

However, she welcomed the announcement that pensioners had been considered

"From the ordinary individu-

al's point of view, it means we simply have to make fewer phone calls and write fewer letters," she said

● Budget details — Page 8

Post office colour-blind — Minister

More than 80 black, coloured and Indian Post Office staff had been appointed during the past year to posts previously filled by whites, Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers said yesterday.

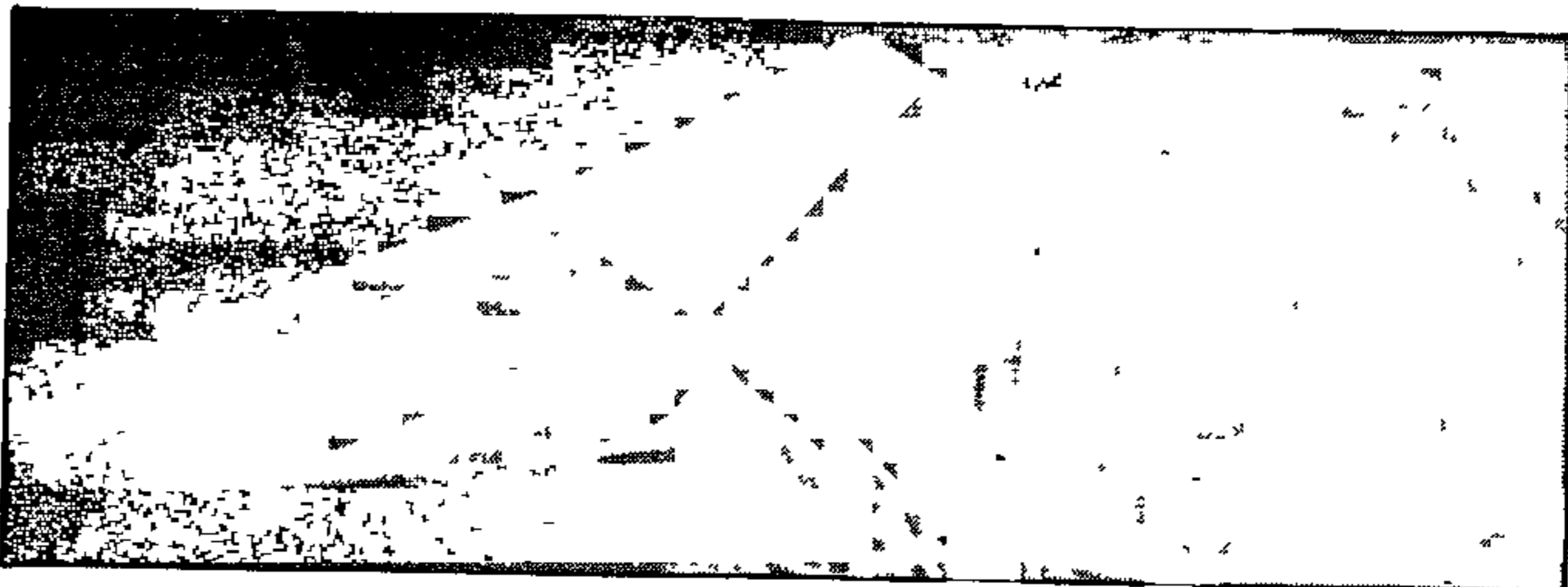
This included the appointment of various postmasters, Dr de Villiers said.

He announced last year that the Post Office had eliminated all reference to colour in its personnel policy.

"The system of separate merit lists was abolished and a policy that is based on general merit irrespective of colour."

Dr de Villiers also said about 30 000 "temporary" staff in the general assistant and related ranks in the department were to be included in the permanent staff.

These people were not actually employed temporarily and many had worked for the department for many years. They received leave, pension and medical benefits and even housing loans — Sapa



Dawie de Villiers
R9,512 bn Post Office budget

PO to raise tariffs 10,6 pc

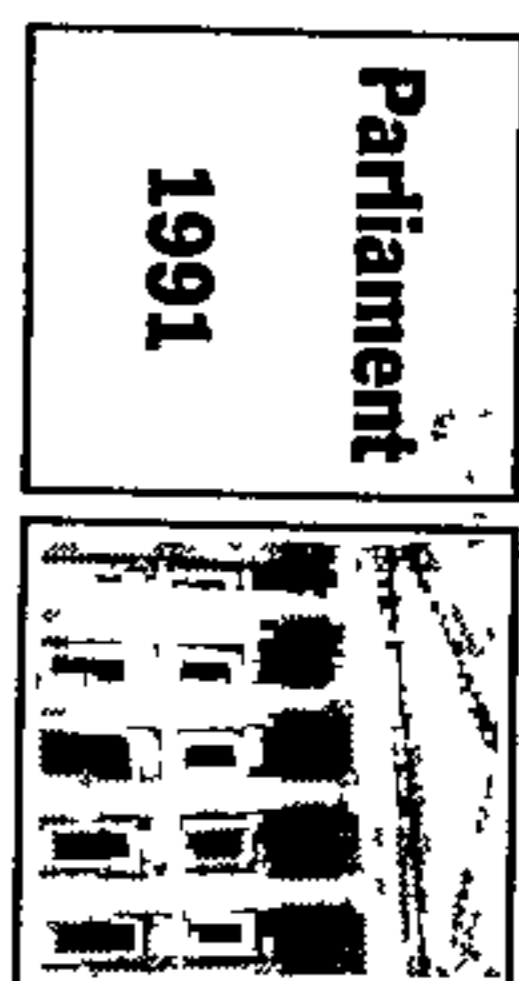
By Peter Fabricius
Political Correspondent

Telephone and post tariffs are to rise by an average of 10,6 percent on April 1

A telephone call unit will cost 15c (up from 13,5c), telephone rentals will increase by R3 a month to R24 and ordinary postage will rise by 4c to 25c

Telephone installation fees will rise from R140 to R155. But pensioners' concessions will remain, which means they will still pay R25 for installation and R18 monthly rental on automatic exchange telephones

Minister of Mineral and Energy Affairs and Public Enterprises Dr Dawie de Villiers announced the increases when he presented a R9,512 billion post office budget to Parliament yesterday



Star 26/2/91

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This was 15,9 percent higher than last year's budget and did not include the R250 million cost of the SAT-2 optical fibre underwater telecommunication cable which would come into use in 1993

The Minister also announced ● The programme to convert telephones to automatic exchanges was being stepped.

● A plan of action was being implemented to improve the postal service

● The postal service would lose R287,7 million in the current financial year and a business plan to make them profitable was under way.

● Last year, 225 000 additional phones had been added

● The backlog in telephones would be 116 000 by March.

Dr de Villiers said the tariff increases would boost revenue 10,6 percent to R7,87 billion

The increase was 3,4 percent below the inflation rate — the sixth successive year tariffs had been kept below inflation.

Dr de Villiers said that even with the increases he expected the loss on unprofitable services to be R616 million in 1991/92 — including R268 million in postal services and R230 million in telex and teletex services.

Total expenditure was expected to be R9,5123 billion and operating expenditure R7,5739 billion

A further R318 million had been set aside for improvement in service benefits which still had to be negotiated in detail with staff associations.

Without tariff increases, revenue was expected to increase by 7,6 percent to R7,0952 billion, which would leave an operating deficit of R727,1 million. The average 10,6 percent in-

creases would net R753 million which would convert this deficit to a "modest" operating surplus of R26 million

Capital expenditure was expected to be R1,69 billion — a reduction of 17 percent in real terms compared to 1990/91

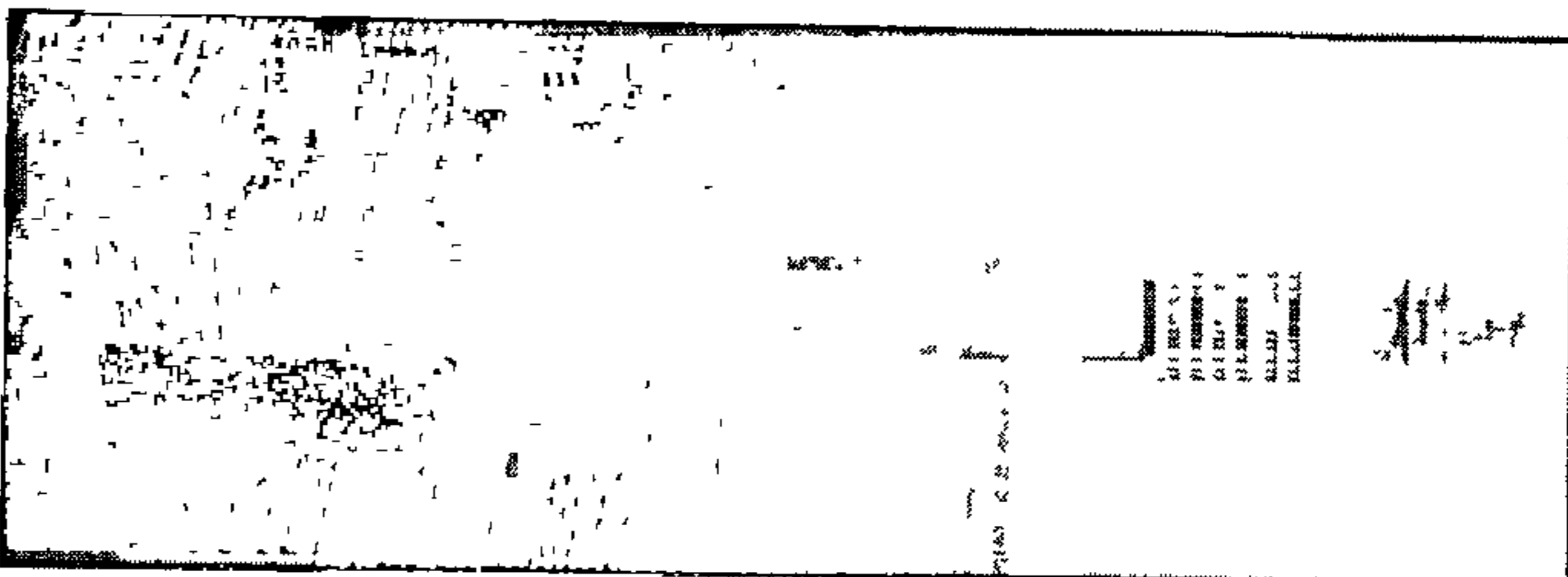
The capital programme had been cut back to the absolute minimum to alleviate pressure on the money and capital markets and domestic interest rates.

Reviewing the 1990/91 financial year Dr de Villiers said total expenditure had been R8,2038 billion and total revenue R6,5936 billion

Capital expenditure had been R1,786 billion and operating expenditure R6,3 billion.

The operating surplus was R176,4 million

Total expenditure was 1,4 percent more than budgeted for and revenue 0,5 percent less



Post Office tower
up 15 percent budget

Upgrading of postal services due

A plan of action recognising customer needs and making postal operations profitable was announced yesterday by Dr Dawie de Villiers, Minister of Mineral and Energy Affairs and Public Enterprises.

Efficient service and an improvement in the quality of post office counter service were the main objectives

The following were being implemented

● More modern mail-sorting equipment had been commissioned at the beginning of this year to replace obsolete equipment. Additional mechanical mail-sorting equipment was being installed and would facilitate faster processing of mail

● Certain main routes of mail distribution could be more conveniently served by road instead of rail or air. A road transport company would soon start carrying mail between the PWV area and Pietersburg, Nelspruit, Bloemfontein, Kimberley and Durban, and also between Cape Town and PE

● Special training programmes for sorting staff and supervisors had been developed — Sapa

CHE TIMES 26/2/91 (267)

PO rises 'unavoidable'

Political Staff

THE Minister of Public Enterprises, Dr Dawie de Villiers, delivered the Post Office budget yesterday — making provision for R9,5bn expenditure and a wide range of increases averaging 10,6%.

Up goes the cost of telephone calls, rentals and installations, and it will now cost 25 cents to post a letter.

Tariffs for parcels and telegrams are also set to rise.

Good news for Post Office workers is that R318m is included for service benefits — just how this will be allocated will depend on negotiations with staff associations.

Dr De Villiers noted, however, that resignations in certain categories of officials were "alarmingly high", and remedial steps would have to be taken to counteract this. But expenditure attached to an improved service package

Main tariff increases

| | old tariff | new tariff |
|-------------------------------|------------|------------|
| Telephone Services | | |
| call charges | 0,135 | 0,15 |
| payphone calls charges | 0,20 | 0,30 |
| automatic rental per month | 21,00 | 24,00 |
| installation fee | 140,00 | 155,00 |
| indoor transfer fee | 60,00 | 70,00 |
| outdoor transfer fee | 140,00 | 155,00 |
| Telegraph services | | |
| handling charges per telegram | 4,00 | 4,40 |
| inland public telegrams | | |
| ordinary first 10 words | 1,50 | 1,70 |
| each additional word | 15 | 17 |
| urgent first 10 words | 3,00 | 3,40 |
| each additional word | 30 | 34 |
| Postal services | | |
| standard letter up to 50gm | 21 | 25 |
| parcels (surface) up to 100gm | 1,45 | 1,75 |
| parcels (air) up to 100gm | 1,50 | 1,80 |
| registration of article | 1,20 | 1,50 |
| certification of article | 60 | 75 |
| express delivery | 3,00 | 4,00 |
| priority mail | 2,75 | 3,50 |

such as pension contributions and service bonuses also had to be financed from this R318m. He warned that the South African economy had grown at a very low

rate recently and comprehensive wage and salary adjustments would be irresponsible at this stage. He said estimated expenditure for the year was 15,9% more than for

the current financial year.

Operating expenditure was estimated at R7,57bn, which was R1,27bn up on the 1990-91 financial year.

He said revenue was estimated at R7,1bn, or 7,6% more than the current financial year, which would mean an operating deficit of R7,82bn. He said tariff increases were well below inflation and during the past five years the Post Office had absorbed an average of 4,6% of the inflation rate. Current tariff hikes would increase the inflation rate by about 0,18%.

The increases were, however, unavoidable if an efficient service which could do justice to a developing country's needs was to be rendered. Despite the increases there would still be an operating loss of R616m

● Postal hikes will 'harm economy' — Page 5

Drive for automatic exchanges'

CAPE TOWN — Automation of telephone exchanges was being speeded up because labour costs and operating expenditure at manual exchanges had become much higher than at automatic exchanges, Public Enterprises Minister Dawie de Villiers said in Parliament yesterday.

Introducing the Post Office Appropriation Bill, De Villiers said it was hoped the conversion to automatic exchanges of all manually operated exchanges in SA, as well as in those areas of self-governing states where demand for telephone services ex-

ceeded 300, would be completed by the year 2000.

He said that owing to limited funds and the low return on investment in manually operated exchanges, the Post Office was forced to scale down the automation programme

This was reviewed after the needs of rural communities for modern facilities such as facsimile machines, data connections and sophisticated telephone equipment were realised

He said these could not be used effectively if con-

nected to manual exchanges.

"As a result of ever increasing labour costs, the operating expenditure of manually operated exchanges is now considerably higher than that of digital automatic exchanges," he said

Added to this, technological developments had lowered the cost of providing telecommunication network infrastructure and services to subscribers in rural areas.

Modern methods such as radio and optical-fibre cable systems were more cost effective, said the minister.

BILLY PADDOCK

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THE MAIN POSTAL AND TELECOMMUNICATION TARIFF INCREASES FROM APRIL 1

| | Old tariff | New tariff |
|-------------------------------|------------|------------|
| Telephone Services | | |
| Call charges | 0,135 | 0,15 |
| Payphone calls charges | 0,20 | 0,30 |
| Automatic rental per month | 21,00 | 24,00 |
| Installation fee | 140,00 | 155,00 |
| Indoor transfer fee | 60,00 | 70,00 |
| Outdoor transfer fee | 140,00 | 155,00 |
| Telegraph services | | |
| Handling charges per telegram | 4,00 | 4,40 |
| Inland public telegrams | | |
| Ordinary First 10 words | 1,50 | 1,70 |
| Each additional word | 15 | 17 |
| Urgent First 10 words | 3,00 | 3,40 |
| Each additional word | 30 | 34 |
| Postal services | | |
| Standard letter up to 50gm. | 21 | 25 |
| Parcels (surface) up to 100gm | 1,45 | 1,75 |
| Parcels (air) up to 100gm | 1,50 | 1,80 |
| Registration of article | 1,20 | 1,50 |
| Certification of article | 60 | 75 |
| Express delivery | 3,00 | 4,00 |
| Priority mail | 2,75 | 3,50 |

Post Office cuts capex 17%

CAPE TOWN — Capital spending by the Post Office would drop 17% in real terms because of the "tremendous" pressure on capital resources, Mineral and Energy Affairs and Public Enterprises Minister Dawie de Villiers said yesterday. *6/04/91 26/2/91*

"We are experiencing a situation of tremendous pressure. There are too many borrowers chasing too little money," he said at a Press briefing on the

Political Staff

1991/2 Post Office budget.

"If you borrow money, you have to have income for it — and this could lead to an increase in tariffs."

The Post Office wanted growth but it did not want to be over-committed.

De Villiers warned that if the present growth rate in capital projects was sustained for more than two or three years, greater backlogs would develop.

Postal service 'to be streamlined'

Blodan 26/2/91

CAPE TOWN — Privatisation, improved mechanisation, computerisation and staff training were the main aims of the postal service this year, which would help make it more efficient and cost effective, Public Enterprises Minister Dawie de Villiers said yesterday.

Introducing the Post Office Appropriation Bill, he said that with a view to further streamlining mail distribution, certain main routes had been identified which could be served by road transport instead of rail and air. This would eliminate delays

Saving

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A tender had been awarded to transport contractor J H Retief Transport of Belleville, Cape Town, to convey mail between the PWV and certain post offices on the routes to Pietersburg, Nelspruit, Bloemfontein, Kimberley, Durban, and between Cape Town and Port Elizabeth

"It is estimated that the conveyance of mail on these routes will bring about a saving of R30m annually," he said.

Departmental transport was introduced over several mail connection routes and where practical private transport companies were also used. This was being done on about 270 routes.

Mail traffic was being monitored and improved operating measures were introduced to ensure a better flow of mail

Mail-sorting equipment was modernised and additional mechanical mail-sorting equipment was being installed in Johannesburg to process mail faster. This should be in operation by April

De Villiers said training programmes aimed at sorting staff and the first and

BILLY PADDOCK

second levels of supervision had been developed to better equip them for their tasks.

A plan to improve the quality of counter service had also been implemented

A computerised terminal system had been developed to expedite financial transactions

About 800 had already been put into use at 115 Post Offices and another R12m would be spent during the coming financial year to connect another 850 counter points at 250 other offices to the system

DP spokesman on public enterprises, Roger Hulley, reacting to the appointment of J H Retief Transport, said the company did not apparently have appropriate previous experience in this field.

Growth

Sapa reports that De Villiers said Posts and Telecommunications expected to lose R303,3m on its Postal Operations division this year.

A long-term plan had been devised which included gradual adjustment of tariffs to make them more cost-related

He said the loss, which included a deficit of R15,6m on money transfer services, had been incurred despite a growth of about 9% in mail traffic and tariff increases.

Several investigations had been undertaken during the past financial year to devise a plan to put Postal Operations on a profitable footing.

Phasing out cross-subsidisation by Telecommunications, and strengthening its capital structure, were priorities.

The long-term plan also included an acceleration in the growth of Post Office business

Post Office tariffs up an average 10%

CAPE TOWN — Government has announced average tariff increases of 10,6% for post and telecommunication services

Proposing a R9,5bn Post Office budget, Public Enterprises Minister Dawie de Villiers told Parliament yesterday standard inland postage rates would increase by 4c to 25c a letter on April 1.

Postage on ordinary parcels of 1kg would increase by 40c to R2,50.

Telephone installations go up by R15 to R155; telephone rentals increase by R3 to R24 a month, call unit costs increase 1,5c to 15c a unit, and com-phone tariffs rise by 10c to 30c. The minimum cost of a telegram goes up from R5,50 to R6,10.

Concessionary rates for pensioners remain unchanged, with a telephone installation fee of R25 and rental of R18 a month for automatic exchanges and R19 for manual exchanges.

Introducing the Post Office Appropriation Bill, De Villiers said this was the sixth consecutive year the Post Office's tariff increases were substantially lower than the inflation rate.

The estimated operating expenditure would be R7,822bn. At present tariffs revenue was estimated at R7,095bn resulting in an operating deficit of R727,1m. The

BILLY PADDOCK

tariff increase was expected to realise an extra R753m, converting the operating shortage into a modest R26m surplus.

Total growth in revenue was estimated at 19% against an increase of 20,2% in operating expenditure.

He said the policy of rationalising the tariff structure was being taken further by the proposed tariff adjustments and implied a gradual phasing-in of more cost-related tariffs and the phasing out of cross-subsidisation.

The proposed new telephone rental tariffs of R24 for automatic exchange connections and R25 for party lines meant rentals were still being subsidised because the cost of providing these services was R43 and R120 respectively.

De Villiers said installations were still operating at an under-recovery rate of R185. An ordinary parcel of 1kg cost R3,33 to handle, representing an 83c under-recovery on the new tariff, while an airmail parcel represented a loss of R1.

Despite tariff adjustment, the loss on unprofitable services was estimated at R616m for the 1991/92 financial year, of

To Page 2

Tariffs

which the loss on the postal service would amount to R268m and on the telex and teletex service R230m.

Notwithstanding a growth of 9% in mail traffic and the increase of tariffs in the past financial year, a loss of R287,7m on postal operations was expected this year. A R15,6m loss on money transfer services would bring the total to R303,3m.

He said several investigations were undertaken during the year to formulate a strategic and business plan to put postal operations on a profitable footing.

The long-term plan devised entailed Acceleration in the growth rate of business handled by postal service to 5,2% a year (2% a year higher than historic

From Page 1

growth rate),

- The improvement of efficiency and productivity by about 2% a year;
- The gradual adjustment of tariffs to make them more cost-related.

TANIA LEVY reports the National Consultative Committee on Post Office Affairs — representing the SA Chamber of Business (Sacob), Afrikaanse Handelsinstituut (AHI) and the Steel and Engineering Industries' Federation of SA (Seifsa) — welcomed the fact that telephone increases had been kept below the rate of inflation.

However, it said mail users and particularly mail-orientated businesses would be hard hit by postal rate increases.

● See Page 8

Stamp, telegram and phone rent rises likely

By ALAN DUNN

Political Staff

STANDARD inland stamps are expected to increase in price from 21c to 25c on April 1

And telephone rents, which rose by R3 a year ago, are likely to go up by R3, bringing the fee to R24

Ordinary letter post, which rose by 3c to 21c last year, is set to increase another 4c

The Minister of Public Enterprises, Dr Dawie de Villiers, today announces general rises in post and telecommunications tariffs.

In his annual report the Postmaster-General, Mr Johan

de Villiers, hinted at general increases. He said the absorption of price and cost increases could no longer be maintained.

Losses on unprofitable services, surged by 38,6 percent in 1989/90 to R376-million, he said. This represented 32,1 percent of operating expenditure.

“Although it is still the aim to keep tariff adjustments below the inflation rate, more realistic adjustments will have to be effected in future to gradually phase out cross-subsidisation and demand distortion,” he said.

Increases were also needed to strengthen the balance sheets of the envisaged separate telecommunications and postal services enterprises.

Also on the cards is an increase in the cost of telegrams. The present minimum charge is R5,50 (R4 handling fee and R1,50 for the first 10 words, plus 15c a word for longer messages).

The minimum is due to rise to R6,10.

It is understood that Dr De Villiers may further, in a R9-billion budget, announce increases in call-unit tariffs — they remained the same last year at 13,5c for five minutes for local calls.

He is also likely to announce an increase in telephone installation fees, which remained static last year.

In his speech to parliament Dr De Villiers will apparently address the desirability of splitting Posts and Telecommunications into two public companies. Legislation to that end is being considered by parliament.

He may also speak on a new strategy for mail services, announcing efforts to market them and increase profitability, and favouring road transport for mail in places where it is more viable.

Planned improvements to the mail service follow widespread criticism last year of delays in delivery.

HOUSE OF DELEGATES

QUESTIONS

Indicates translated version
 For written reply
 Own Affairs

Surplus of teachers
 1 Mr M RAJAB asked the Minister of Education and Culture

- (1) Whether his Department has a surplus of approximately 1 000 teachers, if so, (a) by

what calculation is this surplus arrived at and (b) what effect will the termination of the services of this number of teachers have on his Department, matter?

The MINISTER OF EDUCATION AND CULTURE

- (1) No

(a) and (b) Fall away

- (2) No

HOUSE OF ASSEMBLY

QUESTIONS

Indicates translated version
 For written reply
 General Affairs

Capital flow

1 Dr W J BOTHA asked the Minister of Finance

What was the capital (a) inflow into and (b) outflow out of the Republic during each specified financial year since 1980-81?

The MINISTER OF FINANCE

(a) and (b)

Capital flow is only measured on a net basis
 The total capital flow for the financial year 1980-81 to 1989-90 is as follows

| | Capital | Liabilities movements not related to reserves | Total |
|---------|-------------|---|-------------|
| | (R million) | (R million) | (R million) |
| 1980/81 | -492 | 651 | 159 |
| 81/82 | 2 163 | 3 239 | 5 402 |
| 82/83 | 3 071 | -1 507 | 1 564 |
| 83/84 | 816 | 1 165 | 1 981 |
| 84/85 | -916 | 1 361 | 445 |
| 85/86 | -7 132 | 305 | -6 827 |
| 86/87 | -3 822 | -2 031 | -5 853 |
| 87/88 | -4 077 | -682 | -4 759 |
| 88/89 | -6 779 | 2 878 | -3 901 |
| 89/90 | -3 329 | 771 | -2 558 |

Certain areas: telephone services outstanding

57 Mr D J DALLING asked the Minister of Mineral and Energy Affairs and Public Enterprises

- (1) How many applications for telephone services were outstanding in respect of (a)

- the exchanges of (i) Bryanston, (ii) Randburg, (iii) Benmore Gardens, (iv) Kelvin, (v) Bramley, (vi) Rosebank and (vii) Sunninghill Park, and (b) any other exchanges serving the Sandton constituency, as at 31 December 1990,
- (2) when is it anticipated that the backlog in respect of each exchange will be eliminated,
- (3) what steps are being taken to satisfy the demand for telephones in respect of each such exchange?

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

- (1) (a) (i) 89, (ii) 144, (iii) 165, (iv) 97, (v) 97, (vi) 298, (vii) 206, and (b) Farmall 26, Fourways 211, Olivedale 177, Diepsloot 40, Bromhof 129, Crowthorne 43,

(2) and (3) Numerous waiting applicants in these exchange areas have in the interim been provided with telephone service. A total of 21 cable projects will be undertaken within the next two months and the requirements of 465 applicants will be met progressively as the projects are completed. A further 71 cable projects which will enable the Post Office to provide all the remaining waiting applicants with telephone service have either been planned or are in the planning stage. No definite completion dates for these projects are available at this stage.

Minister orders probe into Post Office contract

267

8/10/91

BILLY PADDOCK

CAPE TOWN — Public Enterprises Minister Dawie de Villiers has ordered a formal inquiry into the controversial R50m contract awarded by the Post Office to a Cape company for the transport of mail

In a statement yesterday he said Auditor-General Peter Wronsl ey had been asked to conduct the inquiry "in the light of various allegations in the media and in Parliament concerning alleged irregularities in the allocation of a contract to a certain firm for the transport of postal articles"

The inquiry follows DP allegations in Parliament last week that there appeared to be irregularities in the tender procedures and the fact that a senior executive of J H Retief, which won the five-year contract, was a brother of Postmaster-General Johan de Villiers

DP spokesman on public enter-

prises Roger Hulley told Parliament last week other worrying aspects were

□ There were 10 tenders and the only furniture company that tendered was awarded the contract None of the biggest and most professional companies considered tendering,

□ J H Retief was the fourth lowest tenderer and lower tenderers with greater experience and infrastructural strength were passed over;

□ The crux of the contract was to transport mail on the main routes between Johannesburg and Durban, Bloemfontein, Nelspruit, Kimberley and Pietersburg Why was a company with no infrastructure in these centres awarded the contract? and

□ Why were long-established firms with lower tenders overlooked, when they had offices, vehicles, ware-

houses, workshops, management, labour, radios and faxes plus many years experience in running tightly scheduled transport services on the specified routes?

De Villiers said Wronsl ey's inquiry was to establish whether any alleged irregularities occurred "or whether any other inconsistencies prevailed in contravention of the existing guidelines"

He said all the allegations would be fully investigated and the findings released after the investigation had been completed

He called on people to provide information and evidence "instead of spreading rumours"

Hulley yesterday welcomed the inquiry

"I will personally co-operate with the audit office with all the information I have and will call on those who have been in contact with me over this matter to do the same," he said

POST OFFICE Fm 8/3/91 (267)

WAITING FOR THE CALL

The Post Office is now supposed to be running like a business. But it is hard to imagine any private telephone company surviving the chorus of complaints from disgruntled customers on the growing waiting list for telephones in SA.

This week, the Post Office noted that the

Continued →

Fm 8/3/91

(267)

waiting list had jumped from 109 508 last March 31 to 116 568 by the end of January, the most recent figure available. There is no official record of the average waiting time, but two months is considered a short wait while six-month and one-year waits are frequent. If the Post Office were to wipe out its backlog tomorrow, the number of telephones in the country would jump by 3,5%.

In the US, by contrast, telephones can be installed the same day, or in a few days at most if cables have to be laid. The privatised British Telecom installs 77% of business telephones within six working days and 82% of residential telephones in eight working days. These figures are up from 48% and 42,5% in 1987.

But the Post Office says it is trying. "We are now run like a business and the quicker we can get new subscribers, the sooner we can earn money from them," says Post Office spokeswoman Amanda Singleton. "We never deliberately delay installations."

She explains that even houses with existing jacks cannot be connected immediately. "The old line could have been taken up by another subscriber on the waiting list and new applicants have to wait for a service to be cancelled before they can get one."

In new areas, people sometimes have to wait longer because the cablework may be incomplete and in well-established areas the telephone exchanges may have reached full capacity with no room for further lines.

Such explanations cut no ice with Tony Leon, the DP MP who has made the issue of telephones a hobbyhorse. "The telephone waiting list indicates how badly needed true commercialisation really is. There is still no consumerist philosophy in the Post Office. There is no reason why many services should not be contracted out to the private sector, which would be more in tune with consumers' requirements."

Last year, for example, the Post Office refused to allow E J Adcock to share its

Fm 8/3/91

(267)

PABX facilities with an adjoining company — so much for responding to customer needs.

Wits economist Frank Vorhies says the Post Office has little accountability, adding there should be a powerful citizens' body to keep an eye on it. "The Post Office is answerable to parliament rather than its customers and it still isn't driven by its bottom line. If there isn't going to be a complete privatisation of the Post Office, there should at least be more contracting out of services."

But Siemens' Etienne Geysler says delays aren't always the Post Office's fault. "Very

often developers do not inform the Post Office about their telephone requirements. In areas like Midrand, for example, which has expanded very rapidly, 1 000 new telephone lines in an office park cannot be accommodated overnight. A new digital telephone exchange has to be imported, which can take 18 months to two years."

He adds that commercialisation is at least on the way. "There is an educational process which takes time to filter down to the staff, but there are concrete signs of change. The private sector is now allowed to do the house wiring for a PABX."

Johannesburg Hospital R189 164 900
 Coronation Hospital R49 474 500
 Grey's Hospital R39 005 000

Medical waste: disposal

86 Mr M J ELLIS asked the Minister of National Health

Whether any changes were introduced in the 1990-91 financial year by hospitals falling under the control of the provincial administrations in the system used to dispose of medical waste, if not, why not, if so, what are the relevant details? ~~House~~ 12/3/91

B211E

The MINISTER OF NATIONAL HEALTH

Although the disposal of hospital waste (medical and clinical waste) is considered to be reasonably satisfactory, all provincial administrations undertook investigations to identify potential problems during the past year. These resulted *inter alia*, in the introduction of more uniform methods of disposal, increased use of standardised containers, renovation of incinerators and contracting professional firms for waste removal and disposal. However,

most improvements planned are subject to the availability of funds

Johannesburg North: service applications

106 Mr P G SOAL asked the Minister of Mineral and Energy Affairs and Public Enterprises

Whether any applications for (a) telephone services and (b) private post boxes were outstanding in the Johannesburg North constituency as at the latest specified date for which figures are available, if so, (i) how many in each suburb falling within this constituency and (ii) when is it anticipated that the backlog will be eliminated? ~~House~~ 12/3/91

B291E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

(a) Yes, 512 as at 28 February 1991, (i) and (ii) In addition to applications that are met on demand on a continuous basis where telephone numbers and cable leads are available, service will be provided as follows to waiting applicants in the areas indicated

Number of waiting applicants When services are to be provided

| Exchange area | Number of waiting applicants | When services are to be provided |
|---|------------------------------|---|
| Bramley (includes the suburbs of Eltonhill, Winston Ridge, Kentview and Birnam) | 77 | Within the next three months as cable works are completed |
| Rosebank (includes the suburbs of Fairway, Illovo, Melrose, Melrose North, Melrose Estate, Birdhaven, Dunkeld West, Parktown North, Parkhurst and Craighall Park) | 209 | Within the next five months as cable works are completed |
| Randburg (includes the suburbs of Craighall and Blairgowrie) | 178 | Within the next five months as cable works are completed |
| Linden (includes the suburbs of Victoria Park, Pieterneef Park, Pine Park, Blairgowrie and Beaconsfield Estate) | 48 | Within the next five months as cable works are completed |

(b) Yes,

- (i) 76 as at 25 February 1991 (Birnam Park 28 and Parkhurst 48)
- (ii) The installation of additional private post office boxes at Birnam Park and Parkhurst is not possible because of

The MINISTER OF NATIONAL HEALTH

(267) ~~House~~ 12/3/91 that vacant private post boxes exist at Saxonwold (28), Northlands (54), Bramley (449), Parklands (300) and Pinegowrie (975). The number of vacant post boxes at Northlands has increased since last year because some renters were allocated post boxes at the more conveniently situated Pinegowrie Post Office. By arranging that a number of renters at Craighall be provided with private boxes at more conveniently located offices, it was possible to provide all waiting applicants at that office with private boxes

Whether any applications for (a) telephone services and (b) private post boxes were outstanding in the Johannesburg North constituency as at the latest specified date for which figures are available, if so, (i) how many in each suburb falling within this constituency and (ii) when is it anticipated that the backlog will be eliminated? ~~House~~ 12/3/91

Immunisation programmes

123 Mr M J ELLIS asked the Minister of National Health

- (1) (a) What sum of money was allocated to immunisation programmes in the 1990-91 financial year and (b) what immunisation programmes were undertaken
- (2) whether these programmes could be implemented fully out of the sum so allocated, if not,
- (3) whether additional funds were allocated for this purpose, if so, from what source? B213E

The MINISTER OF NATIONAL HEALTH

- (1) (a) R4 150 500 and
- (b) expanded immunisation programme against tuberculosis, poliomyelitis, diphtheria, pertussis, tetanus and measles,
- immunisation of contacts of rabies and
- immunisation against yellow fever for international travel purposes,
- (2) yes,
- (3) falls away

Tuberculosis

129 Mr M J ELLIS asked the Minister of National Health

In respect of each race group in each province in 1990, (a) how many cases of tuberculosis were (i) reported and (ii) hospitalised and (b) how many tuberculosis patients died? ~~House~~ 12/3/91 B361E

The MINISTER OF NATIONAL HEALTH

(a) (i) Notified tuberculosis cases in the Republic of South Africa by Population Group and Province, 1990 (As on 27 February 1991. Notifications for 1990 are still incomplete)

| Province | Indian | Black Coloured | White |
|-----------|--------|----------------|--------|
| Cape | 32 | 13 587 | 16 960 |
| Natal | 453 | 9 247 | 196 |
| OFS | 1 | 9 481 | 633 |
| Transvaal | 52 | 13 462 | 487 |

(ii) Admission in a hospital with tuberculosis

| Province | Indian | Black Coloured | White |
|-----------|--------|----------------|-------|
| Cape | 0 | 2 430 | 2 724 |
| Natal | 183 | 9 273 | 97 |
| OFS | 0 | 3 031 | 75 |
| Transvaal | 13 | 1 922 | 142 |

(b) Notified tuberculosis deaths in the Republic of South Africa by Population Group and Province, 1990 (As on 27 February 1991. Notifications for 1990 are still incomplete)

| Province | Indian | Black Coloured | White |
|-----------|--------|----------------|-------|
| Cape | 0 | 571 | 485 |
| Natal | 4 | 46 | 1 |
| OFS | 0 | 110 | 10 |
| Transvaal | 1 | 492 | 12 |

Sea Point: rent-controlled premises

11 Mr C W EGLIN asked the Minister of Welfare, Housing and Works

- (1) How many rent-controlled premises were there in the Sea Point constituency as at 31 December 1990,
- (2) (a) how many such premises were decontrolled in 1990 and (b) what is the (i) address and (ii) description of each of the properties concerned?

B154E

Key role for govt in new Post Office

267

B/Daw 18/3/9

BILLY PADDOCK

CAPE TOWN — A commercialised, restructured Posts and Telecommunications Department would continue to require ministerial approval for major policy changes, according to the Post Office Amendment Bill.

In the second reading debate on Friday, the DP supported commercialisation of the department and its division into two separate entities.

However, both the DP and the CP expressed reservations about privatisation of its functions.

The Bill proposes the two entities be separated and incorporated under the Companies Act and be commercialised, placing them in a suitable environment for a management approach along business lines.

In terms of a report on the Posts and Telecommunications Department conducted by Administration and Economic Co-ordination Minister Wim de Villiers, the State could then look at the feasibility of listing the companies on the JSE. The proposed legislation is based on this report but does not implement all its recommendations, including this one.

The companies will not be allowed to do certain things without the approval of Public Enterprises Minister Dawie de Villiers. These include increasing tariffs, the alienation or encumbrance of more than 10% of the assets, the cessation or alteration of the main business of the companies or entering into any partnerships.

The companies will consist of a board of directors, a management board, a director appointed as MD, and chairman of the management board with the state holding all the shares.

Each of the companies will be entitled to incorporate subsidiary companies and to

transfer sections of the respective enterprises to that subsidiary.

The companies will not have to render financial statements to the Auditor-General on an annual basis but the Minister will submit annual financial statements of the companies to Parliament.

Roger Hulley (DP Constantia) and Wessel Nel (DP Mooi River) said the party was wary of privatisation because of the strong probability of the entities becoming monopolies and neglecting certain sectors of the population.

The CP refused to support the Bill on the basis that "it was a transparent attempt" to pave the way for eventual privatisation.

Nel said the DP supported commercialisation as long as sufficient parliamentary accountability remained, but privatisation had to be approached with circumspection.

The Post Office and Eskom were state monopolies and therefore not suitable for privatisation because of the nature of SA's population make-up.

The inclination existed for a privatised Post Office to neglect rural networks and concentrate on urban services as well as charging exorbitant tariffs. Privatisation would lead to the disintegration of the postal services.

Hulley said the DP stood for free enterprise with adequate protection against abuse. State monopolies should not be turned into private monopolies.

In reply De Villiers said the DP's hesitancy about privatisation was relevant and it was not government policy to turn state monopolies into private monopolies.

The legal and management structure of the service was no longer suitable to ensure efficient rendering of services.

INFORMATION TECHNOLOGY

Telkom prepares for the future

310 am 7/11/91
SEVERAL new developments at Telkom are on the cards as the company prepares to play a meaningful role in southern Africa.

Opening a telecommunications conference at Sun City this week, Transport and Posts and Telecommunications Minister Piet Welgemoed said because Telkom was now responsible for its own finances, decision-making would have to take into account long-term strategic planning.

He said Telkom, as Africa's largest telecommunications provider, was destined to play a pivotal role in the continent.

"This raises the exciting prospect of greater southern African regional co-operation in the near future," Welgemoed said.

Regulatory tasks would comprise a good mix of decision-taking, based

MELANIE SERGEANT

on expert analysis and adjudication.

The main objectives of the regulations would be to

- Refine and protect exclusive rights granted to telecommunications operators,
- Protect clients against abuses of power through the control of prices and service quality,
- Ensure and encourage fair competition, and
- Enforce "community service obligations" imposed on the telecommunications operators

Looking at the "free competition" objective, he said that as the traditional monopoly supplier, Telkom would remain dominant in the market for local network services.

"The regulator will have to ensure an adequate separation between the competitive and non-competitive op-

erations of the dominant carrier are clearly maintained."

He said the regulator could use a number of methods to do this, including

- Prohibition of unfair cross-subsidisation of competitive activities from Telkom's basic services revenues, and
- Separation of financial statements for competitive and monopoly businesses

He said the regulatory body's task was not an easy one. It had to ensure that Telkom would continue providing subsidised basic services, while there was the danger of selective entry by competitors into more lucrative market segments.

Provision of enhanced or value-added voice services would be greater in 1995 with the completion of the digital trunk-phone network.

... year of study to a rising
... ect fees increases for
... between 16,7% and

... and in Johannesburg as a major
propaganda coup.

He said he was not sure if he
was still a member of the ANC

Conference remarks ⁽²⁶⁷⁾ not by ANC's Ncgaba

IN A report yesterday on
Telkom's telecommunica-
tions conference at Sun
City, remarks on privatisa-
tion were incorrectly attri-
buted to Andile Ncgaba of
the ANC

In fact, Ncgaba withdrew

from the conference and
was replaced by independ-
ent policy researcher Mo-
jalefa Moseki

His speech had the same
title as that due to be given
by Ncgaba — Telecom-
munications in the new SA

Moseki said yesterday he
had no connections with
any political organisation

He advocated further
deregulation of Telkom and
not privatisation

Although Telkom had
been separated from the
Post Office, it had not been
deregulated enough

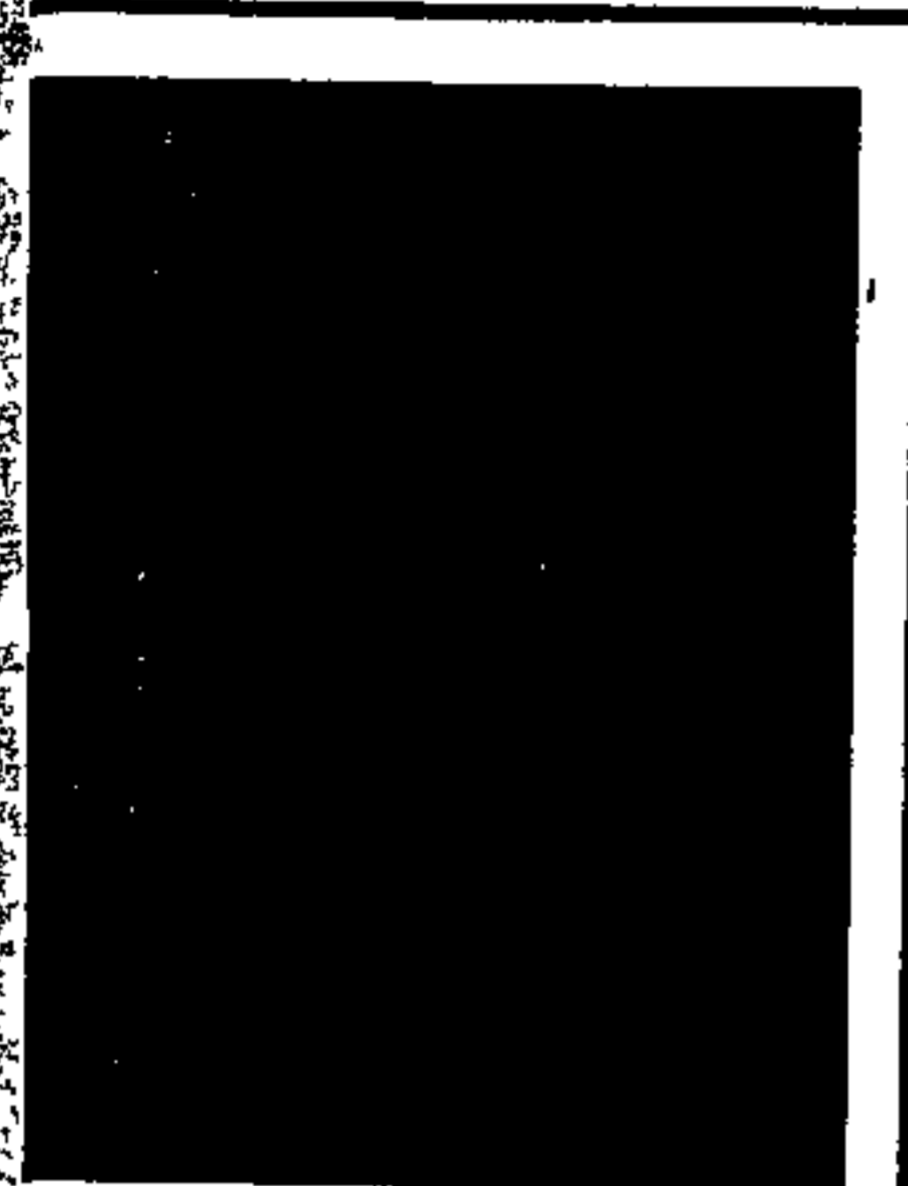
It was a provider of ser-
vices and also a regulator
in its market, and this gave
it an unfair advantage

Ncgaba said he was en-
tirely opposed to the princi-
ple of privatisation

Business Day regrets the
mix-up and apologises for
any inconvenience caused
by the report

LIMITED
Reg No 05/05005/06

H Stein



Former astronaut Col Jim Erwin has...
flag that had been carried aboard the Apollo 15 spacecraft to the moon.

SENIOR OFFICERS OF THREE SPANISH TRAWLERS...
Luderitz by two SA Navy vessels on Monday, prosecutor-general Habs Heyman said in Windhoek.
He said the men were due to appear in the Keetmanshoop Magistrate's Court within 48 hours of their arrest on Monday afternoon.
They were apprehended last Thursday for fishing illegally inside Namibia's 200-mile exclusive economic zone.
SA Foreign Minister Puk Botha said yesterday he received a request from the Namibian government on Saturday for SA to assist in escorting the trawlers.
Meanwhile, a Windhoek news report said the trawlers' owners brought a successful application in Cape Town on Saturday prohibiting the authorities from interfering with the trawlers — Sapa.

Public servants' boss speaks of anxieties

GERALD REILLY

PRETORIA — Government workers' rights and privileges would only remain entrenched in the Public Service Act as long as this pleased any new legislators, Public Servants Association GM Hans Olivier said in Pretoria yesterday.
Speaking at a conference on the public service in a new SA, Olivier outlined a number of workers' anxieties.
There was uncertainty about changes ahead and acceptance of workers by a future government.
President F W de Klerk's recent reassurance that careers and pensions would not be prejudiced in any future dispensation had been welcomed.
Olivier said only 27% of clerical posts in the service

...were held by blacks and in the rest of the service there were slightly more than two whites for every black.
There was, therefore, an imbalance favouring whites which could be unacceptable to a non-racial government.
This could force a move towards short-term efforts at a more realistic balance.
It could also be questioned whether a future government would feel bound by previous commitments to the employers' pension fund contributions and whether pensioners could rely on existing benefits being perpetuated.
It was an open question whether the funds should not be privatised, said Olivier.

Increase in price of posting foreign mail announced

27/3/91

REACHING out and touching a foreigner by letter, parcel or postcard will cost South Africans between 10% and 20% more from April 1.

The Posts and Telecommunications department yesterday announced an increase in surface and airmail foreign postage rates.

The department said the adjustment was necessary because of escalating operating costs and increased payments to foreign postal services.

There will be a 20% increase in the cost of sending airmail letters to most countries, including Eastern and Western Europe and some Middle Eastern, African and South American countries.

Where it previously cost 50c for each 10g, from April 1 the price will be 60c.

The department said the basic airmail parcel tariff to Great Britain, for example, would now be R11,60 (previously R10,20) for the first 250g and R3,80 (R3,60) for every additional 250g.

Airmail rates for letters to the US have increased by 10c to 75c for each 10g.
The cost of sending letters of up to

50g by surface mail to Botswana, Burundi, Lesotho, Malawi, Swaziland and Zimbabwe will increase by 5c to 40c an item — an increase of 14%.
Letters weighing up to 20g and destined for other foreign countries will cost 45c to send by surface mail instead of 40c.

Airmail letters sent to neighbouring African countries will now cost 40c (35c) for each 10g.

The postage on surface mail parcels will be R11,20 (up 16,6% from R9,60) for the first kilogramme.

The basic postage on airmail letters to Taiwan will be 65c (55c) and for airmail parcels R16,70 (R16,10) for the first 250g and R5,30 (R5,20) for every additional 250g. The surface mail tariff for parcels will be R13,90 (R13) for the first kilogramme.

Public Enterprises Minister Dawie de Villiers announced in his Office budget last month that standard inland postage rates would go up by 4c to 25c a letter.
Postage on ordinary parcels of 1kg would increase by 40c to R2,50, De Villiers said.

Particulars of the new tariffs were available at all post offices, the department said.

Now post overseas will cost more too

8/27/91

267

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By Paula Fray
Consumer Reporter

Hot on the heels of an announcement of a general increase on local postage and telephone rates comes the news of an increase in overseas postage tariffs for letters and parcels.

According to the Department of Posts and Telecommunications, foreign postage tariffs will increase on April 1 by between 10 and

20 percent

The increases coincide with local tariff increases announced in Parliament this month

The department said the adjustment was necessary because of escalating operating costs and increased payments to foreign postal administrations

From Monday the basic surface letter post tariff from African Postal Union countries will be increased to 40c and to other countries to 45c

A letter to the UK will cost at least 60c and the

airmail parcel tariff will be R11,60 for the first 250 g and R3,80 for every extra 250 g Surface mail parcels will cost R11,20 for the first kilogram

The minimum for an airmail letter to Taiwan will be 65c and for airmail parcels R16,70 for the first 250 g and R5,30 for every additional 250 g

● Local postage on ordinary letters will cost 25 c, a telephone call unit will cost 15c, telephone rentals will cost R24, and installation fees will rise to R155



POST OFFICE FM 29/3/91

267

THE COMMERCIALISATION BATTLE

Fierce opposition to privatisation of the Post Office continues to obstruct even the first step towards commercialising the massive postal and telephone bureaucracy

The Bill to split the Post Office into two government-owned companies — telecommunications provider Telkom and SA Postal Services — was supposed to be passed in last year's session of parliament. One year after it was introduced the Bill's fate still remains uncertain, a vote is now scheduled for April 17. Despite numerous amendments during the past three parliamentary sittings, resistance to the Bill is unabated.

The Bill is opposed by a formidable coalition — the Post and Telecommunications Workers' Association (Potwa), the Labour Party and a number of senior managers who have long fought attempts to run the Post Office along business lines and expose it to competition.

Yet despite the stalemate over the Bill, the commercialisation of the Post Office is already well under way. Since January the telecommunications and postal services have operated separately and consultants from the private sector have been recruited to assist with planning. Jack Clarke, a past MD of computer supplier ISM and its predecessor IBM SA, will work with telecommunications while Donald Masson, Tradegro's CE, will delve into solutions for the money-losing postal services.

Pieter Senekal, the Post Office's senior GM human resources, feels confident that commercialisation will formally begin by October. "Our purpose is to introduce sound business principles," Senekal stresses that the Bill is not the first step to privatising the Post Office. He points to specific provisions in the amended legislation that, he says, make it impossible for the Post Office to be privatised without fresh legislation. "No one will be retrenched as a result of commercialisation," he promises.

However, Anthony Reeves, the Labour Party's spokesman on posts and telecommunications and the MP for Klipspruit West, says the Bill makes provision only for the issue of privatisation to be referred to the minister and not to parliament.

Senekal says the amended Bill addresses all of Potwa's grievances. Originally, the newly created companies had a two-year period in which to meet the provisions of the Labour Relations Act.

In the final Bill, the Act is applicable with immediate effect. The original Bill also made the transfer of Post Office staff to the new companies compulsory. The amendment makes this transfer out of State employment an option, employees can be seconded instead.

A contentious issue is the classification of workers as temporary and permanent. About 30 000 of the 90 000 workers are classified as temporary because they fail to meet certain educational and health requirements. Many of these workers have been employed for up to 40 years without the benefits available to permanent staff.

The amended Bill, says Senekal, removes this reference, entitling all staff to permanent benefits.

The amended Bill also provides for one representative from the workers' associations to sit on each of the non-executive boards of directors that will run the two companies. This provision is likely to cause problems because there are seven staff associations and Potwa, as the only dissenting associa-

of experienced workers will risk losing their jobs because they lack the appropriate academic qualifications — a problem inherited from apartheid education."

He believes that commercialisation could have taken place without the Bill and says it is being used to protect whites on the basis of qualifications rather than ability. ■



Postal protest anything but business efficiency

tion, seems to have little chance of being chosen by the others to sit on the boards, though with a membership of some 20 000, Potwa is the largest union.

Potwa representative Floyd Mashele claims that the Bill is not divorced from privatisation. Despite assurances given by government, he says workers remain suspicious of commercialisation. Potwa believes that government has no mandate to enact a major restructuring of the public sector, such as commercialising the Post Office. "As we move towards the new SA, these changes are not acceptable to the majority. Why the haste for major restructuring before mass-representation?"

Mashele is particularly concerned that the end of cross-subsidisation of the two services will inevitably lead to increased tariffs that will hit blacks hardest.

Reeves says the Labour Party opposes the Bill because discrimination remains rife in the Post Office and commercialisation will merely transfer these practices. "Thousands

PO bill sparks workers' sit-ins

OWN Correspondent

JOHANNESBURG — Post Office service, were likely to be disrupted this week pending the passing of the Post Office Amendment Bill in Parliament, Witwatersrand Telecommunications general manager Mr Danie du Toit confirmed yesterday.

He said the Posts and Telecommunications Workers Association (Potwa) had advised "that industrial action could not be ruled out" if the bill was passed. The bill, if implemented, will split the Post Office into two state-owned corporations.

Mr Du Toit said disruptions had been minimal yesterday, with sporadic sit-ins on the East Rand

Star 22/4/91 (267)

Controversial PO Bill rejected

By Shareen Singh

The Post Office Amendment Bill, which sparked nationwide demonstrations by postal workers, was rejected in Parliament on Friday

The Bill, which would have split the SA Post and Telecommunications into two State-owned companies, is in suspension for a decision by the State President after being rejected by the House of Representatives but accepted by the Houses of Assembly and Delegates

Labour Party MP for Klipspruit West Anthony Reed said his party opposed the Bill because "it leaves full control of the

company in the hands of whites"

The Conservative Party opposed it on the grounds that "it would bring about duplication in certain respects"

The privatisation of profit-making entities would also lead to higher costs, Conservative Party MP for Pretoria West Joseph Chole said.

The Democratic Party said that in principle it favoured commercialisation and privatisation and thus supported the Bill

Its MP for Constantia, Roger Hully, pointed out that Parliament was dealing with "a strange alliance between the LP, the CP and the most radical trade union, Potwa"

Hundreds of workers belonging to the Post and Telecommunication Workers Association had been involved in country-wide sit-ins and demonstrations since Monday demanding that Minister of Public Enterprises Dr Dawie de Villiers halt the implementation of the Bill and consult union officials

Potwa spokesman Floyd Mashele said the Bill was seen as a first step towards privatisation, which the union strongly opposed

It was expected that the demonstrations which had affected services in some areas would continue until a wage settlement had been reached

Post Office Bill referred to President's Council

CAP 76/13 27/1/91 (267)
MR Pík Botha — acting as president in Mr F.W. de Klerk's absence — has referred the Post Office Amendment Bill to the President's Council for a decision after it was rejected by the House of Representatives.

The majority Labour Party in the House rejected the bill, designed to divide the Post Office into two sections, both of which will be privatised.

About 814 workers of the South African Post and Telecommunications department on the Witwatersrand participated in a half-hour strike yesterday.

Meanwhile, the Minister for Co-ordination and Public Enterprises, Dr Dawie de Villiers, yesterday announced the appointment of Mr Danie du Toit as chief executive officer for telecommunications while his counterpart for postal operations is Mr Willem van Rooyen — Political Staff and Sapa.

Blocked Post Office Bill to go to President's Council

CAPE TOWN — Acting State President Pik Botha referred the controversial Post Office Amendment Bill to the President's Council on Friday in an attempt to get it through Parliament after it had been rejected earlier in the session by the House of Representatives

The Bill, which proposes the separation of the Posts and Telecommunications Department into two separate commercial ventures, has been kept back in parliamentary standing committees for two years because of objections to the commercialisation proposal.

Earlier in the session, the majority Labour Party (LP) in the House of Representatives rejected the Bill on the grounds that discrimination was still "rife" in the employment practises of the Post Office and that commercialisation would remove Parliament's control of the operation.

"We had similar reservations about the commercialisation of SATS (now Transnet). We were given assurances that discrimination would be removed but job reservation still exists in certain of the organisation's structures," Labour MP Anthony Reeves said on Friday.

The LP also claimed that the Posts and Telecommunications Workers' Association (Potwa), the largest black trade union in SA, were opposed to the Bill. This has been

backed up by Potwa demands in the current postal strike for the Bill to be scrapped.

The President is empowered by the Constitution to refer any Bill which does not get majority support in all three houses to the Presidents' Council for a decision.

This route, which normally guarantees approval of the Bill, is generally regarded as "rubber stamping" and is not popular.

The other route is to send the Bill back to the standing committees to try to accommodate the objections. But this normally delays the decision to another year.

The restructuring of the Post Office has already started in anticipation of enabling legislation and will not be able to go ahead if the Bill is not passed.

A spokesman for the Joint Committee on Public Enterprises, Economic Co-ordination and Transport, which has dealt with the Bill, said at the weekend the Bill was expected to go before the President's Council this week.

Reeves warned at the weekend that government would be "looking for trouble if it tries to rubber-stamp the Bill".

He did not indicate whether further action would be taken to stall the Bill's progress

267
B10ay 29/4/71
LESLEY LAMBERT

Public Sector - Gov. Telecom

SPECIAL REPORT

TELECOMMUNICATIONS KEY FORCE BEHIND CHANGE

The telecommunications network is the lifeblood of a modern economy

Telecommunications is fast emerging as one of the most significant forces shaping business today

Traditionally, advances in land, sea and, more recently, air transport have governed the moving of a commodity from one point to another. However, widespread use of computers has meant information has become the most critical commodity of industry and commerce and telecommunications is now the engine of change.

Already, some economists consider telecommunications traffic an effective gauge of a country's economic activity as, apart from manufacturing, telecommunications transactions also highlight a country's involvement in services or invisible exports.

According to the International Institute of Communications in the UK, international telecommunications traffic grew from 5bn to 30bn minutes a year during the past decade. It estimates this figure will pass the 150bn mark by the end of the Nineties.

Countries with the most international telecommunications traffic in 1988 include the US (5,33bn minutes outgoing and 3,16bn minutes incoming), West Germany (2,48bn and 2,08bn) and the UK (1,73bn and 1,81bn).

The source and destination of telecommunications traffic reveals a lot about a country's trading activities. Most of the UK's telecommunications traffic was to and from the US, 850m minutes, followed by West Germany with about 425m minutes.

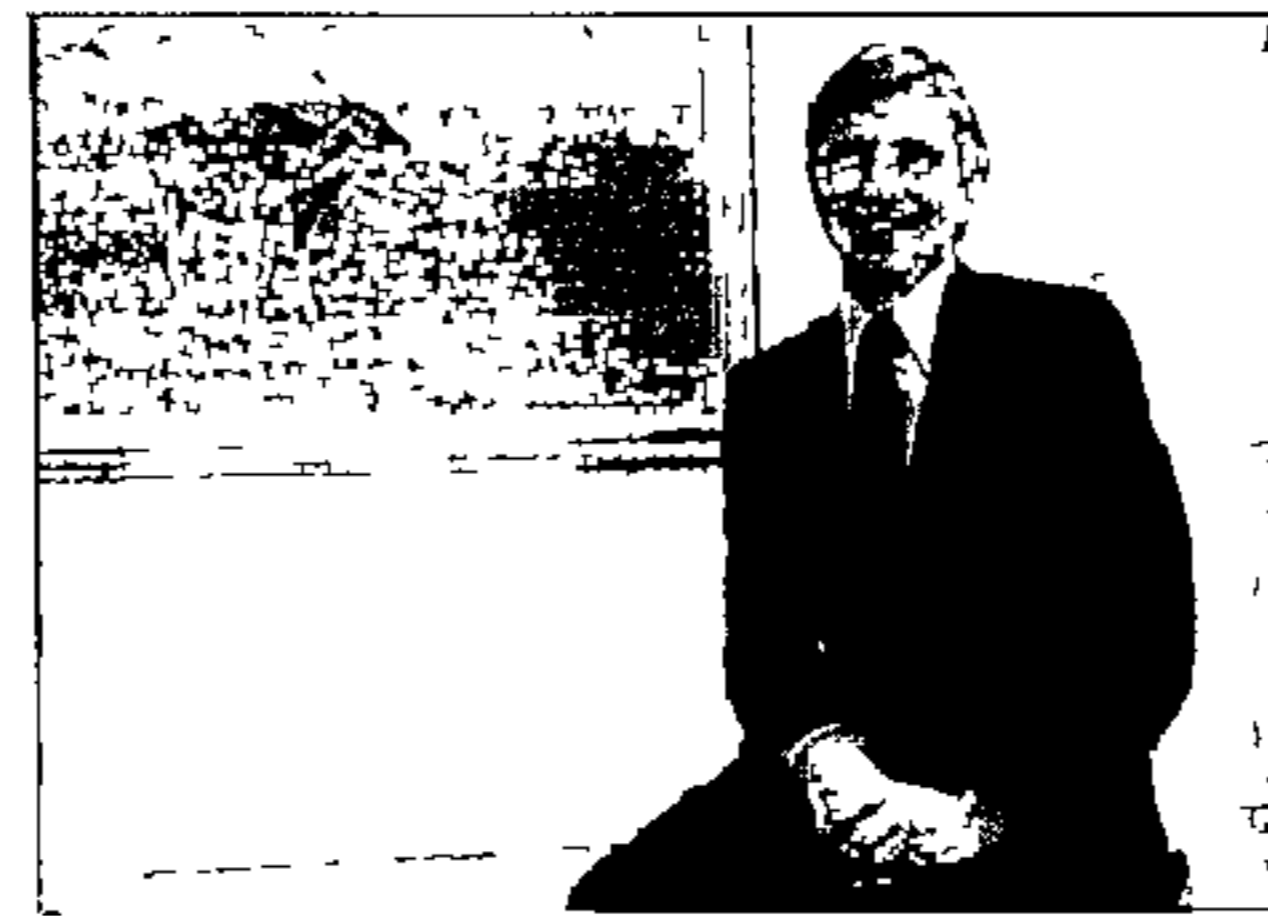
In 1988 Japan reported less than half the international traffic enjoyed by the UK, mainly because of high tariffs on international traffic. Since prices were cut by 40% two years ago, international traffic in Japan has been growing at about twice the rate of its main competitors.

SA's 140m minutes of telecommunications calls abroad in 1988 — on a par with Singapore's 152m, South Korea's 131m and the Soviet Union's 100m — creates a vivid picture of this country's economy.

Telecommunications transactions can be split, in broad terms, into two basic types of traffic — traditional voice communications and non-voice data services. Voice traffic still accounts for about 90% of telecommunications activity but it is the transfer of data, in the form of fax, electronic mail and computer transmissions, that is booming.

The number of spoken calls around the world is estimated to be climbing at about 7% a year, compared with a more than 25% annual rise in data or telematic services.

In SA, demand for telematic services is growing about 40% a year. Though the Post Office has been forced by government to cut



Dawie de Villiers

back on capital investment in telematic services, demand is expected to rise 28% this year, while total expenditure on telecommunications equipment is expected to grow only 5% to R1,43bn.

Government appears to have accepted the economic importance of an efficient telecommunications infrastructure. Minister of Public Enterprises Dawie de Villiers said at the Post Office's Telematics conference in May, that the quality of the telecommunications infrastructure plays a vital role in determining the degree of development in a country. "Without a modern and extensive telecommunications system a country's economy cannot compete internationally."

Governments in most countries still regard their regional telecommunications networks as a national resource. But the ease with which information can be transported across international boundaries means telecommunications is a global phenomenon. Any one of SA's 5m telephones, for example, can be linked via various international exchanges to 600m other telephones worldwide.

The telecommunications business throughout the world is undergoing huge growth and rapid change. Three distinct but intertwined forces drive this change:

- Greater demands from large users, Major changes in technology, and Pressure on national telecommunications monopolies to open the market to other carriers and service companies.

The State operators of the national telecommunication networks — often referred to as PTTs (Post, Telegraph & Telephones) — have for some time struggled to meet the demands of their large customers. Banks, insurance firms and airlines have invested colossal sums in computers and networking equipment to enable them to store, retrieve and, most important, distribute information.

The inability of the PTTs — which in this country is the SA Post Office — to provide the telecommunications infrastructure needed by some large organisations to effectively distribute their data, is already beginning to

shape the market. In some countries, such as the US and UK, the PTTs are no longer the sole suppliers of telecommunications services. Large users are able to turn to alternative suppliers or sometimes operate their own telecommunications services.

This trend is likely to gather momentum as the limited budgets of the PTTs will be unable to keep pace with the demands from customers for greater capacity and flexibility in transmitting information. In SA, many of the Post Office's large telecommunications users are expressing frustration at the scarcity of various telematic services, such as Dignet digital transmission facilities.

Advances in new technologies such as digital transmission and switching equipment, fibre optic cables, satellite communications and intelligent network management systems will enable PTTs to meet some of their customers' demands. But such developments are also likely to fuel competition.

New technologies, particularly in the areas of digital and mobile communications, have brought down the cost of setting up a telecommunications infrastructure. According to the Post Office senior GM, Jimmy Taylor, advances in technology are largely responsible for the new era of competition in the telecommunications market place.

He says it has come about because companies have harnessed new technology to challenge the traditional suppliers that have massive investments in old technology and are bound by national responsibilities.

These responsibilities — which include providing a universal telephone service that is uneconomic in some areas, maintaining standards of service and equipment and safeguarding of a country's long-term investment in a telecommunications infrastructure — are often at odds with the free-market thinking of many Western governments.

Since 1984, when Judge Harold Green decreed that AT&T was violating US anti-trust laws and broke the company's long-distance telecommunications business into seven regional telephone companies, PTTs throughout the world have been under pressure to operate as businesses rather than as government utilities.

Proponents of deregulation argue this would ensure customers are offered broader, more cost-effective telecommunication services more quickly. In the UK, Mercury Communications, a subsidiary of Britain's Cable & Wireless, was awarded a licence to compete with the State-owned British Telecom (BT) in 1982. BT was privatised two years later.

Similar relaxation of telecommunications laws is taking place in Canada, Japan and

New Zealand As part of its drive towards a single European market, the European Economic Commission wants greater liberalisation of the telecommunications sector

European PTTs have until 1992 to open their basic data services — not telephone networks — to competition. The commission wants PTTs to procure equipment through open tender. It also stresses that separate watch-dog organisations should be responsible for regulating service and pricing levels.

Though the SA government has taken tentative steps towards the possible privatisation of the Post Office's telecommuni-

cations business, the deregulation pales when compared to the US and Europe.

Despite some shuffling of staff at the Post Office, the organisation's telecommunications operation has yet to divorce itself from the loss-making postal service.

However, the Post Office has been forced, because of limited resources, to allow other companies to compete in the PABX (private automatic business exchange), modem and cabling business.

As customer demands and new technology continue to stretch its resources, further deregulation is inevitable. ■

when the Thatcher government, as part of its economic reforms, privatised BT.

Similar but often less extensive deregulation is breaking out all over the world.

In the US, a landmark anti-trust case in 1984 saw Judge Harold Green break up the national telecommunications carrier AT&T — a monopoly even though it was not owned by the State — into seven regional telephone companies. In long-distance traffic AT&T now has to compete with such start-up telecommunications carriers as Sprint and MCI.

In Europe, most national carriers, or PTTs (Post, Telegraph & Telephones), are having to slacken their reins on telecommunications services. Indeed, the European Economic Commission, as part of its move towards a single European market, is opening up the telecommunications industries of its member countries.

The market for terminal equipment — devices such as telephones that are hooked on to the national telecommunications networks — is already open to competition. Data communication services in Europe are expected to be free of monopolistic restrictions by 1992. However, the telephone networks in each of the countries are, for now, being left untouched. It is up to the various governments to decide whether to follow the example of the UK and the US and deregulate their telephone networks.

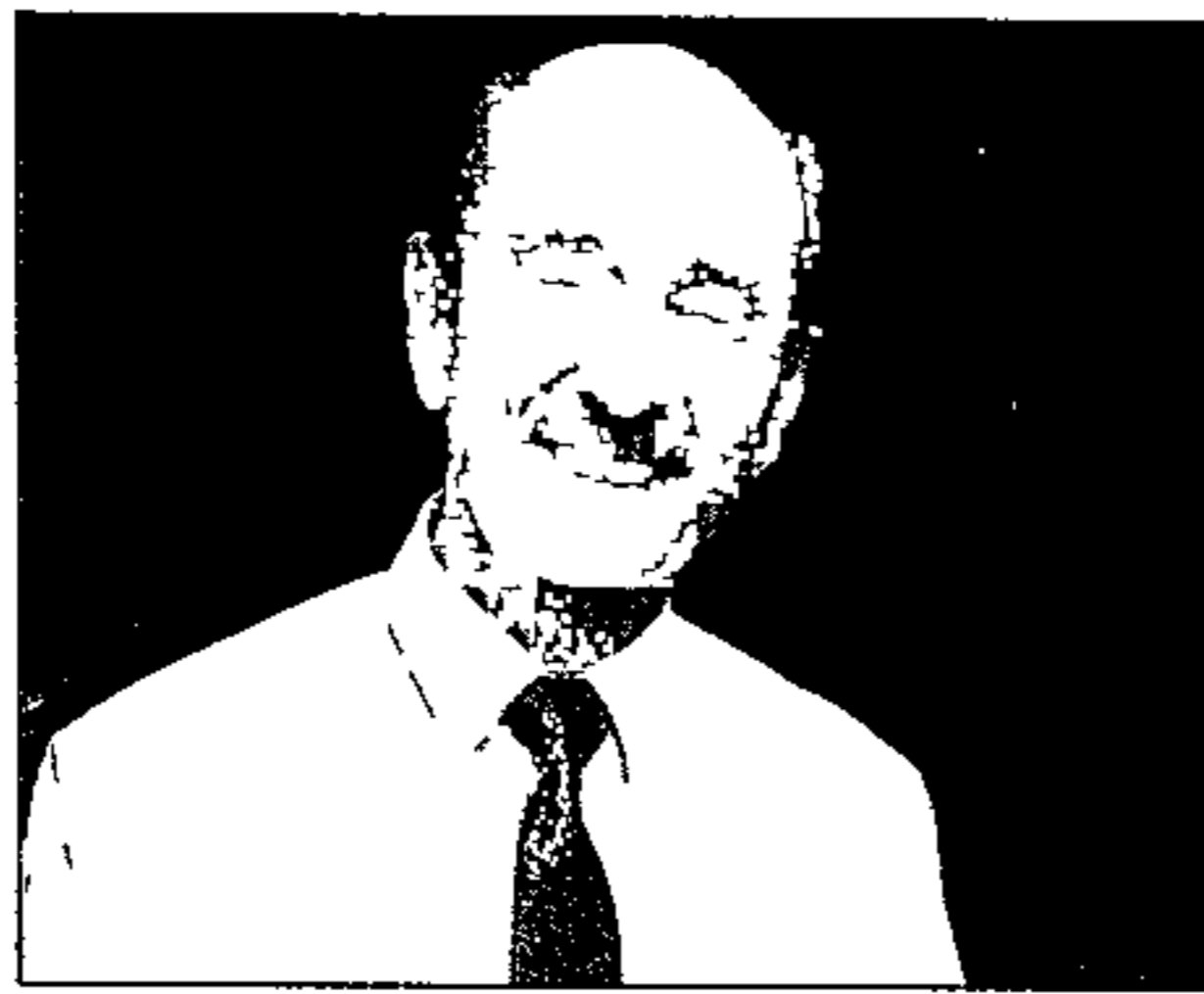
Other countries deregulating telecommunications services include Canada, New

HOLDING BACK

Why has SA been slow to deregulate its services?

In November, the Office of Telecommunications (OfTel) in the UK will decide whether to further open up the telecommunications market in that country by appointing a third national carrier.

Since it broke the monopoly of British Telecom (BT) in 1982, by granting Cable & Wireless subsidiary Mercury Communications a licence to carry voice and data



Jimmy Taylor

traffic, the UK has become something of a role model in the global swing towards deregulated telecommunications services. This reputation was further enhanced in 1984

WHAT OTHER P.A. KNOWS EVERY NUMBER IN THE BOOK?

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Zealand, Japan and even some states in eastern Europe. So what is happening in SA?

To put it very bluntly, very little. Government — partly on the recommendations of the De Villiers report on the strategy, policy and structure of the Post Office — accepted in 1989 that the national telecommunications and postal services should be split.

Alongside State-owned corporations such as Iscor, Transnet and Eskom, the Post Office emerged as a likely candidate for government's privatisation drive.

The then Minister of Home Affairs & Communications, Stoffel Botha, told parliament last year that the Post Office would be split into separate Telcom and Postal divisions by April 1 1990 and that a total separation of the two operations would come about in a further 12 months.

"It is anticipated that legislation to provide for the creation of a profit-making and tax-paying Telcom company and Postal company will be submitted during the present (parliamentary) session," said Botha.

He added that it was essential that these steps be implemented as quickly as possible so that both operations can operate as separate businesses in the private sector. However, the matter has yet to come before parliament and is now unlikely to do so before next year.

There are several possible explanations for the government's apparent lethargy. The political reforms that have taken place since February, together with the shift in minis-

terial responsibility for the Post Office — from Botha to Public Enterprises Minister Dawie de Villiers — might have pushed such proposed legislation on to the back burner.

Another possibility is that the poor performance of recently listed Iscor and resistance from trade unions and black political organisations has weakened government's resolve to pursue a privatisation programme.

The task of splitting two long-established bedfellows such as the postal and telecommunications services is highly complex. Subsidies between the very lucrative telecommunications monopoly and its poor cousin, the postal service, are well entrenched.

For the year ending March 1989, the Post Office's telecommunications operations increased its operating surplus by 19% to R1,06bn. However, R167,5m of this income was needed to offset losses made by the postal service. These losses grew from R117,6m in the previous year. Despite attempts to improve efficiency within the postal services, this shortfall is expected to grow from R183,5m in the last financial year to R220,4m in the year to March 1991.

If the two divisions of the Post Office become autonomous, government will almost certainly have to take over responsibility for financing of the postal service.

Post Office cross-subsidies are not limited to support of postal operations. Many of the organisation's telephone services in rural areas are uneconomic and have to be sub-

sidised by lucrative metropolitan businesses. Unprofitable postal and telecommunications services are expected to drain the Post Office of R485m this year.

Though legislation splitting the telecommunications and postal operations has yet to pass before parliament, the Post Office has started preparations. The internal administration of the organisation has already been split into two distinct business units.

The Post Office has also begun weeding out the cross-subsidies. However, this is going to be far from easy. Attempts early this year to raise the monthly telephone rentals in rural areas from R20-R24 to R90-R120 (depending on the distance to the nearest exchange) over three years, raised a storm of protest from the SA Agricultural Union.

After talks between the union and Public Enterprises Minister Dawie de Villiers, it was agreed to raise the tariffs no more than R28 from April this year and up to R32 last month. The Post Office estimates a rental of R200-R300 a month is required just to cover the cost of providing these rural services.

The Post Office's senior GM for telecommunications, Jimmy Taylor, is keen to see the creation of an independent telecommunications authority — similar to the UK's OfTel or the Federal Communications Commission in the US — that would regulate service levels and prices. This, he says, would reduce political pressure on the Post Office.

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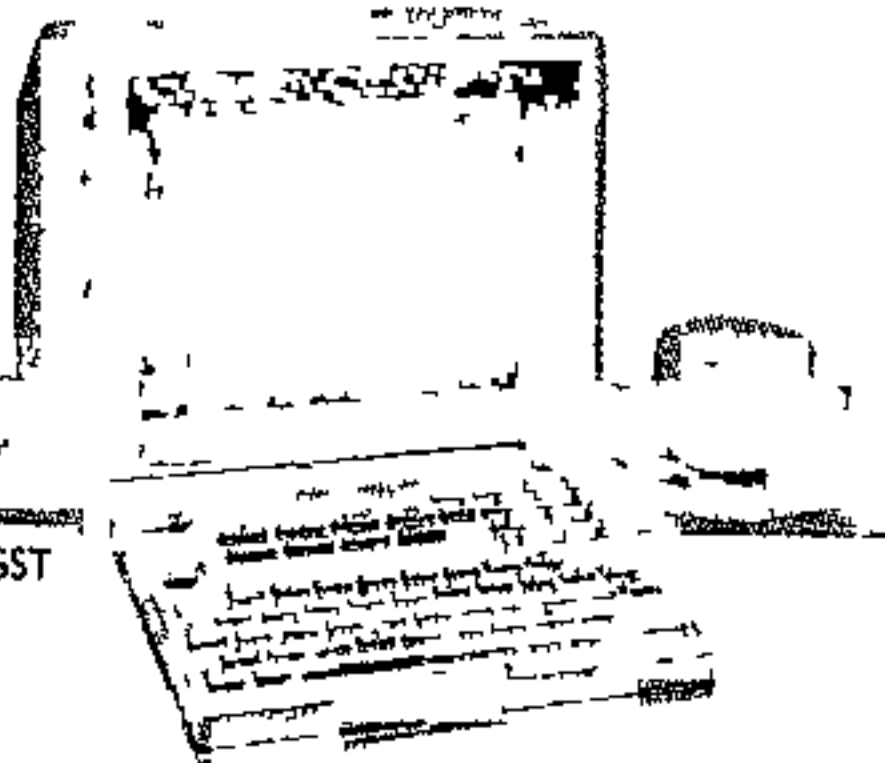
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have to achieve this step," he says

Taylor believes it will be at least three or four years before the Post Office's telecommunications division will make the transition from being a public utility to a free-standing business. He is adamant that the Post Office should be allowed to retain exclusive control of the national network. Taylor is supported in this view by the De Villiers report, which contended that SA's telecommunications infrastructure is a natural monopoly best served by a single organisation.

According to Taylor, a country's telecommunications infrastructure is a national asset whose development and wellbeing is critical to the economy. Its future should not rest on the short-term gain of the private sector, he says. "We couldn't allow the national carrier to go bankrupt or be owned by a foreign country."

He adds that potential competitors to the Post Office would be able to skim the cream of the telecommunications business by offering services on the lucrative metropolitan routes, while leaving the national carrier to support uneconomic rural traffic.

Taylor's fears appear to have some substance. The seven private Bell telephone companies in the US — US West, Pacific Telesis, Southwestern Bell, Ameritech, Bell South, Bell Atlantic and Nynex — are estimated to have spent an average of only US\$150 per local line enhancing their networks last year. This compares with an average of \$230 in Canada, W Europe and Singapore and up to \$300 in Japan.

The Bell companies, each of which is bigger than any of the European PTTs, claim they need further concessions from the Federal Communications Commission if they are to make the large capital investments needed to offer new telecommunications technology.

In the UK there is no doubt competition between BT and its much smaller rival Mercury has reduced the cost of long-distance telephone calls. However, many users insist that the quality of service has deteriorated.

"West Germany has taken the network out of the competitive environment and is treating it as a natural monopoly. I can see the same trend happening in France," says Taylor.

For now, at least, deregulation, and hence competition, will have to take place outside the basic telecommunications infrastructure. This is, without doubt, the fastest-growing and most lucrative part of the telecommunications business.

The Post Office has opened the way for the private sector to supply private exchanges, cabling and terminal equipment that hook into the network. There is a healthy market for companies supplying fax machines, car-phones and, recently, cordless telephones.

However, it is the emerging market for value-added information services — electronic mail, paging and the storing and forwarding of data — that offers the greatest rewards for companies in the telecommuni-

cations market. The Post Office is drawing up licensing conditions for companies that want to offer such services.

It is expected to take the first step, by allowing companies to offer electronic messaging services on the back of its telecommunications network, before the year's end.

Much of this change is being foisted on to the Post Office. Advances in technology, such as digital transmission and cellular communications services, as well as growing demands from customers, has meant the Post Office has little choice but to open up these facilities.

The big question is whether the Post Office will be satisfied with just being a telecommunications utility, shifting voice and data from point to point, or whether it will also want a slice of the highly profitable value-added services business?

The latter appears the most likely. The organisation has not withdrawn from the subscriber equipment market since much of this sector was opened to third parties.

The margins on basic telecommunications services, such as those now provided by the Post Office, will be driven down by more efficient technology and more powerful customers. The Post Office, if it is to become a commercial organisation, will have to stake a claim for some of this business.

It is likely to knock heads with computer suppliers, consulting firms, broadcasters and other organisations in what is being described as the most important sector of telecommunications in the Nineties. ■

BELL'S BLUNDER

■ Digital technology opens the way for new services



Etienne Geyser

Alexander Graham Bell made an enormous blunder when he invented the telephone.

Bell's error was to base his invention on analogue rather than digital technology.

Such was the acceptance of Bell's invention that telephone communications quickly superseded the telegraph service.

The telegraph was a primitive version of a digital network that was used worldwide at the time.

It was only in the early Seventies that the alarm bells rang. Computers enabled companies to store and retrieve more and more information. Many turned to the public telephone networks to transfer information across large distances.

Unfortunately for both the telephone authorities and their customers, this information was not in analogue form. It was, of course, digital. Computers work on the same principle as the early telegraph systems.

The proliferation of first minicomputers and then microcomputers has worsened the problem.

Advances in datacommunications, such as local-area networks and even wide-area networks, have enabled companies to transfer information between computers, provided the distance was not too great.

Once the information has to be carried over long distances, the computer user has to turn to a provider of a large-scale telecommunications network. Traditionally this has been the local Post Office or PTT (Post, Telegraph & Telephones).

Using the Post Office's telephone network to transmit computer data is inefficient and expensive, particularly over long distances. Before it is transmitted it has to be converted into analogue format and, on arrival, changed back into a digital signal.

A generation of datacommunications companies has emerged in the last 10 to 20 years, providing equipment that makes this conversion easier.

The PTTs reacted by reserving separate analogue networks, and in some cases direct lines, for computer users.

However, in the Seventies it became clear to PTTs around the world that it was highly inefficient to have distinct data and telephone networks.

More importantly, digital services were much more cost effective.

These digital services were also much better suited to handle the vast amounts of data that were being generated not only by computers but also by satellite and broadcasting services.

The obvious answer was to convert the two analogue services into one digital transmission network.

However, the costs of such a move are horrendous. Huge investments in analogue technology will have to be written off during the next few years.

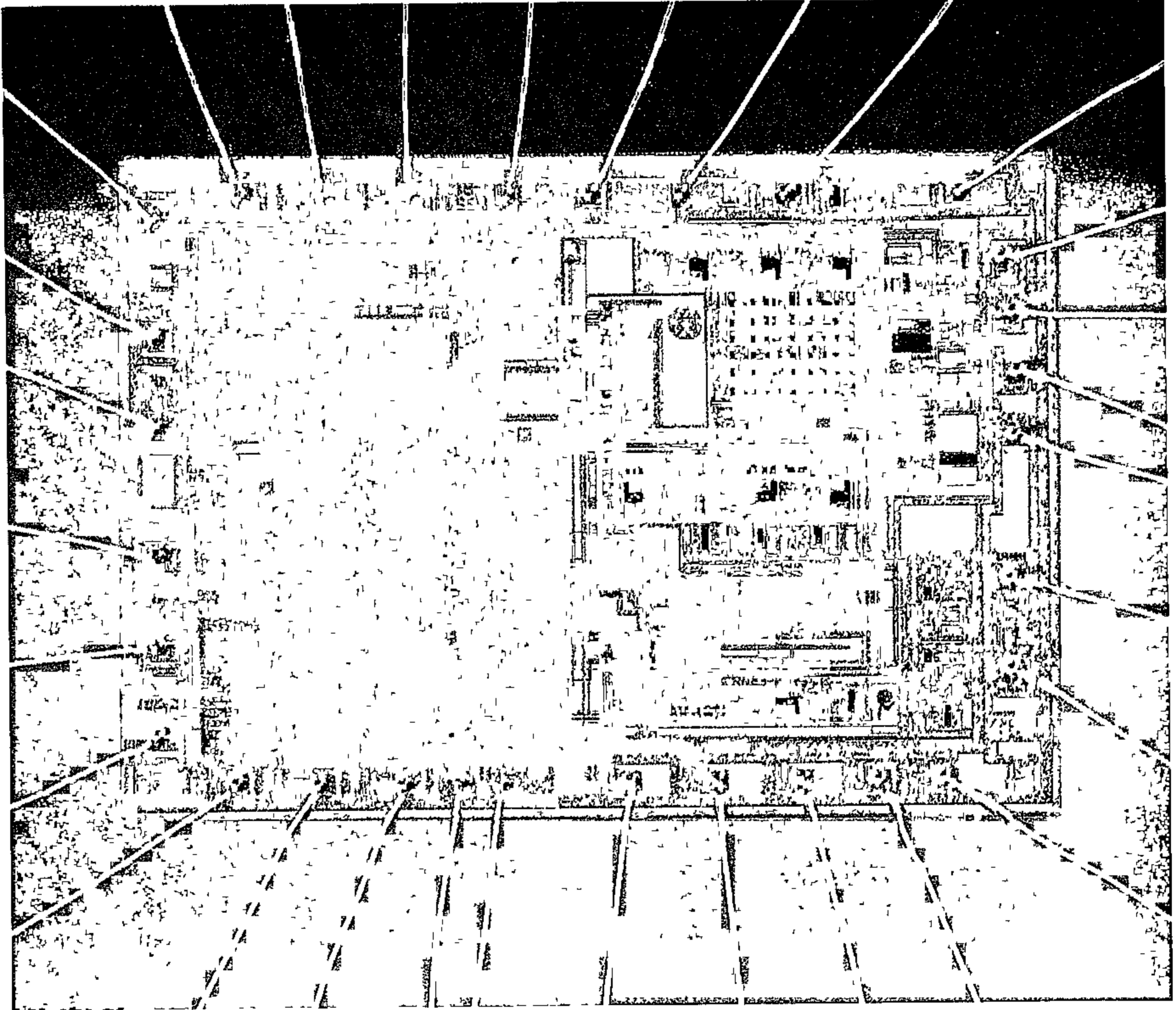
The benefits of running a single digital transmission network are numerous.

A digital transmission network almost behaves as a large computer.

Faults in the network can be quickly detected and, if it is necessary, repaired remotely by using a software fix.

By using a digital transmission service, users are able to improve the efficiency of their computer systems by integrating them, via datacommunications networks, with the public service.

The SA Post Office took the plunge and decided in 1978 to start phasing out its analogue telephone exchanges in favour of



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digital equipment

Siemens and Altech were awarded long-term contracts and began installing their EWSD and SA128E digital exchanges in 1980

During the next five years the Post Office's capital expenditure soared. Investment in telecommunications equipment reached a peak of R1,47bn in its 1986-1987 financial year

In 1983 Saponet-P, a packet-switched network that sends and if necessary reroutes bursts or packets of digital data, was introduced by the Post Office. This allowed users in most metropolitan areas to send data throughout the country and abroad at speeds of 48 kbit/s, compared with a maximum of 9,6 kbit/s using analogue lines

Unfortunately for the Post Office, Wim de Villiers, who was appointed by government in 1987 to assess the organisation, believed this investment in digital equipment was excessive

In a much-publicised report released in 1989, he panned the Post Office for overspending R1,9bn on its telecommunications infrastructure between 1984 and 1988

He suggested a brake on the switch to digital systems, and pushing the target date for the phasing out of analogue telephone transmission equipment from 2007 to 2020. Most of the Western world's changes will be completed by 2000

Many senior officials at the Post Office believe 2020 is too long to wait

Senior GM for telecommunications Jimmy Taylor points out that it's not only more efficient to use digital systems, but it's also more cost effective

Taylor believes pressure from users of the data services will reduce the time it takes to



Jeremy Ord

convert to a completely digital network "We still believe that 2010 will see the end of the analogue network," he says

Taylor's assessment of user demand appears to be spot on. The boom in data communications sales has sent more and more companies to the Post Office's digital transmission services

As well as the Saponet-P network, the Post Office now offers a point-to-point digital communications service known as Dignet. First introduced in 1986, it offers data transmission at various speeds from 1,2 kbit/s up to 48 kbit/s and 64 kbit/s. Based on equipment supplied by Altech, Dignet is now available at more than 300 sites throughout the country

Dignet was recently enhanced by the Post Office with the introduction of a Dignet-Plus service

This allows users to transfer digital data at speeds of 64 kbit/s up to a maximum of 1,902 Mbit/s

Demand for Dignet services grew by 80% last year

According to Jeremy Ord, chairman of datacommunications company Dimension

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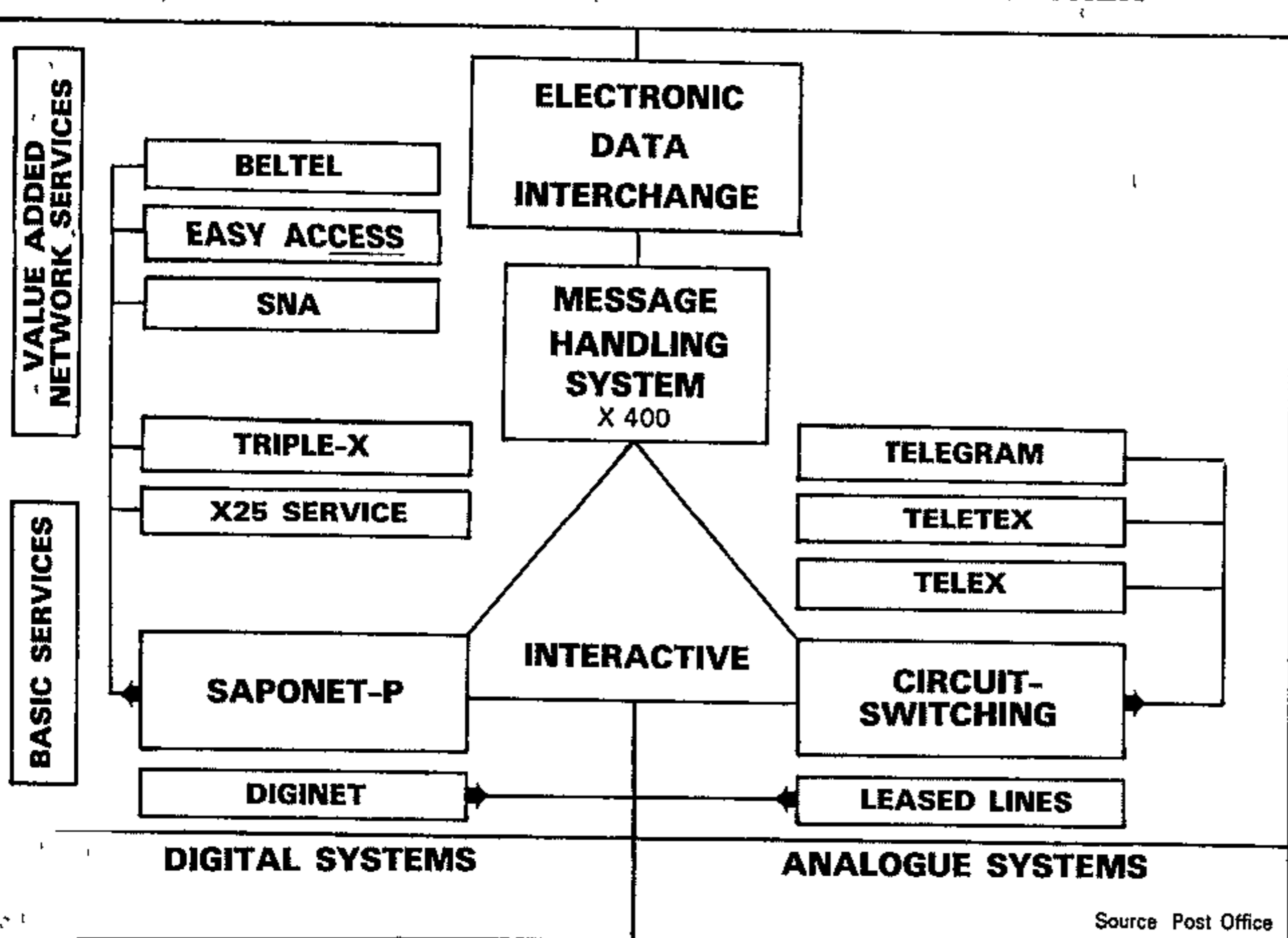
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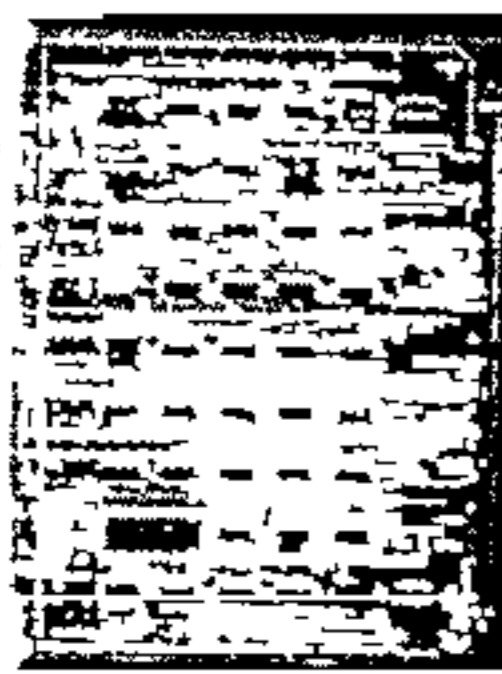
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Data, it was only a lack of sufficient services that stopped an even bigger swing

Director of telematic services at the Post Office, Alan Knott-Craig, says there have been hiccups with the Dignet service.

"By the end of the year there will be no backlog on Dignet and the service users will be getting will be excellent," says Knott-Craig

At the end of last year, 45% of the national telephone network was digital. Analogue telephone capacity on the network has grown at about 6% a year since 1985, while the availability of Dignet services has mushroomed at a rate of 50% a year

According to the Post Office's acting GM for technology, Charl du Toit, about 264 digital exchanges — Siemens and Altech — have been introduced to the network

The Siemens units support about 2,0m digital ports while the Altech exchanges, manufactured in conjunction with Alcatel of France, provide 1,3m ports.

Du Toit points out that it is not only the data transmission services that benefit. There have been tremendous advances in digital telephone technology

Siemens GM Etienne Geysler says digital PABXs allow companies to implement voice-mail systems that are able to store and forward voice messages. "Voice-mail has been put into the intelligence of the PABX"

Enhanced PABXs are able to operate as call distribution systems that automatically

route incoming calls and monitor traffic

The Post Office's Du Toit says the new generation of digital public switching equipment will cater for what is known as Centrex. By integrating facilities previously only available from a PABX into the public exchange a host of new services can be offered to telephone users

With the public datacommunications and telephone networks slowly being combined into one digital service, it makes sense that users of these facilities should take the same steps for their private networks

In the last few years PABX manufacturers, notably Atea, Siemens and Philips, have developed systems that are able to switch both voice and data traffic simultaneously down a single line

This capability has been a selling point rather than something driven by user demand, says Pierre Nothard, MD at local Atea agent STC Business Communications. He adds that users of these PABXs want to be "future safe" and have the comfort of knowing they can easily switch to voice-data networks

The integration of voice and data services is the goal of a long-awaited technology known as Integrated Services Digital Networks (ISDN)

First defined in 1981, ISDN is a technology platform that will allow the transmission of any digital information, be it voice, text, image or computer data, on a single line

at faster speeds and in more economic packages than is currently possible

Most PTTs have recognised that it will be economically unfeasible to attempt to implement universal ISDN for some time

What are likely to emerge are islands of ISDN, where the presence of a heavy mix of voice and data traffic makes it practical to make the large investments necessary to support such services. Du Toit of the Post Office says both the Siemens EWSD and Alcatel SA128E exchanges will support ISDN.

The Post Office first demonstrated ISDN in 1988 and plans to set up a pilot service later this year

UCLA professor and datacommunications guru Leonard Kleinrock describes the 64 kbit/s digital lines, such as SA's Dignet, as the first level of ISDN. The next level, broad-band ISDN, is the most important, says Kleinrock

These services will use fibre-optics to transfer data at the vast speeds — 155 Mbit/s, 620 Mbit/s, up to many gigabits per second — necessary for the transmission of full-motion colour video images for video conferencing or high-definition TV

The major obstacle to further development in transmission technology is likely to be physics

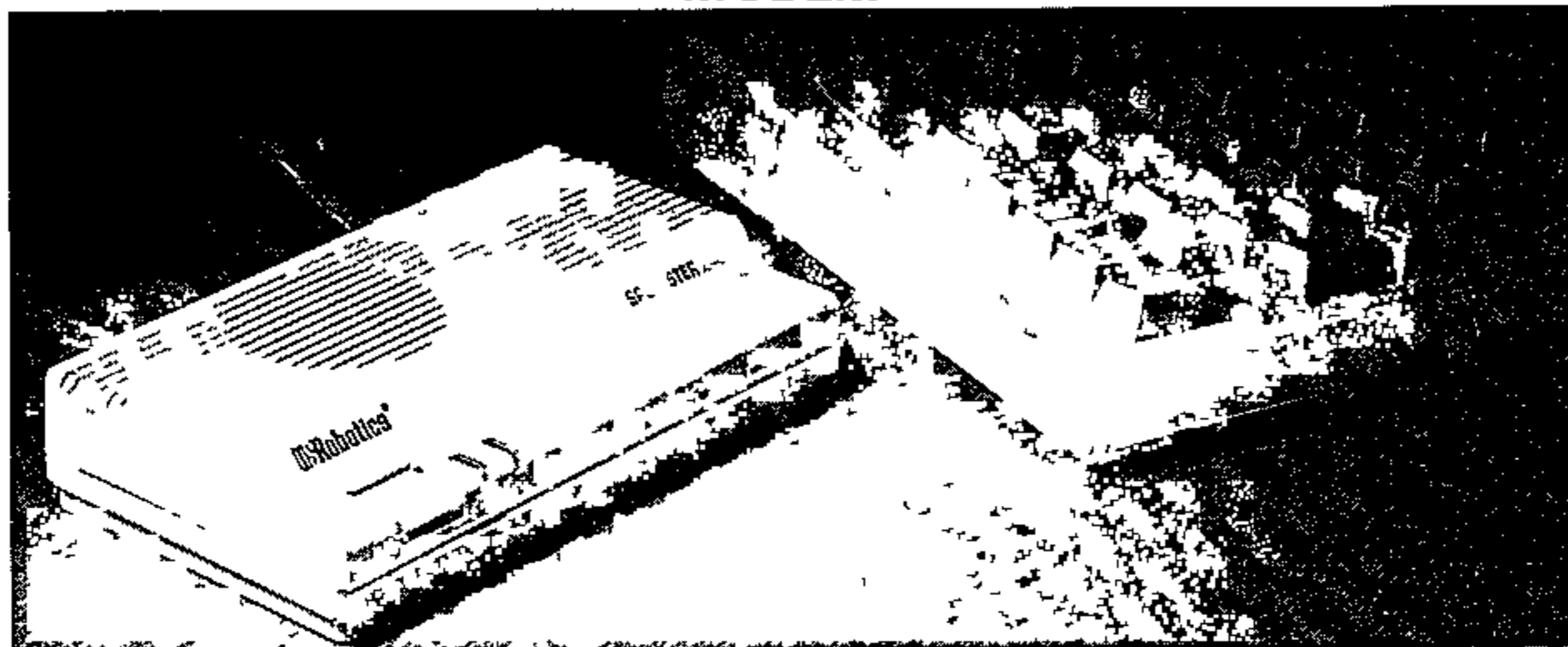
The one thing that cannot be overcome, says Kleinrock, is the speed of light. It is going to take 15 000 microseconds to travel

Continued on page 59

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DRAWING THE LINE

The blurring of the distinction between voice and data traffic on the public transmission network has caused a major headache for the Post Office

Though it is easing some of the restrictions that surround the transmission and routing of data, the Post Office — in line with many European telecommunications authorities (PTTs) — staunchly defends its monopoly of voice communications

However, the advent of digital networks has made this policy very difficult to police. Once voice signals have been digitised there is no way of distinguishing this information from computer data. Several large companies, particularly in the financial sector, have already begun to switch their own voice traffic along with other digital information

The Post Office is concerned that this will lead to a loss of revenue from its telephone services

The organisation has, to some extent, bowed to the inevitable and last year announced that companies may transmit analogue and digital voice within private datacommunications networks

However, the Post Office insists that this voice traffic should be switched be-



Graham Bell

tween no more than two PABXs and their extensions. In effect the transmission of voice is limited to between two points within the organisation. Companies remain prohibited from using their private networks to transmit voice traffic that comes from, or is destined for transmission over, the Post Office's public network

As the switch from analogue to digital transmission systems gathers momentum, the Post Office will find it increasingly difficult to protect its traditional business of conveying voice traffic. Large customers, keen to take advantage of advances in technology, are likely to press for further concessions

"With more relaxed regulations, everybody would gain from taking advantage of new technology," says Grinaker Data

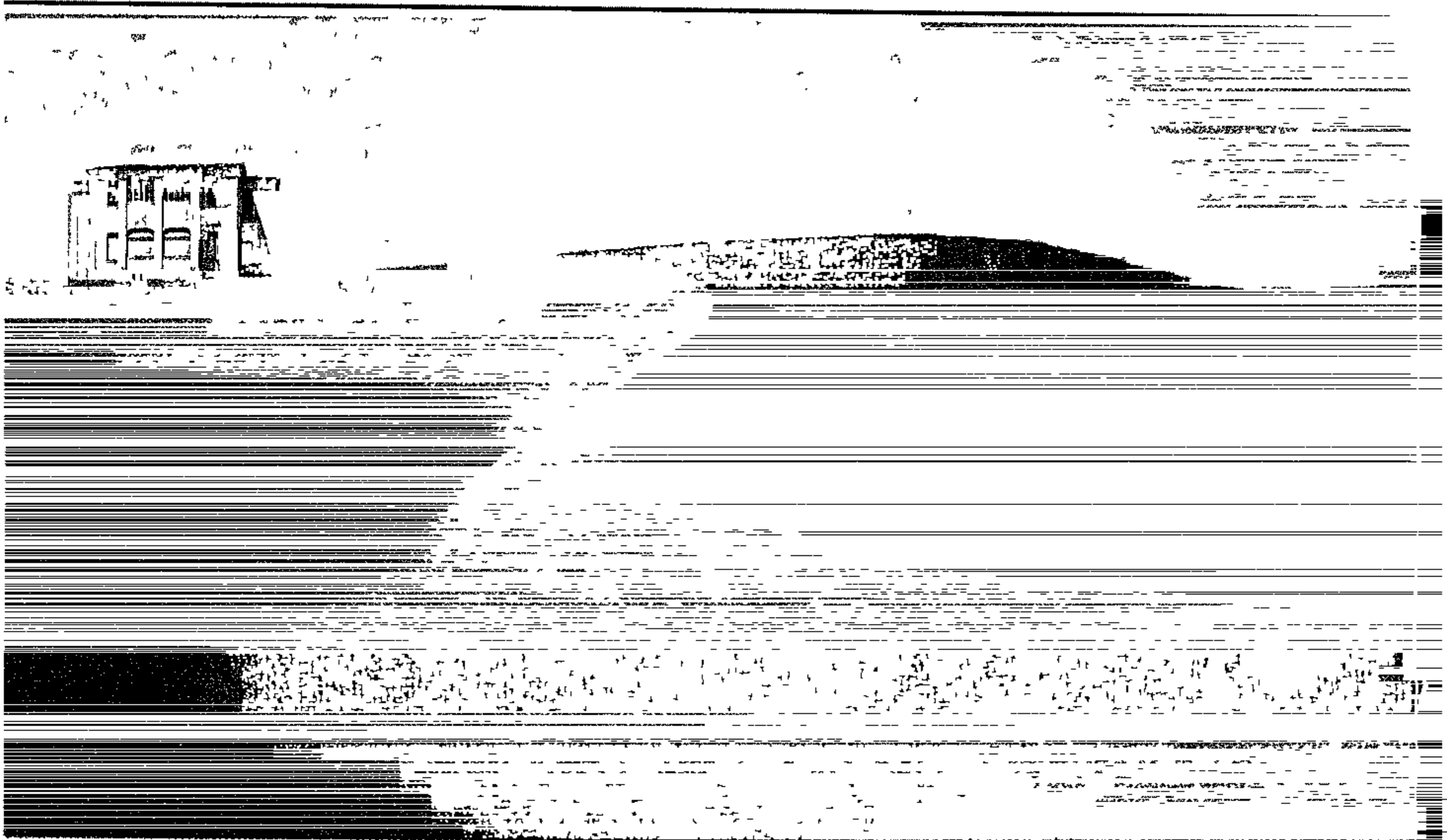
Systems executive chairman Graham Bell. "The PTTs would get increased traffic and the users would get a more efficient service."

There is increasing pressure on the Post Office to allow users to "switch-in" telephone calls, says Philips Telecommunications & Data Systems national sales manager Rob van Deventer. Switch-in occurs when, for example, a customer calls a company in Johannesburg only to discover that the person who needs to be contacted is at the Cape Town branch. At no extra cost to the customer, the company could use its digital services to reroute the call to Cape Town

Users of the Post Office's data services believe they are already paying for the data lines and should be able to use them for other communications purposes, says Van Deventer

It is not only controlling the traffic that poses a problem for the Post Office. The rise of digital communications has rendered the current tariff structure hopelessly out of date

It is no longer appropriate to charge users according to the number of analogue circuits they use but rather to consider the band width of the service, the distance over which this band width is required, and the level of service provided by the Post Office



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4 800 km on copper wire or in a fibre-optic cable.

In terms of future developments in telecommunications, 15 000 microseconds could become an eternity, he says ■

HIT FOR SIX

■ PO spending cuts hurt suppliers

The Post Office has long been the mainstay of the local telecommunications industry. Indeed, together with Armscor, it has been one of the biggest buyers of electronics equipment in the country.

Such has been the Post Office's influence on the local market that recent capital expenditure cuts by the organisation have knocked the local industry for six.

Research firm BMI Techknowledge warns that the market for communications equipment, including data communications products, is likely to grow only 5% to R2,48bn this year. The Post Office, which five years ago accounted for 80% of sales, is now only responsible for about 35%.

BMI director Alan Paul says Post Office spending on telecommunications has

slumped 44%, in nominal terms, during the last three years. Last year's investment was R800m compared with R1,05bn the previous 12 months. Growth in Post Office telecommunications spending is unlikely to match inflation in the next three years, he adds.

Much of this cut in spending has been attributed to recommendations of the De Villiers report on the strategy, policy and structure of the Post Office, published last year. The report, compiled by Wim de Villiers before his posting as minister of administration & privatisation, lambasted the Post Office for overspending R1,9bn on its telecommunications network from 1984-1988.

But Post Office expenditure on telecommunications has been sliding the past three years. Among other factors, new technology is improving the price performance of the transmission and switching equipment. Deregulation has also opened the way for other organisations to sell subscriber products.

Telecommunications equipment can be split into three broad categories — public switching and transmission systems and subscriber products. Demand for subscriber products — conventional and mobile telephones, fax equipment and modems — has been quite buoyant.

However, the market for big-ticket items such as public switches and transmission systems, almost exclusively the domain of the Post Office, has stagnated. Companies such as Altech, Siemens and Telephone

Manufacturers, which have long enjoyed a steady stream of orders from the Post Office, are having to look elsewhere to make up the shortfall in revenue.

BMI's Paul points out that the four largest suppliers of telecommunications equipment to the Post Office — Altech, Siemens, Plessey and Telephone Manufacturers — have cut their combined head count by nearly 25% to 4 600 telecommunications staff in the last year. A further 700 jobs at these companies could go before the end of the year.

It is not surprising, then, that many of the big telecommunications suppliers have been influential in the electronics industry's attempts to win greater support from government. Most are involved in moves to create an electronics industries' federation able to represent the needs of the electronics sector to government.

The federation, if it gets off the ground, is likely to press for a national technology policy that would stimulate the development and growth of the local electronics industry.

"We have had a quasi-national policy dictated by the Post Office and Armscor. Now the roles of these two organisations have significantly changed and the result is that we have nothing in their place," says Siemens joint MD Geoff Haimebach. He believes the cuts in spending by the Post Office and Armscor threaten the viability of the electronics industry.

Altech executive chairman Don Snedden

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points out that from a national point of view the tax revenue generated by income tax on salaries and wages, as well as indirect taxes, has more than exceeded the premium on imported prices

There is a divergence of views about the type of encouragement government should provide the electronics industry. But most suppliers want government to help offset the high cost of product development, provide some form of incentive for exports or import replacement and start to tackle the enormous skills shortage that has beset the industry.

Government, at the recommendation of the Working Group for the Promotion of the Electronics Industry, has pledged R200m in seed money over five years to encourage the development of electronics products with potential for export and import replacement.

It has not, as yet, adopted other recommendations from the working group.

There is no doubt cutbacks in expenditure by the Post Office have left a substantial void in the local electronics, particularly telecommunications, industry. The Post Office and its main suppliers have worked closely for many years. The State organisation has been responsible for encouraging much of the design, development and manufacture that takes place in the local electronics industry.

The key to this relationship has been the awarding of what the Post Office terms "long-term supply agreements". In return for making substantial investments in technology transfer, training and manufacturing capacity, selected local suppliers are reserved a specific portion of the Post Office's capital expenditure budget.

The idea behind the scheme was to establish a healthy local industry that could meet the needs of the Post Office. By reducing the number of competitors in the market, the Post Office was able to call upon its chosen suppliers to make substantial investments in manufacturing.

The bulk of the Post Office's telecommunications purchases are governed by the 15-year supply agreements drawn up in 1979. Under the terms of these agreements, Altech was appointed the sole supplier to the Post Office of transmission equipment, while it was joined by rivals Siemens and Telephone Manufacturers in being selected to provide public exchanges or switches. Siemens was also appointed to supply telex and teletex equipment.

Telephone Manufacturers, which is owned by the local subsidiary of Plessey and GEC, manufactures and supplies standard telephones to the Post Office while Plessey is responsible for providing the organisation with small private branch exchanges or key systems. Aberdare and ATC were selected to supply cables.

SA Micro Electronic Systems — which is jointly owned by the six major electronics groups — was set up in 1978 to design and manufacture specialised microchips for use in equipment supplied to the Post Office.

While negotiating the terms of these supply agreements, the Post Office and its sup-

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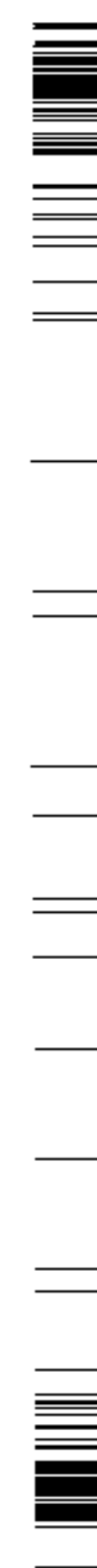
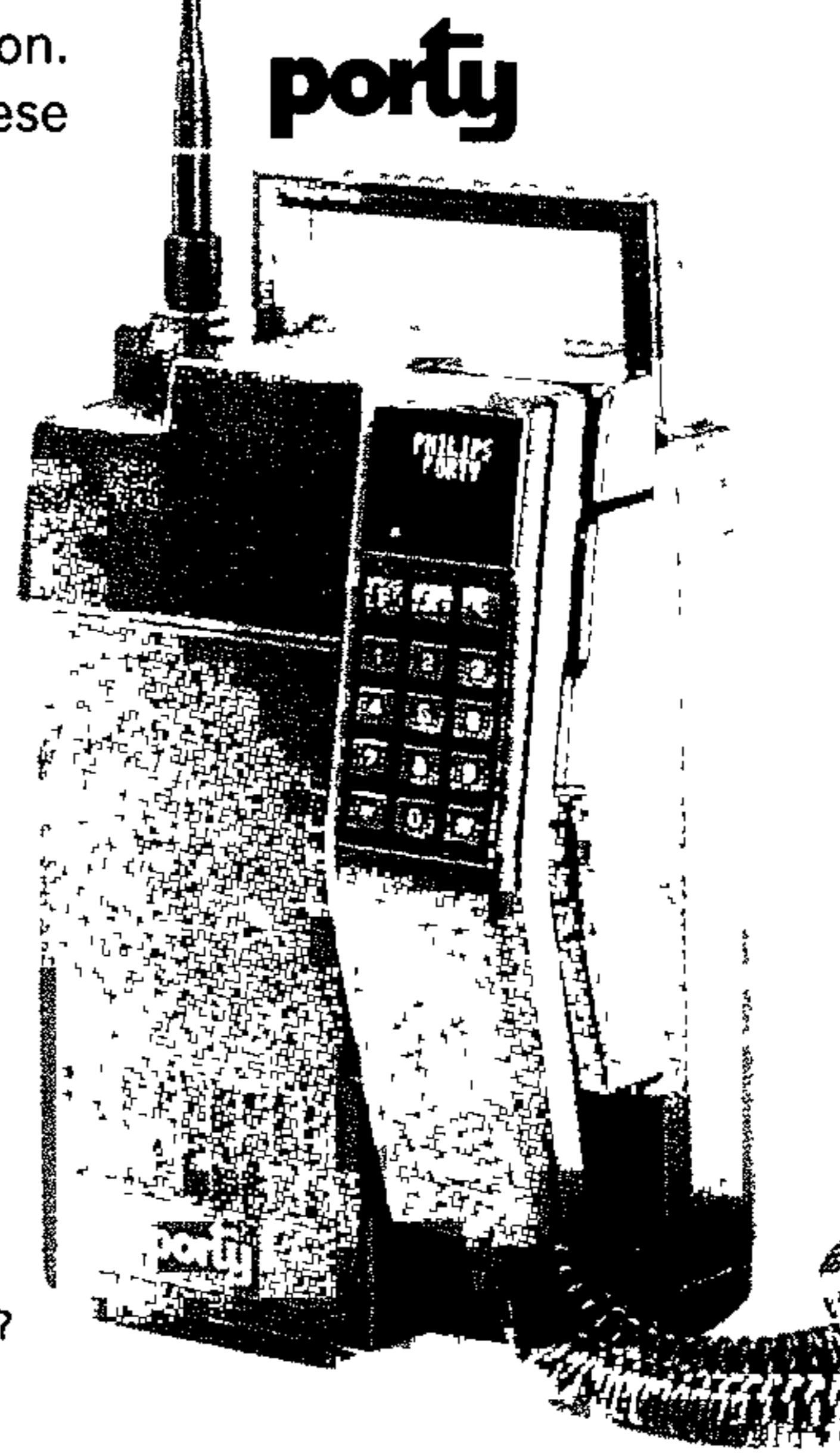
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plier settled on a basic product price. During the contract period the supplier is able to raise this price to compensate for increased costs. These price increases have to be audited and approved by the Post Office.

When the supply agreements were drawn up, the Post Office stipulated the equipment should have a high local content.

Senior director at the Post Office's Telecommunications Development Institute, Dennis Hurrell, believes the philosophy behind the supply agreements has been successful. Though the Post Office has had to pay a premium for local products — because suppliers have not been able to enjoy the same economies of scale as European or US manufacturers — it has benefited by having its major vendors close at hand. This was particularly important because of the threat of sanctions.

However, there have been drawbacks to the agreements. Siemens GM Etienne Geysler points out that digital equipment such as public exchanges and PABXs are



Alan Paul



Don Snedden

making increasing use of complex software and highly sophisticated componentry.

Siemens in West Germany estimates that about 70% of the US\$1bn-\$1.5bn it expects to spend developing the next generation of public exchanges will be spent on software.

The "intelligence" within the equipment is accounting for a growing proportion of the product's value at the expense of basic components, manufacturing efficiency and la-

bour costs. The local content regulations only measure hardware, says Geysler.

The pace at which technology is evolving also makes it difficult for local companies to recoup sufficient returns on investments in plant and manufacturing equipment. These issues will have to be thrashed out when the current supply agreements come up for renewal. Most of the 15-year contracts are due to expire at the end of 1994. ■

BELTEL RALLIES

After years of loss, the service is making money

The Post Office's Beltel videotex service has been under siege for the last few years. However, director of telematic services Alan Knott-Craig insists that it has turned the corner.

He says Beltel is expected to recoup its start-up costs — estimated to be about R30m — by 1993.

According to Knott-Craig, the number of registered users of Beltel is growing at an average of 34% a year and reached 12 827 by the end of June.

The Post Office aims to get 100 000 users on-line by the end of its 1995-1996 financial year.

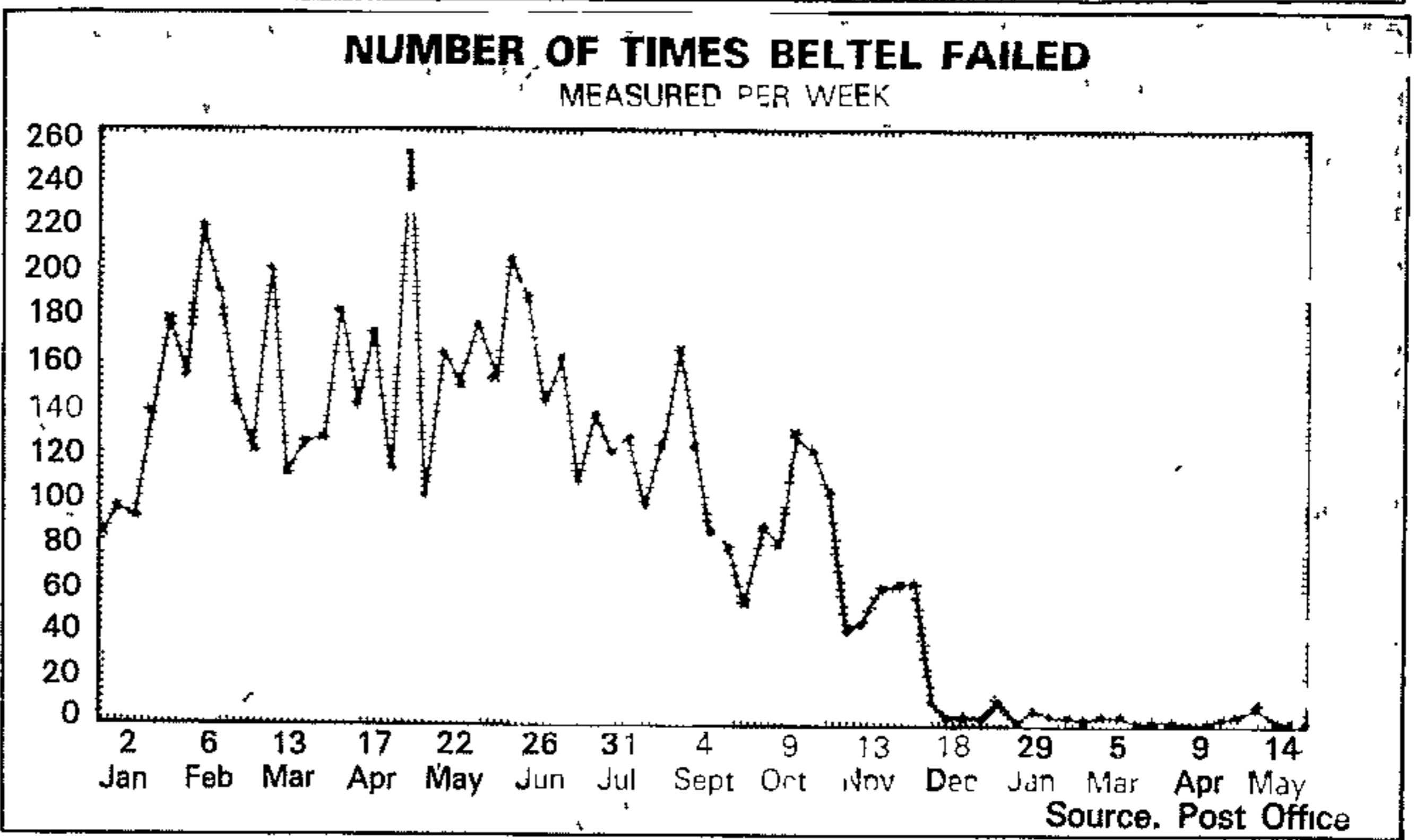
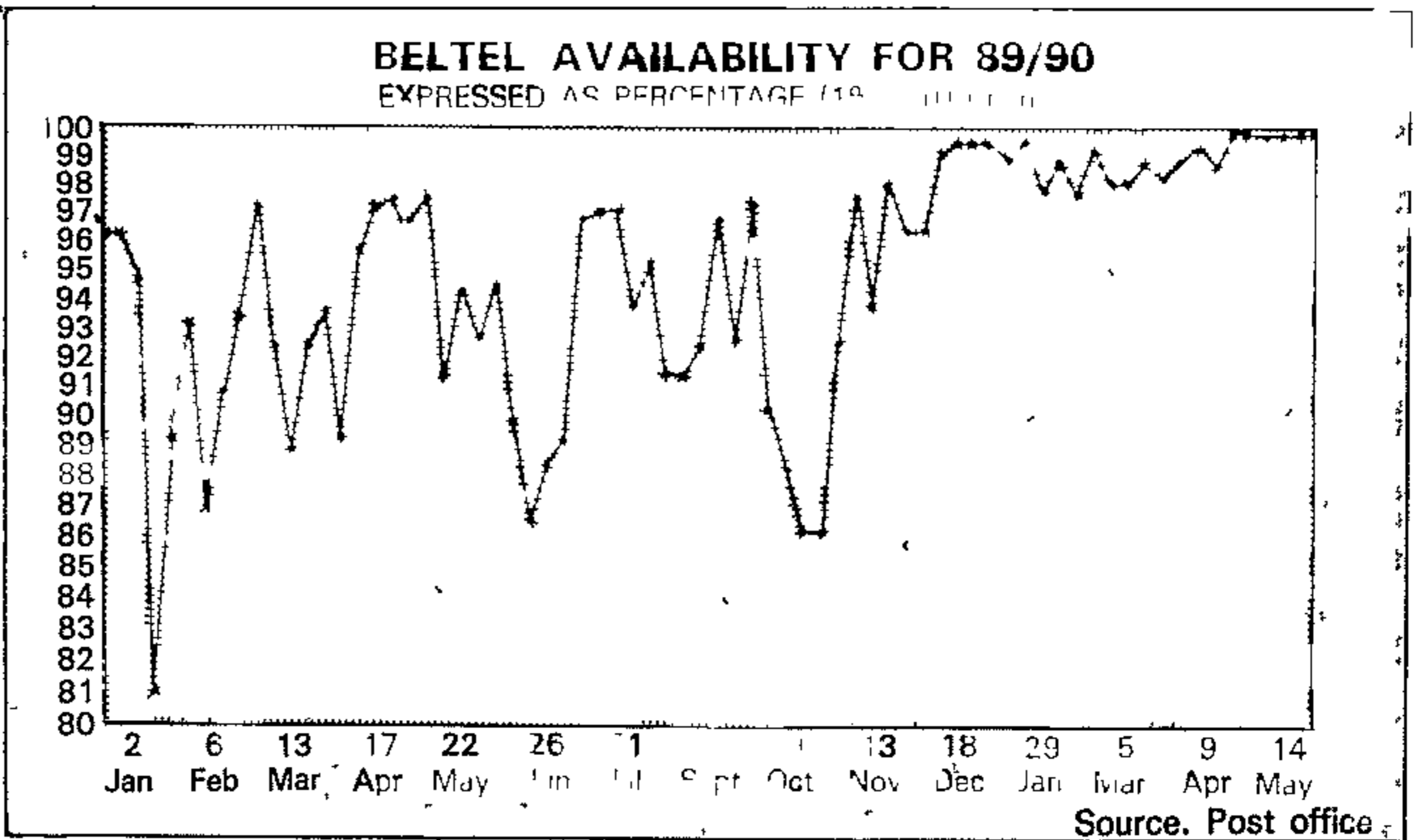
If the Post Office is correct, it will have achieved a remarkable turnaround.

It was only two years ago that it came close to pulling the plug on the videotex service.

Videotex is a telecommunications service that sits on top of the telephone and data networks and provides users with a cheap method of accessing information. Subscribers who have a videotex terminal, or else a microcomputer with a modem, can dial into the service by plugging into the telephone network or via a data service gateway such as Easy Access.

Though videotex has proved popular in Europe, it has struggled in SA.

Technical shortcomings, such as poor software, inadequate hardware and glitches in the communications systems made the service highly unreliable.



After poor results, the Post Office announced an extensive rescue plan in May 1989.

The plan addressed the three main flaws

in the service

- Poor reliability,
- Lack of services, and
- High cost of subscriber equipment

To encourage greater use of the Beltel service, the Post Office introduced in August an information database, Saptel, that provides details about, among other things, the organisation's telephone, car phone, telex and data services

An electronic directory service called Inobel, which contains all listed telephone, telex, teletex, fax numbers and postal codes, went on-line in May

To smooth the cash flow of Beltel information and service providers, the Post Office is now responsible for billing users

In July the Post Office, together with Sandton firm Communications Frontiers, began marketing the Minitel videotex and data terminal. In terms of the agreement between the two organisations, the Post Office will distribute and maintain the Minitel terminals as well as bill the users. Communications Frontiers will import the units from Telic Alcatel in France, hold stock and supply the Post Office

Communications Frontiers MD Deon van Vuuren expects 10 000 Minitels to be installed in the year after the launch, followed by a further 20 000 units the next year

The Post Office hopes the Minitel promotion will swell dramatically the number of Beltel users

Malcolm Dunkeld, chairman of the SA Value-Added Network Services Association — formerly the SA Videotex Association — says the Minitel terminal appears to be gen-



Deon van Vuuren

erating interest in Beltel

The distribution of the Minitel terminal in France — where France Telecom provides the unit as a free electronic replacement for the telephone directory — has underpinned the rapid acceptance of videotex there

France's Teletel videotex service, the world's largest, boasts more than 12 000 services. Since 1980, more than 5m Minitel terminals have been installed in France

Last year the French made more than 1,2bn Teletel calls

It is the business market that offers the greatest potential returns for the providers of videotex services. Users are not limited to accessing information using Beltel but can also interact with the service providers. By accessing a supplier's computer, via a Beltel gateway, subscribers can take advantage of various services, such as electronic banking

Organisations such as First National Bank, Standard Bank, Budget Rent-a-Car, Fintel, Frankel Kruger, Wits Business School, Telerate, TML, SAA, and the CSIR are already offering services on Beltel

Assistant GM of Standard Bank's electronic banking division, Gus Warwick, says the bank is still recovering the up-front investment in its Beltel services. The acid test will be to see the level of use by the bank's customers, says Warwick. The two Beltel services, the Autobel home banking system and the Bank Electronic System Terminal (Best) business offering, form part of Standard's electronic banking portfolio

The Post Office's Knott-Craig points out that by using the public videotex service, companies can set up national communications networks with very little capital expenditure

MEGA-MESSAGE

□ The PO's X.400 service

will pave the way for EDI

The Post Office's most ambitious electronic message handling service — a public X 400 system — is due to go live in April

THE SOUTH AFRICAN RESERVE BANK A FINANCIAL MAIL SURVEY

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- ★ What developments have taken place with the financial community abroad
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- ★ What the differences are between the functions and policies of overseas Central Banks and the SA Central Bank

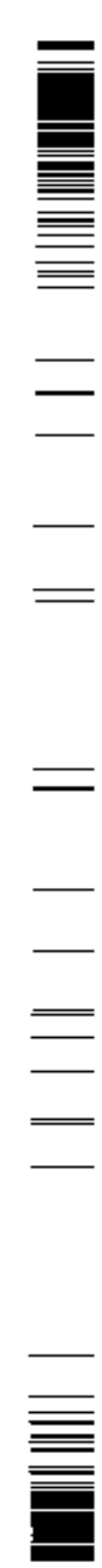
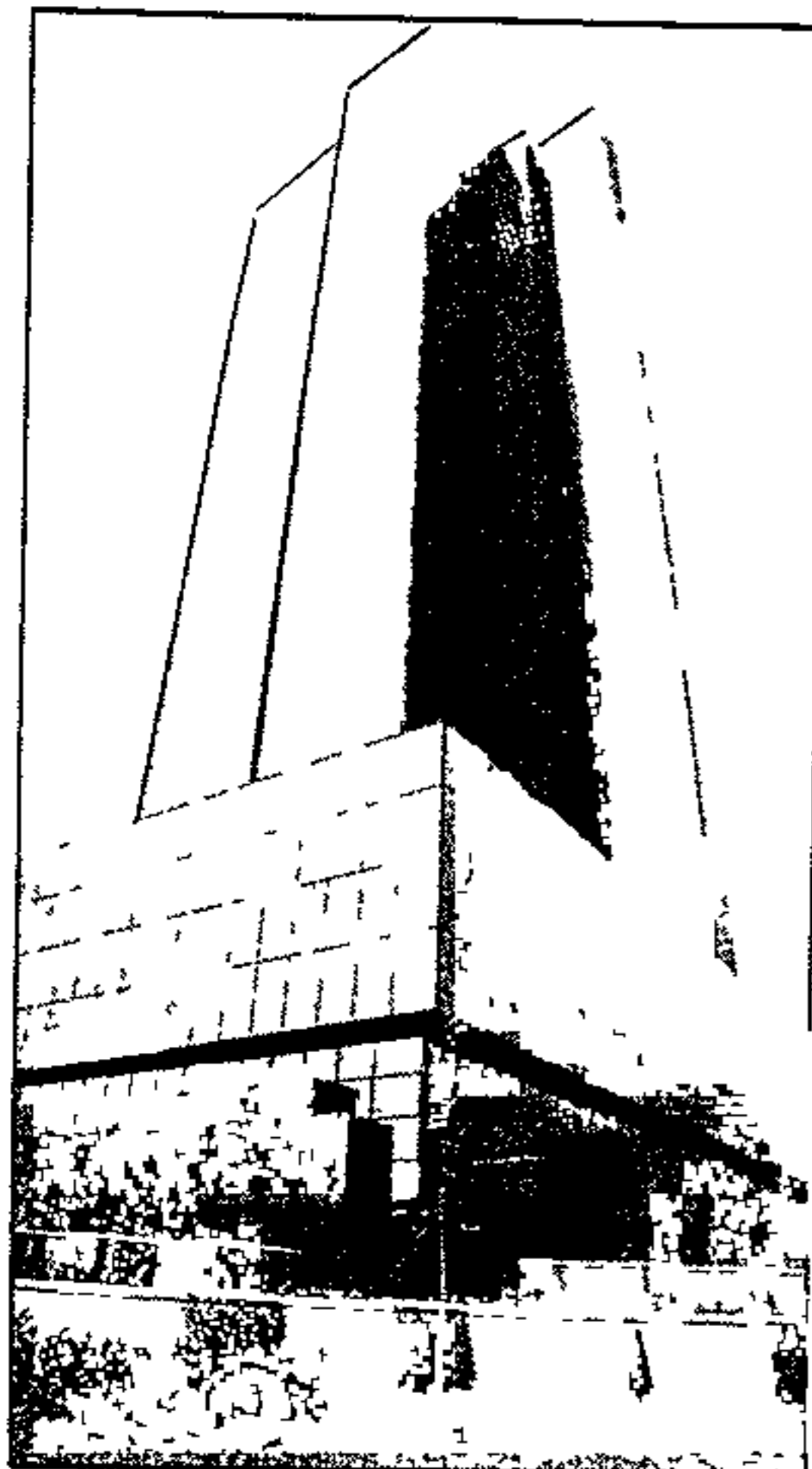
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The system, being installed by ICL, will enable users of different types of electronic message systems, such as telex, videotex and IBM's SNA networks, to communicate with each other. More importantly, the X 400 system is likely to form the heart of several electronic data interchange (EDI) services.

EDI is fast reshaping the manner in which business is conducted in Europe and the US. It is expected to do the same in this country. It allows companies with different types of computers to send and receive electronic documents, such as invoices, purchase orders, debit notices and letters of credit, that comply to standard formats.

This not only helps to cut through a huge amount of documentation, but also dramatically improves the efficiency of organisations. Information that is transferred from one company to another does not have to be re-keyed into computer systems.

The more efficient transfer of orders and delivery notices between suppliers and customers also cuts the amount of stock companies have to hold. Huge savings are expected.

In the US, where General Motors, MacDonalds and Chrysler have been early adopters, the use of EDI has grown 70% in the last year. In the UK, EDI traffic has grown at 15% a month for nearly two years. According to Michael Naughton, chairman at Applied Networks Research in the UK, there are about 300 retailers, 30 schools and 20 local and central government departments using the UK's Tradanet EDI service.

The cost of sending an electronic message for international trade is estimated to be 5%-10% of the cost of a traditional paper invoice. In domestic trade, paperwork can be cut by at least 50%. EDI also offers considerable strategic advantages. Response times can be speeded up, service levels improved and closer relationships forged with customers and suppliers.

In many countries, the management of EDI networks for specialised groups of customers, such as financial institutions, retailers and freight forwarders, is one of the fastest-growing service sectors of the telecommunications industry.

Users of these value-added network services (VANS) send their documents, in pre-determined electronic format, to a computer at the hub of the network. This stores the information and relays it when requested to the appropriate subscriber on the network. This ability to store and forward information gives a VAN a considerable edge over traditional point-to-point networks that simply link one company's computer with that of another.

The SA Numbering Association (Saana), which represents the interests of a large number of retailers and suppliers, and the Organisation for the Simplification of International Trade Procedures (Sitprosa) have drawn up EDI specifications for their members, and conducted preliminary trials. Saana has concentrated on reducing the dependence on paper in domestic trading while Sitprosa has

looked at international business.

The Department of Trade & Industry is co-ordinating an investigation of the potential benefits of EDI for the public sector.

Until recently the Post Office blocked the formation of VANS because it believed this would violate its prohibition of third-party telecommunications traffic.

It would allow only members of a few common interest groups to use a third-party, such as a computer bureau, to exchange electronic information. Last year, however, it agreed to sanction the setting up of commercial electronic message handling networks.

The Post Office is drawing up an umbrella licence for companies which wish to operate VANS. Specific licences will then be issued for each type of service. The first service to be addressed will be EDI.

The conditions of the EDI licence are expected to stipulate, among other things, that the service will ultimately be based on the Post Office's public X 400 message handling system.

Companies that are awarded licences and have their EDI services in operation before April will be able initially to use the Post Office's Saponet packet-switching network and shift later to the new public X 400 system.

The first organisations likely to apply to operate an EDI service are a Sankorp consortium which will include ICL and BankorpData as well as the information network division of IBM agent ISM. ■

VAN(S)GUARD

■ Deregulation takes a step forward with VANS



Peter Davies

The Post Office is expected to take a major step in the deregulation of its telecommunications services later this year by allowing companies to set up value-added network services (VANS).

These companies will be able to offer supplementary services on the back of the public telecommunications network. In many parts of the world, including the US and most of Europe, the provision and administration of VANS has quickly become one of the fastest-growing sectors of the telecommuni-

cations business.

However, in SA the Post Office has stonewalled such services for fear of losing revenue from its telecommunications network.

Under existing regulations, the Post Office has allowed only members of a few common interest groups to use the services of computer bureaux to exchange electronic information.

The private sector has argued that the introduction of VANS would increase the traffic on the public networks and, therefore, boost the Post Office's income. After much lobbying the Post Office relented and announced last year that it was prepared to license companies to provide VANS. The organisation is still formulating the conditions of these licences and is reluctant to be drawn on when this will be completed. However, the first VANS licences are expected to be awarded this year.

The move has, not surprisingly, been welcomed by the SA VANS Association — formerly the SA Videotex Association — as a prelude to further deregulation. Association chairman Malcolm Dunkeld says greater deregulation of the videotex industry could also be on the cards.

Senior director for telecommunications, commercial, at the Post Office, Eben Kruger, says it is likely that companies will have to apply for an umbrella VANS licence and then secure a further licence for each type of service it wishes to offer.

"The drafting of the umbrella VANS licence and a service licence for Electronic Data Interchange (EDI) has reached an advanced stage, but the conditions under which service licences for other types of VANS will be issued have yet to be formulated," he says.

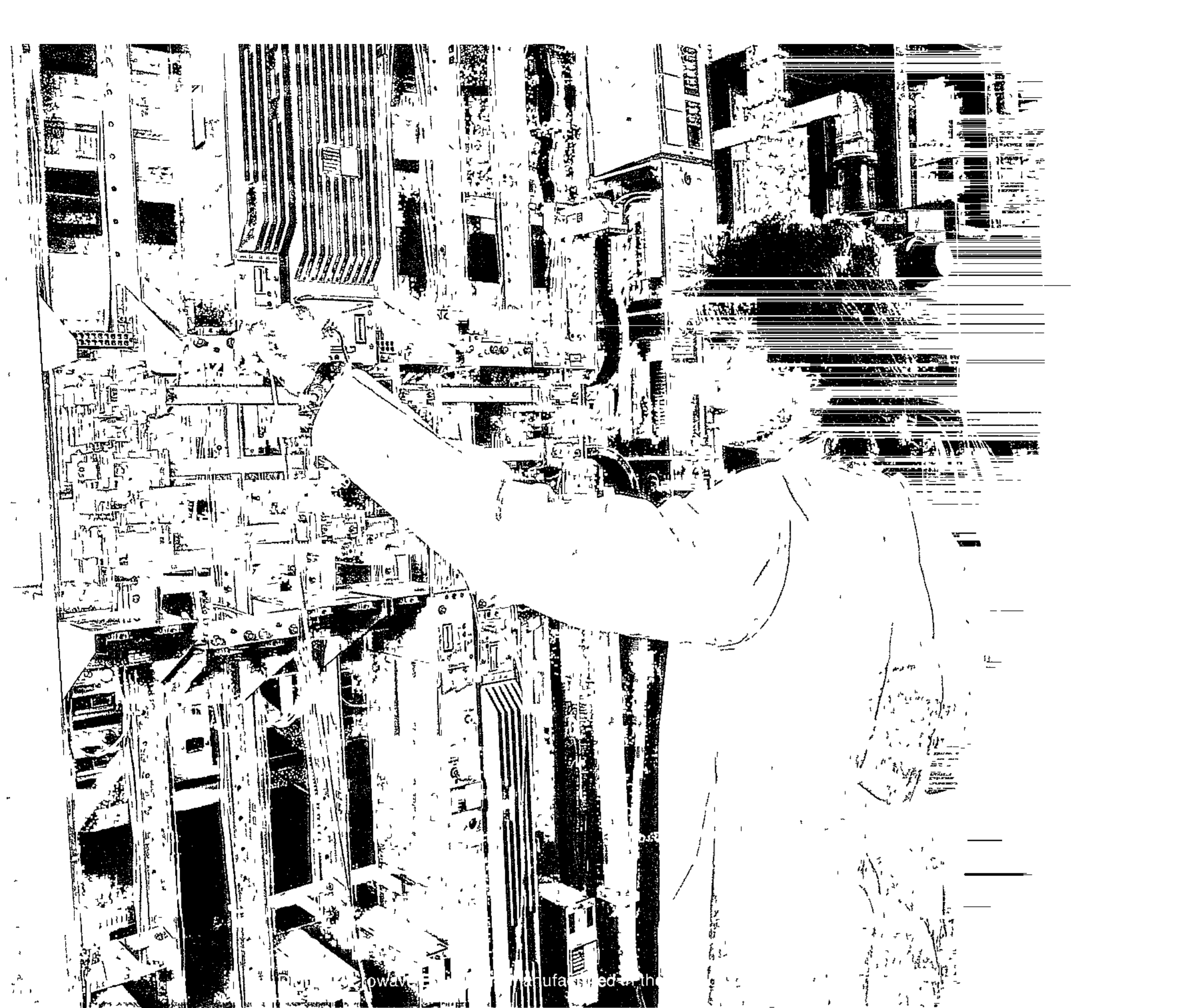
This two-tier approach to the licensing of VANS is supported by the private sector. "We would like to see the Post Office issue a blanket VANS licence to accredited bodies, that can provide services 365 days a year and 24 hours a day, and then issue licences for different types of services like EDI and network management," says chairman of the Computer Society's datacommunications special interest group, Peter Davies.

The Post Office has given no indication of how many companies will be awarded VANS licences. The Post Office may, itself, enter the VANS business.

"Though the Post Office reserves the right to become a VANS provider, it will for the present provide only the network infrastructure for VANS to be operated by members of the private sector," says Kruger.


Eli Goldstein, telecommunications programme manager at ISM, believes the Post Office will definitely, at some time, enter the VANS market.

"As has happened in the rest of the world, the Post Office will definitely be a player in the VANS market in the future," he says. It will, he adds, enter the market on its own or by means of collaborative ventures similar to those set up by the UK's British Telecom and AT&T in the US. ■



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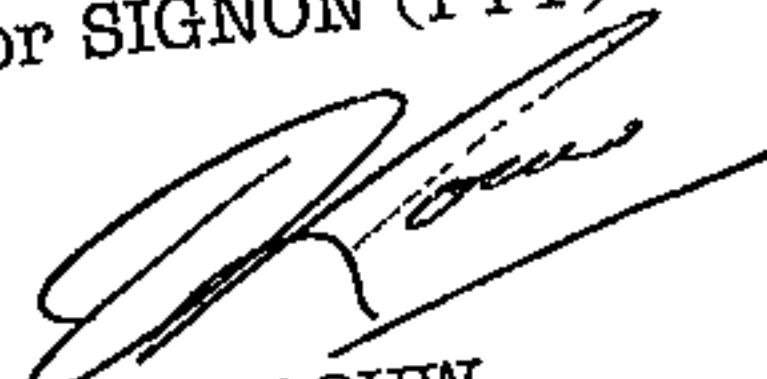
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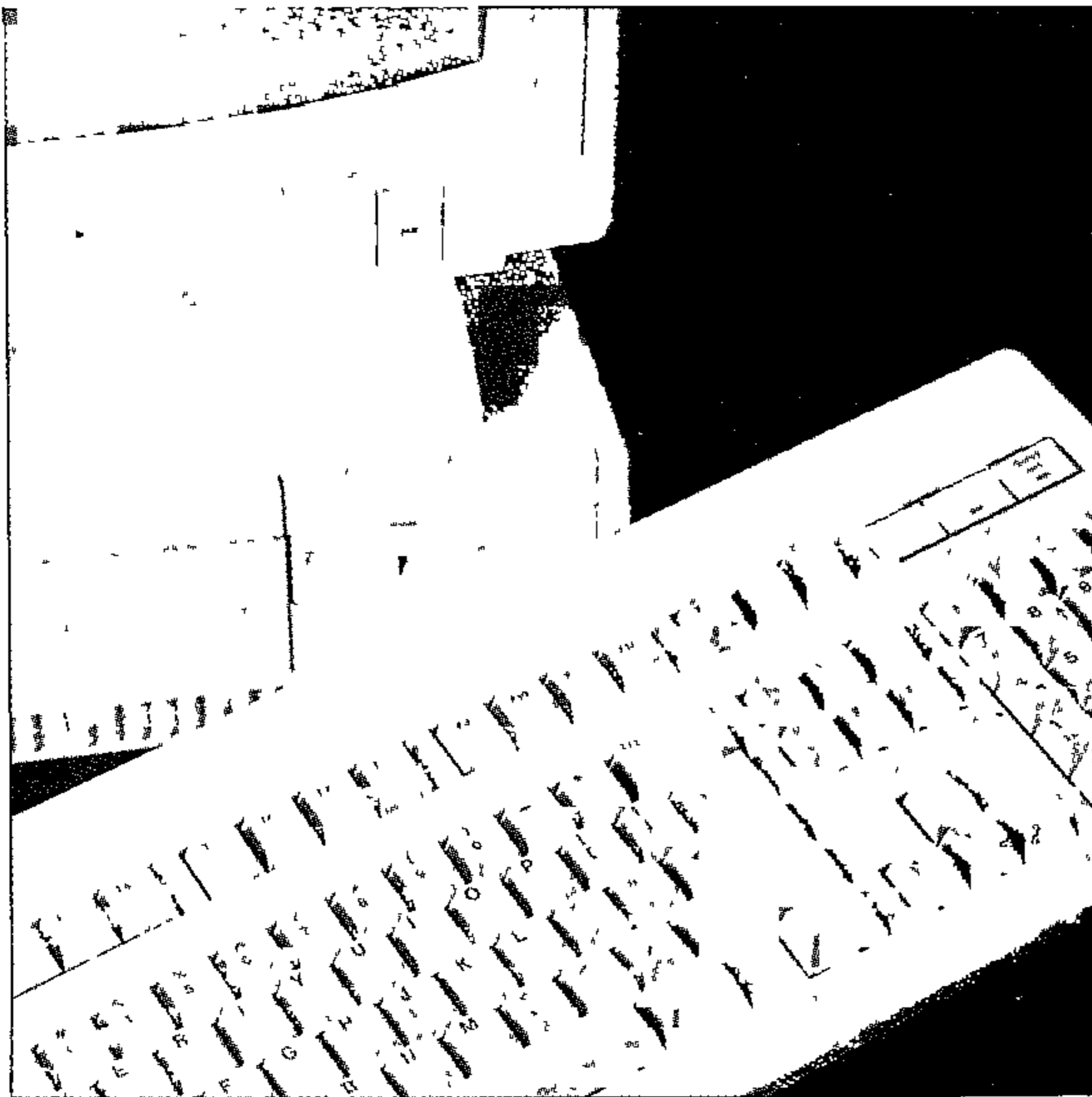
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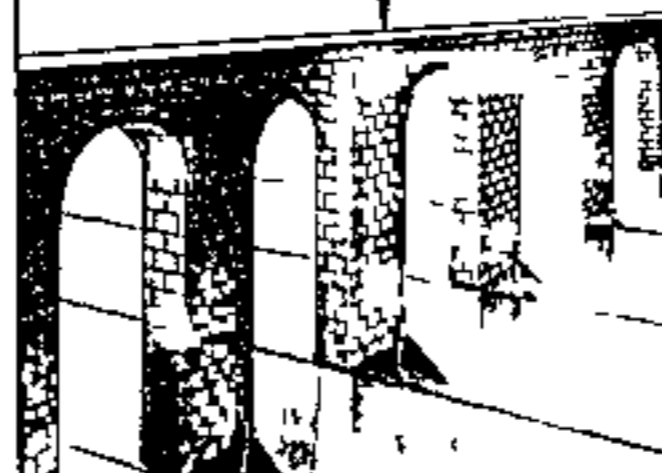
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KAT LIEBENBERG

Landing on his feet

The word that comes up over and over in descriptions of Andreas Jacobus "Kat" Liebenberg (52), the new Chief of the Defence Force, is "formidable." His friends and foes alike believe he is a force to be reckoned with.

Men who have served under "the mouse-catcher," as he's also known, say he will chew out anyone who does not meet his high standards. But he rewards excellence with steadfast loyalty to his troops down the line.

Many disapprove of his appointment (effective from November 1), saying that his command positions at certain stages meant that he was ultimately responsible for special forces units such as the Civil Co-operation Bureau. The argument is that this should have kept him out of the running for the top military job in this period of negotiations.

A native of Uppington, Liebenberg joined the army in 1960 after graduating with a BA in law from Stellenbosch. That year, he married Helena Johanna Crafford and they later had three children.

He worked his way through the ranks, including three years in London as military attaché. His battlefield ribbons were earned in Namibia, where he commanded the high-temperature Sector 10 area on the border in 1978-1979.

"He punched his ticket at all the right spots," says military expert Willem Steenkamp. "He represents continuity."

Over the last decade, Liebenberg has held several important command posts: Director of Operations at Army HQ, Commander of Special Forces and Chief of the Army. However, he was not thought to be in line to replace Gen Jannie Geldenhuys because he was promoted only recently to Chief of Defence Force staff.

During his schooldays, he earned the nickname "Kat" because of his ability to keep quiet and sneak up on his prey in games.

"He's not big on ceremony or foot-stamping," Steenkamp says. "He tends to appear and then disappear."

He's earned the loyalty of his subordinates by sticking to the motto "look down" — which means never forgetting the importance of keeping the ordinary troops happy.

Says Steenkamp. "He's very keen on the Citizen Force. He's very aware that they make up the vast bulk of the army."

Liebenberg will preside over a defence force in the throes of change. With the border conflicts snuffed out, the threat of external attack practically eliminated and the military budget under the knife, he will have to streamline the forces and oversee their new role in a more peaceful world.

Helping to keep the peace internally could become one of the military's main preoccupations, no matter how much they think it's beneath them.

An entirely new situation faces the new SADF chief as the country ploughs ahead with reforms. With the cut in national service commitment from two years to one, he will have to cope with a severe reduction in trained men.

Another consideration on the horizon is the possible incorporation of the ANC's armed wing.

Steenkamp believes Liebenberg has received word from his superiors to keep a low profile and pinch pennies.

"They are probably telling him that money is tight. Keep the SADF operational against external threat — but don't get any big ideas."

Maureen Sullivan



Liebenberg ... keeping the troops happy

STUART REES

Man of the futures

It must have been an interest in the behaviour and reactions of unpredictable phenomena that pulled Stuart Rees (43) away from the tinkle of test tubes to the volatility of futures trading.

The licensing of the SA Futures Exchange — known as Safex — on Friday is the realisation of an ambition born two-and-a-half years ago and is a milestone both for Rees, the man at the helm, and the futures industry.

An East Londoner by birth and upbringing, Rees attended Selborne College and then did his military service in the Air Force. At Stellenbosch he obtained a BSc in biochemistry and an honours degree in business

administration — another sign of what was to come. He completed his MBA while working as a chemist.

He moved to Johannesburg in 1976 and into finance three years later, attracted by the more lucrative rewards his friends were reaping.

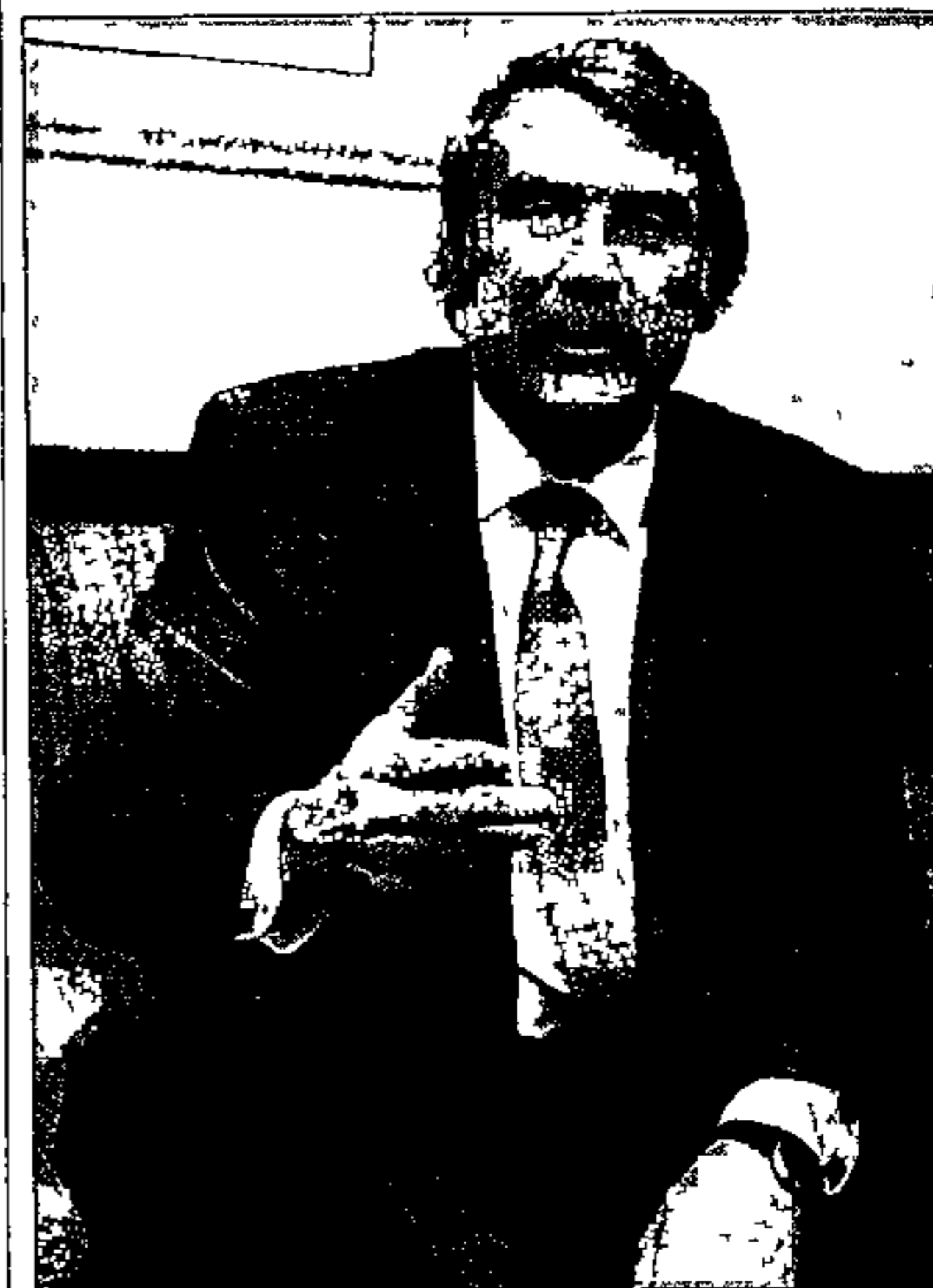
His first foray into his newly chosen field was as a capital market dealer at Senbank, he then worked for several JSE brokers from 1981 to 1986.

Rees left to found Securities Trading & Technology with Gerry Hodgson. The company was set up to specify computer programs for the bond market with the objective of developing trading software for the stock exchange. However, he could not resist an offer from Rand Merchant Bank to help plan a futures market for SA and he moved there in April 1987.

Those early days were heady, he says, as RMB was the only market maker and, indeed, the market. The big test came when the bank pushed the fledgling futures market out of the trading nest in October 1988, to run as a separate profit centre.

The road from informal market to formal trading has been a minefield of vested interests and opposing views. Heated arguments and petty squabbling led to several delays in the establishment of Safex as a self-regulatory body in terms of the Financial Markets Control Act. But Rees plays this down and says he relished the excitement.

In retrospect, the only change he would have made, he says, would have been to stick



Rees ... reacting to the future

to Safex's original blueprint. This would have excluded the most prickly part of the plans — the much-debated trading floor. With screen trading only, things would have gone ahead sooner, he reckons. "The floor diverted our attention and consequently our energies."

He has had little time in all this for playing squash, his favourite sport. However, wildlife is close to his heart and he makes time for game-watching whenever he can.

He is married to Dee and they have two children, Malcolm (7) and Ellie (3).

What now? Rees says he is poised for the next phase — to increase volumes and boost market interest. ■

ARCHBISHOP CAREY

Reaching a high see

The newly named 103rd Archbishop of Canterbury is a scholarly, evangelical high-school dropout, a grandfather who supports the ordination of women, and an environmentalist — which once prompted him to proclaim that "God is green."

Born a Cockney, though his accent faded long ago, George Carey (54) is the son of an East End hospital porter who came from 20-1 odds to take over the leadership of the 70m-strong Anglican Church.

He will succeed Archbishop Robert Runcie, who is scheduled to retire on January 31.

Carey, who spent the last three years as the Bishop of Bath and Wells, is from the evangelical wing of the church and was apparently selected for his charisma and popular touch. In fact, he likes to be called George. He is seen as being apolitical compared with Runcie, who often railed against Margaret Thatcher's social welfare cuts.

"I would want there to be a rich and creative dialogue between the church and State," he says. "This is not to say that the church takes up this issue of party politics."

Carey ... a Cockney goes to Canterbury



Far from it. It is to say that social and political issues are at the very heart of Christian good news.

"You have got to be a spiritual archbishop who is concerned about the world and the implications this has for life today," he says, citing Desmond Tutu, the Anglican Archbishop of Cape Town, as an example of such a churchman.

Leaving school at 15, Carey worked as an office boy and served as a wireless operator in the RAF. He went on to earn a divinity degree in 1962 from the University of London. His support of Arsenal Football Club developed during his first posting as a curate in the north London area of Islington.

He has written eight books, including one on Second Century ecclesiology. Much of his career has been spent lecturing on theology.

The major task facing the formerly obscure young bishop is rebuilding the foundering church in England, where the Roman Catholics attract more regular churchgoers.

His selection is certain to settle the argument in Britain regarding ordination of women — which is already a fact of Anglican life in the US, Canada and New Zealand. He has also come out in favour of accepting divorced and remarried men into the priesthood and regular competence tests for bishops. But he is seen as a conservative on the issue of homosexuals in the priesthood.

His doctor recommended that he give up jogging two years ago, so his current relaxations include walking his dog, listening to music, learning poetry and talking to his wife Eileen (a nurse). They have two sons, two daughters and two grandchildren. ■

DEON BLIGNAUT

Road warriors

A sagging economy coupled with upcoming deregulation is placing unprecedented pressures on transport operators who need to hone business skills in a changing industry.

But Deon Blignaut (46), chairman of the new Road Freight Association (RFA), says the situation is a challenge, not a crisis — though the load is stacked against the industry, which he believes is going through very tough times.

"Industrial unrest — not so much in our industry, but in those of our customers — inevitably affects us. Truck hijacking has become a serious problem. Rail transport is a natural threat to our businesses and with the railways becoming more business orientated, that threat is increasing."

"We almost have a repeat of what happened in the US — an economic downturn coinciding with deregulation. The market has seen an influx of operators, and shippers are playing them off against one another."

The RFA, it seems, faces a daunting task. At the helm is Blignaut, who is also CE of Cape Town-based Trecor Transport, a division of the multi-faceted Trecor group,



Blignaut ... hooked on transport

where he has worked for the last 17 years. He is also a past chairman of the Public Carriers' Association, which the RFA replaced earlier this year.

He deflects questions about himself, transport of all kinds is what captures his attention. The thick-set, bespectacled Blignaut is a self-proclaimed "keen armchair sportsman" but, for many years, his off-work hours have been devoted to committees concerning all aspects of transport.

Freight transport deregulation, he says, is a *fait accompli* even though the legislation is not yet in place. It means the RFA will not have to spend its time fighting bureaucrats about road permits, as in the old days.

"We must become more business orientated and serve the needs and interests of our members on issues like pricing, services, insurance and industrial relations. I reckon this will require about 80% of our resources. The other 20% will go into what I call 'quality time' when our senior representatives will lobby the authorities on major issues such as vehicle mass and dimensions, toll roads and road financing and driver hours."

After getting his engineering degree at Pretoria, he began a two-year career in academia in 1966. But having earned an MBA, he decided to put it to use at Union Steel in Vereeniging, his hometown. After five years there, his next step was to Trecor as assistant to group chairman Neil Jowell. After that it was off to Springbok for six years to oversee the company's Namaqualand transport operations. In 1982, he was appointed CE of Trecor Transport.

Blignaut was a member of the Civil Aviation Advisory Council and the National Transport Policy Study steering committee. He is also a former chairman of the Airlines Association (by virtue of Trecor's ownership of Namakwaland Lugdiens, now part of National Airlines).

He and his wife, Laurita, have a daughter at Stellenbosch and a son in matric. ■

Committee gives nod to Post ⁽²⁶⁷⁾ Office Bill

The Post Office Amendment Bill met its objectives and has been recommended for ratification by the State President, says the committee for constitutional affairs of the President's Council. *Star 14/5/91*

The Bill was referred to the council last month after being rejected by the House of Representatives.

Evidence was heard from the Department of Posts and Telecommunications and all parties in Parliament.

After hearing evidence, the committee found that the Bill made provision for commercialisation but not for privatisation.

If the department was not to be commercialised, as has been suggested, there could be a weakening in the provision of services as well as fewer job opportunities.

The suggested commercialisation, by contrast, could create more job opportunities and improve services.

Most of the staff were in favour of the Bill.

But the committee expressed concern over statistics relating to the ratio of employment of different population groups — Sapa.

Local calls are a bargain in SA

Sowetan 16/5/91

267

By ALI MPHAKI

A LOCAL telephone call or telex in South Africa is less expensive than in nine major nations analysed in an international survey just published

But in the future, the picture is not so rosy for South Africa.

The study, which covers 10 major industrialised nations, is conducted annually by National Utility Services

Already, a trunk call in South Africa (over a distance of 170km) costs more than in Belgium, the United States, Britain and the Netherlands

And an international telephone call at R16,20 for every three minutes puts you at an even greater disadvantage relative to your fellow subscribers in all but one of the other countries surveyed

That country is Italy, where the telephone service is notoriously expensive and unreliable

It is in the local call and telex department that South Africans definitely score

With a national average cost of 13 cents for a

three-minute local call, South African subscribers pay only about half the rate of their counterparts in Italy

Pity the poor sub-

scriber in the UK who is paying more than four times more to make a local call

However, in Cape Town local call rates buck the national trend

Capetonians are paying 21,7 cents for a three-

minute metered call, or one-and-a-half times the national average

On the other hand, subscribers in Durban and Johannesburg are below the national average with rates of 8,1 cents for three minutes

involved The normal periods of lease contracts are 12 months The total revenue derived from the leasing of the land concerned, amounted to R4 854 101

The provision of particulars in respect of each separate lease contract, can as a result of the large volume of work to be undertaken, not be justified

Norwood police station: staff details

382 Mr A J LEON asked the Minister of Law and Order

- (1) Whether he will furnish the (a) total allocated and (b) actual strength of each rank in the current establishment of the Norwood police station situated in the Johannesburg North Police District, if not, why not, if so, (i) what are the relevant details, (ii) how many temporary members are there on the current establishment of this police station and (iii) in respect of what date is this information furnished,

- (2) whether any steps have been and/or are to be taken specifically to increase the strength of this police station, if not, why not, if so, (a) what steps and (b) when?

B1009E

The MINISTER OF LAW AND ORDER

- (1) (a) and (b)

No, it is not in the interest of the members at the relevant police station, and policing in general, to furnish information of this nature I am, however, prepared to inform the hon member personally and confidentially in this regard

- (2) (a) and (b)

The increase of manpower at police stations takes place on the basis of investigations by the Division Efficiency Services of the South African Police Such an investigation in respect of the Norwood police station has not yet been carried out The personnel at the police station in question is, however, not at full strength The available members nevertheless perform an outstanding task in maintaining law and order in the station area

I have requested the Commissioner of the South African Police to conduct an effi-

ciency investigation regarding the manpower situation at the Norwood police station so as to supplement it, should such an investigation prove it necessary

Self-governing territories/TBVC countries: land

384 Mr F J LE ROUX asked the Minister of Development Aid †

- (a) What is the area of the land which, on the adoption of the Development Trust and Land Act, No 18 of 1936, was allocated to each of the states that subsequently became the self-governing territories and TBVC countries and (b) what was the area of each self-governing state and TBVC country as at 31 December 1990?

B1016E

The MINISTER OF DEVELOPMENT AID

- (a) The required information is not readily available The estimated extent of land declared scheduled area in terms of the Black Land Act, 1913 (Act 27/1913), before the adoption of the Development Trust and Land Act, 1936 (Act 18/1936), is approximately 10 000 000 hectares

- (b) The respective areas (rounded off) are as follows

| | |
|----------------|--------------------|
| Gazankulu | 774 000 hectares |
| Lebowa | 2 251 000 hectares |
| KwaZulu | 3 317 000 hectares |
| Owaqwa | 105 000 hectares |
| KwaNdebele | 228 000 hectares |
| KaNgywane | 438 000 hectares |
| Bophuthatswana | 4 407 000 hectares |
| Ciskei | 800 000 hectares |
| Venda | 708 000 hectares |
| Transkei | 4 286 000 hectares |

TV licences: income/cost

387 Mr H J COETZEE asked the Minister for Economic Co-ordination and Public Enterprises †

- (a) What amount did the Post Office receive for handling television licences in each of the latest specified three financial years and (b) what was the cost involved in the television inspectorate of the Post Office in each of these years?

B1019E

The MINISTER FOR ECONOMIC CO-ORDINATION AND PUBLIC ENTERPRISES

| | | |
|---------|-------------|------------|
| 1988/89 | R9 138 221 | R5 892 756 |
| 1989/90 | R12 428 691 | R7 460 889 |
| 1990/91 | R14 191 206 | R8 576 311 |

Self-governing territories: size

398 Mr P G SOAL asked the Minister of Development Aid

- What was the size in hectares of each of the self-governing territories as at the latest specified date for which figures are available?

B1033E

The MINISTER OF DEVELOPMENT AID

The size in hectares (rounded off) of each of the self-governing territories as at 31 December 1990 are as follows

| | |
|------------|--------------------|
| Gazankulu | 774 000 hectares |
| Lebowa | 2 251 000 hectares |
| KwaZulu | 3 317 000 hectares |
| Owaqwa | 105 000 hectares |
| KwaNdebele | 228 000 hectares |
| KaNgywane | 438 000 hectares |

Public Service officials seconded

405 Mr P G SOAL asked the Minister of Development Aid

- (1) (a) How many officials in the Public Service had been seconded to each self-governing territory, (b) what post was held by each such official, and (c) what was the cost of secondment of such officials, as at 31 December 1990,

- (2) whether all posts in the self-governing territories in respect of which secondment is required were filled as at 31 December 1990, if not, how many remained vacant as at that date,

- (3) whether any further secondments are envisaged, if so, how many?

B1070E

The MINISTER OF DEVELOPMENT AID

The member is kindly referred to the reply to Question 356 (see col 1405)

Limpopo Hospital patient removed by SAP

409 Mr J VAN ECK asked the Minister of Law and Order

- (1) Whether the South African Police removed an injured boy from the Limpopo Hospital in Messina on or about 7 February 1991, if so, (a) why and (b) what are the circumstances surrounding the matter,

- (2) whether doctors (a) were consulted before, and/or (b) consented to, the removal of the boy from this hospital, if not, why not in each case,

- (3) whether the boy was subsequently held overnight at the Pietersburg police station, if so, why,

- (4) whether the boy was transferred to the Pietersburg Hospital the next day, if so, why,

- (5) whether he will make a statement on the handling of this matter by the Police?

B1076E

The MINISTER OF LAW AND ORDER

- (1) Yes

(a) On account of a written request which the Superintendent of the Limpopo Hospital addressed to the South African Police

(b) According to the Superintendent political interference from outside was prejudicial to the discipline in the hospital The Charge Office Commander, however, was not aware that the boy had to be transferred to the Pietersburg Hospital immediately The boy accordingly spent the night in the Police cells at the Pietersburg Police Station

- (2) (a) and (b)

The removal was done at the request of the Superintendent The South African Police did not consult or ask the consent of other doctors

- (3) Yes, I refer the hon member to paragraph (1)(b) above

- (4) Yes, for further medical treatment and according to a request by a medical practitioner

SABC: pirate viewing/annual loss

376 Mr L F STOFFBERG asked the Minister of Home Affairs †

(1) Whether he has been informed that the SABC annually loses an amount of approximately R150 million as a result of pirate viewing, if not, why not, if so, (a) what was the amount of this loss during the latest specified financial year for which figures are available and (b) what percentage did it constitute of the SABC's total revenue from licence fees for that financial year.

(2) whether he intends granting the SABC a further increase of licence fees, if so, (a) why, (b) when and (c) by what percentage?

B969E

The MINISTER OF HOME AFFAIRS

(1) No The amount the SABC loses annually as a result of pirate viewing is difficult to ascertain, since accurate statistics in respect of television ownership are not available. Television set movements arising from private transactions are also not easily ascertainable. The estimated amount of money lost through pirate viewing may be as high as R100 million. Assuming this amount to be accurate, this would constitute about 28,6% of the estimated potential revenue from licence fees.

(2) No request for a further increase has been received from the SABC

Public telephones: cost of repairs

406 Mr P G SOAL asked the Minister for Economic Co-ordination and Public Enterprises

What was the estimated cost of repairing public telephones in the Republic (a) in 1987 and (b) during the latest specified 12-month period for which information is available?

(267) B1071E

The MINISTER FOR ECONOMIC CO-ORDINATION AND PUBLIC ENTERPRISES

(a) R12 976 007,64 during the 1987/88 financial year, and

(b) R23 953 734,81 for the period 1 April 1990 until 31 March 1991

Note
The figure against (a) does not include the cost in respect of the Western Cape, as it is not readily available

Average value of rand - changes

410 Mr J CHIOLÉ asked the Minister of Finance †

How has the average value of the rand changed on a year-to-year basis over the past 10 years in respect of the basket of currencies of each of the six most important trading partners of South Africa?

B1083E

The MINISTER OF FINANCE

Statistics for 1981 is not readily available. The annual percentage change since 1982 is as follows

| Year | Germany | France | Japan | Switzerland | UK | USA |
|------|---------|--------|-------|-------------|-------|--------|
| | Mark | Franc | Yen | Franc | Pound | Dollar |
| 82 | -13,4 | -2,5 | -9,1 | -17,1 | -6,9 | -19,6 |
| 83 | 2,4 | 13,0 | -6,9 | 0,9 | 12,3 | -2,8 |
| 84 | -14,4 | -11,9 | -23,1 | -14,2 | -12,8 | -22,6 |
| 85 | -30,9 | -31,3 | -33,2 | -30,0 | -30,6 | -34,4 |
| 86 | -29,4 | -26,3 | -32,2 | -29,9 | -16,2 | -3,5 |
| 87 | -7,9 | -3,3 | -4,7 | -7,9 | -0,11 | 11,5 |
| 88 | -12,3 | -11,1 | -20,2 | -12,0 | -17,3 | -10,0 |
| 89 | -7,3 | -7,2 | -7,1 | -3,2 | -6,2 | -13,6 |
| 90 | -13,0 | -13,6 | 6,3 | -13,9 | -6,6 | 1,2 |

Foreign currency unit per rand — middle rate index (1979 = 100)

Notifiable diseases

414 Mr M J ELLIS asked the Minister of National Health

How many cases of each notifiable disease

were notified in respect of each race group in 1990? B1092E

The MINISTER OF NATIONAL HEALTH
Notified cases of each notifiable medical condition in 1990 RSA (as at 28 May 1991)

| Disease | Population Group | | | | | | Total |
|----------------------------------|------------------|--------|--------|----------|-------|--------|-------|
| | Unknown | Indian | Black | Coloured | White | | |
| Cholera | 0 | 0 | 1 | 0 | 0 | 1 | |
| Typhoid fever | 1 | 10 | 1 541 | 25 | 19 | 1 596 | |
| Paratyphoid fever | 0 | 0 | 1 | 0 | 0 | 1 | |
| Food poisoning | 0 | 0 | 295 | 80 | 127 | 502 | |
| Tuberculosis | 44 | 575 | 49 663 | 19 568 | 879 | 70 729 | |
| Brucellosis | 0 | 1 | 2 | 0 | 6 | 9 | |
| Leprosy | 0 | 0 | 35 | 1 | 0 | 36 | |
| Diphtheria | 0 | 0 | 7 | 3 | 8 | 18 | |
| Meningococcal infection | 0 | 4 | 434 | 355 | 56 | 849 | |
| Tetanus | 1 | 2 | 96 | 5 | 0 | 101 | |
| Legionellosis | 0 | 1 | 1 | 0 | 0 | 2 | |
| Poliomyelitis | 0 | 0 | 2 | 0 | 1 | 3 | |
| Measles | 5 | 32 | 4 828 | 299 | 490 | 5 654 | |
| Crimean-Congo Haemorrhagic fever | 0 | 0 | 1 | 0 | 3 | 4 | |
| Viral Hepatitis | 3 | 73 | 855 | 406 | 1 128 | 2 465 | |
| Rabies | 0 | 0 | 15 | 1 | 0 | 16 | |
| Trachoma | 0 | 0 | 3 | 0 | 1 | 4 | |
| Malaria | 3 | 2 | 6 028 | 7 | 231 | 6 271 | |
| Encephalitis | 1 | 0 | 2 | 6 | 50 | 59 | |
| Acute rheumatic fever | 0 | 15 | 44 | 20 | 2 | 81 | |
| Rheumatic heart disease | 1 | 0 | 65 | 5 | 1 | 72 | |
| Pesticidal poisoning | 0 | 2 | 55 | 32 | 16 | 105 | |
| Plague | 0 | 0 | 0 | 0 | 0 | 0 | |
| Anthrax | 0 | 0 | 0 | 0 | 0 | 0 | |
| Smallpox | 0 | 0 | 0 | 0 | 0 | 0 | |
| Yellow fever | 0 | 0 | 0 | 0 | 0 | 0 | |
| Other haemorrhagic fevers | 0 | 0 | 0 | 0 | 0 | 0 | |
| Typhus fever | 0 | 0 | 0 | 0 | 0 | 0 | |
| Lead poisoning | 0 | 0 | 0 | 0 | 0 | 0 | |

416 Mr J A JORDAAN asked the Minister of National Health †

(1) How much money was spent in her Department on the Population Development Programme in the latest specified financial year for which information is available, B1097E

(2) what total amount was spent on the Population Development Programme in each financial year since the inception of this programme

(3) what are her Department's future plans regarding this programme?

POST OFFICE

MOVING A MOUNTAIN

Fm 14/6/91

267

If you liked the old Post Office you'll love the new one. That's because efforts to commercialise — to run it more like a business and less like a bureaucracy — are moving more slowly than the post itself.

The Bill to compartmentalise the Post Office into two divisions — posts and telecommunications — and run them like companies was finally passed in the President's Council last month, after it failed in parliament two years in a row. But despite the luxury of having months and months to prepare, the Post Office hierarchy seems ill prepared to carry out its commercialisation mission. A board of directors for each company has not yet been named and policy statements remain vague. "Nothing is definite," says a senior official when asked whether board members will be drawn from the public or private sectors.

Certainly the appointment of long-time Post Office officials to head each of the newly formed companies hasn't inspired much confidence that commercialisation will turn the services around. Public Enterprises Minister Dawie de Vilhiers dashed hopes that outside private-sector executives would be hired to shake up the inert operations when he appointed senior GM, postal operations, Willem van Rooyen, a 34-year postal veteran, to head the postal service, and Witwatersrand Telecom GM Danie du Toit, a 41-year postal veteran, to run telecommunications provider Telkom.

But Donald Masson, Tradegro's CE and the private consultant to the postal service, denies that the appointments render the commercialisation process meaningless. "I have no doubt that both men will operate as businessmen. Just because they have been bureaucrats for years doesn't mean they can't change their thinking. Given guidance, people tend to rise to the occasion."

Masson and former ISM MD Jack Clark were appointed by the Post Office early this year to assist with commercialisation. Clark's brief is to help Telkom.

One reason for the pedestrian pace of reform could be the continued trade union opposition to commercialisation. Posts & Telecommunications Workers' Association representative Floyd Mashele says the union is still against commercialisation because it believes it to be the first step to privatisation. He says more mass action is planned, follow-

ing last month's sit-ins around the country. "Go-slows are also taking effect."

While the Post Office denies that any disruption of services has taken place, there are reports of sabotage in the last month. "Wires are being cut, cables are disappearing, and Post Office vehicles are being

position — our income now covers only about 70% of our expenditure — to where the company will be meeting the requirements of a successful commercial undertaking."

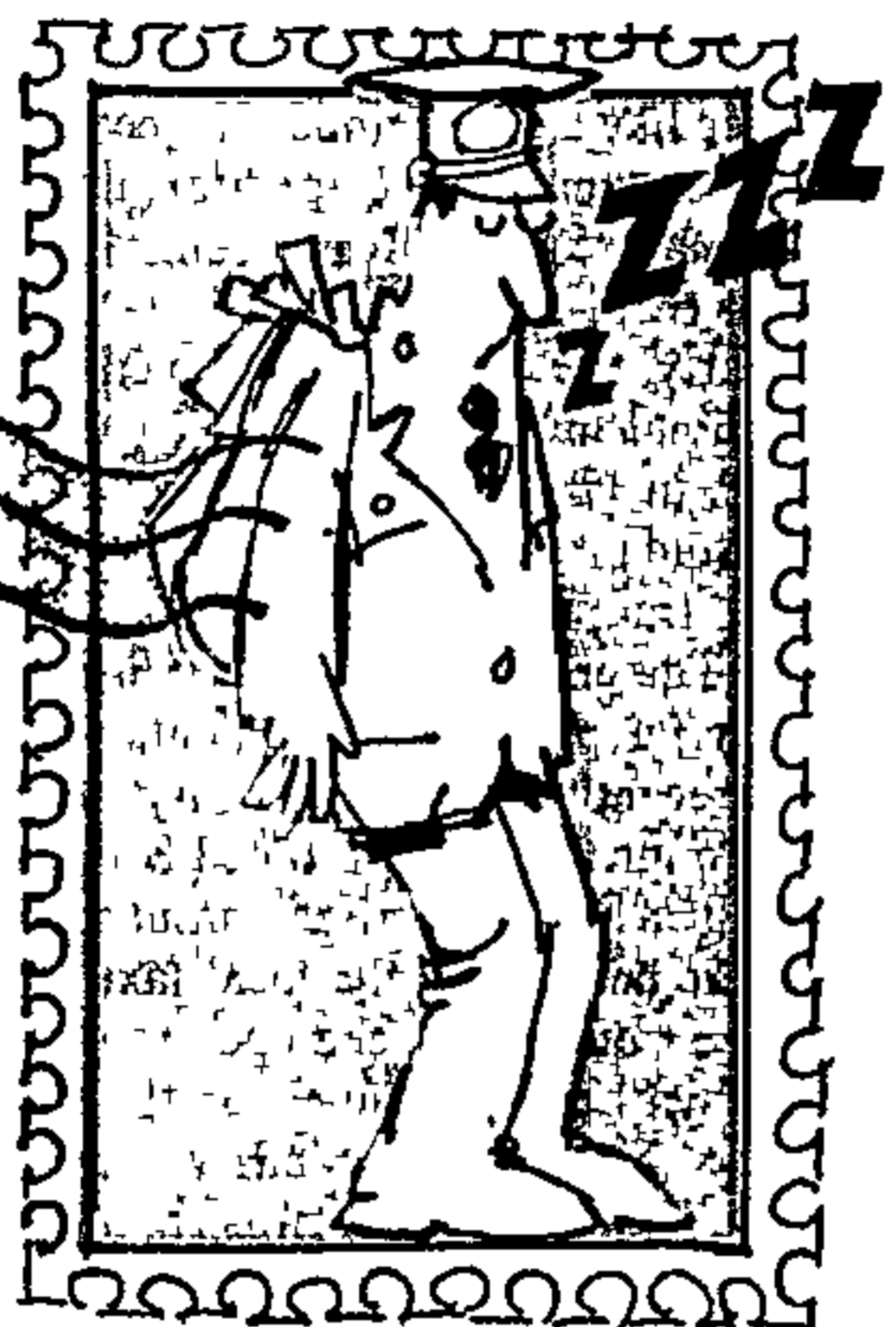
He says the postal service will be restructured and the company plans to offer new services and products, and he concedes that tariffs must be overhauled. "We must create a unique identity as a business-orientated enterprise and shake off past views of being a slow-reacting bureaucracy."

Van Rooyen acknowledges that trade union opposition is a problem, but believes that differences can be settled. "Our doors will always be open to discuss any difficulties. But we cannot tolerate an alienation of certain employees nor an internal split. Our value is teamwork."

Telkom CE Du Toit, who has garnered a reputation for telecommunications innovation, is also enthusiastic about the task facing him. "Competition will undoubtedly sharpen our skills, and I look forward to it."

Ultimately, will the process of commercialisation end with privatisation?

Says Masson, "I have grown up with the idea that the bottom-line determines efficiency and measures how well you are doing. Obviously this should be the motivation because this stimulates work and performances. Ultimately, if you commercialise, you aim to get rid of State control." *Mirryena Deeb*



burnt," according to one employee, who asked not to be named. "There's a lot of tension and white workers are refusing to go into the townships following recent assaults."

Whatever the hold-ups, it appears that reform will press ahead. Masson says opposition to commercialisation is based on misconceptions. He says people grow comfortable in their routines and get distraught when they must change. "At the end of the day, management must show workers that commercialisation and privatisation will benefit them."

In any event, the money-losing postal service is years away from attracting any private interest, last year it was subsidised by the telecommunications service to the tune of R220m. "In its present form, no one would want to buy shares in the postal service," Masson says. The service to the public must be improved and run at a profit, but this can't happen overnight, he says. "At the moment it's almost a social service. Certainly our tariffs need to be increased."

Despite the critics, Van Rooyen is tackling his challenge as postal service CE with relish. "The commercialisation process is a once-in-a-lifetime opportunity to introduce a new management approach to an organisation that historically operated as a State department. Our major strategy is to move in five years from a substantial loss-making

BLACK TAXIS Fm 14/6/91

COUNCIL KNOWS BEST?

Johannesburg is embarking on a R1bn-plus scheme to build six full-service terminals for mini-bus taxis. But experience in at least three other cities suggests that, at best, taxi drivers might not use them quite as city planners envision, and at worst they could end up being white elephants.

Work has already started on two of the sites — the Kaserne Garage on the corner of Bree and Sauer streets and the Jack Mincer Garage on Noord Street. The initial capital outlay is R1,3m. But with some of the tenders for individual sites coming in at around R300m, the total cost would top R1bn. The three-year project is aimed at serving the estimated 15 000 mini-bus taxis plying the city's streets every weekday.

To its credit, the council has been consulting the Southern African Black Taxi Association (Sabta) — unlike its counterparts in some other cities that planned taxi terminals. The problem is, Sabta and the council seem to have different ideas on how the terminals will function.

Soweto Post Office sheds light on bills row

A POST Office division in Soweto was refusing to pay electricity bills because it was unhappy with the accounts it had been getting from the city council, a departmental spokesman said yesterday.

The council warned this week that it would cut off electricity and water supply to police stations, post offices and other government departments in arrears.

Soweto council PRO Mojalefa Moseki said yesterday the telecommunications division of the Orlando Post Office owed the council more than R4 000.

But Telecommunications Department

Friday 27/6/91 - (267)
THEO RAWANA

acting GM (Witwatersrand region) Reinhold Karshagen said there were outstanding payments because his department had been "having problems" with some electricity accounts for about two years and was prepared to pay "as soon as they send us correctly constituted accounts".

He refused to say how much his department owed, but emphasised that not all accounts were incorrect. "We are negotiating with the council and they have undertaken not to cut supply," he added.

However, postal section spokesman Piet Pretorius said his department paid regularly and did not owe the council anything.

Moseki said R2m had been recovered in the two weeks since the warnings. He rejected allegations that the council's accounting was faulty as "an argument used by people who want to buy time".

Ken Snyman, a spokesman for the Public Works Department which is responsible for paying the SAP's electricity bills, said the Johannesburg regional offices had not yet forwarded the information he had sought on the Soweto police stations.

Blackouts set to hit State buildings

By DON SEOKANE

GOVERNMENT buildings, including police stations and post offices, are set to become the latest targets of blackouts as the Soweto Council begins to crack down on rent defaulters.

The council began switching off power to businesses and houses at Protea South on Tuesday in an effort to force them to settle their arrears.

Soweto Council spokesman Mr Mojalefa Moseki said the council had taken the decision to crack down on Government departments

after they failed to respond to final notices sent to them two weeks ago.

Moseki said the total debt of Government departments amounted to almost half the R12 million owed by traders.

"They will face darkness anytime," said Moseki. "In fact, council electricians are now switching off electricity."

He said the deadline for residents had been extended to July 6 and council offices would be open

on that day until noon to enable people to pay.

"From July 8 the council will cut electricity to those who are in arrears without delay."

Soweto police could not comment on the impending electricity cuts and referred enquiries to the Department of Land Affairs and Public Works, whose Johannesburg spokesman could not be reached.

Sowetan established yesterday that Protea police headquarters had paid only R13 460 of the R198 174 they owed, Moroka Po-

lice Station was R66 578 in arrears, having paid only R5 958, Orlando Police Station had paid R3 000 and still owed R29 564, Jabulani Police Station was owing R30 769 and had paid R3 248 only; and the Orlando Magistrate's Court's electricity arrears totalled R8 952.

A Post Office spokesman for the Witwatersrand said yesterday they had not yet been officially informed of the impending power cuts.

Individual post offices were not responsible for paying their accounts, the spokesman said.

Sowetan 27/6/91

267

Timeshare
B10am 5/8/91.
owners may
sue liquidator

LINDA ENSOR

CAPE TOWN — Legal action to secure the leasehold rights of 147 timeshare owners in the Halyards resort at Port Alfred is being contemplated

An attorney acting for the timeshare owners says legal action to set aside sale of the resort on the grounds that it was sold without the 99-year leasehold agreement would proceed if the purchaser did not agree to reinstate the lease

Halyards Shareblock director Kevin King, who represents the shareblock owners, said "We also plan to sue the liquidator and the purchaser for not taking cognisance of the lease at the auction sale"

Empowered

Liquidator Westrust sold the hotel to a private investor at an auction last week for R2,3m.

A spokesman for the company said the provisional liquidators had been empowered by the Supreme Court to cancel the lease agreement.

The directors of the Halyards Shareblock com-

We hope to be able to sign an agreement when our Prime Minister Marian Calfi visits SA.

"That visit is scheduled for some time in September"

CSA, which has recently been privatised, will use long-range 210-seater Airbus A310-300 aircraft on the SA route

"We will be focusing our marketing

CSA's fares would not be low

"If our fares were cut, then we would not be able to provide the in-flight services which are necessary on such long-haul flights"

It was unlikely that any deregulation of SA's international aviation policy would encourage a decrease in air fares. Instead there would be fierce competition in terms of service, he said

Hani
B10am 5/8/91.

firmly at the top of the ANC's agenda

In an interview in the latest issue of the ANC journal Mayibuye, Ramaphosa said negotiations "should enjoy top priority in all structures of the organisation"

He said consultation with members on negotiations had emerged as the most important task of ANC negotiators

"To this end it has been decided that a negotiations task force should be set up at head office level and should operate as a

fully fledged department.

"Through the work of this department we intend to keep our membership and structures not only fully informed but fully involved in negotiations

"We can expect that structures like the regional general councils will be the forum where reports will be made and mandates obtained. This in my view is going to deepen democratic participation by our membership in this important activity of our organisation".

From Page 1

SA telephone users ranked fifth in world

SOUTH Africans made an average of 1,6 telephone calls a day in 1989, which is low compared with US citizens who averaged five calls a day

Siemens's latest International Telecom Statistics, covering telecommunication developments up to the beginning of 1990, show SA had one telephone main line per 11 people compared with one line for every two people in the US

SA was not included on a short list of total calls made per country, but would have come fifth ac-

ROBERT LAING
According to Post Office figures However, this excluded Japan and several European countries for which Siemens did not have figures

The US made the world's most calls at 458-billion West Germany came a distant second with 32-billion, Italy third with 24-billion and Taiwan fourth with 20-billion SA made 19,5-billion calls in 1989.

On a comparison of the ratio of main lines to GNP, SA rated higher than the

US. Egypt had the highest ratio at 3,49 and East Germany the lowest at 0,26

SA, with 3-million main lines and per capita GNP of \$3 247, had a ratio of 1,39 while the US had a ratio of 1,14

The number of cellular mobile phone subscribers in SA grew 51% to 4 410 from 2 910 during the period under review

The US has the highest number of car-phone subscribers with 3,5-million. Second highest is the UK with 975 000

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Department to co-ordinate new transport systems

GERALD REILLY

PRETORIA — The Department of Transport is to assume a new role, co-ordinating development of the SA transport system on behalf of government, deputy director-general Malcolm Mitchell said yesterday

Mitchell told the Annual Transport Convention at the CSIR this was being done to ensure scarce resources would be deployed effectively to deal with rapidly growing demands on all aspects of transport

The rate of change in SA, he said, would have far-reaching political, economic and social effects

Central to this would be demands on the transport system and its role in fostering economic growth. The department would have to be very adaptable in dealing with the rapid changes, uncertain financing arrangements and explosive urbanisation

Mitchell said transport would play a leading role as a catalyst for economic and social development. It would promote mobility, facilitate trade internally and externally, and foster tourism. This would be achieved through an integrated, safe, environment-friendly, orderly and affordable air, land and sea transport system.

However, uncertain and fluctuating funding of the department inhibited planning

Postal workers

(267) stage sit-ins (153)

27.8/8/91

ABOUT 1 000 postal workers at engineering depots in Philippi and at Worcester staged sit-in demonstrations yesterday in protest against a new job evaluation system, said a city spokesman for the Post and Telecommunication Workers' Association

The spokesman said workers were upset as they had not been consulted about the new grading system — Sapa

Telkom is to become independent

ROBERT LAING

THE Post Office telecommunications arm Telkom is to become independent on October 1, newly appointed non-executive chairman Jack Clark said yesterday.

The other two arms of the present service will be Post Office SA Pty Ltd and a regulatory body, as yet unnamed.

Clark, who is still ISM non-executive chairman, said Telkom was a sound corporation but needed to be much more visibly customer orientated.

Telkom's annual revenue is R6,9bn, it has assets of R14bn and a net book value of R12bn.

"I want to see this company take its rightful place alongside SA's leading corporations," Clark said in an interview.

Clark, who brings 30 years experience of IBM's management principles (14 as MD of IBM SA) to Telkom's board, said his role was to advise the group on how to become more businesslike.

31 Oct 14/8/91
Marketing

"This is a competent, high-tech organisation with some of the best engineers in the country. But there is a list of things that have to change.

"A marketing job has to be done — we have to find out what customers want."

Clark said it would be easier for management to interact with a board of directors which met every month than with Parliament, which examined budgets once a year.

"Parliament's concern was that we live within budget and that there was no unauthorised expenditure. A board will shift emphasis to increasing revenue and balancing performance against expenditure."

Former GM of Witwatersrand Telecom Dandé du Toit has been appointed Telkom's CE.

DANIE DU TOIT and WILLEM VAN ROOYEN

Delivering the goods

267
FM 16/8/91

What do Post Office veterans Danie du Toit and Willem van Rooyen — who between them have spent more than 75 years in government service — know about big business?

That was the reaction from some quarters of the private sector after government picked Du Toit and Van Rooyen to lead the Post Office's telecommunication and postal operations into the world of commerce

From October 1, the two divisions, to be known as Telkom SA and SA Post Office,



Van Rooyen postal employees 'are raring to go'

will trade as autonomous companies. Though the new companies will continue to be owned by the State — early thoughts of privatisation have been abandoned by government — they will be exposed to increased competition and public scrutiny.

While acknowledging that the task of transforming two sections of a government department into efficient and aggressive companies won't be easy, Du Toit and Van Rooyen are confident that they and their managements have the right stuff for the job. As chief executive officers of the new companies, reporting to separate boards of directors, the two men will be responsible for reshaping a national institution that is badly in need of an overhaul.

The tasks facing them are vastly different. As head of Telkom, Du Toit will take over a technology-intensive conglomerate that will employ 68 000 people and own assets worth nearly R15bn. Last year it generated a net surplus of R861m.

Du Toit will get a helping hand from Jack Clarke, the chairman of the board of Telkom. Currently chairman of ISM, Clarke was the private-sector consultant during the changeover.

In contrast, the postal division has lost money for as long as most people can remember and in its last financial year reported a net loss of R168m. The organisation will provide jobs for 30 000 people and will struggle

to shake off the reputation for being bureaucratic and inefficient.

New boss Van Rooyen plans to make the Post Office profitable within five years by overhauling service levels, entering new markets such as courier deliveries and awarding franchises for postal outlets. In the meantime, government will use dividends and taxes from Telkom to offset losses on the postal side.

Donald Masson, CE of Tradegro, has been installed as chairman of the board of the Post Office. "I have no doubt that both men will operate as businessmen," he said in June. "Just because they have been bureaucrats for years doesn't mean they can't change their thinking."

Though Du Toit and Van Rooyen both joined the Post Office as teenagers, their careers and personalities are very different.

Cape Town-born Du Toit (58), who heads Telkom, is a keen sportsman, whose energy and people skills have quickly earned him the support of most of his subordinates. His experience working at four of the Post Office's six regional offices has generated a strong belief in the importance of decentralised management and the devolution of decision-making.

Colleagues point to Du Toit's decision early in his career to quit the Post Office to study mechanical engineering at the University of Cape Town — rather than change to a subject for which his employers would provide a bursary — as an example of the man's single-mindedness and occasional maverick streak. He rejoined the organisation soon after securing a BSc.



Du Toit managing Telkom's R15bn in assets

Diplomacy and patience have been the main allies of Post Office chief Van Rooyen (53) in preparing his organisation to stand on its own feet. The tall, thickset Van Rooyen, a graduate of Pretoria University and Unisa, spent seven years in parliament as administrative secretary to four postmasters-general. Whereas Du Toit spends much of his leisure time on the golf course, Van Rooyen enjoys the seclusion of his garden in the Pretoria suburb of Annlin.

Much of his time in the run-up to corporatisation has been spent trying to muster support for the new structure among his staff. Many Post Office employees, particularly members of the Posts & Telecommunications Workers' Association, have resisted the proposed changes. This has helped to stall the planned corporatisation by nearly two years.

As part of a compromise with employee representatives, the staff have been given the option of staying with the Department of Posts & Telecommunications — and being seconded to one of the two new companies — or accepting job offers directly from Telkom or the Post Office. They have also been assured that there will be no retrenchments.

Employee attitudes towards Du Toit and Van Rooyen are expected to be a strong influence on staff when they decide later this month whether to join one of the new companies. The long-service records of the two chief executive officers will go far towards reassuring most employees. But they can't expect blanket acceptance.

"Du Toit is a good man, but he has been in the Post Office for a long time," says Floyd Mashele of the workers' association. "While he listens, he is still at heart a hardened bureaucrat. I don't think anything will change him or Van Rooyen. The whole hierarchy of the Post Office is still intact and doesn't allow for innovative thinking."

The question remains, however, whether management and staff at the two new companies will be of sufficient calibre to succeed in the world of business. While Du Toit and Van Rooyen are keen to bring in fresh blood, particularly in the fields of finance, law and human resources, they have considerable confidence in the ability of long-time Post Office employees.

By changing the work culture through training, setting goals and measuring performance, they expect a bedrock of latent talent to surface.

"Our people are raring to go," Van Rooyen says. "If we give them the chance, they'll deliver the goods."

Until government allows competition for phone and mail services, we don't have much choice but to cheer on the old team. ■

Higher tariffs, fewer post offices on cards

ROBERT LAING

267

HIGHER postage rates and fewer Post Office branches are on the cards when the service separates from Telkom on October 1 and its new directors strive to make the organisation profitable.

A Post Office spokesman said the service had 1 750 branches and one of the cheapest postage rates in the world.

"We were often forced to set up branches in shopping centres because their developers lobbied Parliament. Once we are run by a board of directors, branches which are not economically viable will be closed," he said. *6/04/91*

The Post Office said in a statement: "It is sometimes argued that these developments mean higher postal rates as cross-subsidisation would no longer be possible. This argument is invalid as the Exchequer will receive additional income from tax and dividend payments made by a profitable Telkom, which could still be used to subsidise the postal service."

However, sources said SA postal rates were far too low and would be raised. The system of a standard rate for the whole country was also being re-examined.

Newly appointed Post Office CE Willem van Rooyen said at the weekend: "Our major strategy will be to move to a position where the company will be meeting the requirements of a successful commercial undertaking."

The postal service made a net loss of R168m last year, compared with Telkom's profit of R1bn.

Higher postal rates likely?

(267)
CT 19/8/91

Own Correspondent

JOHANNESBURG — Higher postage rates and fewer post office branches are on the cards when the service separates from Telkom on October 1 and its new directors strive to make the organisation profitable

A Post Office spokesman said the service had 1 750 branches at present and one of the lowest postage rates in the world

"We were often forced to set up branches in shopping centres because their developers lobbied Parliament. Once we are run by a board of directors, branches which are not economically viable

will be closed," he said

The Post Office said in a statement "It is sometimes argued that these developments mean higher postal rates as cross-subsidisation would no longer be possible. This argument is invalid as the exchequer will receive additional income from tax and dividend payments made by a profitable Telkom, which could still be used to subsidise the postal service"

However, Post Office sources said South Africa's postal rates were far too low and would be raised. The system of using a standard rate for the whole country was also being re-examined

The post office's newly appointed

Chief Executive, Mr Willem van Rooyen, said at the weekend "The postal service is operating at a loss and has in fact been doing so for years"

He added "Our major strategy will therefore be to move away from a substantial loss-making position to a position where the company will be meeting the requirements of a successful commercial undertaking"

The postal service made a net loss of R168m last year, compared with Telkom's profit of R1bn

Mr Van Rooyen said strategies being examined to contain costs and improve income included "optimising the postal distribution network" and "looking at our tariff structure"

POST OFFICE Fm 23/8/91

(267)
Calling all regulators

The soon-to-be-commercialised telecommunications and postal operations and their new logos (a push-button phone and a flying envelope) have now been officially launched. But with laws still prohibiting private-sector rivals, it would be nice to know who is going to get the job of regulating these monopolies and exposing them to competition. One guess is the good old Department of Posts & Telecommunications, from whence SA Post Office and Telkom SA was born.

The legislation enacted this year did not pass along to the two new companies the old Post Office's decades-long power to prevent anyone from competing with them. Instead, the power will reside with an independent regulatory authority.

This regulatory agency will play a crucial role in determining to what extent legislation governing telecommunications should be re-

Continue →

BUSINESS & TECHNOLOGY

Fm

23/8/91

(267)

laxed to encourage greater competition. It is expected that the Department of Posts & Telecommunications — once it has relinquished most of its R12,4bn assets and 98 000 employees to the new companies in October — will be restructured and given the task of regulating telecommunications and postal services.

Whether it will remain a government department or become an independent watchdog, similar to the UK's Office of Telecommunications and the US's Federal Communications Commission, has yet to be decided. Neither has a decision been taken on whether the new authority should be run by a regulatory supremo who would be advised by technical specialists or by a board comprising representatives of the public and private sectors.

Room to deregulate

National Telematics User Group chairman Etienne Theart says the regulator should be impartial, above all else. While he accepts that Telkom probably will retain exclusive control of its national network, Theart says there is plenty of scope for deregulating telecommunications services.

Telkom CE Danie du Toit says the new authority could be in place by October. But as yet, no-one has been given the task of setting it up. A possible candidate, the current Postmaster-General, Johan de Villiers, has opted to retire at the end of next month and join the boards of the two new operating companies.

Though Telkom and the Post Office will be able to operate with much greater freedom from October, they will continue to be

controlled by government. Tariff increases proposed by the companies will have to be approved by government in consultation with the regulatory authority.

As the sole shareholder of the two new companies, the State has the right to appoint directors and receive dividends. For the next five years, dividends and taxes from Telkom will be used by government to offset anticipated losses at the postal company. ■

POST OFFICE ^{FM} 30/8/91

Slow as molasses (267)

Postal service is no worse than it was a year ago, but it's no better either. At least that's what the *FM's* latest postal test shows.

Every six months we post 50 letters — 10 to each of five cities in SA and abroad — to see how well the never-ending complaints about slow service stand up. And after three tests, the complaints are standing up very well.

In the first test a year ago, it took the 50 letters a total of 274 days to arrive. Six months later this performance improved to 262 days (*Business & Technology* February

FINANCIAL MAIL • AUGUST • 30 • 1991 • 91

Continue →

BUSINESS & TECHNOLOGY

FM 30/8/91

(267)



15) But in the latest test, over the past month, service deteriorated — back to the same 274 days it took a year ago. We estimate that ideally it should take a total of 170 days for the letters to arrive.

Following our usual procedure, we posted all the letters on a Monday morning in the box inside the Johannesburg Stock Exchange. Letters went out to *FM* offices or the homes of *FM* staffers in Johannesburg, Cape Town, Durban, London and New York. This time we also sent 10 letters to Germany.

In this test, the deliveries to the other side of Johannesburg were much speedier: seven letters arrived in one day, the other three took three days. Last time, the letters needed an average of two-and-a-half days and a year ago they averaged five-and-a-half days.

But the service to Durban slowed considerably. Six letters arrived after two days, it took seven days for the next three to arrive and eight days for the final one. Last time,

all 10 letters came in three days, a year ago nine of the letters arrived in two days.

As for Cape Town, one letter travelled the 1 700 km in two days, the other nine in three days. Not bad, but six months ago it was better: six letters arrived in two days and the other four came the following day.

When it comes to overseas deliveries, the SA Post Office can shift some of the blame for tortoise-like service to the foreign post offices. For example, service to the UK slowed a bit. Four letters reached London in eight days, the remaining six meandered for nine days. That's an average of eight-and-a-half days, up from an average of seven days in the two previous surveys.

In comparison, letters sent to the tiny village of Bamberg, Bavaria, in the south of Germany and far from any airport, arrived more quickly. Two letters reached Bamberg in five days, eight took eight days.

Finally, we posted 10 letters to Princeton, New Jersey, outside New York City. They took an average of 10 days: five needed eight days, two took 10 days and three wandered for 14 days before showing up. But six months ago, it was worse — an average of 11-and-a-half days. A year ago, the average was just eight-and-a-half days.

The main reason for the delays is not hard to spot — all 60 letters went through the Jeppe Street Post Office, which has been the main bottleneck in SA's postal system for years. With nearly all international mail and most domestic mail going through here, the branch handles between 2m and 7m items a day, making it the country's busiest post office.

Jeppe Street has long been plagued by antiquated quarters and primitive equipment, but three months ago a new, high-speed sorting machine was installed. Snags persist, however. Letters entering the machine back up at peak times and the addresses on some items can't be read by the machine. So the machine sorts only 50%-60% of the mail, the rest is still sorted by hand, says chief superintendent P J de Beer. This means that each item hangs around for 12-18 hours instead of quickly moving through.

So the Post Office is considering the purchase of more equipment for Jeppe Street. The main Pretoria and Cape Town branches already are fully equipped with high-speed sorting systems and an additional machine is in the pipeline for Durban, says spokeswoman Juliana Nel. In all, the Post Office has spent R50m on new sorting equipment. ■

APR 18 1991

Telephone rentals and stamp prices up

ALAN DUNN, Political Staff

TELEPHONE rents rise by R2 to R26 from September 30 and postage on ordinary letters increases from 25c to 27c

The Postmaster-General, Mr Johan de Villiers, said today that charges would be increased by an average 8,77 percent because of value-added tax.

Phone rents on party lines will rise to R27 a month and phone-call charges from 15c to 16,5c a unit

Telephone installation will increase from R155 to R170 Pay phones remain unaffected

Concessionary tariffs for social and certain other pensioners will increase too

Telephone installation rises from R25 to R27 and the monthly rent will increase by R1,60 to R19,60

Post Office raises its tariffs by 8,7%

B/ pay 19/9/91
GERALD REILLY

PRETORIA — Post and telecommunications tariffs will go up 8,7% from September 30 to accommodate the effects of VAT

Postmaster-General Johan de Villiers said Telkom SA would increase telephone rentals R2 to R26 a month for automatic exchange connections Telephone charges would rise from 15c to 16,5c Installation charges would increase from R155 to R170

Postage on an ordinary letter would increase from 25c to 27c, while the tariff for a 1kg parcel would go up from R2,50 to R2,70 Air mail on the same parcel would increase from R3,30 to R3,60 (267)

The services are currently exempt from GST

De Villiers said only 10% of Post Office expenditure was subject to GST

Concessionary tariffs applying to social and certain other pensioners would also increase Telephone installation fees for these clients would rise from R25 to R27 and the monthly rental from R18 to R19,60

A Post Office spokesman said the average increase in tariffs was 8,7% because the Post Office would pass on the savings achieved from input tax credits it would receive for tax paid on capital and intermediate goods

Phone and post costs will rise

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Sowetan 19/9/91.

POSTAL and telecommunications tariffs will increase from September 30, raising telephone rentals by R2 to R26, and postage on ordinary letters from 25c to 27c.

Postmaster-General Mr Johan de Villiers said yesterday charges would be increased by an average 8,77 percent due to the introduction of Value Added Tax

Telephone rental on party lines will go

up to R27 a month and telephone call charges rise by 15c to 16,5c a unit

Telephone installation will increase from R155 to R170

Payphones remain unaffected

Concessionary tariffs for social and other pensioners will increase too telephone installation rises from R25 to R27, and monthly rental will increase by R1,60 to R19,60 - *Political Staff*



De Villiers announces Telkom board of directors

THE board of directors of Telkom, the state telecommunication company which will be formed on October 1 when SA Posts and Telecommunications is commercialised, was announced yesterday by Economic Co-ordination and Public Enterprises Minister Dawie de Villiers

In March, ISM chairman Jack Clarke was appointed Telkom's non-executive chairman and Posts and Telecommunications GM Dame du Toit was appointed CE.

The directors are

- Postmaster-General Johan de Villiers,
- CSIR president Brian Clark,
- Southern Life Assurance chairman Neil Chapman;
- Sankorp executive officer Marinus Daling;
- Anglovaal Industries director Jan Robbertze,
- National Sorghum Brew-

eries chairman Mohale Mahanyale,

- KWV chairman Ritzema de la Bat;
- Western Cape University council member Rodney Graig;
- Human resources consultant Perfect Malimela, and
- Hofmeyr van der Merwe Inc senior partner Billy van der Merwe.

Altech chairman Don Snedden said: "The selection addresses the need to strengthen the organisation's financial skills — its technical skills have never been lacking."

DP MP Tony Leon said: "It sounds like a good mix of directors. I don't see any vested interests."

With the exception of Grintek director Robbertze, representatives of telecommunication equipment suppliers were not selected.

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8 Dec 20/9/91
ROBERT LAING

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Rail, post rates go up
but business costs will drop

By Des Parker

Star 23/9/91

DURBAN — Rail, harbour and fuel pipeline rates and post and telecommunications tariffs will cost businesses less under VAT — and not more as was claimed last week

Durban business consultant Kevin Fagan said at the weekend the two organisations had done a disservice to the economy by failing to explain fully the effect of VAT on their charges — that of a cost reduction to business

Freight rates

Transnet said last Tuesday that rail freight rates would rise 8,9 percent from September 30, harbour charges 8,8 percent and Petronet's fuel pipeline service by 9,7 percent

Postmaster-General Johan de Villiers said post and telecommunications tariffs would rise

by 8,7 percent on average from the end of the month

Mr Fagan calculated that the cost to business organisations — which comprised the bulk of Transnet's customers — should, in fact, come down between 0,9 percent and 1,7 percent under VAT

Cost issue

"What has happened is that these organisations — and indeed a great many businesses — are looking at VAT as a cost issue, which it is not

"When looking at business pricing and profitability, one must forget that VAT exists — it simply confuses the issue

"Organisations registered as vendors under VAT will recover all the VAT they pay from the tax system. They do not need to raise prices to recover it from their customers"

Businesses which raised their prices in the belief that VAT would cost them more, said Mr Fagan, might find their returns given an initial boost when they combined wider profit margins with VAT refunds from the Receiver

But they would soon lose market share to those companies which understood the new tax and passed on the benefits to customers

Competitor

"This is a price sensitive economy in the business-to-business environment

"If one business puts their prices up while a competitor puts his down, it's not hard to see who is going to corner the market

"This is the concept that (Minister of Finance) Barend du Plessis has been trying to explain but no one believes him"

Weak recovery edges US out of recession

WASHINGTON — The IMF expects the US to undergo its weakest economic recovery since the Second World War next year, although it should be able to avoid tumbling back into recession

A senior IMF official said at a media briefing it looked as if the US economy would contract by 0,5% in 1991. The IMF had previously been forecasting a 0,25% rise in US GNP this year

The IMF now expected the US economy to grow at roughly 2,5% next year, he added

"We are forecasting the weakest recovery since the last war," he said "(But) we believe the US will avoid a double-dip recession"

A string of recent economic statistics, including last week's news that the economy shrank by 0,5% in the second quarter, has raised doubts about the strength and durability of the recovery

President George Bush is clearly worried and met his top economic advisers twice last week

Briefing reporters ahead of the IMF's annual meeting in Bangkok later this month, the IMF official said the economy's

recent mixed performance was typical of economic turning points

The IMF is scheduled to release its updated economic forecasts for the US and the rest of the world economy formally next week, ahead of its joint annual meeting with the World Bank

To help ensure an economic upswing during the 1992 presidential election campaign, the Bush administration is looking to the independent Federal Reserve, the US central bank, to cut interest rates now and keep them low into next year

But the IMF official instead emphasised the importance of the Fed being ready to tighten policy if needed to avoid a pick-up in inflation as the recovery took hold

"Our major concern is that as soon as the recovery is in place that monetary policy be implemented with the needed degree of restraint to avoid any further inflationary developments," he said

The IMF expects industrial countries to record economic growth of about 1% this year. Inflation in the industrial world is expected to fall from 5% last year to 4,5% in 1991 and 3,75% in 1992, a level the official said was still too high. — Sapa-Reuter.

Soviet gold reserves low

NEW YORK — The Soviet Union had far less gold in its reserves than the West realised, a report in the New York Times said yesterday

Soviet economic policy-maker Grigory Yavlinsky, who drafted key plans to move his country towards a free market system, announced on Friday that the Soviet Union had only 240 tons of gold reserves, worth about \$3bn at current market rates, which was less than 20% of the amount estimated by most Western officials, said the newspaper *Biday 1/10/91*

This new development worsened the economic outlook for the region because it meant the central government would have fewer funds to back up its debts and to buy food

Yavlinsky might have hoped to increase pressure on the West for financial aid by the announcement, the Times said — AP-DJ

goes to meet opposition at the Marble

Picture AP

s 'bomb'

Inspectors flew out first tangible evidence of nuclear device and was from foreign companies of its eight-day stay lot in a deadlock over nearby office building the UN's International Vienna, told the BBC stated would give the 's nuclear intentions evidence for the first interested in detonating building the documents

"he told the BBC that they do have foreign firms for nuclear programme"

China pulls the plug on glut of goods

BEIJING — China has ordered bosses of its inefficient state-run heavy industry to stop churning out goods nobody wants to buy

The New China News Agency said yesterday factories in the north-eastern province of Liaoning were ordered 10 days ago to stop making televisions, tractors, paint, rubber overshoes and 10 other products and make far fewer of about 43 other products glutting the market

The drastic action was designed to loosen the stranglehold of debt on the economy. But economists say the

cure has as many risks as the disease

A debt chain created as one loss-making company after another defaults on obligations threatens the stability of the whole system

The government is now pumping money into the economy in a desperate attempt to break the debt chains but this may well work through to a potentially destabilising burst of higher inflation

One reason why the way out of the mess is so difficult is that China has not broken the "iron ricebowl" — the cradle-to-grave relationship a worker has with his work unit

"Until China's leaders can really implement housing reform and unemployment insurance, they cannot tackle the root cause of the problem because they cannot throw people out of work," said a Western diplomat

Vice-Premier Zhu Rongji, widely tipped as a candidate to succeed Premier Li Peng, has been given the task of sorting out the debacle

"The question that does not have a clear answer is whether Zhu has been set up to succeed or set up to fail," said another diplomat "If he succeeds his political future is assured, if he bungles, he's out" — Sapa-Reuter

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PROFIT ANNOUNCEMENT for the year ended June 30 1991

Income statement

| | 1991 | 1990 |
|----------|---------|---------|
| | R'000 | R'000 |
| Turnover | 100 309 | 108 129 |



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Registration No. 69/01167/06

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PROFIT ANNOUNCEMENT for the year ended June 30 1991

Audited consolidated income statement

| | 1991 | 1990 |
|----------|---------|---------|
| | R'000 | R'000 |
| Turnover | 100 570 | 108 423 |

Rates will have to increase to cost efficient levels

THE South African Post Office handled more than 2 300-million mail articles countrywide during the 1990/91 financial year

But with Post Office services running at a loss, plans are to continue to keep costs as low as possible by exploiting new market opportunities and expanding business

A recent study of postal rates in 23 countries showed a mail basket in SA was among the cheapest in the world

MD Willem van Rooyen says apart from gradually increasing rates to more cost-efficient levels, steps are being taken to stimulate postal services' growth and improve efficiency and productivity so costs are controlled

Areas earmarked to increase growth by 2% more than the historic rate have been identified for intensified marketing of services, particularly express and agency services, as well as introducing a larger variety of products and services

"We aim to improve efficiency and productivity by at least 2% a year

"This will entail streamlining some of our methods and procedures, as well as computerising counter and savings bank services

"We will also introduce

an information network, rationalise post offices, use new and cheaper transport and improve the distribution network"

Steps already taken to improve services are, among others, the introduction of departmental and private mail transporters tailored to curb delays

Looking at the fact that each working day more than 7-million letters, parcels and other packages weighing thousands of tons flow through the Post Office, it's useful to evaluate methods in which individuals can expedite their handling

Ensuring

This includes ensuring they are posted early for collection and distribution, as well as always ensuring postal codes are on the envelopes, which should be standardised and clearly addressed

"We're doing all we can to curb postal delays and ensure speedy deliveries and an efficient customer service

"However, because of the rationalisation of public transport, as well as the increase in mail volumes and sporadic labour problems, delays can occur occasionally"

He says negotiating with

labour at ground level has proved successful in reducing industrial action

Other steps being taken to ensure quicker mail delivery includes the switch-over from rail to road transport on SA's major routes

"Road transport has not only improved the dispatch of mail, but it also ensures larger volumes of mail are being dispatched, because the closing time of dispatches is later in the day, while mail connections with branch routes to remote areas are more regular"

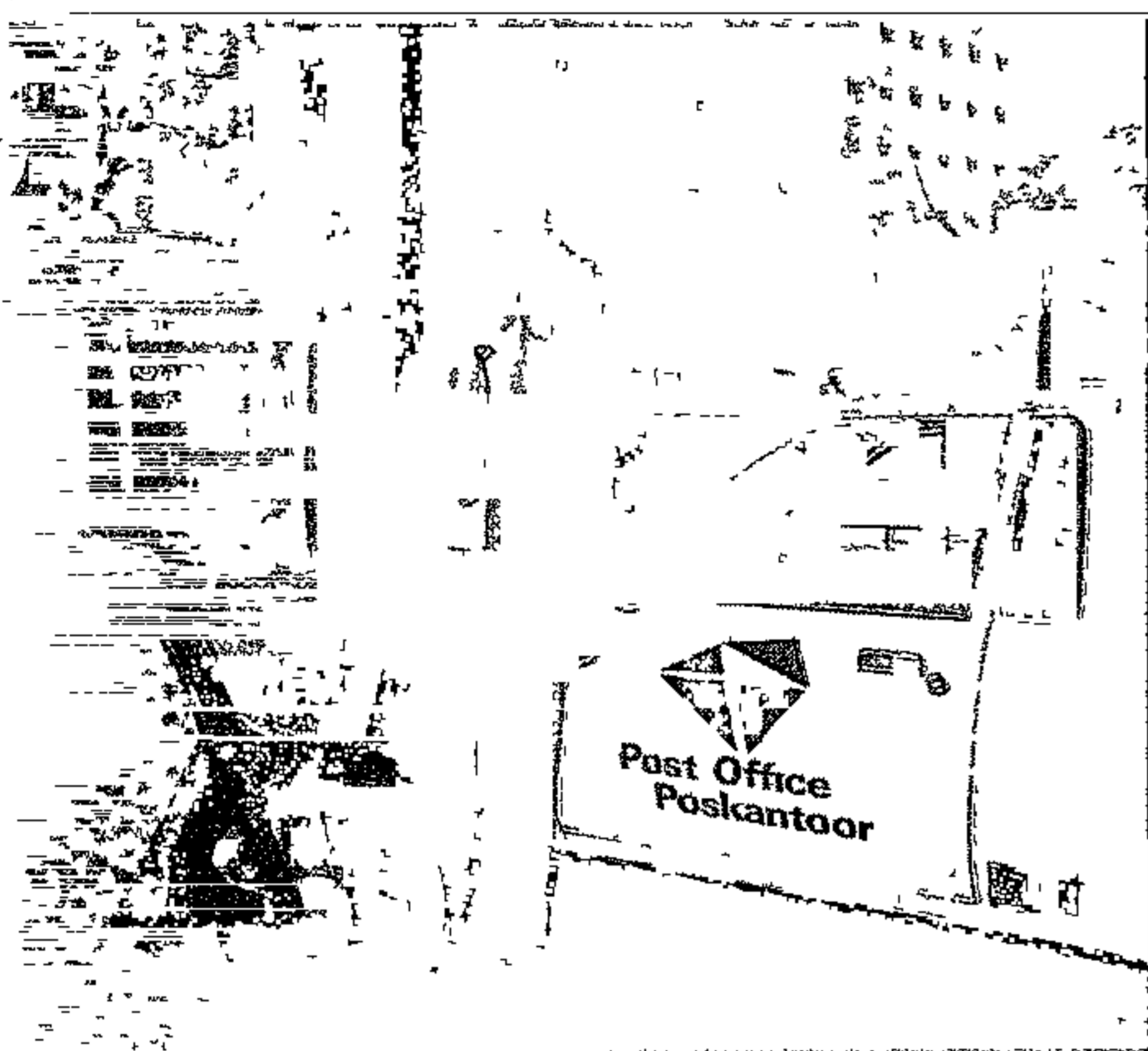
This year alone, a saving of about R30m will take place as a result of the introduction of road transport

Apart from this, he says the switch to road transport leads to a saving of 48 hours in delivery time

Road transport was introduced earlier this year between the PWV and Pietersburg, Nelspruit, Kimberley, Bloemfontein and Durban, and between Cape Town and Port Elizabeth

Road transport is ensuring more direct control by the Post Office of departure and arrival times

It also means more regular arrival and departure of mail, which allows better planning and personnel utilisation



Corporate identity were, from left, Senior GM, postal operations, GM, finance, Pieter Jordaan, assistant GM, estates, buying and and-senior manager, postal services, Gawie van Eeden

services to special needs

Life mail
An international express delivery service allows the delivery of postal articles — whether letters, postcards, airmails, printed matter or all packages and larger parcels — to be sent by express messenger in countries where this service is available. All postal articles, except COD and insured parcels, can be sent by express delivery. The parcel will be delivered during normal hours by special messenger. Material addressed to a private post box will be transferred to the box immediately.

Fast

Businesses which need fast transport of letters and parcels between Pretoria and Johannesburg, to be collected by the addressee on the same day, can make use of a special service. Parcels handed in at Johannesburg's Jeppe Street post office before 11am or at Pretoria's Church Square post office before 10am can be collected at the office of destination later the same day. The overnight priority mail service ensures letters or parcels handed in at a special counter before a specified time from Mondays to Fridays will be ready for collection by addresser from 8 the next morning. The

domestic priority mail service is available at 50 post offices. To speed up dispatch mail sent by international priority mail, there's another special service. In the country of destination, priority mail is usually delivered to the addressee by motor vehicle. This service is available in 28 foreign countries.

Some money saving tips
For those wanting to send something without intrinsic value and want proof of delivery it's possible to certify the item — unless it's a parcel. This costs less than registering the item.
It's worthwhile to stick to a standard sized article if possible because these cost less to post than non-standard articles. Minimum size is 60mm x 140mm and maximum size is 120mm x 235mm weighing no more than 50g and not thicker than 5mm.
Items can be dispatched as parcels when wrapped in paper or similar material and secured with string. Special collapsible cardboard boxes complete with string and dispatch label are sold at post offices.
The small package service speeds up the delivery of low-bulk items at a lower tariff. The bulk restriction for small packages varies between 500g and 2kg depending on the country of destination. The dimensions are similar to those for overseas letters.

POST Office MD Willem van Rooyen was previously senior GM, postal operations, of the Department of Posts and Telecommunications

Between 1967 and 1972 he was in the personnel directorate in Pretoria and was appointed assistant director in the postmaster general's office in 1976. He was later promoted to senior deputy director.

In 1983, he was appointed director of the personnel directorate and in 1987 as senior director of the

Van Rooyen heads a

manpower directorate. Other members of the new company's top management are Pieter Jordaan, who is senior GM, finance; Bernie Blume, senior GM, operations; I C Coleske, GM of human resources, and Hugo Smit, GM Witwatersrand.

Businessman Donald Masson has been appointed chairman of the SA Post Office.

He took over from Mer-

vyn King as CE of Trade-gro in 1988 and recently announced his retirement from the group

He was appointed director of NSA Investments.

Postmaster general Johan de Villiers, who retires on October 31, will serve on the boards of directors of both the SA Post Office and Telkom.

De Villiers was appointed postmaster-general in April 1988 and has 43 years



ON DUTY: Postal staff sort mail at one of the post offices in Khayelitsha. Large areas of the township have no home delivery service.

Picture OBED ZILWA
The Argus

Khayelitsha mail delivery a problem

EDWARD MOLOINYANE
Staff Reporter

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POSTAL deliveries are non-existent in Khayelitsha although large areas of the township have street names and house numbers.

Some residents of Town Two, Village Three, Litha Park, Khanya Park and Graceland — brick houses in residential areas established three years ago — complain there have been cases of telephones being cut off or houses repossessed because of non-payment of undelivered bills

All these areas, including the newly established site-and-service shack towns of Harare and Macassar, have street names and numbers but the post office insists on mailboxes before deliveries can be made

Although the houses are shanties, these areas are properly serviced with tarred streets, numbers and even street names

In Town Two residents have complained that even at the post offices articles are piled carelessly

ly on counters, and mail gets lost

Postal authorities have previously called on residents to rent post boxes, claiming streets were "haphazardly" named. But the number of residents far exceeds available boxes

Deliveries are made in those parts of the township where the houses have two rooms, the first area to be established in Khayelitsha in 1984, and where the township's first post office is situated

In the shack settlements, however, the non-delivery of mail has led to the emergence of a mini-industry for individuals who have taken it upon themselves to collect and deliver mail for a fee.

In Site B, at serviced sites with clearly marked street numbers established six years ago, residents say the postal service has been so bad that anyone wishing to make money had access to the mail at the many informal shops serving as collection points

During a visit to the township's two post offices in the company of regional public relations offi-

cer Mr Andre Joubert recently, we saw several people freely going through piles of letters, especially at the seven-month-old F Block office

The postmaster said the removal of mail was controlled so that no one could remove post not addressed to them

The post office caters for Harare, Macassar, Site C, Site B, Town Two and the new core house areas

The two post offices have only 650 private boxes each for the more than 370 000 residents.

Mr Joubert said the post office was treating the situation "sympathetically and was willing to render proper service" but still faced "some problems".

These included the fact that though numbered, houses did not have letter boxes. Another problem was that some areas had similar names, making it difficult for postal staff

Mr Joubert said this had been referred to the Langelethu Town Council and the matter was being addressed

Telkom's missing link

267
 11/10-11/10/77
 w/m

Telecommunications in South Africa has been symbolically cut off from its restrictive past. Between promises of a shared African future, however, many questions remained unanswered.

By ARTHUR GOLDSTUCK

AMID the Magaliesberg mountains' vivid sunsets, rolling hills and lush veld stand the three satellite dishes of the Hartheeshoek Tracking Station, the heart of South Africa's telecommunications industry.

A three-metre high barbed wire fence runs along the perimeter of the station. Spotlights and closed circuit video cameras are mounted on tall poles every 30m or so. The satellite dishes themselves are contained inside yet another fence, and surrounded by armoured guard towers.

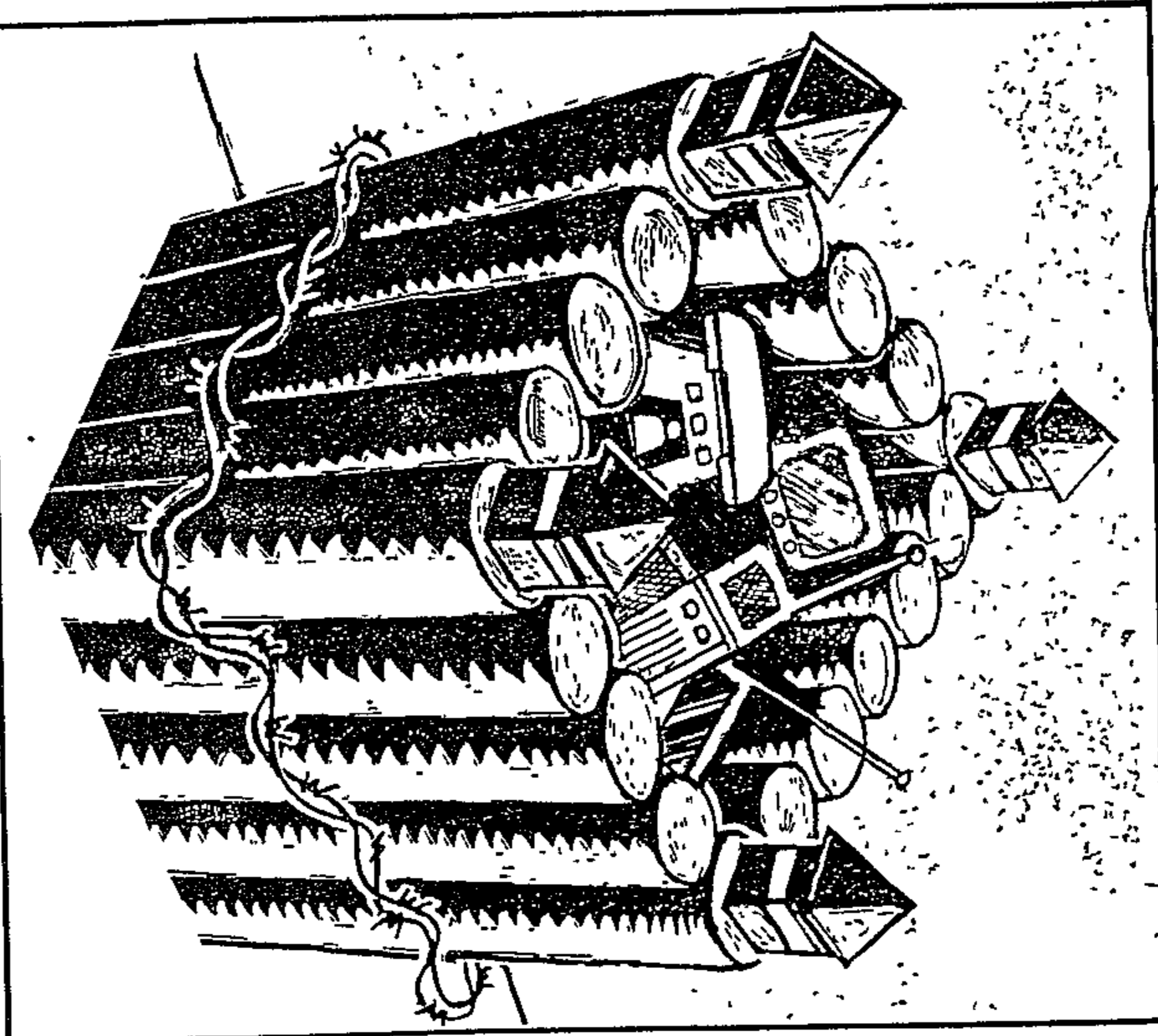
This panorama of stark contrasts has long been an appropriate metaphor for the state of our telecommunications bureaucracy — a tightly controlled, closely monitored monolith that has acted as stern gatekeeper to our technological desires.

It is a mindset that has regulated whether or not we can watch television, what we can see and how much, it has restricted our access to expensive communications technology in the form of private satellite dishes, it has exercised excessive control over our use of cheaper technology like cordless telephones and cellular phones.

As a result, it has not only dramatically limited our options, but also made them dramatically more expensive.

And now, South Africans have been told, all this is changing.

Last Tuesday, Hartheeshoek was the appropriate setting for the launch of Telkom, the commercialised telecommunications division of what used to



Telkom's image... gatekeepers of our technological desires

statements, Telkom lacks the one characteristic that fuels commercial enterprise: competition.

It not only remains a government-controlled organisation, it also retains its role as an organ of government, regulating all telecommunications services and supplies in this country.

At its most basic level, this means that people who had to wait months for a simple telephone installation by South African Posts and Telecommunications, will still have to wait months for an installation by Telkom. In the absence of a competent tele-

undeveloped telecommunications networks of Africa as a marketing goldmine waiting to be worked.

South Africa, which contains less than four percent of the African population, has 39 percent of the continent's telephones. It has 90 lines for every 1 000 inhabitants, compared to 66 in Libya, 30 in Tunisia and 24 in Egypt.

Clearly, the potential is vast. It is not out of sheer goodwill that Telkom wishes to embrace Africa.

Du Toit acknowledged that he did not intend his company to be the "philanthropists of the decade."

"We need Africa's business just as much as they need our skills. And Telkom could become the communications facilitator of Africa."

However, it is equally clear that the needs of Telkom's existing clients — the South African public, whom it will keep by virtue of its monopoly and not its mission statement — must be addressed at the same time.

The twin issues of competition and customer support were partially approached in a glossy brochure issued last week.

"As much of Telkom's traditional business has been captive, because users could turn nowhere else for telecommunications services, the organisation has at times become removed from its customers' real needs," the company admitted.

"Considerable attention is now being paid to obtaining a true understanding of the needs and wants of its clients. As well as encouraging greater interaction between Telkom employees and customers, the organisation has also embarked on several market research projects and investigations." Telkom insists that competition "is being fostered not only through changes in legislation and attitudes, but also the rapid advancement of technology. New technology is fast reducing barriers to entry to some of Telkom's traditional markets and is fast creating new business opportunities.

More significant than the gimmickry, was the attitude underlying the far. In the past five years, the global communications industry, like the political environment, has been shaken by deregulation. Competition has increased

Independent — or tapping into the past?

By ARTHUR GOLDSTUCK

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AS Telkom sails forth on the back of the new South Africa to conquer Africa, it carries with it much of the baggage of the old South Africa.

One of its most obnoxious roles, that of tapping the phones of its customers at the behest of any government official, has not changed.

This is despite the Telkom mission statement, which includes the following principle:

"Telkom's value system is the bedrock upon which management intends building a customer-driven company dedicated to providing the highest levels of service. The goals of this value system are ... maintaining sound ethical values, with honesty, integrity and fairness being the cornerstone of all our dealings..."

This noble intention runs counter to the Post Office Amendment Act, 1972, which makes it legally acceptable for the National Intelligence Service, the minister of law and order, (that is, the South African Police) and the minister of defence (that is the South African Defence Force) to intercept any postal article, telegram or telephone communication, as long as they act with the concurrence of the minister of posts and telecommunications, or any minister or officer authorised by the minister.

Analysing the wording of this law, it appears that almost any government employee can get the authority to tap your phone or open your letters.

It is now generally acknowledged that this law was used to spy on, harass and prosecute thousands of South Africans, often as a result of little more than their verbal opposition to apartheid.

While letters are now the sole domain of the South African Post Office, phone calls, telegrams and telexes will fall under Telkom.

The law would thus require Tel-

Be South African Posts and Telecom-
munications.

The previous night, the newly-
divorced South African Post Office
had hosted its own modest launch in
Pretoria, giving guests a guided tour
of its 2,2km automated chain mail-
conveyance system, one of the
world's longest and about as high-
tech as the post office gets

Telcom, by contrast, was able to use
the tracking station as the backdrop to
its far more visionary launch.

A giant marquee, open on one end
and seating more than a thousand
guests, had been erected at just the
right angle for the bowl of a satellite
dish to dominate the view.

The unstated message was, "This is
what Telkom is all about: state of the
art technology, space age aspira-
tions."

The stated message, from Telkom
MD Dame du Toit, was a little more
subtle. "We are doing this so that we
can fulfil the future telecommunica-
tions expectations of South Africa and
the rest of Africa — without the re-
strictions of the past.

What we have to offer our country
and the rest of Africa to the north is
enormous," he continued. "We can
offer satellite technology, advice, ex-
perience and products suited to this
continent. Most of all, we have the
people skills."

By way of emphasis of its role as a
commercial enterprise, Du Toit quoted
Peter Drucker's definition of a busi-
ness: it exists to win clients and keep
them.

"That is exactly what Telkom wants
to and will do," said Du Toit.

His vision was a disarming one, par-
ticularly in that futuristic setting.

However, it contained a central flaw
Despite fine words and lofty mission

phone service, they have no option
South Africans chomp at the bit of
this restriction when they consider the
American experience. In a large city,
no sooner has someone moved into a
new home when they have rival tele-
phone companies practically knocking
at the door offering to install their ser-
vices.

This week, a telecommunications

PO rings the changes

Weekly Mail Reporter

WHILE the South African Post Of-
fice (SAPO) can't boast the same
level of high-tech as Telkom for its
leap into the future, it has the better
metaphors for that jump.

Its 12-member board of directors
includes two people whose political
hue would have had them arrested
had they pursued their interests in
post office premises two years ago.

They are Linda Zama and Ashwin
Trikamjee, both Durban attorneys
with activist backgrounds

Zama is the Natal secretary of the
Association of Democratic Lawyers
and an African National Congress
southern Natal executive committee
member.

Trikamjee is the vice-president of
the Natal Law Society and a promi-
nent supporter of the Black Con-
sciousness Movement.

The new chairman of the SAPO
board is prominent business execu-
tive Donald Masson, while the for-
mer senior general manager of post-
al services, Willem van Rooyen, is
managing director.

The board includes Anglo
American's Bobby Godsell, Percor

forced the industry to become more
customer-oriented. Telecom 91 was
about nothing else if not competition

On a different level, the eyes of the
exhibitors were also cast expectantly
toward the untapped markets of the
former Soviet empire, and its almost
non-existent telephone service.

In the same vein, Telkom sees the

The board of Telkom, the other
half of the former South African
Posts & Telecommunications
(SAP&T), is somewhat less inter-
esting, with no "controversial"
choices — although it does include
two black businessmen in a former-
ly lily-white institution.

They are National Sorghum Brew-
eries executive chairman Mohale
Mahanyele, and Perfect Mahmela,
who holds directorships in the Ur-
ban Foundation, National Arts Per-
forming Council and Black Man-
agement Forum.

The chief executive officer Dame
du Toit is a mechanical engineer
with a 20-year track record in
SAP&T. The chairman is Jack
Clarke, also chairman of ISM and a
director of United Bank, Volkskas
and Sage Life

The only true scientist on the
board is James Clark, president of
the CSIR, who has received numer-
ous awards for his contributions to
scientific research and technological
progress.

This, unfortunately, is not enough.
In a sense, Telkom can only prove its
bona fides if it actively promotes the
idea that other commercial interests
compete for its market.

Its vision will remain defective until
it can see a future where it is not play-
ing Big Brother to communications in
South Africa.

the state arms, and in particular the se-
curity services, that wish to spy on
Telkom customers.

Thus far, there has been no public in-
dication that Telkom wishes to protect
its customers from such invasions,
and there have been no representa-
tions to government to amend the law
or limit its application.

267

10/Mail

11/10/-17/10/91

1267
PO COLLECTS

FILE 17/10/91
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Post Office's big loss

GERALD REILLY

2611

PRETORIA — An expected Post Office loss of R500m for the 1991/92 financial year would have to be recovered by an increase in efficiency, productivity and tariffs, SA Post Office Ltd chairman Donald Masson said yesterday. Masson said although staff salaries constituted 65% of expenditure, no jobs were in danger.

One of the challenges was to change the approach and culture of what was traditionally a civil service undertaking to a more business-oriented organisation.

Lisabonds

LISABONDS START WITH A LOW INVESTMENT OF R1000, ALTHOUGH LARGER INVESTMENTS MAY BE MADE IN MULTIPLES OF R1000. ONLY LISABONDS OFFER YOU THIS HIGH RATE OF INTEREST ON NEW INVESTMENTS, WHICH IS

PARTICIPATION MORTGAGE BONDS

18.50% p.a.

Future of farmers lies in free market

GERALD REILLY

PRETORIA — The future of the country's agricultural industry lay firmly in a free market environment and not in a controlled or socialistic economy, Agriculture Minister Kraai van Niekerk said in Durban last night.

Opening the annual congress of the SA Agricultural Union (SAAU), he assured farmers government would protect them from the dumping of highly subsidised products from abroad through import tariffs and countervailing duties.

"We cannot rely on subsidies and non-market related prices to keep ourselves in business."

The depressed economy had placed the domestic market under great pressure and business confidence essential for an economic upturn was at a low ebb. While an uphill battle lay ahead, he was confident that the agricultural industry would survive and emerge stronger.

On the controversial land ownership issue, Van Niekerk said he stood by President F W de Klerk's rejection of the "ghost stories" over nationalisation and the selling out of farmers in general.

Government, he said, would never agree to a system which included the nationalisation of farms and other properties.

He warned against party political interference in the affairs of agriculture. It would be disastrous if party politics got their tentacles around the SAAU.

While "voices from the past" demanded greater control on producer prices, government's deregulation policy provided producers with the opportunity of exploiting the advantages of a free market.

On food security, he said the availability of food was more important than the price. However, it was not the farmers' responsibility to produce food at a loss to ensure food security.

The pressure for better service conditions in farm labour should not be seen as negative. In most cases this was merely written confirmation of what already existed.

Van Niekerk said discussions on a single agricultural department had taken place and proposals formulated for further talks.

However, a single department from the 14 departments within the present constitutional dispensation was not attainable. It was said government was partly or indirectly responsible for farmers' financial plight, but government was not the only role player. Farmers owed the private sector R8bn, the Land Bank and co-operatives R7.5bn, and the Agricultural Credit Board R1.3bn.

Agriculture had been given high priority by government. This was clear from the R12bn in aid given over the past 10 years.

Outlook for agriculture continues to worsen

GERALD REILLY

PRETORIA — Drought, veld fires and other major setbacks had seriously aggravated the stricken agricultural industry, SA Agricultural Union (SAAU) president Nico Kotze said in Durban last night.

He told the SAAU congress that industry's financial position continued to worsen. Long term problems were being treated with short term aid, he said.

The economy had deteriorated further in the past year and nothing had come of the expected relief in interest rates. Unemployment was escalating.

Kotze said the gross income of the industry for 1990 was 0.6% less than the previous year at R19,561bn. Farming profit was 25.4% or R1,7bn down.

Labour costs were the biggest single item and had increased by 14.4% to R2,59bn in 1990/91. Interest costs, the second largest item, increased to R2,4bn (8.2%).

Fuel costs had virtually doubled in the past three years to R1,25bn — a 16.4% increase.

Average producer prices were a mere 5.3% higher than 1990/91.

"It is clear therefore the farming community is caught in a severe cost-price squeeze which is systematically undermining its economic viability."

Food prices increased 16.4% in 1990/91 — almost 2% higher than the CPI. Increases in retail food prices had exceeded by far producer price rises of 5.2%.

Kotze said it was obvious the farmer was not responsible for the persistent abnormal increase in food prices.

Of VAT, Kotze said it would impose a greater administrative burden on the industry than GST. Kotze said the continued deterioration of the industry's financial position made farmers increasingly dependent on government aid.

"However, the message we get from government is that demands on the Treasury by agriculture are becoming unaffordable. New plans must be made to help more farmers survive with available funds."

Safer railway travel programme boosted

The Argus, Correspondent

267 ARG 20/10/91

JOHANNESBURG — The SA Rail Commuter Corporation is to speed up its security programme in a bid to win back the thousands of black commuters lost because of the on-going attacks on suburban trains.

The programme would include metal detectors at access points, said marketing manager, Mr Coen van Niekerk.

He said the corporation's programme to increase security at stations, initially planned to span five years, would now be completed in three.

The goal was to provide adequate police protection 24 hours a day, including a charge office, on 250 of the corporation's 370 stations.

The rest would be patrolled, and all stations would have security fences and improved lighting.

Mr Van Niekerk said 60 stations countrywide had already been upgraded at a cost of about R10 million, and another R18 million would be spent on another 157 stations this financial year.

He blamed the drop in the quality of rail commuter service on the deterioration of security since railway police were incorporated into the SAP, whose resources were already stretched — in 1986.

A Soweto police spokesman, Colonel Jac de Vries, blamed the proximity of some stations to hostels, unrest in townships, vulnerability of trains because of fixed routes, people in trains effectively trapped and the tendency for commuters to travel in groups of the same political affiliation.

● Meanwhile, the white Transnet Union has demanded white train guards, conductors and shunting staff be issued with bullet proof vests and also be paid a "danger allowance" because of the situation on suburban trains.

Telkom cashes in on its client lists

8/10/97
1/11/97 ROBERT LAING (267)

RECENTLY commercialised Telkom was selling lists of its telephone clients on magnetic tape ready to be downloaded into computer databases, Telkom chief marketing officer Tom Davis said this week.

Telkom, which charged R100 for 1 000 client names, was competing with the SABC in what direct marketing companies called the "cold list" market.

Cold lists are often sourced from the SADF, the voters' roll or the SABC, which sells TV licence holders' names and addresses. Government gave the SA Direct Marketing Association (Sadma) access to the voters' roll about two years ago.

List broker Effective Letter's Emil den-Dulk said he was negotiating with Telkom to limit magnetic tape sales to Sadma members to protect people from a flood of telemarketing and junk mail. Sadma allowed people who hated direct mail to get their names off its members' lists.

FCB Response chairman Brian Hopkins said direct marketing companies' abuse of telephone lists would not be increased by Telkom's new service as they did not include postal codes and could not be mailed.

Sadma lists and database committee chairman John Wessels said: "Our research shows people enjoy receiving direct mail provided it is relevant to them." Only 2 500 people had asked Sadma to remove their names from lists in three years.

Telkom 'to raise many tariffs'

TELKOM would increase tariffs on many of its services as political decisions were superseded by business sense, Telkom informatics GM Walter Preiss told the national telecommunication conference at Sun City last week.

Telkom's legacy as a state-controlled department caused it to inherit many uneconomical installation fees, rentals and usage charges.

For instance, Telkom's monthly rental for a telex line and printer was R80, compared with the cost-related price of R569, said Preiss.

The cost of installing exchange lines and rural lines was R340, but Telkom's present charge was R155.

The cost to Telkom of renting these services was between R52 and R244 a month, but its tariff was between R24 and R114.

Preiss said future tariff increases would be subject to ministerial approval.

"If we were to levy cost-related tariffs immediately, it would place a severe financial burden on the farming community," he said.

"Anticipating severe resistance from farmers and Parliament, we have decided

ROBERT LAING

3 (day 11/11/91)
to phase in cost-based rentals over a period of time." *(267)*

Preiss said Telkom was unlikely ever to reach truly cost-related rural tariffs.

But it could minimise the percentage cross-contribution as far as possible.

The need to pitch tariffs at cost-based prices was highlighted by the late Wim de Villiers in his final report on the commercialisation of SA Post and Telecommunications (SAPT).

De Villiers recommended cost-related rentals should be charged in all cases.

October's split of SAPT into three — Telkom, the Post Office and a regulatory body — was followed by the Post Office raising postal tariffs on standard letters to 27c from 25c.

The service is estimated to cost the Post Office 31c a letter, not including VAT.

Preiss said although Telkom could not look to domestic competitors — it had none — for its prices, it could look to the worldwide fraternity of telecommunications operators to determine pricing policy.

FirstNet on new system

267
THE opening up of SA's telecommunications industry has spurred a number of developments in the Value Added Network (VAN) system 01/09/21/11/91

Companies such as ISM-Standard Bank's Trafex, Joan Joffe and Olivetti's J-Net, Vanco, and First National Bank are already offering new services

In the latest move, FNB's VAN subsidiary, FirstNet has bought a leading European Electronic Data Interchange (EDI) system, TradaNet, from ICL. The bank is also spending about R2m on a second ICL mainframe computer on which the system will run

EDI has several advantages for business. Electronic trading replaces manual procedures, with computer-to-computer transmission of trading documents.

TradaNet was developed in Britain by International Network Services (INS), owned 60% by ICL and 40% by GE Information Services.

FirstNet MD Mike Van den Bergh says the system is scheduled to be fully operational by March 1992, but pilot schemes will start in December. "A cross section of companies is waking up to EDI, and is keen to hook up to our system," he

First National's bold bid

Deregulation of the telecommunications industry may be slow in coming, but there is little doubt that it is going to have a major impact on business *(26M)*

One of the most significant advances to emerge so far from the relaxation of Telkom's grip on the national telecommunications system has been the rise of value-added network services. Organisations such as First National Bank (FNB), Standard Bank and IBM distributor ISM have taken advantage of recent changes in legislation and set up companies that provide users of Telkom's national network with additional telecommunications services. These value-added services include the management of corporate networks, the storing and re-routing of electronic mail and the distribution of on-line customer information

In a bid to steal a march on its rivals, FNB subsidiary FirstNet announced this week that it is introducing an electronic data interchange (EDI) service based on the highly successful TradaNet system in the UK. EDI involves the transfer of standardised electro-

Continue →

nic documents, such as invoices, credit notes and orders, between different types of computers and is one of the most popular value-added network services in Europe and the US

Its potential to cut administrative costs, improve efficiencies and forge closer links between suppliers and customers has been recognised by a wide spectrum of manufacturing, distribution and retailing organisations, ranging from General Motors and Boeing to McDonalds and Marks & Spencer

Encouraged by the SA Numbering Association and the Organisation for the Simplification of International Trade Procedures (Sitprosa), several local companies — including AECI, Transnet, Safmarine, Renfreight and Samcor — have been experimenting with EDI. FirstNet's main competitor, Trafex, a company set up by Standard Bank and ISM with access to IBM's worldwide network, began offering EDI services early this year, but the take-off has been slow

FNB information technology GM Mike Jarvis says the FirstNet system will be in operation in March. It will offer access to Tradanet in Europe and the General Electric (GE) Information Services network in the US. The GE network, together with ICL, set up TradaNet in the UK in 1985 and ICL SA will be installing the system at FirstNet

Many potential EDI users need to communicate regularly with parent companies or principals in Europe and the US, Jarvis says. He describes the FirstNet system as an extension of the group's banking services and believes there is an enormous pent-up demand for EDI services tailored to meet the needs of business

Rival value-added network suppliers, such as Vanco and J-Net, also anticipate strong demand for EDI services. Vanco, part of the White House Technologies group, is looking to compete with FirstNet and Trafex in the EDI market and intends forging ties with local and international partners. J-Net, set up by former microcomputer entrepreneur Joan Joffe, intends offering network services, including EDI to small businesses, which might not be able to afford the more sophisticated systems offered by its rivals

Management at Trafex, however, is more cautious in forecasting demand for EDI. While acknowledging the strategic importance of EDI, particularly for companies with links abroad, Trafex business development manager John Mitchell says experience elsewhere has shown that these services take a long time to get off the ground. Sitprosa CE Albert van Aardt agrees and says many companies underestimate the extent to which they have to change their administrative systems if they are to take full advantage of EDI

Because EDI in SA is coming off a low base, percentage growth over the next few years will probably be dramatic, Mitchell says, but significant business volumes are likely only in another three to five years

He believes that in the short term companies will need to generate revenue from other value-added network services while building up their EDI business. Eventually there will be only two or three major providers of value-added network services and a few niche players, he says. The factors that will set these companies apart will be the local and international reach of their networks and the quality and variety of their services, he predicts

Underwater link to cost R800m

PRETORIA — The laying of a 9 500km long optical fibre submarine telecommunications cable which will link SA with Europe and the US will start in May next year, a Telkom international telecommunications spokesman said yesterday.

The cable will replace the existing SAT 1 cable which has reached the end of its 20-year life.

Work on the R800m project is expected to be completed by May 1993 by STC submarine systems of the UK and Alcatel Submarcom of France.

The construction and maintenance agreement was signed earlier this year. *By Day 20/12/91*

Fifteen telecommunications enterprises from 14 countries — including the UK, Germany, France and Canada — will be co-owners of the system, with SA contributing the lion's share — 69% of the total.

The spokesman said international communications traffic was growing

GERALD REILLY

at more than 14% a year *(267)*

According to conservative estimates, SA's income should adequately cover the redemption of the loan as well as interest payments. Telkom obtained 100% foreign financing for the project.

The system, which has a capacity of 7 680 channels, will stretch from Melkbosstrand near Cape Town to the Canary Islands and Madeira.

The spokesman said the system should satisfy the demand for telecommunications links between SA and overseas telecommunications enterprises up to the year 2020.

For most of its length the cable will lie at a depth of more than 4 000m, reaching a maximum depth of 5 800 metres near St Helena.

It will form part of an international network.

Public Sector - Telecommunication - GENERAL

1992

raad ingevolge artikel 33 (1) by die Minister sou aanbeveel dat die omvang van die beroep van tandterapeut omskryf word deur die handeling te bepaal wat vir doeleindes van die Wet geag word handeling te wees wat by die beroep van tandterapeut tuishoort

Werkzaamhede en pligte van die beroepsraad

6. Dit is die plig van die beroepsraad om—

(a) 'n hoe peil van professionele onderrig en professionele gedrag by tandterapeute te bevorder,

(b) aan die raad verslag te doen oor enige aangeleentheid rakende tandterapeute wat deur die raad na hom verwys word,

(c) die raad te adviseer oor die skraping, kragtens die bepalings van artikel 19 of artikel 32 (2), van die naam van 'n persoon uit die register van tandterapeute wat kragtens artikel 32 gehou word, en

(d) aanbevelings by die raad te doen omtrent die erkenning van inrigtings vir die voorgeskrewe praktiese opleiding van tandterapeute en omtrent die erkenning van kwalifikasies van tandterapeute wie se name kragtens artikel 32 op die register geplaas word

No. R. 363

31 Januarie 1992

DIE SUID-AFRIKAANSE GENEESKUNDIGE EN TANDHEELKUNDIGE RAAD

INSTELLING VAN 'N BEROEPSRAAD VIR TANDTERAPIE

Kragtens die bevoegdheid my verleen by artikel 15 (4) van die Wet op Geneeshere, Tandartse en Aanvullende Gesondheidsdiensberoep, 1974 (Wet 56 van 1974), en na oorweging van 'n aanbeveling van die Suid-Afrikaanse Geneeskundige en Tandheelkundige Raad, stel ek, Elizabeth Hendrina Venter, Minister van Nasionale Gesondheid, hierby 'n beroepsraad in wat as die Beroepsraad vir Tandterapie bekend staan en wat behoudens die bepalings van artikel 15 (6) (a) en (c) bestaan uit persone wie se name op die register van tandterapeute verskyn wat kragtens artikel 32 van genoemde Wet gehou word

E. H. VENTER,

Minister van Nasionale Gesondheid

DEPARTEMENT VAN POS- EN TELEKOMMUNIKASIEWESE

No. R. 324

31 Januarie 1992

POSWET, 1958
(WET No 44 VAN 1958)

WYSIGING VAN DIE BEVOEGDHEDE VAN DIE TELEKOMMUNIKASIE-MAATSKAPPY

Ek, Peter Johannes Welgemoed, Minister van Vervoer en van Pos- en Telekommunikasiewese, bepaal hierby kragtens artikel 90A van die Poswet, 1958 (Wet No 44 van 1958), dat die bevoegdheede in die Bylae uiteengesit wat kragtens die vermeldde bepalings van bedoelde Wet verleen word aan die telekommunikasie-maatskappy omskryf in die betrokke Wet, met ingang van 1 Februarie 1992 by die Posmeester-generaal berus

recommend to the Minister, in terms of section 33 (1), that the scope of the profession of dental therapist be defined by specifying the acts which shall, for the purposes of the Act, be deemed to be acts pertaining to the profession of dental therapist

Functions and duties of the professional board

6. It shall be the duty of the professional board to—

(a) promote a high standard of professional education and professional conduct among dental therapists,

(b) report to the council on any matter affecting dental therapists referred to it by the council,

(c) advise the council on the removal under the provisions of section 19 or section 32 (2) of the name of any person from the register of dental therapists kept under section 32; and

(d) make recommendations to the council in regard to the recognition of institutions for the prescribed practical training of dental therapists and in regard to the recognition of qualifications of dental therapists whose names are entered in the register kept under of section 32.

No. R. 363

31 January 1992

THE SOUTH AFRICAN MEDICAL AND DENTAL COUNCIL

ESTABLISHMENT OF A PROFESSIONAL BOARD FOR DENTAL THERAPY

Under the powers vested in me by section 15 (4) of the Medical, Dental and Supplementary Health Service Professions Act, 1974 (Act 56 of 1974), and after considering a recommendation of the South African Medical and Dental Council, I, Elizabeth Hendrina Venter, Minister of National Health, hereby establish a professional board to be known as the Professional Board for Dental Therapy which shall, subject to the provisions of section 15 (6) (a) and (c), consist of persons whose names appear in the register of dental therapists kept under section 32 of the said Act

E. H. VENTER,

Minister of National Health

DEPARTMENT OF POSTS AND TELECOMMUNICATIONS

No. R. 324

31 January 1992

POST OFFICE ACT, 1958
(ACT No 44 OF 1958)

AMENDMENT OF THE POWERS OF THE TELECOMMUNICATIONS COMPANY

I, Peter Johannes Welgemoed, Minister of Transport and of Posts and Telecommunications, hereby determine under section 90A of the Post Office Act, 1958 (Act No 44 of 1958), that the powers set out in the Schedule which under the provisions mentioned of the said Act are granted to the telecommunications company defined in the Act concerned, shall with effect from 1 February 1992 vest in the Postmaster General.

BYLAE

| Bepaling van die Poswet, 1958 | Beskrywing van bevoegdhede |
|-------------------------------|---|
| 78 (2) | Om, onderworpe aan voorwaardes wat in die algemeen of in enige geval spesiaal voorgeskryf word deur die Posmeester-generaal, teen betaling van die lisensiegeld wat aldus voorgeskryf word, aan enigiemand 'n lisensie uit te reik om 'n telekommunikasielyn soos in die Poswet, 1958, omskryf waarop artikel 78 van bedoelde Wet van toepassing is (hierna in hierdie Bylae 'n "telekommunikasielyn" genoem), op te rig, in stand te hou of op die wyse en vir die doeleindes wat bepaal word te gebruik, of om iemand anders toe te laat om dit aldus te gebruik |
| 78 (5) | Om enigiemand te magtig om op die bedinge en voorwaardes wat voorgeskryf word deur die Posmeester-generaal, 'n telekommunikasielyn te gebruik om telegramme (soos in die Poswet, 1958, omskryf) of telefoniese mededelings vir die publiek te versend of te bestel, en om alle kantore te inspekteer wat aldus gemagtig is om openbare telegramme of telefoniese mededelings te ontvang, te versend of te bestel |
| 106 | Om iemand wat sonder die magtiging van die Posmeester-generaal 'n telekommunikasielyn oprig, in stand hou of gebruik, aan te sê om daardie lyn te verwyder of om sodanige bedrae (as daar is) wat van tyd tot tyd voorgeskryf mag word ten opsigte daarvan te betaal, en om by ontstentenis van voldoening aan sodanige aansegging, sonder om skadevergoeding te betaal die lyn of 'n gedeelte daarvan in besit te neem, weg te ruim of te vernietig, deur algehele verseeling buite werking te stel, of gedeeltelik te verseel op voorwaarde dat, solank dit aldus gedeeltelik verseel is, dit nie vir oorsending of ontvangs gebruik mag word nie |

P. J. WELGEMOED,

Minister van Vervoer en van Pos- en Telekommunikasiewese

SCHEDULE

| Provision of the Post Office Act, 1958 | Description of power |
|--|--|
| 78 (2) | To issue, subject to conditions prescribed generally or specially prescribed in any case by the Postmaster General, a licence to any person, against payment of the licence fee so prescribed, to erect, maintain or use in the manner and for the purposes determined any telecommunications line as defined in the Post Office Act, 1958, to which section 78 of the said Act applies (hereafter in this Schedule referred to as a "telecommunications line"), or to permit any other person so to use it |
| 78 (5) | To authorize any person to use a telecommunications line, on the terms and conditions prescribed by the Postmaster General, for transmitting or delivering telegrams (as defined in the Post Office Act, 1958) or telephonic communications for the public, and to inspect all offices that have been so authorized to transmit or deliver public telegrams or telephonic communications |
| 106 | To serve notice on any person who, without the authority of the Postmaster General, erects, maintains or uses any telecommunications line, to remove that line or to pay in respect of it such charges (if any) as may from time to time be prescribed, and in the absence of compliance with such notice, without paying compensation to take absolute possession of, or cut down or destroy, the whole or any part of that line, or to put it out of operation by totally sealing it, or partially to seal it on condition that, while it is so partially sealed, it may not be used for transmission or reception |

P. J. WELGEMOED,

Minister of Transport and of Posts and Telecommunications

DEPARTEMENT VAN VERVOER

No. R. 367

31 Januarie 1992

HANDELSKEEPVAARTWET, 1951
(WET No 57 VAN 1951)WYSIGING VAN DIE REGULASIES IN VERBAND
MET HANDELSKEEPVAARTGELDE, 1990

Die Minister van Vervoer het kragtens artikel 356 (1) van die Handelskeepvaartwet, 1951 (Wet No 57 van 1951), die regulasies in die Bylae hiervan vervat, afgekondig

DEPARTMENT OF TRANSPORT

No. R. 367

31 January 1992

MERCHANT SHIPPING ACT, 1951
(ACT No. 57 OF 1951)AMENDMENT OF THE MERCHANT SHIPPING FEES
REGULATIONS, 1990

The Minister of Transport has under section 356 (1) of the Merchant Shipping Act, 1951 (Act No 57 of 1951), made the regulations contained in the Schedule hereto

News

in brief

Sowetan 21/12/92.
TPA, Hospersa sign accord

THE TRANSVAAL Provincial Administration and the Hospital Personnel Association of South Africa have signed a recognition agreement to regulate labour relations, the two said in a statement yesterday. (S) (S) (266)

The agreement provides for the furthering of healthy employer-employee relations, the formulation of clear rules and procedures to prevent conflict between management and workers, procedures for the settlement of disputes and the rights and responsibilities of Hospersa representatives, the statement said.

TPA stays mum on cash crisis

THE TPA was tight-lipped at the weekend over reports that the Soweto City Council had blamed white officials for the dire financial straits the council found itself in. TPA spokesman Gert de Jager said he could not respond to reports that highly paid whites, seconded to the council, had neglected their duties, leading to TPA charges of serious maladministration in the Soweto and Diepmeadow municipalities. *BIDAM 21/12/92*

Should the allegations be put formally to the TPA, Administrator Dame Hough could respond, he said.

Last month, the TPA ordered the two Soweto councils to provide a report on how financial irregularities and maladminis-

WILSON ZWANE

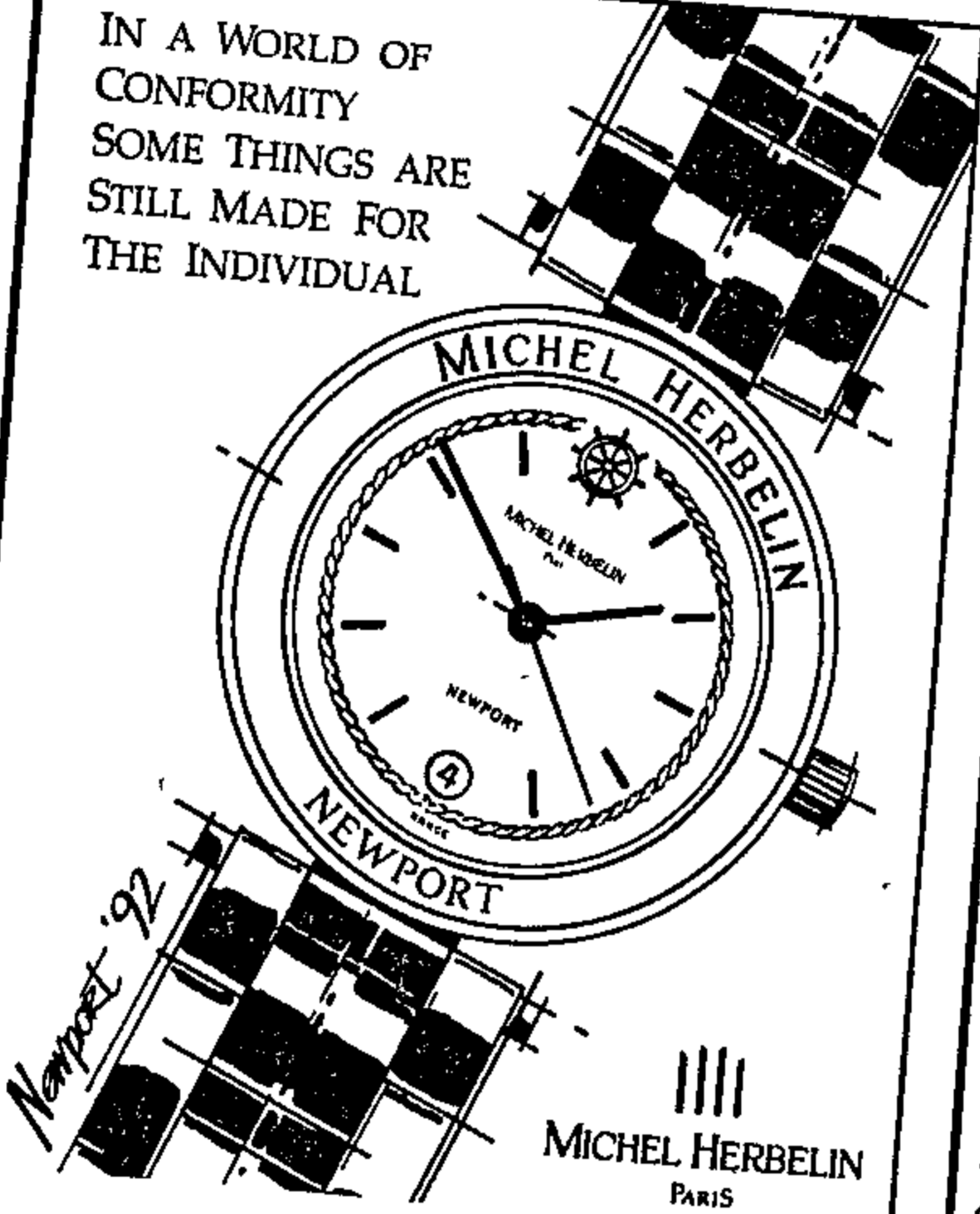
tration were to be combated. It threatened that if the report was not satisfactory, provincial authorities would assume control of the townships. *(266)*

New Nation reported on Friday that the Soweto Town Council had responded by announcing its intention to dismiss white officials. The council lashed out at these officials, saying they who received large salaries but were inefficient.

The Soweto council could not be reached for comment.

De Jager said the fate of the councils would be decided by the executive committee of the TPA some time this week.

IN A WORLD OF CONFORMITY SOME THINGS ARE STILL MADE FOR THE INDIVIDUAL



MICHEL HERBELIN PARIS

RED NAIL 4246/1

ANC stays on peace track

WILSON ZWANE

THE ANC PWV region has reaffirmed its commitment to the national peace process. *BIDAM*

The organisation said at the weekend it had decided — after months of consultations and deliberations — to urge all its branches to participate in the peace accord structures.

Earlier this year, the organisation called on its branches to review their participation in the peace accord. The call was precipitated by an escalation in violence. *21/12/92*

It said the flaws which the peace accord had did not warrant withdrawal from its structures.

"The region remains convinced that the peace accord has the potential of laying a firm basis for peace in our country"

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Conrad Berge questions the need for another tier of government

Palace of a new political elite?

STAR 21/12/92

266

LOCAL government means local government. For us it means a unit of administration over a 20-minute-ride sized piece of land which is controlled directly by its residents.

It means the town council

Yet town and city councils as we know them are soon to go. In their midst will rise a powerful bureaucracy called metropolitan government. It is the branchchild of the "Metropolitan Chamber", a think-tank for the central Witwatersrand area.

The first step, next year, will be elections for a 100-seat council to run the presently non-elected Regional Services Council.

Regional services councils are statutorily equipped to take over

just about every function of municipalities. Proponents of metropolitan government argue that it makes sense, for example, to have only one "metropolitan engineer" to replace some 13 town and city engineers from Lenasia to Sandton. The benefit and economy of such "rationalisation", across the board, are seen as self-evident.

Metropolitan government also provides the instrument, powered by a single tax base, "to achieve the complete social, economic, physical, financial, environmental and constitutional restructuring of the metropolitan region" (quoting the main goal of the Metropolitan Chamber).

Needless to say, metropolitan government will be the palace of

a new political elite, instantly transcending the diminutive realm of local government.

But a backlash is growing — certainly among white taxpayers.

For nearly half a century they have funded the hellish aims of those who sought "complete social restructuring". They know the lie that centralised government is more efficient.

Black citizens are doubtless putting their faith in their leaders — and who can blame them for not imagining that these could be as self-seeking as white ones?

Yet is there some strong ethical case for metropolitan government?

Do the undisputed needs to spread revenue more fairly within

a functional metropolis and to coordinate municipal services really demand a tier of government in addition to regional government — whose reconstitution is also undisputed?

Why cannot municipal boundaries not be redrawn to soften the chequerboard of the past but preserving the compactness essential to good local government?

The need for close co-operation within an urban region is already being addressed. Ironically it is the Metropolitan Chamber that is addressing it and there is no reason why this non-executive forum should not continue and improve its activities to strengthen the metropolitan family. □

Soweto council defies TPA order to cut costs

THEO RAWANA

SOWETO City Council management committee chairman Jabu Mnguni has defied the TPA which has threatened to dissolve the council unless it puts its finances in order

I have to do some reshuffling, but I am still conducting my investigations"

Mnguni said he was busy with his legal advisers

Mnguni said yesterday the TPA could not dictate to him as he was governed by an Act of Parliament — and not by the administration

"I cannot just retrench people I will conduct legal retrenchments"

A TPA spokesman said the administration would not comment on Mnguni's statements

"The TPA has no right to tell me what to do with my staff I cannot be dictated to by the TPA — I am governed by the Black Local Authorities Act The TPA can ask me, but not tell me what to do," Mnguni said

Transvaal administrator Dame Hough ordered the Soweto and Diepmeadow councils last month to show they had taken remedial steps by December 15 or face dissolution

He said he could go to the TPA when he was short of funds

Among the cost-cutting measures ordered by the TPA was a 10% reduction in staff

Referring to a recent incident when council staff demanded their annual bonuses, he said "I managed to pay bonuses, without help from the TPA

The TPA said its executive committee discussed the councils' representations yesterday and would decide on them in early January

"We can cut costs 10% as ordered by the TPA I know

Top Sabta man resigns

PRETORIA — An executive member of the SA Black Taxi Association (Sabta) resigned from the organisation yesterday, saying the executive was just a rubber stamp for outside parties which made the decisions.

Fani Enos Makena said in a statement the Sabta executive was no longer in control

Makena said he was resigning also as treasurer of the Transvaal Taxi Association, but would remain as chairman of the Pretoria United Taxi Association

He said Sabta was reluctant to change "incorrect policies that were hurting membership"

The time had come for Sabta to stop looking for scapegoats It should "rather examine the organisation itself for the real problems and find answers that work". — Sapa. B10AM 22/12/92

Police to implement ideas to combat taxi violence

STEPHEN COPLAN

THE police would implement without delay the constructive recommendations made by the Goldstone commission in connection with taxi violence, SAP commissioner Gen Johan van der Merwe said yesterday

In its report on taxi violence in Alexandra township in Johannesburg, the commission suggested that "firm, fair and consistent law enforcement" was needed to stem lawlessness and combat the lack of discipline in the taxi industry B10AM 22/12/92

Van der Merwe said cases of taxi-operating by individual policemen and allegations of the fraudulent issuing or obtaining of permits were being investigated

The report said that in the past a policeman had served as chairman of one of the Alexandra taxi associations

It was "heartening" that the report found allegations of corruption and unwillingness on the part of police to investigate cases properly and to combat violence were baseless Misunderstandings, rather than misdeeds, seemed to be at the root of complaints, Van der Merwe said



Eskom's team at yesterday's media conference included, from left, corporate communications manager Bongani Khumalo, Johannesburg distribution manager John Bradbury, East Rand sales and customer service manager Laetitia van Staden and national electrification negotiations manager Martin Opperman.

Rush for fuel as pumps run dry in Bulawayo

MICHAEL HARTNACK

HARARE — Filling stations in Bulawayo were yesterday desperately seeking fresh supplies of petrol and diesel after the state-run national oil company failed to make deliveries to local depots of major commercial oil companies.

As word spread of pumps running dry, there was a rush by motorists, reminiscent of the nationwide 1982 crisis when overnight queues formed at garages.

Despite recent heavy rains breaking the worst drought in decades, there is still a water shortage in Zimbabwe's second city, with households rationed to 400l a day.

Meanwhile, hungry villagers surviving on the government's monthly 5kg maize meal handouts have braved armed police guards to attack maize shipments from SA near Mwenzezi.

Hordes of villagers recently swarmed onto a train 140km south of Masvingo and made off with considerable amounts of the estimated 1 000 tons cargo.

Local Zanu (PF) leader Joel Machava blamed erratic delivery of government drought relief for the upsurge in theft from trains.

Sapa-Reuter reports that police in Harare confirmed the incident.

Zimbabwe has been in the grips of a drought which forced more than 5,4-million people, half the country's population, to depend on government food handouts.

Council resists takeover bid

THEO RAWANA and STEPHEN COPLAN

ESKOM yesterday told the Vosloorus Town Council to hand over the running of electricity services to the utility before January 7, or face court action over the R40m it owed.

The council refused to restore the electricity supply to residents even after Eskom had offered to supply it free to the East Rand township until January 7 as a gesture of goodwill.

Eskom's Johannesburg sales and customer service manager John Bradbury told a news conference in Johannesburg yesterday the Vosloorus Civic Association members who were staging sit-ins and threatening hunger strikes at Eskom's Germiston offices, were targeting the wrong people.

The council was to blame for the crisis, Bradbury said.

At another news conference, Vosloorus councillor Sidwell Mofokeng

ESKOM said yesterday it had concluded a co-operation and technical assistance agreement with the government of Congo, the 17th African state to open its doors to the utility.

Eskom also announced that its CEO Ian McRae would hold talks early next year with Uganda and Egypt.

In terms of an agreement to be signed early next year, Eskom and the Congolese government and its Societe Nationale d'Electricite (SNE) will co-operate in a number of fields. These include training and development of staff, a technical study on the Congo's power systems, improving the reliability of SNE's power supply, assistance with protection against lightning, and rural and urban electrification.

Eskom said McRae had "expressed satisfaction with the latest milestone achieved in the establishment of an economically robust and socially stable southern Africa and indeed Africa, supported by effective and inexpensive electrical energy".

Eskom recently signed a similar co-operation agreement with Tanzania. It has started talks on co-operation with each of the 12 SADC states and has formal co-operation agreements with Zambia and the Ivory Coast.

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He said most residents had paid their electricity charges in accordance with a 1991 agreement between the civic association and the council.

He claimed the council cut off electricity supplies three weeks ago to force residents to pay for other services such as water and refuse removal.

Residents refused to be blackmailed by electricity cuts into paying for these services. They demanded the establishment of a commission of inquiry to investigate claims of corruption and maladministration in the council, Mazzya said.

Vosloorus residents will picket the council's offices today, demanding the council sign an agreement allowing Eskom to supply electricity directly to residents and the immediate resignation of all councillors.

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Plan to make Harrison Street historic precinct

STEPHEN COPLAN

266

PLANS are afoot to restore Johannesburg's Harrison Street to its turn of the century state, Johannesburg City Council acting chairman Albert Hugo said yesterday

He said the council intended creating a "historical ambience" by upgrading the four buildings at the intersection of Harrison and Fox streets and introducing lighting, signage and street furniture reminiscent of the era when the buildings were built

The council planned to upgrade the six city blocks between Main and Market streets, where a number of well preserved historic buildings were situated, creating a historic precinct, Hugo said

There were also plans to repave pavements and possibly to pave sections of the street with cobblestones and introduce bollards to reduce the flow of traffic to add to the historic and architectural character of the area

Hugo said the plan was still a proposal which could be approved only when it came before the council early next year

The council's proposal was restricted to public property at this stage, but it was hoped that once it was accepted, it could engage owners of the buildings in the area in jointly enhancing its character through projects such as the upgrading the building's facades, he said

Hugo said the council believed the precinct would have a positive impact on society, and would create diversity in the city centre

While modern buildings were springing up around the city, the council felt it important to preserve its historical heritage, Hugo said

Semantics stymie safety

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Vosloorus council is blamed for power cuts

BIDAM 24/12/92
VOSLOORUS residents, angered at having their electricity supply cut off, yesterday switched the focus of their wrath from Eskom to the East Rand township's council

THEO RAWANA

organised by the Vosloorus Mass Democratic Movement, which includes the civic association and branches of the ANC/SACP/Cosatu alliance

The residents had been staging sit-ins and threatening hunger strikes at Eskom's Germiston offices, protesting against the three-week-old power cut

Movement spokesman Keith Montsisi said 10 demonstrators had entered council offices and planned to occupy them until the demands were met

The Vosloorus Civic Association (VCA) decided to target the council after Eskom offered to supply the township with free electricity over Christmas and called on the council to hand over the administration of power supply

Vosloorus town clerk George Prinsloo said yesterday the lights had come on again in Vosloorus and the 20 000 households would have electricity for Christmas

The council owes Eskom R40m and is facing legal action unless it gives up control of electricity

Prinsloo said the council had allowed the switch-on until the end of the month as a "gesture of goodwill", hoping that the residents would respond by paying their arrears

Sapa reports that a group of demonstrators picketed the council offices yesterday, demanding that the council hand over the township's electricity supply to Eskom

He said it was possible that Eskom might take over the running of electricity in January

The demonstrators also demanded the resignation of the councillors

This contradicted councillor Sidwell Mofokeng's threat on Tuesday that the council would switch off the lights on December 28

The demonstration was

ANC woman gunned down

UMTATA — A senior member of the ANC Women's League in Transkei was gunned down early on Tuesday, Transkei police CID chief Gen T P Ngceke said yesterday *BIDAM 24/12/92*

Nomanono Doris Vilakazi and her husband Prof Herbert Vilakazi were leaving a party at a house in Ngangelizwe township near Umtata when shots rang out, killing Vilakazi instantly and slightly wounding her husband in a knee

A friend, Hazel Majokweni, who was seeing them off, was seriously injured and has been transferred to a Durban hospital

Vilakazi, 33, was attached to the finance division of Transkei Agricultural Corporation

Prof Vilakazi lectures at Transkei University — Sapa

Govt probes 'streamlined' (266)

ADRIAN HADLAND

THE process of investigating maladministration by Black Local Authorities was streamlined this week

In a statement yesterday, Transvaal Provincial Administration (TPA) MEC for local government Burger Lategan said abuses at certain black local governments had become "a matter of grave concern"

Lategan said the parliamentary standing committee on the amendment of ordinances had approved changes to current legislation last week that would "provide a more streamlined and cheaper" process for investigating complaints

Previous ordinances required the creation of a commission of inquiry to examine irregularities

These commissions took an exceptionally long time — between two and four years — to complete their inquiries, a TPA spokesman said. Commissions also had no recourse against individual councillors found guilty of abuses and could only suspend or fire the entire council involved. *BIDAM 31/12/92*

Lategan said the new amendment, which appeared yesterday in the Government Gazette, allowed the administrator to appoint any person rather than a commission to inquire into alleged maladministration.

The changes enabled the administrator "to obtain a finding in a much shorter time on complaints about irregularities that have to be investigated and, should a finding of the commission justify it, to dismiss a councillor, councillors, or the whole council," he added.

Lategan said coloured and Asian management committees also fell under the new ordinance

Black councils meet deadline

THEO RAWANA (266)

THE city councils of Soweto and Diepmeadow met the December 15 deadline for submission of proposals to the TPA to fight off dissolution — but had a few days to wait before they would know their fate, the TPA said yesterday.

Transvaal Administrator Danie Hough, citing the "financially unsound" state of the two councils early last month, had given them until Tuesday (December 15) to put their financial houses in order, or face dissolution. *8/10 AM*

The councils had been plagued by rent boycotts and corruption, and were jointly R700m in arrears in their payments. *18/12/92*

In documents sent to the councils, Hough gave a long list of financial and administrative abuses and restitutive actions to be taken "with immediate effect".

The 70 demands made by the TPA included repayment of illegally gained funds and arrears in rent and services charges and wage reductions.

News

in brief

Sowetan 18/12/92
Councils get reprieve (266)

THE Soweto and Diepmeadow councils have presented their action plans to the Transvaal Provincial Administration on time but still have to wait a few days to hear their fate.

TPA director of communications Mr Gert de Jager said the TPA executive committee still had to evaluate the proposed plans and decide if they were viable and realistic.

Both councils had been given until December 15 to come up with viable strategies to sort out their financial houses. If the TPA executive rejects the strategies as unrealistic, impossible or unworkable, the councils will be dismissed. - Sowetan Reporter

Campaign women wounded

A MAN was arrested after two women taking part in a clean-up campaign in Alexandra yesterday morning were shot and wounded.

The women, part of a clean-up operation in Sixth Avenue in the township, were approached by two men reportedly armed with 9mm pistols. Shots were fired and Mrs Lizzie Nkosi (35) and Mrs Nora Nchunu fell to the ground. They were admitted to the Alexandra Clinic and later transferred to the Johannesburg Hospital where they underwent emergency operations.

EC warns PAC on Apla

Sowetan 18/12/92
THREE European Community ambassadors to South Africa yesterday warned PAC president Mr Clarence Makwetu that the organisation's failure to condemn acts of violence claimed by its military wing, Apla, undermined its democratic credentials. British ambassador Sir Anthony Reeve and the ambassadors from Portugal and Denmark told Makwetu at a meeting yesterday the EC supported the view that negotiations alone could achieve peaceful transition. - Sapa

Govt under pressure as NPP rifts begin to surface

R/D/A 17/12/92

GOVERNMENT was coming under increased pressure from all sides as the ANC pressed ahead with plans to ensure nonracial elections took place in the last quarter of 1993, government and ANC sources said yesterday.

As government struggled to repair divisions within the NP over negotiations strategy, and tried to align itself with new allies and make peace with its erstwhile major partner Inkatha, the ANC appeared to be bolstering its support base, the sources said.

An ANC source involved in the recent government/ANC bilateral talks said the three-day discussion was an "ice-breaker" and had set the stage for the "real battle" between the parties starting on January 20.

"That is when we are going to really deal with the issues. In the first meeting we were identifying these and defining the major areas of disagreement and objections each party had," he said.

One of the major stumbling blocks to agreement on the way forward was the question of reincorporation of the homelands, said the ANC source. Government was stalling on taking definite action, even though it clearly was committed to reincorporation, he said.

At the January meeting, government would have to define and demonstrate proof of administrative problems that needed to be resolved before reincorporation could take place. The two parties would then discuss these and reach agreement on the timetable and procedures to be followed, he said.

Another area of serious disagreement was government's insistence on a detailed agreement on regionalism being forwarded to the elected constitution-making body. The ANC believed this would not be democratic. At the same time, Inkatha president Mangosuthu Buthelezi and others in the Concerned South Africans' Group are pushing government to insist on federalism up front.

BILLY PADDOCK

But President F W de Klerk and his negotiating team led by Constitutional Development Minister Roelf Meyer are holding out against Inkatha because of the absolute necessity to keep the ANC "on-side".

Sources said Meyer's team appeared to have decided that agreement with the ANC was more vital than with Inkatha. This had caused further tensions in the NP, with the more conservative members of the Cabinet wanting to rekindle the close relationship with Inkatha.

A senior government source confirmed reports that government was concerned about rumblings in the NP about strategy and how this could affect the negotiations process. At the same time, the ANC was getting firm support for its timetable and negotiating position from its Codesa patriotic front allies, he said. A patriotic front meeting this week endorsed the position that multilateral talks be resumed urgently in a restructured Codesa. The parties also committed themselves to the agreements reached at Codesa, a contrary position to Buthelezi who insists these are dead.

Meanwhile, another ANC source confirmed a meeting between ANC president Nelson Mandela and Buthelezi would go ahead. Preparations had to be finalised and "a firm foundation laid for its success", he said.

ANC and Inkatha representatives meet again on December 29 in the hope of setting up a date for the leaders' meeting.

Inkatha national chairman Frank Mdlalose said the talks were making good progress but neither party wanted to go into details.

TPA rejects 'lick of paint' allegations

RAY HARTLEY

266

THE TPA has rejected claims it has raised rents at Thokoza hostel but failed to meet undertakings on upgrading of accommodation. The Transvaal Hostel Residents' Association made the charges this week, saying improvements to the hostel had been superficial.

TPA spokesman Gert de Jager said substantial upgrading had taken place and hostel residents had agreed to a rent increase before the renovation process.

"When agreement was reached with the hostel committee on needs and priorities, which took several months, tenders were called for in March 1992.

"Throughout all discussions with the hostel residents committee, the increased monthly rent was discussed and agreed to," he said.

Hostel residents' association general secretary Leonard Mwelh accused the TPA this week of "just giving the hostel a coat of paint" and then unilaterally increasing the rent.

Mwelh accused the TPA of ignoring recommendations made by hostel residents about upgrading.

De Jager said upgrading of Thokoza hostel had included

- Replacement of all roofs, broken window panes and external door frames,
 - Improved electrical supply for five light points, 10 wall plugs and hot water boilers, and
 - Improvement of ablution facilities and "general upgrading" of all plumbing and drainage.
- Claims that hostel dwellers had been ignored were false as "the chairman of the hostel representatives, who also happens to be the chairman of the East Rand Hostel Association, was employed by the contractor as a mediator/overseer at the hostel for the duration of the contract", De Jager said.
- The ANC has criticised the TPA for consulting individual members of hostel residents' associations and not their formal structures.

D-Day for councils

Sowetan 15/12/92

266

By Lulama Luti

■ **LAST CALL** Own up or face dissolution

- TPA tells Soweto and Diepmeadow:

TODAY IS D-DAY for both the Soweto and Diepmeadow councils to make representations to the Transvaal Provincial Administration on why they should not be dissolved

According to a directive to both councils by Transvaal Administrator Mr Danie Hough on November 4, the councils had to execute specific instructions in order to get their financial affairs in order

The measures included freezing of bonuses and increments to staff, the recovery of all money owed to the council, retirement of all employees beyond the age of 60 with effect from December 1 and settling of a R5 million debt to Eskom

The directive followed after both

councils were found to be R104 million in the red

In terms of the Black Local Authorities Act, the TPA could dissolve the councils and appoint administrators to replace them as was the case with Alexandra township outside Johannesburg

The *Sowetan* believes the TPA would make a contribution of R202,8 million for the 1992/93 financial year towards the Alexandra, Diepmeadow, Dobsonville and Soweto councils while the Central Witwatersrand Services Council's contribution would total R162, 581 million

However, *Sowetan* also established the CWRSC had complained it was under pressure from the business and public sectors for the payment of the services in black areas while residents failed to make sufficient payments for the services

A senior official of the CWRSC was also quoted as saying the operation of Black Local Authorities was not the responsibility of the RSCs but of the TPA and the state

"My council cannot continue to defeat its own objectives and in so doing, provoke resistance from the levy payers and the public," he said

The TPA could not be reached for comment

...isation of SA would be
and distorted

... some relief for Citizen Force and commando
members, the SADF said when it announced the sys-
tem last week

Soweto councils to plead their case with TPA today

SOWETO town councils are set for a showdown today with the TPA over financial mismanagement of municipal affairs in the township.

The Diepmeadow and Soweto councils will present arguments to TPA officials on why the councils should not be dissolved.

A TPA investigation last month into the financial affairs of the councils, which between them owe more than R700m, found that both had displayed "a gross lack of financial control"

The TPA report listed numerous incidents of financial and administrative abuse including illegally gained funds, individual councillors making use of council resources for private purposes, and non-payment of rent and services charges

8/10/92 15/12/92
ADRIAN HADLAND

The report found almost half of Diepmeadow's 18 councillors were in arrears with rent and services payments

Administrator Danie Hough set out more than 70 demands or restitutive actions, including council staff wage reductions and retrenchments, to be carried out by December 15, for the councils to avoid direct TPA intervention

A Soweto council source said it was extremely unlikely the long list of demands would be met before the deadline

A TPA spokesman said the TPA executive committee would consider the responses of the councils and would announce their decision "possibly before

Christmas" (266)
It has been suggested, by the Metropolitan Chamber, that a city manager — probably a Johannesburg council official — be appointed to administer Soweto and Diepmeadow during the interim period leading up to nonracial municipal elections

The Johannesburg council has offered to provide services to the townships on an agency basis.

The Black Local Authorities Act states that if a council is found to be "financially unsound", it can be dissolved and replaced by an administrator

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Call for inquiry into Lenasia authorities

By Shehnaaz Moosa

(266)

The South East Civic Forum yesterday called for a commission of inquiry into the activities of the Lenasia South East Management Committee (LSEMC) after alleged irregularities were exposed by a local newspaper, The Indicator.

The Indicator has spearheaded an investigation into the activities of members of the LSEMC and local NP members after obtaining several documents which pointed to alleged irregular dealings by its members. These include

- A copy of acknowledgement of debt of R6 708,29 by NP and LSEMC vice-chairman Mathevin Ramsamy on April 24 1989 in respect of fraudulent use of (Standard Bank) Auto Bank as well as Standard Bank's letter to the po-

lice requesting that Ramsamy be arrested and a civil court judgment be instituted

Standard Bank spokesman Andre Paris told The Star Ramsamy was paying back the money. The bank, he said, decided not to take legal action unless Ramsamy did not honour the agreement to refund the bank.

Ramsamy is the brother-in-law of chairman of the LSEMC and local NP member Tiro Chetty, who declined to comment.

- A letter was allegedly written by Ramsamy to the chairman of the Firearms Appeal Board requesting a licence. In the letter, Ramsamy admitted to certain criminal convictions.

A spokesman for the Firearms Appeal Board told The Star the board had no record of Ramsamy's correspondence.

Consult us over merger, say residents of Sandton

Local Government Reporter

Sandton residents have called on the town council to poll their views before taking a decision on a merger with Randburg and Alexandra

Sandton Civic Foundation chairman Colin Adcock said residents were entitled to know what the pros and cons of such a merger were, and urged the town council to hold an opinion poll.

"The Sandton Civic Foundation would take the strongest possible exception were the Sandton Town Council to consider approving the merger next month without first ascertaining the views of the people of Sandton

"As a merger would involve both Randburg and Sandton in the expenditure of large sums of money for the provision of

infrastructure and the upgrading of Alexandra, residents must be made aware of the full details of the proposals, including the tax base, the financial implications and who would be responsible for Alexandra's R400 million debt."

Adcock said it had already been indicated that Sandton would have to bear 68 percent of the tax base. Presumably this would mean it would also have to bear 68 percent of any increased costs.

Acting Sandton management committee chairman Mike Melunsky said last week that Sandton had never committed itself to a merger with Randburg. He said the council would investigate any proposal put to it by Randburg, but any decision taken would be in the best interests of Sandton residents.



Fierce caucus meetings looms

Pretoria Correspondent

Sparks are expected to fly at a National Party council caucus meeting next month over revelations before the Krugel Commission of Inquiry into alleged maladministration and irregularities in the Pretoria City Council.

Pretoria's mayor, James Leach, said in a statement issued yesterday that he stood by his evidence given before

the commission.

He was reacting to a call for his resignation last week by management committee vice-chairman and fellow NP councillor, C J Uys.

Uys said in his evidence before the Krugel Commission that Leach should resign as a city councillor and step down as mayor over what he alleged was untrue evidence given to the commission under oath.

Leach said in yesterday's statement released by Municipality that it was the commission's

task, and not that of a city councillor, to decide about the admissibility of evidence.

"It is a pity that the office of mayor is being implicated in the matter," he said.

Leach said it was customary that when politicians "as office bearers" differed from each other, or when voters differed from an office bearer, a call was made for someone's resignation.

"If that is necessary or not is for the party which he represents to decide, and not for the individual."

He mentioned "by way of illustration" that Uys was himself recently asked by voters to resign after a motion of no confidence in him was adopted at a public meeting.

"The meeting regarded the matter as so serious that they asked me as mayor in a written request to dismiss him as councillor," Leach said.

Leach said that for the sake of good order, he deplored Uys's mentioning matters in his evidence which had nothing to do with the commission, and at the same time made

wrong conclusions."

He said it had been expected from a witness to counter someone else's evidence only if he did not agree with it "In other words, he must testify why he differs

"The correct action is to submit matters that do not concern the commission to the relevant caucus," Leach said.

"This will probably happen during January

"I trust that a full statement will be issued after that meeting"

Prof. ...

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Council crisis shakes Pretoria

PRETORIA. — Fresh scandal has shaken Pretoria, with accusations of corruption and maladministration against members of the city council here

A government-appointed commission has completed three weeks of hearings into the charges mainly involving National Party members "We should be able to get a first report to the administrator in January," chairman Mr Willem Krugel said — Sapa-
Reuter (266) 5/7/42

'Soweto on way to major cash crisis'

By Louise Marsland
Local Government Reporter

Transvaal Provincial Administration MEC Olaus van Zyl told the Central Witwatersrand Metropolitan Chamber yesterday that a major financial crisis was looming in Soweto as the local councils struggled to find funds to pay salaries.

Van Zyl said payments of rates and services accounts averaged only 10 percent in Dobsonville, Diepmeadow and Soweto in recent months.

He said the municipalities had serious financial problems and were struggling to meet staff salary payments.

The declining economic situation had severely restricted government spending, and the TPA was unable to allocate any more funds to the Soweto local authorities this year.

Van Zyl said the Central Witwatersrand Regional Services

Star 4/12/92
Council had provided R444 million in the past three years to keep the three local authorities running.

In the past year, the CWRSC had contributed towards 50 percent of the running costs of the local authorities in greater Soweto — funds which could have been used for projects to improve living standards.

He said the TPA could not assist financially and was unsure that the three councils would be able to meet all their commitments in December.

"There is a major financial problem looming, I believe that a part of the solution is the termination of the rent and services boycott, and the involvement of Johannesburg (in the administration of Soweto)."

Van Zyl said it would have been irresponsible of the TPA not to inform the chamber of the impending crisis. He hoped Johannesburg's problems of providing services to Soweto and Diepmeadow would soon be resolved.

receive refuse bags from
Picture: Joao Silva

crafts "Zoomarket" to be held
every Saturday and Sunday
There is room for 200 stalls

Move on local elections

Local Government Reporter

An electoral commission will be established by the Central Witwatersrand Metropolitan Chamber in the new year to draw up guidelines for interim local government elections

The chamber decided last night at a special meeting that the commission would decide how voters should be registered, how to spread information about the electoral process and how wards should be demarcated. It would also decide on codes of conduct for candidates and the administration of the electoral process.

A proposal that the number of wards in each local authority area be reviewed after the compilation of new, non-racial voters rolls was accepted for consideration. (266)

A suggestion by the Transvaal Provincial Administration, and backed by the Government, that property owners have an extra vote in future local government elections did not receive much support in the chamber.

The chamber's principal parties must submit their proposals for members of the commission by March 3.

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Mayor lied, commission told

Pretoria Correspondent

The mayor of Pretoria was yesterday urged to resign by a fellow National Party city councillor.

In dramatic evidence given yesterday to the Krugel Commission of Inquiry into alleged maladministration and irregularities in the Pretoria City Council, management committee vice-chairman C J Uys called on James Leach to resign from the council and step down as mayor over what he alleged was untrue evidence given to the commission under oath by Leach.

Uys also called for the resignation as councillor of the leader of the Conservative Party opposition, Paul

Fouche.

Giving evidence before the commission, Uys accused Leach and Fouche of holding the commission in contempt by not making sure of their facts.

Alternatively, the deduction could be made that they intentionally and maliciously gave false evidence before the commission under oath.

He said: "They showed a clear contempt of the truth."

"In this respect I request the commission to investigate the possibility that both witnesses have contravened the Commissions of Inquiry Ordinance."

"By their actions before you I am of the opinion that they have brought the system of

local government into disrepute. Both should reconsider their positions in the council."

In fact, I propose that both resign as city councillors. Especially Leach, who has brought the high office of mayor into serious question and should not be allowed to further hold the office."

Uys said the main aim of his testimony was to refute allegations. He said his next aim was to submit a complaint to the commission of a possible contravention of section 7 (2) of the Commissions of Inquiry Ordinance in section 12 of the Commissions of Inquiry Ordinance.

Apart from this, Uys said he also intended, in due course, to investigate any other legal steps Uys said the only two people who made specific allegations against him (Uys) in their evidence before the commission were Leach and Fouche.

Since 1977 I have been a member of the Pretoria City Council and since March 1982 I have been a member of the management committee. Since about 1981 I have been doing business as an executor of estates and as an estate agent.

"In both these professions I hold positions of trust and handle trust accounts." Concerning the evidence given by Leach, Uys highlighted parts he said were untrue. This included Leach's testimony that councillors voted in the town caucus bound in the town planning committee; that Uys had recused himself from a meeting when an application by Els van Straten town planners in Hillcrest was discussed, and that Uys was asked to be sole agent for the sale of property adjoining Die Wilgers Hospital.

Uys said Fouche told the commission he (Uys) had job-bid support from Fouche and other members of the town planning committee for the rezoning of property in Die Wilgers Extension 14. Uys said this was untrue.

He said Fouche's evidence concerning rebates on his property in Menlo Park was also incorrect.

The commission adjourned for the December holidays and will resume its task next year.

SMN 3/12/92

266

Call for brand new health care system

BIDAY 3/12/92

FIVE children die every hour in SA of malnutrition-related diseases, and 12 die every day of tuberculosis, spokesmen for health organisations said yesterday, calling for a fundamental restructuring of the country's health care system

Speaking at a news conference, National Progressive Primary Health Care Network chairman Prakash Vallabh said latest figures from the Department of Health and the SA National Tuberculosis Association showed the desperate need for transformation of health care service

"The unfair allocation of health resources in our country has led to widescale death and suffering. What we need is a fundamental restructuring of the health care system"

The network, together with the SA Health and Social Services Organisation, the two largest NGOs in the health sector, said they would hold a conference next week to formulate a health policy to guide SA through its transition phase.

The conference would be addressed by medical experts from 10 developing countries which had important lessons for SA

Speaking at yesterday's meeting, Cuban doctor Leonardo Mejias said that through the development of a

KATHRYN STRACHAN

strong primary health programme, his country had almost eradicated diseases such as measles, which plagued SA. Cuba had also achieved a low incidence of malnutrition and tuberculosis

SA Health and Social Services Organisation spokesman Aslam Dasoo said the conference would focus on the most serious needs of SA communities, especially in rural areas and squatter camps where lack of water, sanitation and refuse removal systems had contributed greatly to poor health conditions

The conference would also discuss ways of making the private health care industry — which Dasoo said was "running rampant" — more involved in community health

Conference spokesman Max Price emphasised that a focus on primary health would not mean tertiary and specialised care would be disregarded. But, there would have to be "a reallocation of resources"

Specialised care had an important role to play, especially in keeping medical experts and academics in the country, maintaining high standards and giving citizens a sense of security, said Price

Rent summonses spark Vosloorus stayaway call

WILSON ZWANE

THE Vosloorus Civic Association has called for a stayaway in the East Rand township today to protest against summonses served on rent defaulters

Civic association official Ali Maziya said yesterday the stayaway had been called to coincide with the appearance of some residents in the Boksburg Magistrates' Court in connection with non-payment of services

Vosloorus town clerk George Prinsloo said dwindling revenue from residents had forced the council to take steps against rent defaulters

These included severe water restrictions

Prinsloo said less than 10% of the residents were paying their accounts. As a result, the town council had been forced to cut the water supply to residents for 15 hours every second day

The measure came into effect on Sunday, and according to Prinsloo, it — as well as power cuts and legal actions against rent defaulters — had been taken after a deadlock in negotiations on the payment of services between the council and the Vosloorus Civic Association

Meanwhile a boycott of Boksburg's businesses by residents from Vosloorus, Villa Lisa, Reiger Park and Palm Ridge entered its second day yesterday

The boycott, called by the East Rand Civic Association, was aimed at putting pressure on the Boksburg City Council to stop the Vosloorus municipality from attaching properties belonging to rent defaulters

Boksburg acting town clerk Robert van der Merwe has said his municipality would not tell Vosloorus — an "autonomous" municipality — what to do

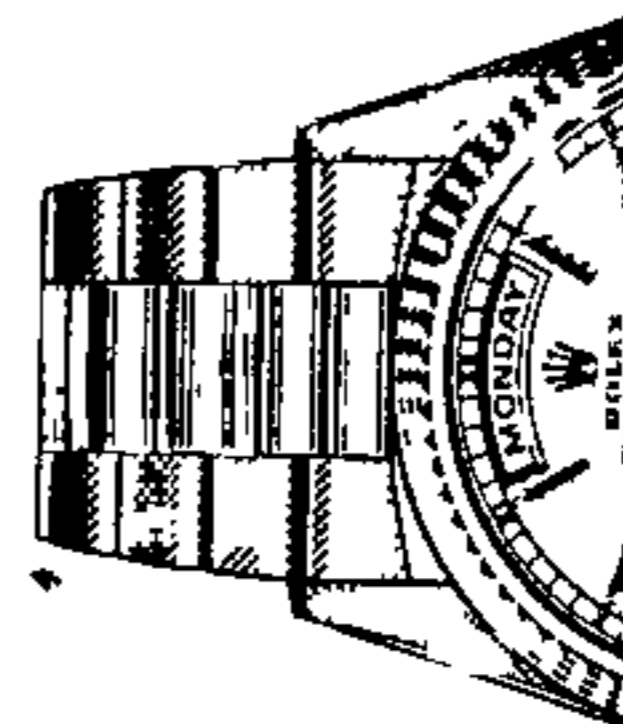
However, Boksburg's management committee was prepared to meet the East Rand Civic Association to discuss their grievances, Van der Merwe said

Boksburg Chamber of Commerce and Industries vice-president Sandra Morris said a snap survey of 30 businesses had shown that the boycott was in force

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POST OFFICE FM 27/11/92

Changing guard (267)

The management shake-up at the Post Office is over for the time being. The appointment of Volkskas/TrustBank operating executive Hennie Diedericks as the new MD completes the team of ex-private-sector people recruited by chairman Donald Masson since he took charge of the troubled organisation earlier this year.

Diedericks, who takes office in January, likes restructuring exercises and the Post Office is a textbook case of an operation needing new direction.

He was involved with the restructuring of management at TrustBank/Volkskas, one of Absa's banking divisions, Bonuskor and others.

cont →

FINANCIAL MAIL • NOVEMBER • 27 • 1992 • 7,

BUSINESS & TECHNOLOGY (267)

FM 27/11/92

Like banking, the Post Office is a service industry. "The challenge will be to continue providing a service to people but make profits at the same time." The biggest burden is the annual R500m deficit which he wants to turn around as soon as possible.

He will start by examining the "people structure" and dealing with deficiencies in the service. "The fact there are so many courier companies out there means the Post Office is not doing its mission justice. Part of the solution lies in making employees proud of their company and satisfying customers' needs."

"We must move the mail quicker and concentrate on the business environment."

Diedericks believes the commercialisation route the Post Office is taking is necessary but full privatisation, as in New Zealand, raises other issues. "We have to be very careful about the monopoly aspect of privatisation — post offices are by nature monopolistic and this could cause problems like overpricing."

The ideas are there. He would like to see a two-pronged mail delivery service, with overnight speed-delivery between major centres and a conventional service to the rest of the country. "But though getting a letter from Messina to Pofadder overnight is impossible, it doesn't mean the service has to be slow." ■

Telkom to axe 087 lines (267) CT 25/11/92

By Guy Oliver

TELKOM will end the multi-million-rand premium rate telephone industry — which runs the controversial 087 lines — at the end of this year.

Telkom chairman Mr Jack Clarke said yesterday that problems, mainly with the 087 numbers, had resulted in Telkom writing off R44 million so far this financial year — and this could rise to R77m by the financial year's close.

Telephone bills amounting to R21m were being queried by customers

Last night chairman of the Premium Rate Association of South Africa (Prasa), Mr Neil Jacobsohn, said his association had been negotiating with Telkom for three months

"Jack Clarke is not interested in saving the industry," he said. "It is a tragedy and a disgrace." Infrastructure had cost the industry between R50m and R100m, he claimed

The industry was interested in long-term growth and wanted to establish a serious information business.

After complaints, Prasa had cut the sex and competition lines, losing between 50% and 80% in turnover.

Mr Jacobsohn said the 087 lines were being used as a "scapegoat" and Telkom was under the "illusion" that axing the premium service would solve their problems

The rest of the world, including Hungary and Czechoslovakia, had managed the problems.

By closing down the industry Telkom would be giving up the

right to regulate the industry in South Africa

Mr Jacobsohn said he knew of at least five international companies viewing the market to establish 087 numbers, which would be run from outside the country

Telkom would be able to exert no control and about "R100m would flow straight out of the country per year while Telkom still faced bad debts"

Several hundred people would lose their jobs, but equipment bought would be sold to overseas

Frozen chickens test

Consumers hail Telkom move

(2003) (267)
■ **Complaints to be investigated:**

Sowetan 20/11/92.

THE Committee of Consumer Organisations (CCO) has welcomed the Government's decision to appoint a special investigative team to deal with consumer complaints regarding high telephone bills

The CCO - an umbrella body for the Housewives' League, the National Black Consumer Union, the SA Co-ordinating Consumer Council and the SA National Consumer Union - on Wednesday congratulated the Minister of Posts and Telecommunications for the decision

Dr Piet Welgemoed earlier this week announced the appointment of an ombudsman-mechanism in co-operation with Telkom

The team of yet unnamed people is expected to start operating from the Postmaster-General's office on December 1.



'Strong feelings' on telecommunications

BTDA 19/11/92

267

A LATE submission commenting on the Coopers & Lybrand report on the regulation of telecommunications in SA will be submitted to the Posts and Telecommunications Department soon by the Business Equipment Association (BEA)

The department has given extensions for submissions which it says will guide it in formulating the new telecommunications Bill scheduled for the next parliamentary session.

BEA president Clive Jandrell says views of BEA executives, which will be debated at an executive council meeting today, show that there are strong feelings about various proposals in the report.

"For example, we believe that there should be a single regulatory body to deal with regulating both telecommunications and broadcasting

"The regulatory body should be a neutral, independent body structured on the basis of an executive council or board such as that which is in place for Eskom. This would comprise members of industry, political parties and industry bodies and they could appoint officials to run the regulatory body, which would report to a government minister"

Jandrell says there is concern over Telkom competing directly with the private sector from a privileged position in areas such as PABX, key systems like small interactive PABXs and phone handsets

"However, the regulatory body must maintain licensing and control of everything attached to the network such as PABXs,

cordless phones, and fax machines. Telkom should not compete with the private sector in PABX sales

"And initial feelings are that there should be a relaxation on local content requirements on items like handsets, so SA can take advantage of technological developments worldwide"

BEA's executive believes Telkom should maintain network management control and revenue collection

On cellular phones concerned, he believes these should be available from the private sector and that Telkom should guard against limiting licences to only a few operators. Rather, Telkom should set up and manage the infrastructure and handle revenue collection

With regard to private networks like Transtel's, BEA believes that these should operate parallel to Telkom's network and should compete with Telkom for subscribers

Chin...

Battle on for slice of Telkom tender

THE battle is on for a slice of the massive tender for Telkom's new mobile communications system (267)

Estimated costs for the system range from R200m to R1bn. Telkom is still awaiting the Cabinet's decision on the Global Systems Mobile (GSM) system

A Telkom mobile communications spokesman says the two suppliers are Alcatel and Siemens. However, it is believed that vendors like Philips are also keen to get Telkom to look at their products

Several companies are keen to sell analogue systems, which they say are cheaper than the digital GSM system and more appropriate for SA

Philips has been involved in the mobile communications market for years, is a DMCS900 consortium leader and holds many major GSM patents. It has sold its

equipment through Siemens in Belgium and France. In SA, the base stations for the current C450 mobile network were supplied to Siemens by Philips

Telkom says it is not aware of any possible joint ventures between suppliers at this stage. BIDAY 19/11/92

Siemens joint MD Geoff Hainebach says his company has offered to provide all the GSM components, and says the company would look at the feasibility of local content at a later stage

Plessey MD John Temple says his company would be keen to work on the project in areas such as providing skills for research and development. "We would be keen to work with any supplier in its research programme. Research efforts are necessary internationally, and we believe we could provide some input"

PO probes wrong-box claims

Staff Reporter

POST offices in Cape Town and Pretoria are investigating the sorting of mail after companies reported that up to 20% of mail items were placed into incorrect post office boxes

The Post Office would monitor sorting to try to eliminate errors, a spokesman said in Pretoria yesterday. Mr William Lenford, mailing supervisor for a major oil company, said the company received two mail bags of post every day and about 20% of letters

were incorrectly addressed

In a snap survey by the Cape Times yesterday, figures differed widely, with most companies saying the error factor was not a big problem. A spokesman for a national property services company said about 5% of their mail every month was wrongly-addressed letters. A top property agent said that of the 300 to 400 letters received daily only about 10 were incorrectly addressed.

A Post Office spokesman said companies should report any problems they had with their mail.

267 of 17/1/92

FM 6/11/92

(267)

dividends or interest earned”

Leach argues that the bank should be given the opportunity to encourage savings more aggressively but management is restricted by the Post Office Act, which requires its instruments to be prescribed by regulation “The lack of saving in SA is bemoaned at many economic forums and a concerted effort should be made to encourage it”

He says the restructuring will be done in two phases “Getting our own house in order,” and then looking at new business opportunities and planning long-term strategy

Leach stresses that the bank is not competing with private banking While it is becoming more customer-orientated, “there won’t be any cheque accounts or personal loans and so on There are already many banks chasing the same clients

“We will concentrate on attracting savings and we’ll have to find ourselves a niche market among the small savers in the rural areas, where an estimated 60%-70% of the people don’t have access to conventional banking facilities While not all settlements have banks, most have post offices,” Leach says

The Post Office Savings Bank started in 1910 to “create a sense of saving among the broad population” Its customer base has not changed much

“The bank has undoubtedly a role to play, possibly as a substitute for the existing informal financial structures in the community”

A burden for the bank is the estimated 3,5m inactive accounts, a hefty proportion of the 8m total The bank was losing money on maintenance and administration and payment of interest into accounts on which no bank charges were levied

Since the Post Office began its process of commercialisation a year ago, several services that used to be provided free now have a charge Since last month service charges have been levied for the maintenance of accounts and withdrawals from Telebank accounts Post Office chairman Donald Masson believes such fees could generate about R50m a year

Service charges of R1 are being levied on all withdrawals and there will be a 75c fee for account statements, requested in addition to normal quarterly statements There is also a 50c ledger fee on all active accounts Accounts that have not shown any movement in capital in four years will be regarded as inactive It will cost users R5 to replace a lost card and R2 for a lost savings book Finally, accounts can be opened only with a minimum of R10 and withdrawals that push the balance below R10 are not allowed

The drop in interest rates reduced interest costs by one percentage point to 11% on Savings Bank certificates from September 15 Interest paid on other types of savings has not been cut

The bank is still electronically connected to Telebank which, together with Multinet and Saswitch, gives savers access to about 4 000 automatic teller machines ■

POST OFFICE SAVINGS BANK

Clean sweep

FM 6/11/92

(267)

The shake-up at the Post Office continues and the Savings Bank has not escaped chairman Donald Masson’s new broom Like the other operations, it is restructuring along private-sector lines

Subject to State accounting practices and, as a department of the Post Office, no separate financial records were kept for the bank — so it is not known if it has operated at a profit or loss Separate books will now be kept internally but no decision has been made on whether they will be open to scrutiny, says Savings Bank senior manager Andy Leach

An immediate problem is that millions of rands are being withdrawn every month, unmatched by inflows, despite the 15 000 new accounts opened each month Leach says “The outflow is occurring in savings certificates where the tax advantage is being phased out over a five-year period By mid-1994, there will be no tax advantages on any

Joint initiative taken to save electronics industry

BIDM 29/10/92 (1) (2) (3) (267)

Reports by
MELANIE SERGEANT

NEW initiatives are being taken to save SA's ailing electronics industry. Trade and Industry Minister Derek Keys has reconstituted the Standing Committee for Electronics, aiming to promote the industry's development and make it viable and competitive within the next four to six years.

For the first time, trade unions, the private sector, government and public corporations are all involved

The new objectives have to be achieved in a limited timeframe or the project will have to be disbanded

Committee chairman Gerard Morse says "The days of closed doors and private working groups are over. The committee has thrown its doors open with invitations to anyone involved in the industry to come forward with input to special hearings, which will take place regularly"

It is no secret that the SA industry is in trouble, despite the fact that worldwide it is one of the fastest growing business sectors

The past two years have seen a real decline of nearly 10% a year in SA, contributing to an almost 30% decline over the past four years.

One working group will seek to identify projects of national relevance. It will take cognisance of the fact that the industry has been dependent on state purchases, and that to a large extent it has been built up with the assistance of development con-

tracts and long-term supply agreements from institutions like Armscor and Telkom

Increased overseas competition, cutbacks in defence and telecommunication expenditure coupled with the phasing out of special price preferences over two years ending March 1994, as well as the end of approved supplier agreements, require a rethink of how the industry can get back on its feet

The working group attending to this will also investigate tariffs. It is expected that some tariffs will be lowered in terms of the current Uruguay Round of GATT negotiations. Morse says it is vital that these are discussed with industry, to ensure new tariffs do not harm viable parts of the industry. "But like the clothing and textile industry, we realise it is not feasible to conserve all sub-sectors of the industry, and it is not our aim to conserve sectors which cannot be restructured to become viable and competitive. A host of things may need to be changed in the process of achieving this."

Industry sources say "rethinking" will be in areas such as local television manufacture, while new incentives and impetus will be given to areas like telecommunications, in which SA companies are already in-

novative in terms of developing products suited to African conditions.

Working groups will cover smart-card technology and technology-supported education and training.

The groups will make their recommendations to Keys through the standing committee.

Morse says anyone involved in the industry will be welcome to approach the working groups, which start sitting in November. People wishing to make an input should phone Alan Miller at (011) 883-1600

The telecommunications group is also expected to receive widespread attention as more products are being developed for export

Morse says the inclusion of organised labour in the project, through the Numsa, the Metal and Electrical Workers Union of SA, and the SA Electrical Workers Association, is important. About 10% of the industry's 50 000 employees are estimated to have lost jobs in recent years

The working group for the promotion of the electronics industry, set up in 1988, and separate from the standing committee, came up with a package of support recommendations, which included the R40m a year innovations support scheme and training schemes. Government chose to adopt only the R40m scheme

Now government is analysing the progress of this scheme, and is believed to be considering extending it to cover SA industry in general

TELKOM

FM 23/10/92

(267)

Bumping into a brick wall

While management at Telkom struggles to come to terms with operating in a commercial environment — as shown by its problems in dealing with the 087 premium-rate lines and the rush of inaccurate phone bills — government has been advised again to consider privatising the national telecommunications provider

A report commissioned by Posts & Telecommunications Minister Piet Welgemoed soon after Telkom was commercialised and renamed a year ago suggests government should take a new look at privatisation to raise much-needed capital and sharpen its performance.

Privatisation of the telephone service was dropped from government's agenda in the run-up to the restructuring of the Post Office, largely as a result of pressure from employees, their unions and a broad spread of the NP's political adversaries.

Government opted instead for the softer line of commercialisation. It split the Post Office's telecommunications and postal operations into separate tax-paying companies — with the intention of making them more efficient and productive — but retained ownership of the two organisations

In addition, it was legislated that Telkom would continue, through taxes and dividends to the State, to offset the substantial losses incurred by the Post Office for another five years. As a concession to staff and opponents of commercialisation, government pledged that no retrenchments would result from the restructuring

The report, compiled by Coopers & Lybrand in the UK and released by Welgemoed this month, points out that Telkom's enormous debt burden is constraining its ability to meet key government objectives. They are described as:

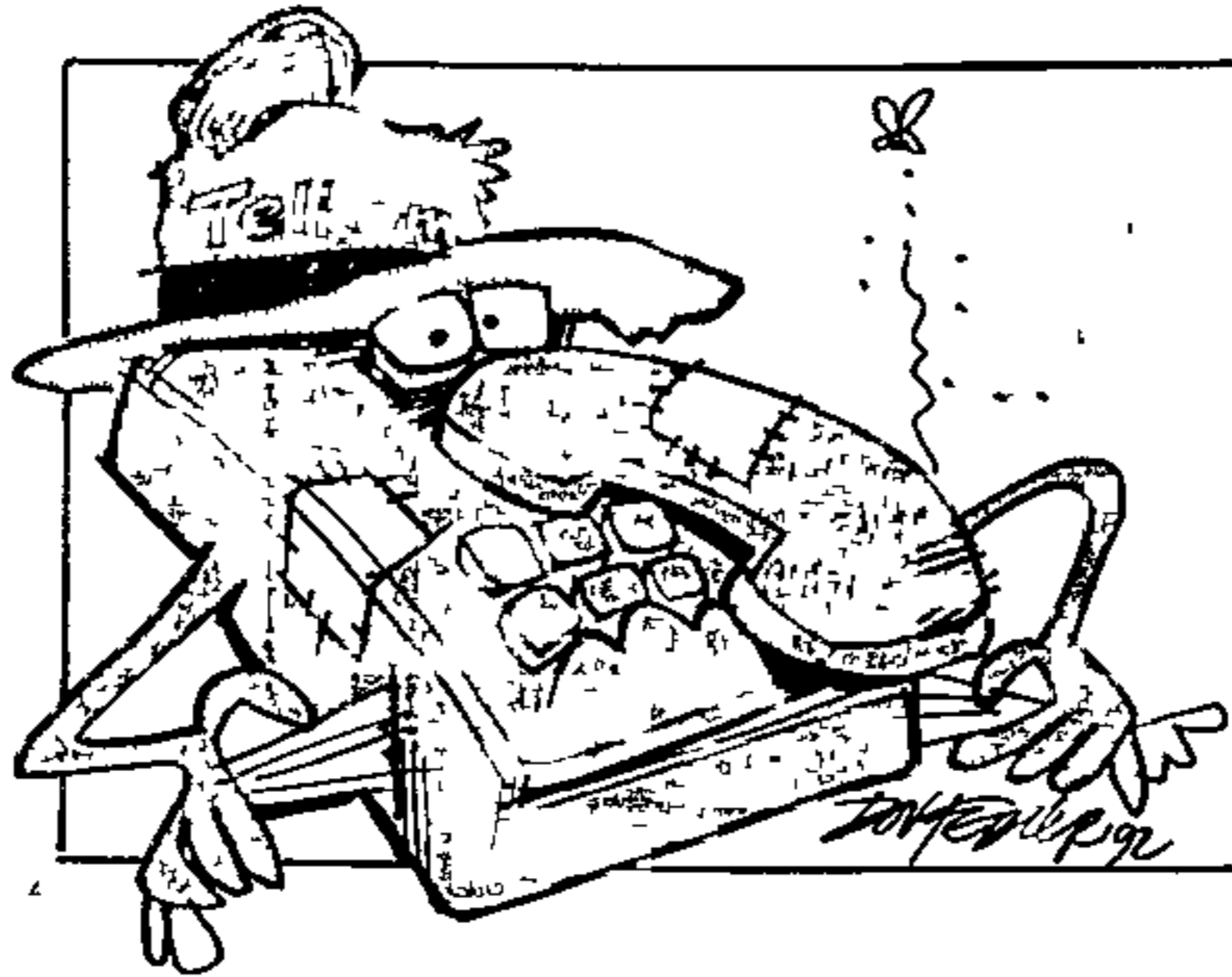
- Improving access to basic services in the townships and rural areas;
- Increasing the variety and quality of services available to business users at internationally competitive prices, and
- Keeping tariffs for basic telephone services at the lowest possible levels

The report says Telkom's gross profit margins have slumped from 42% in 1987 to 30% last year and its debt equity ratio now stands at a hefty 2,75, compared with an international norm of 0,6 to 0,8. Telkom's total debt at last year-end was almost R10bn

With interest payments of around R1,5bn last year — about 20% of revenue — it is

almost impossible for the organisation to allocate sufficient funds to expand infrastructure at the rate required to meet government's objectives. Without access to equity market capital, the only way Telkom might fund large capital expansion is a cash injection from its sole shareholder, the State, or if it increases its already heavy debt burden. In effect, Telkom is bumping into a brick wall

Coopers & Lybrand advises government to consider chopping Telkom's sacred cows,



such as its position on the retrenchment of staff, raising external finance, above-inflation tariff increases, the funding of the postal deficit and the long-term contracts it has entered into with local equipment suppliers. It also urges greater competition in the provision of telecommunications services

Telkom chairman Jack Clarke says increased competition in the local telecommunications arena is inevitable because of the advances in technology. Deregulation has already begun in various sectors of the telecommunications market, though the provision of telephone traffic has remained the sole domain of Telkom

Clarke says the privatisation of Telkom would be the first prize and enable the organisation to shed much of its debt burden. He adds, however, that privatisation is a highly political issue and is out of the hands of Telkom's management

"We can't have a modern economy without a modern telecommunications infrastructure. This goal shouldn't be sacrificed for the sake of political expediency. The sooner this country has an independent telecommunications company geared to meet the needs of its customers, the better. But this requires a proper structure and capital investment programme"

For now, he says, management can strive only to make the organisation more efficient and profitable and this is being achieved. He argues that the business is growing and that

layoffs are not being considered

Eugene van Rensburg, adviser to the government's policy unit for public enterprises and privatisation, argues it would be premature to consider privatising Telkom so soon after its commercialisation. Telkom management has been running the business for only 12 months and it should be given an opportunity to make commercialisation work. He says the organisation is already more efficient and responsive to customers.

"Many of the sensitivities regarding the potential privatisation of Telkom remain," he says. The ANC's stance against privatisation, for example, has not shifted. Spokesman Carl Niehaus says any such restructuring of the economy should wait until there is a representative interim government

Van Rensburg says government remains committed to the concept of privatisation but is concentrating on other assets. He says that for a State corporation to qualify for privatisation it should

- Operate in a market that is already competitive,
- Show a good potential return to investors, and
- Be able to operate without State involvement

He acknowledges that commercialisation is not an end in itself. "It should ultimately clear the decks for privatisation"

Simon Cashmore

ABACOR FM 23/10/92

More homework to do

Faced with a storm of objections, government will apparently postpone the November 25 privatisation of the R240m Abattoir Corp (Abacor)

Opponents argue that Abacor shouldn't be privatised until the meat industry is thoroughly deregulated because anything less would entrench the company's dominant position in the R10bn-a-year industry. Deregulation proposals announced early last month did not fit the bill and have been fiercely attacked by cattle farmers, meat retailers, supermarket chains and other groups for not going far enough

"The whole matter has reached a very sensitive stage," says Chris Blignaut, the Deputy Director-General of Agriculture. "But until the new meat scheme is finalised, I cannot see how Abacor can be privatised."

The new, deregulated meat scheme was supposed to take effect at the same time as the privatisation. But the sheer volume of objections that must be studied has probably been enough on its own to force a postponement

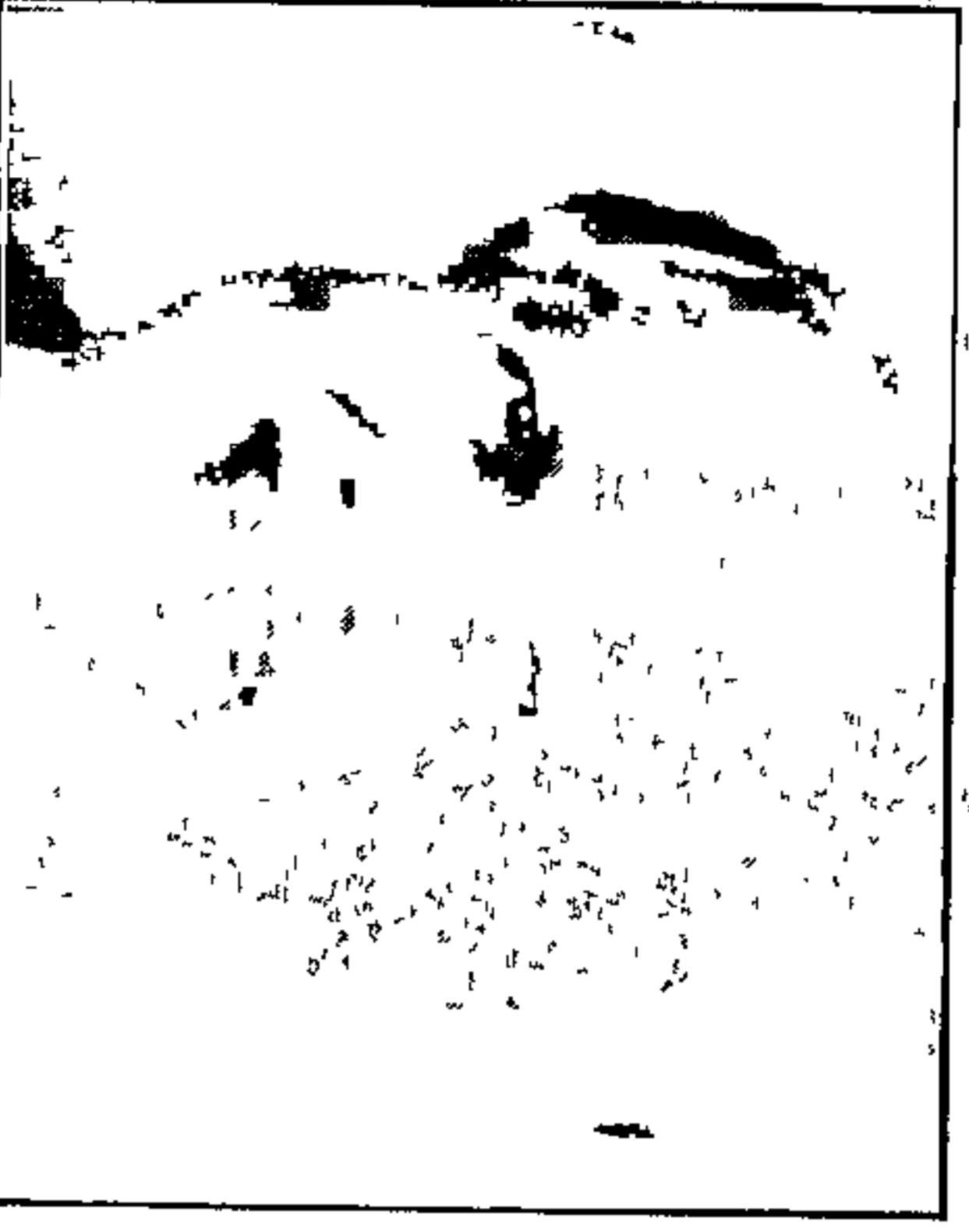
TELKOM SURVEY Mobile phones will cost you more ● Get connected up with Bell

Getting
all that
data

flowing

■ Linking up locally
and globally:

A UNIT locally designed to



Ben Bets, MD, for Mobile Communications.

Why car phone calls cost more

■ Mobile phones are a great convenience but to make a call is very costly:

FOR people who wonder why car phone calls are so much more expensive than normal ones, Telkom explains "The motorphone service is a more sophisticated telecommunications facility which makes use of the switched network as well as a radio component consisting of a network of base stations. A cost-based tariff structure has to take into account the additional capital investment in the mobile service." "What happens when a subscriber phones a motorist? "The call reaches the motorphone exchange at which the

motorphone client is registered. Switching equipment then hunts for the number being called among the motorphone exchanges and connects the call where the person being called is located." "Who pays?" "A roaming motorphone client pays for the relaying of calls from his registered area to the area in which he finds himself at 90c a minute, irrespective of distance. Thus the caller pays for the first leg of the call and the person receiving the call for the second leg."

LINK TELEPHONE SERVICES TO NATIONAL AND INTERNATIONAL DATABASES AND COMPUTER-SERVICES IS RECKONED TO PROVIDE THE MOST ENCOMPASSING SERVICE OF THIS KIND IN THE WORLD

Known as "Easy Access" (EA), it is manufactured by Tran Systems, part of the Siltek group

"It provides a single access point, obviating the necessity to access separate networks," says MD Brian Concannon

User-friendly

"And it has user-friendly menus, in English, Afrikaans, Zulu, Xhosa, Sepedi and Sesotho

"This type of service is not only essential for modern business communication, but it is becoming popular for home use as well

As the PC-base grows, we expect it to become indispensable for all telephone subscribers

Requirements

"It is provided via a phone connection and, on registration, Telkom supplies the client a secret Network User Identity (NUI) code. Since its launch in 1989, more than 6000 NUIs have been issued - most for multiple user service

"Hardware requirements are minimal - a PC with communications software and an asynchronous modem or dedicated terminal such as Minitel"

Among services which can be accessed are Beltel, Telkom's videotext service with gateways to numerous facilities such as electronic banking, hotels, stock market updates and analysis, and airline booking

Directory

Also available are Innobel - the electronic telephone directory service - and the Triple-X network, which allows asynchronous users to access local and international databases

A special dial-out facility lets users connect to any phone number in South Africa for the cost of a local call

And the Telkom electronic messaging services uses EA to provide messaging facilities to any E-mail, telex or fax user

Sowetan
23/10/92

The MINISTER OF POSTS AND TELECOM-MUNICATIONS

Yes

- (1) (a) 2 697
- (b) and (c) 2 360

- (a) R250 000,00
- (b) SABC's CCV and TSS television channels
- (2) (a) None
- (b) Public exposure

(267)

(ii) 3 543 of the waiting applicants will be provided with service during the current financial year. The demands of a further 1 286 waiting applicants will be met during the 1993/94 financial year. Telkom is awaiting confirmation of the required dates of installation from the remaining 228 waiting applicants.

Persons in police custody: deaths

370 Mr P G SOAL asked the Minister of Law and Order

How many persons died in police custody in (a) 1991 and (b) each specified month of 1992 for which statistics are available?

B868E

The MINISTER OF LAW AND ORDER

As the concept "died in police custody" can be more widely construed than just persons who have died in police cells, and various factors such as natural causes, suicide, injuries sustained before arrest, etc also play a role, and because I do not wish to anticipate the outcome of the investigation as a result of Dr Gluckman's representations, it will be a mis-perception if only a single figure is given

Broadcasts of Codesa 2: sponsorship

371 Adv J J S PRINSLOO asked the Minister of Posts and Telecommunications +

- (1) Whether Telkom sponsored the broadcasts of the proceedings at Codesa 2, if so, (a) what was the total amount of the sponsorship and (b) by means of what media were the broadcasts made,
- (2) whether Telkom received any (a) financial and/or (b) other benefits from this sponsorship if so, what is the (i) nature and (ii) extent of each of these benefits?

B869E

The MINISTER OF POSTS AND TELECOM-MUNICATIONS

- (1) Yes,

(ii) The sponsorship exposure given to Telkom as compared to the same amount of exposure through paid advertising using the same media was extremely cost-effective. Viewership over the two days was seen as considerable. When measuring advertising costs in print and electronic media against that of a sponsorship of this magnitude and exposure, the latter is much cheaper and more effective. Taking these advantages into account the Codesa 2 exposure was a great boost for Telkom.

Release of political prisoners: agreement with ANC

372 Adv J J S PRINSLOO asked the Minister of Correctional Services +

- (1) Whether the Government has concluded an agreement with the ANC in regard to the release of so-called political prisoners, if not, what are the relevant details, if so,
- (2) whether he will furnish any information on the release of such prisoners in terms of this agreement since 1 January 1992, if

not, why not, if so, (a) what are the full names of each of the prisoners, (b) of what offence or offences was each convicted and (c) what are the details in regard to each of these offences?

B870E

The MINISTER OF CORRECTIONAL SERVICES

- (1) and (2)(a), (b) and (c)

If the hon member is referring to the formal agreements between the ANC and the Government at Groote Schuur on 4 May 1990 and Pretoria on 6 August 1990 as well as the guidelines for defining political offences in South Africa (Government Gazette—7 November 1990) which emanated from the mentioned agreements, the reply is yes.

As regards the issue of the release of political prisoners according to the mentioned agreements, the Government's position is that all political prisoners have been released considerable time ago in terms of the agreements and in terms of the following guidelines as published in Government Gazette No 12834 of 7 November 1990

"(i) The motive of the offender, i.e. whether the offence was committed for a political motive (e.g. to further or oppose the aims of a political organization, institution or body) or for a personal motive

(ii) The context in which the offence was committed, in particular whether it was committed in the course of or as part of a political uprising or disturbance, or in reaction thereto

(iii) The nature of the political objective (e.g. whether to force a change in the policy of or to overthrow or destroy the political opponent)

(iv) The legal and factual nature of the offence, including its gravity

(v) The object and/or objective of the offence (e.g. whether it was committed against the political opponent or his property, or directed primarily against private individuals or property, or was committed on the assumption that a particular cause, governmental or otherwise, was being served)

(vi) The relationship between the offence and the political objective being pursued, e.g. the directness or proximity of the relationship, or the proportionality between the offence and the objective pursued

(vii) The question whether the act was committed in the execution of an order or with the approval of the organization, institution or body concerned."

However, it soon became clear that there were also other prisoners who committed crimes with a political motivation. This became one of the stumbling blocks which hampered constitutional negotiations. In a spirit of reconciliation and pursuant to agreements reached between the Government and the ANC in preparation for the meeting between the State President and Mr Mandela on 26 September 1992, the Government decided to release a number of prisoners, who were imprisoned for politically motivated crimes, on the following basis

- 1 The prisoners concerned must have committed crimes with a political motivation
- 2 Their crimes must have been committed before 8 October 1990, which was the cut off date agreed to by both the Government and the ANC
- 3 All prisoners who fall within this category, are eligible for release, regardless of their political affiliation

It was decided that the release of these prisoners would take place on the following basis

(Quoted from the Statement dated 26 September 1992 by the Government spokesman on the release of prisoners who have committed crimes with a political motivation)

"1 A first category of prisoners will be released within days in terms of section 69 of the Correctional Services Act. As many as 150 of the prisoners on the list submitted by the ANC fall into this category and have already been released or are in the process of being released. A process of identification of prisoners falling into this category, but with other political affiliations, is also now taking place

2 A second category, those who are serving life sentences, do not qualify for remission of sentence in terms of section 69 of

cont-12

New GSM network in pipeline for SA

15/10/92
267

Reports by
MELANIE SERGEANT

SIEMENS and Altech have, in principle, been awarded the contract to supply equipment for SA's new global system mobile (GSM) cellular telecommunications network which, if installed on a nationwide basis, will cost R750m for switching and transmission equipment.

New legislation is needed before the order can be awarded officially. In the meantime, there is still major debate among suppliers regarding the installation of the digital GSM system, and whether this is the right move for SA.

One source says "Cabinet is being bombarded by vested interests. On one hand there is the question of whether GSM technology is appropriate for SA where basic, cheap services are required for the majority of the population — not an advanced system primarily geared to affluent users wanting mobile communications. "On the other hand, there's the question of competition, and whether Telkom will allow a competitor in the market."

Siemens joint MD Geoff Hainebach argues in favour of GSM and says a single operator makes sense because two separate networks would result in an enormous waste of capital.

"If Telkom gets a licence — for which there is no current legal mechanism — we will be a supplier."

One of the Cabinet sub-committees looking at public enterprises has been considering the legislation designed to clear the

obstacles preventing Telkom from launching into GSM. It is understood GSM requires special radio frequencies which are not currently available to Telkom.

Telkom says Siemens and Altech were chosen to supply the new equipment because they supplied existing systems. Other suppliers, however, are angry that the job was not put out to tender.

Hainebach says GSM is the only digital mobile system available. "Digital cellular systems cost about 25% the investment per subscriber compared to analogue GSM. It will also be cheaper in future for low density urban and rural areas than wireline services."

And he says Telkom should get the licence for the network because the link between mobile and fixed services on the same GSM infrastructure will benefit high and low ends of the market rather than only the high end. "The cost of installing two networks would mean a massive waste of capital for SA."

Hainebach argues that if there are 200 000 subscribers, then the country would have to invest about 30% more (R130m) if two networks were installed.

It would make sense to have a single network and more than one service provider, so that the infrastructure investment can be shared.

'Basic' communications system for TBVC states

15/10/92
267

THE TBVC states are restructuring their telecommunications by committing themselves to cellular systems which fly in the face of those planned for installation by Telkom.

Despite Telkom efforts to persuade TBVC states to install advanced digital GSM systems, it is understood the states want to take the analogue route for providing basic, quickly installed services to subscribers.

Cellstar MD Ian Fairman said the number of people in SA wanting globally compatible GSM phones was minimal, there was a far bigger need for basic services which could be installed quickly and cheaply.

This view is supported by research firm BMRB. TechKnowledge director Alan Paul, who has conducted significant research into the telecommunications industry in southern Africa. "Effectively, when the TBVC states are reintegrated into SA, we will have alternative operators competing with Telkom," said Paul.

Companies such as Reutech, Plessey, Philips and Cellstar are touting analogue-based systems which they say need only 40% of the capital cost of GSM systems. They also work on flexible bandwidths, and do not have the electronic magnetic compatibility problems of GSM.

It is believed Cellstar is to become an operator in Swaziland where 2 000 subscribers will be connected to a network at a cost of R3m. The company is also believed to be tying up licenses to operate Nordic Mobile Telephone (NMT) analogue-based systems in other countries, including Botswana and Zaire.

While a Telkom spokesman argues that analogue systems are inappropriate, and represent outdated technology, NMT suppliers say the technology is newer than GSM, and is ideally suited to Africa.

A Telkom spokesman said "The problem with installing NMT is that users crossing borders can't use their terminals on the digital network. This has happened in Europe where groups of countries have installed analogue technology."

Fairman said that few TBVC users needed to cross borders and use their units. Rather, they wanted basic services so they could communicate.

Post Office owed ⁽²⁶⁷⁾ R1-billion

Political Correspondent

TELEPHONE subscribers owe the Post Office more than half-a-billion rand in unpaid bills — and it is not clear how much can be recovered.

This is by the far the biggest portion for 1990/91 of just over R1-billion.

This "unsatisfactory state of affairs" emerges from the Auditor-General's report on the accounts of the Department of Posts and Telecommunications for 1990/91, tabled in parliament yesterday.

The report says telephone subscribers owe R574,4-million. The next biggest amount is R243,6-million owed by foreign telecommunication debtors.

Auditor-General Mr Peter Wronsley says that a satisfactory age analysis of telephone debtors is not available.

But he adds that "according to an analysis of outstanding balances, where this was indeed possible, it would appear that there may be a serious problem with the timely collection of the outstanding amounts".

"This unsatisfactory state of affairs was brought to the attention of the Postmaster-General on April 9 1992."

Mr Wronsley notes that "it is not possible to express an opinion on the recoverability of the department's debtors".

● The report also highlights written-off losses during the year of more than R19-million, including

● More than 30 600 telephones worth more than R5,2-million,

● More than 1 800 cases of theft of wire and cable routes worth R4,1-million,

● Damage to vehicles in 2 347 cases totalling R2,7-million,

● 622 cases of damage to private vehicles totalling R1,6-million, and

● "A variety of other losses" totalling R4,1-million.

In particular case, an ex-gratia payment of R14 200 was made to a firm to cover the cost of a lost document.

The battle to win hearts and minds

(267)
FM 2/10/92

While the politicians continue to debate privatisation, the process of commercialisation is gathering steam. But turning around the civil service mentality of government-owned companies and putting them on a business footing is presenting problems for the executives now in charge.

Conceived by government in the Eighties, commercialisation became a surrogate for privatisation after opposition from the ANC, trade unions and, in a reversal, the Democratic Party forced the shelving of plans to sell the largest State entities.

Commercialisation was seen as a halfway house in which government would still own the companies — appeasing the ANC and Cosatu — but would run them as though they were private.

The process has been under way for two-and-a-half years and the main commercialising companies — Telkom, the Post Office, Transnet (including SAA) and Armscor — are now more financially accountable, efficient, competitive and profitable, or at least less unprofitable. But, with the companies hobbled by workers who aim to reduce their workload, not save money for the State, progress is difficult. "It's not that civil servants are stupid, many of them are fine workers," says Post Office chairman Donald Masson. "They simply have a different focus."

For example, Masson says his recent attempts to charge the various post offices rent — for bookkeeping — met with amazement. "They couldn't understand how one could charge rent for a building that had already been paid for. Of course, this thinking means that the cost of the buildings is never accounted for." He expects it to take at least

three years to change the corporate culture.

The civil service culture has taught bureaucrats and government workers that salaries and benefits do not depend on merit. Everyone gets the same bonus at the end of the year, while merit increases and incentives are unknown. Changing to a merit-based system can encourage employees who can change their thinking but demoralise those who cannot.

Masson points out that wider social and political changes affect the commercialisation process. "If we say we need to introduce more blacks into management, the reaction is that this change has been brought about only because of commercialisation. They fail to understand that it would have happened in

any event."

The commercialising companies don't have the freedom to do everything a private company can do. For one thing, government has instructed that job cuts must be kept to a minimum, a problem for companies that were notoriously overstaffed.

Still, some cuts have been made. Johan van Vuuren, the past chairman of Armscor, where cuts have been heavy, says "Decide what you want to do, then do it fast and with compassion. Keep staff informed because rumours and bad feelings can mount quickly. Try to be fair when retrenching staff — legal actions are expensive. Assist people to find work because your company image is at stake. Give preference to the intelligent transfer and retraining of key personnel. Don't underestimate the cost of retrenchment and cut deeper rather than shallower, so you don't have to repeat the process."

It's not only the bureaucrats who must be retrained. Masson says the public is used to getting State-subsidised schooling, medicine, postal and telephone services.

"Commercialisation means market-related prices have to be charged. The problem is that a customer has no problem paying R80 for a courier service but will balk at paying the Post Office R9 for the same service. People want only the positive side of commercialisation — better service — without higher costs."

Despite the hitches, Masson says there is no other way people will get good service. "Understandably, the private sector wants to see results almost immediately. But, then again, I ask myself when did I last get good service from the private sector — longer ago than I can remember."



At the Post Office . turning civil servants into customer servants

New era dawns for the Post Office

Speed and efficiency is the aim of the Post Office, now an independent public company, says Donald Masson, chairman of the board of directors.

When Donald Masson was appointed chairman of the Post Office board of directors with the establishment of the Post Office as an independent public company on October 1 last year, his biggest challenge was to change the culture from what used to be a State Department to a more client-orientated business-like and profit-making undertaking.

Mr Masson, previously from Tradegro, Kanhym, Trek and BP and former president of the AHI, believes the new company is on schedule and promises a more efficient, speedy and user-friendly service to the public. In the following interview he gives some frank responses to issues of public interest.

Question: The Post Office as a public company is almost one year old, have you succeeded in changing the culture?

Answer: A complete culture change cannot take place within 10 months. As in all large business undertakings, the Post Office, with 30 000 employees, also has different cultures, for example the counter clerk has a specific client culture while management at head office has a different culture, they need to have a profit-making culture.

I do, however, believe that our aim to change our culture from what used to be a civil service undertaking to a more client-orientated, business-like culture, is taking form as we are not only talking about it all the time, but have also started implementing these ideas. As an example, a client-summit was held recently. The summit, attended by private businessmen, consumer bodies, extra parliamentary bodies and trade unions, is said to be the first in the history of the Post Office. Two task groups have been appointed, one dealing with bulk mail-users and the other with service levels and development of postal structures in under-developed and developing areas.

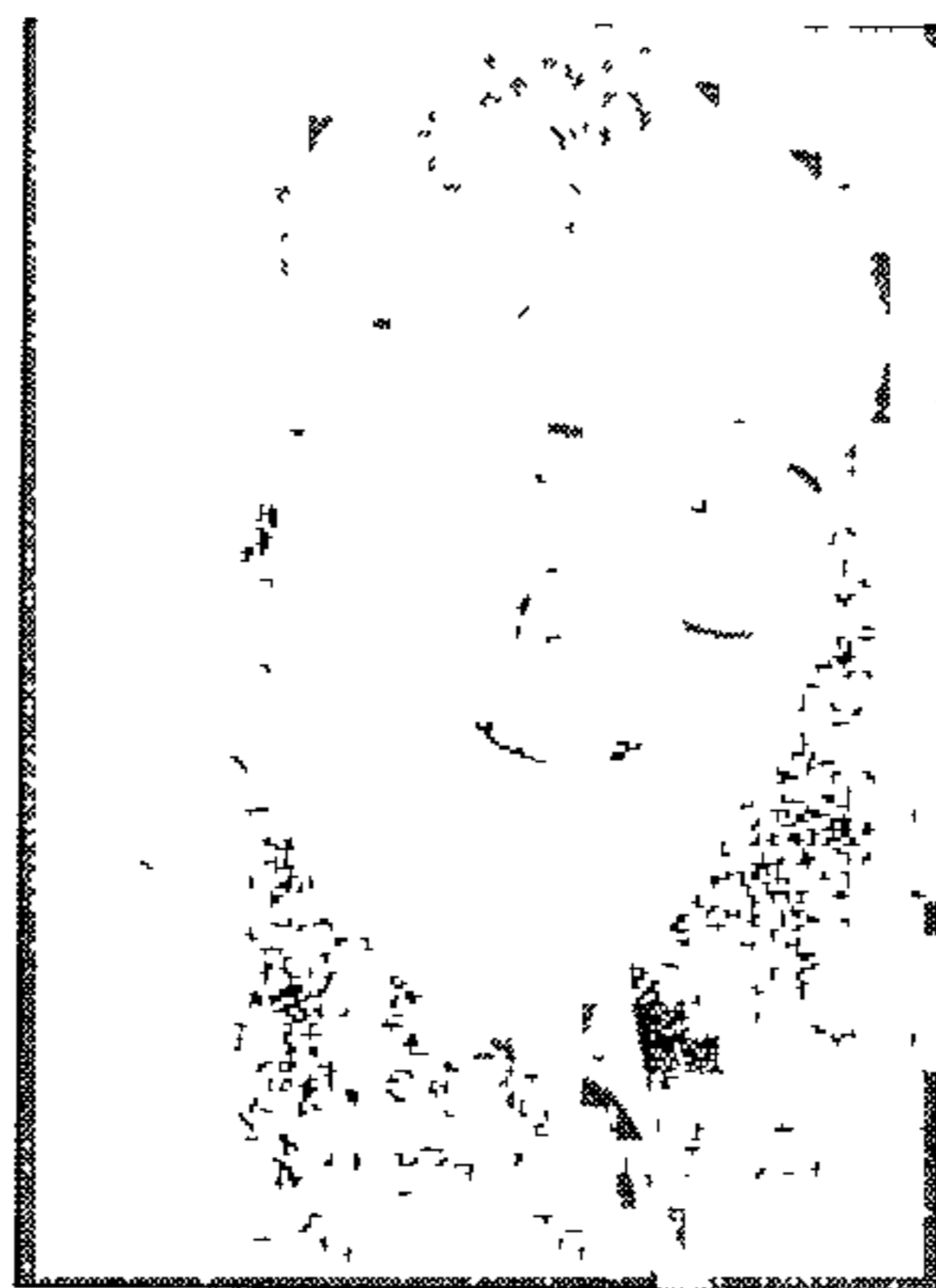
We have started a complete restructuring at head office. I have recently appointed two outside businessmen to the management board and we are still looking for a managing director, also from outside. I was not starry-eyed and did not think things were going to change overnight. But I am satisfied with what has been reached so far. On the restructuring of the company, I think we are ahead of schedule.

Q: There is known to be resistance among some Post Office officials to change. How serious is this problem and how do you intend to address it?

A: We are a company now, not a business. We are no longer a State department. And there is a big difference between the way in which a business should be managed or run and the way in which State departments are run. I do not see this as a serious problem. The majority of the staff are positive, they do not want to be seen as civil servants anymore and they are prepared to change their thinking.

Q: When can the public expect to experience a change?

A: If it has not been felt by customers yet, I can promise you they will feel it in the near future. I must, however, mention that respected business people and ordinary consumers are telling me they are experiencing a change. I believe things are starting to change once management and policy



Donald Masson, chairman of the South African Post Office-board of directors.

decisions reach ground level.

We have embarked on one of the most extensive and intensive training campaigns in the history of the Post Office, namely Counters 2000. Our counter service is the showcase of the company and we expect them to render an efficient and friendly service to our clients with whom they are in direct contact all day.

We are also busy with the introduction of toll-free help lines in all the regions. We are giving our clients the opportunity to talk to us. We want them to tell us what they want!

Q: Despite your efforts to change the Post Office, there are still many complaints about the postal service. How do you intend to change the public image of your company?

A: I am aware of complaints from time to time, but do not agree that it has increased. Every complaint or every mail item not reaching its destination in time is one too many for the company and we are giving attention to all complaints being reasonable and fair.

When compared to the number of mail items handled by the Post Office (seven million every working day/2500 million a year) the number of items not reaching their destinations safely and on time is rather the exception than the rule. And the public can assist the Post Office in making sure they use the correct address and postal code, etc.

But often people expect the impossible. They do not mind standing in a queue at the supermarket or at the bank, but complain about standing in a queue at the Post Office!

The Post Office is still being blamed for telephone services and telephone accounts, and I feel it is time that the consuming public sets this right for once and always

Telephones are Telkom's business.

I also do not agree that deliveries have deteriorated. On the contrary, there were major improvements in many areas owing to the switch-over from rail transport to road transport by private conveyors on the major routes in the country. This has not only made the Post Office less dependant on public and other transport organisations in the dispatching of mail, but has resulted in a cut of up to 48 hours in delivery times on certain routes.

Q: How many Post Office branches are there? This network is obviously expensive to maintain. Given the need to cut costs, might we see some of these close down?

A: The Post Office have approximately 1 700 branches and 400 agencies countrywide. We are looking at each branch's financial viability before a decision is taken to close it or open a new branch. Are you aware there are no less than 71 post offices in Pretoria with only nine in Soweto, with none at all in places like Kayelitsha and Crossroads in the Cape and one on the outskirts at Inanda in Natal with 2,5 million people? We cannot and will not

mail volumes by three to five percent a year.

Q: If prices become too high, might it not be pressure for an alternative service to the Post Office?

A: The South African Post Office has a monopoly, and that is a very loose one, on the standardised letter. Private courier services convey mail on most main routes in the country as well in most large centres. The reason for the Post Office having a kind of monopoly on standardised mail items is mainly because most private courier services are not interested in rendering a service to remote areas. It definitely not at the current rate of 35 c!

Are you aware that postage stamps, for instance, may be sold by any business undertaking which wishes to sell stamps. There is no legislation any longer preventing businesses such as book shops or selling stamps.

Q: Will increases in postal rates be accompanied by improved services? We had to rely on postal services, in the absence of fax machines, would we not come to a halt?

A: This is not only true. I also welcome the modern technology of fax machines although it is not my business. There will, however, always be a need for a postal service because in many instances the original copy of documents/contracts/accounts

etc is needed. As a matter of fact, 80 percent of all mail handled by the Post Office is business mail and volumes are continually increasing. A letter/greeting card sent by mail is also a lot more personal than a fax or even a telephone call. There will always be a need for this.

Q: What are the arguments for and against privatising the Post Office on what does this depend?

A: It depends on the political situation in the country (you must be aware of the resistance to privatisation) and it depends on the company's financial situation. Who would be prepared to buy shares in a company with a deficit of R548 million a year?

Q: And the motivation behind the commercialisation of the Post Office?

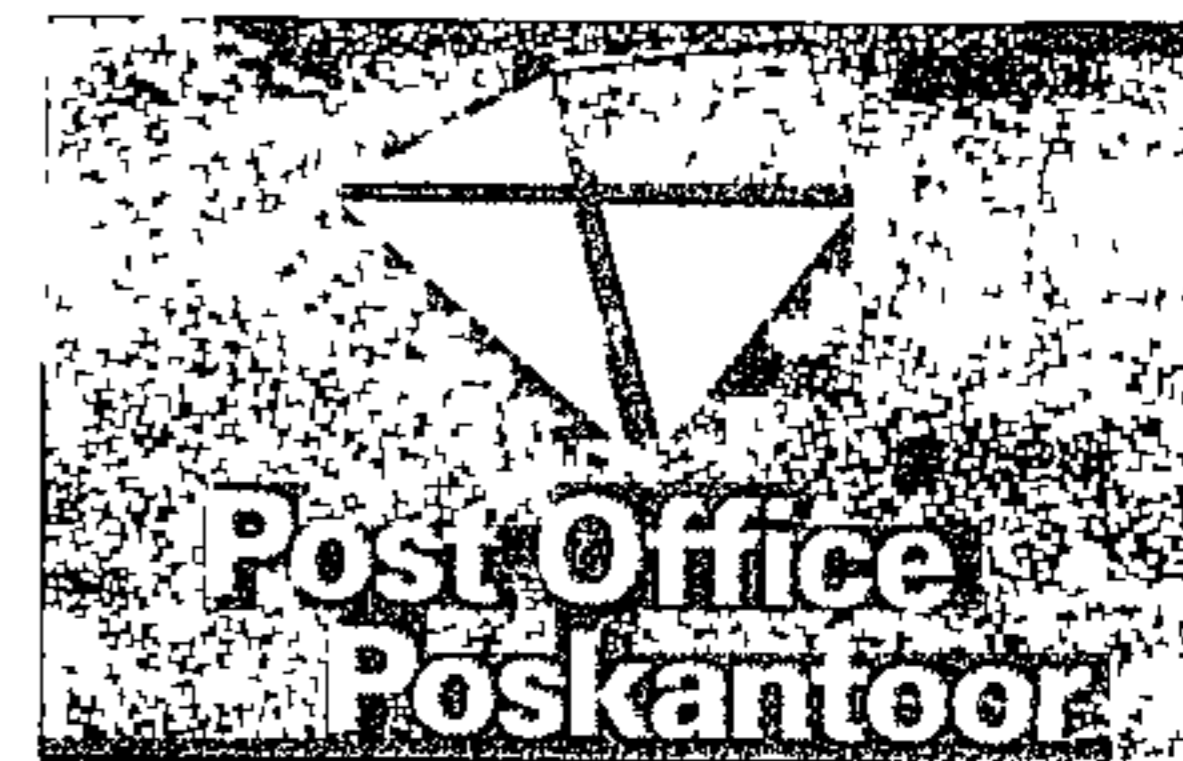
A: One factor was the big difference between the operations of the postal service on the one hand and telecommunications on the other, which also calls for different management styles.

The postal service is predominantly labour-intensive and human-driven operation while telecommunications is capital intensive, these differences thus calling for different management styles.

State subsidisation was a further factor, moral one. With an operating deficit of R548 million estimated for the current financial year, I'm sure you will agree it would be morally indefensible for the Post Office to expect continued subsidisation from the State while millions of people are facing starvation, unemployment, lack of education and hospital services.

Sound economic principles require that the user of a service should bear the cost of that service.

Inquiries, please telephone the Post Office External Communications (012) 28-5865.



Post Office new "flying envelope" logo on mailbags and vehicles.

allow the situation to continue. One of the task groups, that on development in under-developed areas, will be addressing this.

Q: Another aim of yours is to make the Post Office profitable. Will this mean even higher postal rates?

A: Our business plan makes provision for becoming profitable within five years. According to our budget, we are on track (you must remember that the current financial year has only started a few months ago!) but we are a long way from making a profit. This year the Post Office expects a deficit of about R550 million. I have said that in order to break even within the next five years (not even making a profit) we will have to increase rates by an average of 30 percent a year. I do not know whether this will be possible.

It is important though, that you understand the Post Office's financial situation. In the past, realistic rate increases were politically sensitive and resulted in current rates being far from cost-related and not even covering variable costs. In fact, postal rates are lagging behind inflation at the alarming figure of 70 percent! For example, it already costs the Post Office an average of 46c to handle a standard letter for which users are paying 35c.

I have stated on numerous occasions that we do not rely only on rates to place the company's financial affairs on a sound footing. Firm action to be taken will affect savings of more than R950 million over the next five years.

These actions will include the establishment of new services without appointing additional personnel and the expansion of

Pirated calls: We can prove it

261
R120 26/9/92

■ Is your phone bill going through the roof, even though you never dial 087 numbers? Do you believe someone is tapping into your line and running up your bill? This sort of piracy is not only simple, it is probably happening on a scale larger than anyone involved is prepared to admit.
BRENDAN SEERY investigates.

ONE Johannesburg company believes it has proof that its telephone lines have been used illegally by people tapping into the Telkom system to make personal calls.

Tina Gainsford, co-owner of the Use-a-Phone franchise on the corner of Noord and Banket Streets in the city centre, said the company had a computer and a scanner which enabled records to be kept of calls made and received.

About lunchtime last Saturday the shop manageress, Laizer Mogale, noticed that a call was being made on one of the lines, even though the particular phone was on the hook and not being used. A few minutes later another call was made.

The scanner and computer recorded both numbers to which the calls were directed — they were local — and the total time just over 16 minutes.

A company staffer immediately went along Banket Street to check an unlocked Telkom "junction box". The box had been used previously by a Telkom technician who used one of Use-a-Phone's lines but claimed he was checking a fault and making a test call to a "no charge" Telkom number. There was no one at the box, but the call could have been made from any junction in the Johannesburg/Hillbrow area, the company believes.

Miss Gainsford, who has supplied computer print-outs detailing the alleged pirated call, said she was making the matter public "not for the money involved — which is not much — but for the principle".

"We have been lucky. We have the equipment to prove that someone has been using our phone illegally."

Tapping phones and making pirate calls is simpler than child's play for a trained telephone technician. The illegal use of lines probably oc-

curs at Telkom "junction boxes", which are in effect relay stations between consumers' phones and central exchanges. These boxes are sometimes in buildings, where they are usually unlocked, or at roadsides, where they are supposed to be locked.

Technicians possess test phones, which are sophisticated telephone instruments with "crocodile clip" connecting wires attached. The test phones enable technicians to monitor (listen in) or dial and speak. The machines are simply connected to a subscriber's line with the clips. Pirate calls allegedly made by such technicians are then billed to the subscriber.

A telephone technician said it would be "almost impossible" to catch someone illegally using your line.

"That's why they do it. These 087 numbers must be very tempting."

And it is not only Telkom's technicians who have access to test phones — so do employees of PABX companies. However, their work is largely with businesses, not private individuals, thousands of whom have complained about soaring Telkom accounts. Also, PABX technicians do not normally have access to Telkom's junction boxes.

Many consumers who have complained to the corporation about high phone bills have been told the lines have been tested and, "no defect which could have caused overmetering could be found".

This method of testing does not enable investigators to determine if lines have been tapped into, however. A fortnight ago Telkom senior general manager Mr Keith Prins said he was unaware of any "third force" of telephone technicians tapping into subscribers' lines to make 087 calls.

Earlier this month Telkom sacked 13 employees for the "unauthorised use of Telkom facilities relating to 087 services".

Telecommunications study complete

810A4 25/9/92

Business Day Reporter

A STRATEGIC study on telecommunications in SA had just been completed, Transport and Posts and Telecommunications Minister Piet Welgemoed said yesterday.

The study, commissioned by the Posts and Telecommunications Department, was done by internationally recognised experts from Coopers & Lybrand, he said in a statement.

It entails an analysis of the policy options for restructuring the country's telecommunications services sector, excluding broadcasting services.

He said the study was commis-

sioned for the following reasons

□ The enormous technological developments in recent years and further developments expected to take place in the near future,

□ The worldwide tendency to re-regulate the industry and create greater competition,

□ The need for the expansion of basic services against the background of an increasing depopulation of the rural areas on the one hand and growing urbanisation on the other, and,

□ The need to provide the business

sector, in particular, with a variety of quality services which will enable it to compete in all respects, locally as well as internationally.

Topics dealt with extensively in the report include competition and deregulation, the relationship between Telkom and the state, the establishment of a regulatory agency and the independence of such a body.

Following this study and comments received on the report, government intends to create a new regulatory dispensation that will meet SA's needs, he said.

The report will be made public

267

Govt has plan for Telkom ⁽²⁶⁷⁾

PRETORIA. — The government intends creating a new regulatory dispensation for telecommunications, Minister Dr Piet Welgemoed said yesterday.

Some of the topics dealt with in a report on the subject are competition and deregulation, and the relationship between Telkom and the state. — Sapa **CT 25/9/92**

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Altech gets R7m contract in Burundi

Business Editor

ALTECH TELECOMMS has beaten international competition to obtain a R7m contract — funded by the World Bank — to instal a radio-based rural telecommunication system in the mountainous republic of Burundi, Central Africa.

Amoghaling said yesterday a spokesman said the company hoped for additional contracts to expand the system which would be worth another R27m.

He said the World Bank was funding other work throughout Southern Africa and his company would tender for further contracts.

Rutel, the radio-based telecommunications system developed by the company, has been bought by every state in SA although so far it is in use only in the Transvaal.

It is still being installed in rural areas in the Cape, Free State and Natal where hilly terrain makes it difficult to install a telephone system with copper wires.

Keith Crosby, group executive of Altech, said the Burundi contract was obtained in the face of strong international competition. "It was our first participation in a World Bank tender and our first major contract in Central Africa. We are confident that our ability to provide a high quality telecommunications digi- tal infrastructure will lead to further substantial orders in the near future."

257 CT 23/9/92

NEW YEAR GIFTS . . Ms Melissa Raphaely, 24, shows off some of the beautiful orchids which the Union of Jewish Women have put together for the Jewish New Year on Sunday.

Picture. ANNE LAING

Confessed 'police-haters' jailed

JOHANNESBURG. — Criminals and thugs who hunted down policemen and mowed them down threatened to plunge "this lovely country of ours" into chaos, a Rand Supreme Court judge said yesterday as he sentenced two self-confessed "police-haters" to a total of 129 years in jail each.

Selina Stuurman, 20, and Thandeka Gloria Radebe, 22, will each serve an effective 14 years in jail following their conviction on

three counts of murder, three of attempted murder, four of robbery with aggravating circumstances, attempted robbery, house-breaking and possession of arms

Two of the murder victims were policemen and the third was the 18-month-old nephew of another policeman.

Most of the sentences are to run concurrently. — Sapa (251) CT 23/9/92

Killer con

Telkom rival offers cheaper overseas calls

CHARLIE PRETZLIK

(267)
A NEW competitor to Telkom was launched in Johannesburg yesterday, providing cheaper services to international callers. *BLOOM 11/9/92*

WorldPhone CE Jerome Swersky said the new service would save callers up to 40% on international calls as they would be re-routed via the US and charged at the US rate.

"We believe this cheaper service should win us customers and enable us to compete favourably with Telkom," Swersky said.

The system would allow SA computer users to call the 1800 numbers advertised in US computer magazines and make free use of the services offered, Swersky said.

Subscribers to the WorldPhone system would purchase a card for an initial fee of R60 and pay an additional annual fee of R60.

New York-based International Discount Telecommunications already has a similar system but its subscribers have to pay in dollars, restricting it to mainly business users.

Telkom chief manager for international services Boet van Loggerenberg said WorldPhone would not cost Telkom so much in lost revenue that the company was worried by it or would want to oppose it.

PO to charge for service

Business Staff

(267)

Aug 15 1992
placed for R2 and lost cards for R5.

The Post Office Savings Bank was to levy service charges from next month for the maintenance of savings accounts and withdrawals from Telebank accounts "as part of the company's new business approach and to fall in line with savings bank practice elsewhere," said a spokesman in Pretoria

From October service charges of R1 would be levied on all withdrawals at automatic teller machines or counters, while 75c would be levied for account statements called for in addition to normal quarterly statements

Ledger fees of 50c a month would be levied on all active accounts. Lost savings books and certificates would be re-

The Post Office spokesman said this formed part of the restructuring of the savings bank to become more market orientated.

Interest paid to depositors would be lowered from today

Rates on savings bank certificates would be reduced from 12 to 11 percent a year

The lowering of interest rates was attributed to the general drop in interest rates and the Post Office was considering "further adjustments" on other savings services

This was owing to the "general downward trend in interest rates currently prevalent in the market," said the spokesman

Post Office

interest cut

8/04/92 15/9/92

PRETORIA — The Post Office Savings Bank is to lower its interest rates from today and service charges will be levied on accounts from the beginning of next month, the Post Office announced yesterday. The changes were part of its new "business approach".

Interest rates on savings bank certificates will be reduced from today by 1% to 11% a year.

From October, service charges of R1 will be levied on all withdrawals at automatic teller machines or counters. — Sapa.

Telkom will set credit limits to curb 087 spending

JEAN LE MAY
Weekend Argus Reporter

TELKOM is planning to set credit limits for individual telephone subscribers in a bid to curb bad debts incurred through the 087 premium rate services

This means that if the limits are exceeded, phones could be cut off even if accounts have been paid

And the controversial 087 services will survive in spite of reports that they will stop when the pilot phase expires at the end of the year

In spite of the bad image acquired by the 087 services since they were inaugurated in October last year, Premium Rate Association of South Africa (Prasa) vice-chairman Mr Robert Russell said yesterday they were preparing to negotiate a new service contract with Telkom

A Telkom spokesman confirmed that chairman Mr Jack Clarke had written to Prasa members saying a new contract would be considered

Mr Fanus Bothma, media liaison officer for Telkom, told Weekend Argus that credit limits would be set for all sub-

scribers because Telkom had so many bad debts, largely because of the 087 lines

Telkom had declined to disclose the total sum of its bad debts, but they would be reflected in its next annual report, he said

The new credit system would be introduced once the principle was approved by the management board and details had been ironed out, he said

Asked how the credit limits would be set, Mr Bothma said they would probably be related to telephone usage over "the last couple of months" prior to the system's introduction

"People whose accounts show a gradual increase won't have anything to worry about," he said

Mr Bothma also disclosed that Telkom was monitoring the amount spent on 087 calls by individual subscribers

"We often telephone people to ask whether they are aware that 087 calls were made on their line the day before."

Telkom did not ask for deposits and had no credit limit, he said, which was why subscribers were able to run up

■ To Page 3

Telkom ready to set credit limits on bills

■ From page 1

huge accounts for 087 calls

Mr Russell said Telkom had insisted the new service contracts should exclude competitions or gambling games as well as the sex services, suspended last week after public protests

It would be obligatory also for all service providers to be members of Prasa and to observe the association's code of conduct

Mr Russell, who has international experience of premium-rate services, told Weekend Argus it was not technically possible to control the amount spent by local subscribers because the technology was not available in South Africa

However, it was controlled in other countries including the United States and Israel, he said. There, telephone subscribers received two-phase bills, one for normal calls and the

other for premium-rate calls

"The service provider knows where the call is coming from and, if the caller has not paid his service bill, the call is refused," he said

It would cost about R17 billion to instal equivalent technology in South Africa, he said

The British telephone company, on the other hand, did not have the sophisticated equipment necessary and had had the same experience of bad debts as Telkom

When the 087 services were introduced on October 15 last year they were regarded as a potential money-spinner

However, Telkom has borne the brunt of the bad debts because of the way the system works

■ Early this month, 13 Telkom employees at the Johannesburg central exchange were sacked for "the unauthorised use of Telkom facilities"

■ More reports on Page 5

Telkom to revamp telephone system

(267) CT 11/9/92

Own Correspondent

JOHANNESBURG. — Telkom plans to revamp the telephone system with an array of new technology

It also plans to extend the telephone network to more township residents and to outlying communities

Telkom chairman Mr Jack Clarke said it planned to install a high-frequency radio network and establish base stations countrywide

The intention is to install about 250 000 phones a year over the next five years, with emphasis on "community phones" — call-boxes and card phones — within "reasonable access" of everyone

The new radio telephone system, of particular benefit to rural and squat-

ter communities, will start operating by the end of next year

Mr Clarke said the future of telecommunications in South Africa lay in a combination of the existing cable phones and new technology based on radio and optical fibre

Telkom's efforts to install cable systems across the country had been hindered by theft and the inaccessibility of many rural areas

In 148 thefts Telkom had lost R824 000-worth of copper wire in July alone. Copper cables would be replaced by optical fibre cables that could carry more lines

A planned new radio phone system, Group System Mobile (GSM), had a far higher frequency band and would be cheaper to install in rural areas than cable phones, Mr Clarke said

CT 10/9/92
PO reduces

savings rates

(257)
PRETORIA — The post office yesterday announced a reduction of between 1% and 11% on Savings Bank certificates from September 15

In a statement issued here the post office said owing to the drop in interest rates, the Savings Bank was also obliged to lower its interest rates

The post office said even at the reduced interest rate, Savings Bank certificates offered an extremely attractive investment in times when interest rates were still dropping

The post office was also considering further adjustments on other savings services — Sapa

Telkom users seek tangible changes

BIDAM 3/9/92 (267)

Reports by
MELANIE SERGEANT

MOVES ARE afoot to take SA's telecommunications industry into a new era, but in the meantime corporate users say they urgently need to know where they stand

Following a brainstorming session organised by Strategic Business Services' Peter Aspinal, it was clear that Telkom's user base is less than comfortable with the current circumstances

Although Telkom is commercialising, big users do not see much difference in its operation and believe no fundamental changes have taken place. Telkom says there have been changes, citing the creation of a corporate client services division

The ANC stated its worries that government was investing in a mobile cellular telecommunications infrastructure while many people did not even have phones. Telkom countered this, saying that high-value services produced revenues which helped to pay for others

At the sessions, it was restated that the regulator had the jurisdiction to license others to provide services not provided by Telkom, but it could not license Telkom which still fell under state jurisdiction

GM communications policy and regulating Peter Lochner says legislation is being drafted which will affect the regulating mechanisms. Two Acts are planned one for establishing a commission, and the broadly termed the Comprehensive Telecommunications Act which will combine the existing Post Office, Radio and possibly Broadcasting Acts

"The Posts & Telecommunications Department has inherited regulatory responsibilities, but in the new spirit of bringing in more competition, legislation is being formulated to allow for a regulatory body or a commission of telecommunications which would provide the guidelines which can be used by the executive arm of that body to formulate regulations"

Various recommendations from inde-

pendent analysts and consultants are being used in the new regulations

Lochner says "We are currently using existing mechanisms, where Telkom has a monopoly and rules by which to operate this monopoly. Issues such as allowing competition for existing monopoly services still reside with the Cabinet, but this will be changing under the new laws"

On the question of value added network services (VANS) and other services for which companies have been licensed, Lochner says VANS allow third parties to make use of Telkom's basic services, and in the future other, far more extensive services, may be on the cards

"For example, where computers on networks can effectively switch traffic so it can bypass the telecommunications network, Telkom will have to introduce different rates for high-speed data transfer"

"This is important so Telkom can ensure that the potential loss of income from such services will not inhibit its ability to provide essential services to other users, such as those in rural areas," he says

Users also expressed their concern that in the longer term, Telkom could be offering value added services, but it would not have to comply to the same conditions as private sector VAN licencees. They believed that Telkom could use these services to cross-subsidise others

But Lochner says it is unlikely that Telkom will provide such services

He says cross-subsidisation is not favoured. "Current VAN service conditions probably won't last very much longer anyway. Some tariffs for lines are currently far too low, and new tariffs will be built into VAN regulations by the new conditions rather than there being basic tariffs charged on lines"

Pressure over 087 lines on Telkom

Staff Reporter

THE government is bringing pressure to bear on Telkom to resolve the outcry over the 087 lines

The Minister of Post and Telecommunications, Dr Piet Welgemoed, was concerned about the "bad press" and public unhappiness, a spokeswoman said

Ms Elsa Kruger said Dr Welgemoed had asked Telkom management to come up with a solution

"The government and the minister do not want to interfere, but they want the matter sorted out," she said

Pilot phase

The managing director of Telkom, Mr Danie du Toit, recently threatened to stop the 087 lines at the end of the pilot phase in December

Mrs Sheila Lord, vice-president of the Housewife's League, said she did not think it would be necessary to have the 087 lines scrapped entirely

Some of the lines could be of use to consumers but others, like the competition lines, were a problem

boat
lined
SMITH

R54 755 highest 087 debt dialled

Staff Reporter

AN EERSTE River phone-user has run up an astronomical R54 755 telephone bill playing the 087 game

Telkom revealed that the man, who is believed to have run up the highest account in the Cape, said he dialled the 087 competition numbers

He promised to try to settle his account and had indicated that he would be seeing his bank to seek financing, said a Telkom spokeswoman. His line had been suspended

A man from Mitchells Plain has also run up a large bill of R31 414

The Telkom spokeswoman said this client had been unable to pay that amount and his service had been suspended

"It is now a bad debt," she said

Telkom has not identified the subscribers. Client confidentiality had to be respected, she said

The highest account run up by a private subscriber in the Cape used to be R39 000

The man, who admitted to dialling the 087 gambling lines, recently "disappeared", said a Telkom spokesman

His wife, who was left to pick up the tab, made an arrangement to pay off the account

CT 20/8/92

The bodies were buried by the government, most did not carry identification papers — Sapa | ter to the police.

Lines 'can be tapped into'

AN electronics expert yesterday said it would be easy for a technician with a line-checking handset to tap into someone's line and call 087 lines on his or her account (267)

But Telkom spokesman Mr Fanus Bothman said Telkom's technicians had access to open Telkom lines that they could work on. CT 15/8/92

It would be odd for somebody who wanted to abuse the system to deliberately choose private lines instead.

A R20 "087-block" at the exchange — for those who are served by electronic exchanges — would frustrate anyone who wanted to tap into a line illegally and make such calls, he said.

● A Johannesburg Telkom employee faced internal disciplinary hearings yesterday on a complaint of "unlawfully using Telkom telephone lines to call 087 competition numbers after hours". — Staff Reporter and Sapa

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Net closes on

Telkom system to be probed

257 CT 14/8/92

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PRETORIA. — Telkom's controversial phone-call measuring system is to be investigated by an independent body

This was announced last night by the Minister of Post and Telecommunications, Dr Piet Welgemoed, after he met five consumer groups to discuss high telephone accounts and 087 premium numbers.

Committee of Consumer Organisations (CCO) chairperson Mrs Lillibeth Moolman said after the meeting that Dr Welgemoed supported the suggestion that a liaison committee be established between consumer organisations and Telkom to meet on a regular basis to discuss consumer problems.

Dr Welgemoed said he had accepted the proposal that a direct line of communication be established between the board and management of Telkom and consumer bodies, similar to that which already existed in the case of the SA Post Office Ltd

Mrs Moolman said that "not much

PO claims 087 winnings

JOHANNESBURG. — If you were faced with a huge telephone bill after the introduction of 087 numbers, spare a thought for the Jeppe Street Post Office.

A Telkom technician, who allegedly used 13 telephones at the post office distribution point to call an 087 jackpot competition, faces a bill of hundreds of thousands of rands.

Telkom yesterday brought an urgent application in the Rand Supreme Court for an order preventing Mr Mbuyisini Khumalo's bank account being credited with the R140 000 he won. The application was granted. Mr Khumalo has 30 days to reply. — Sapa

progress" was made at the meeting. A follow-up meeting with Dr Welgemoed was suggested.

According to Mrs Moolman, Telkom indicated that most of the problems emanated from 087 numbers

She said the CCO had stressed that the barring mechanisms to block 087 numbers, available at R20 from Telkom, should be widely publicised.

The CCO had also demanded the immediate implementation of itemised telephone accounts. — Sapa

its the Wallabies

attended by President F W de



087: Demand for 'free block'

HENRIETTE GELDENHUYS
Staff Reporter ARG 13/8/92

IRATE Manenberg residents have responded to high telephone bills by demanding that Telkom "block" 087 numbers from private telephones free of charge and on request.

At a Popular Salvation Front (PSF) meeting in the Manenberg People's Centre last night, about 40 Manenberg residents cheered loudly as the Catholic Church's Father Christopher Clohessy said "If they're taking the 087 service under their wing, they must block it for any person at any time for free. We also demand detailed printouts of phone calls made."

One by one, "victims" of the Telkom account system walked up to the stage to explain how they were affected.

Resident Mrs Vera Williams said

she had a R700 June account for a telephone her family did not use at all.

"The phone was locked and the keys kept at work. But Telkom told me my daughter could have plugged in somebody else's phone," she said.

Another resident, a Mrs Esau, said she had telephone bills of between R600 and R800 during the past five months, but previously had an average account of under R80.

PSF chairman Mr Mogammed Abrahams claimed people were being told by "arrogant" Telkom staff that they used 087 numbers when they did not.

He questioned Telkom's status as a private company, saying it was impossible to boycott Telkom as it had "no competition" and was "wholly State-owned".

Mr Abrahams said the PSF would hold more meetings in Guguletu and Claremont and planned a protest march to the Telkom offices next month.

● High phone accounts and the 087-lines will be discussed by the Committee of Consumer Organisations and the Minister of Posts and Telecommunications, Dr Piet Welgemoed, today.

Postal delays 'inexplicable'

LETTERS sent in and around Cape Town can take up to a week to arrive at get to their destinations

A Cape Times survey, in response to complaints from the public about the city's unpredictable postal service, found that on average, letters posted from the city centre to the suburbs took three days to arrive — but one letter sent to Claremont took a full week

The test found that a standard letter to Johannesburg from Cape Town took five days. However, it took six days to arrive in Johannesburg when posted from Bellville but only three days from Muizenberg. The regional public relations officer for the Post Office, Mr André Joubert, said this was "inexplicable" (267)

An express letter to Pinetown took five times longer to arrive than a standard letter.

Standard letters posted in Cape Town on the morning of July 1 arrived in Lakeside and Observatory the following afternoon. A letter to Hout Bay posted on the same day was received on July 3 while one to Claremont only arrived on July 8

CT 5/8/92
Mr Joubert said it was "not possible to explain" this.

He said a million items were processed daily in Cape Town.

Postal delays 'likely'

PRETORIA — There could be delays in mail delivery this week due to the nationwide stayaway action, the Post Office said yesterday. Disruptions had been experienced in certain areas in the past two weeks. — Staff Reporters and Sapa

CT 4/8/92 (267)

Phone moans have staff hopping

Staff Reporter

MANY Telkom employees are fed up with consumer complaints about telephone accounts that have followed the introduction of the 087 service

"Premium 087 means extra income for Telkom, but the increase in account queries is giving me grey hair. There are more and more inquiries, people are disputing their accounts. I don't know if it's worth it," said a

"depressed" employee in the staff magazine

Telescope magazine conducted a snap survey on "the hottest topic of conversation in South Africa" and asked Telkom employees what they thought about the controversial service

With all participants in the survey guaranteed confidentiality, respondents did not tread gently

"It's a disaster. It's only when you deal directly with clients that

the full impact of 087 hits you between the eyes. Try facing a labourer whose two teenage daughters have run up a R12 000 telephone account by dialling 087 numbers — it's soul-destroying," said an employee

Over 90% polled agreed with the cutting of 300 "sleaze" lines

In spite of the "doom and gloom", there were plenty of employees who staunchly defended 087, claimed Telescope

267 CF 28/7/92

Handwritten scribbles and markings at the bottom of the page.

PO will sell ²⁶⁷
for Ithuba ^{28/7/92}

THE Post Office yesterday signed an agreement to again sell tickets for a competition run by the self-help organisation Ithuba, at post offices nationwide.

According to a statement released in Pretoria by the Post Office, tickets will be on sale at more than 4 000 counters at the more than 1 700 post offices from August 4

- Sapa

Telkom to spend R17bn

ADRIAN HADLAND

TELKOM had allocated R17bn to upgrading obsolete telephone exchanges, a Telkom spokesman said yesterday (26/7)

PRO Amanda Singleton said the upgrading programme, which would be completed by 2010, would seek to eliminate the human error factor in compiling subscribers' phone bills (10/04/23/7/92)

"As long as we use people in the process, errors are likely to occur," she said. Human errors, mainly by data-processing typists producing 3.5-million accounts monthly, had led to several highly publicised incidents of over-charged accounts, fuelling demands for itemised phone bills.

Although about 50% of Telkom's hundreds of telephone exchanges were computerised, substantial adjustments in both software and hardware would be necessary before all bills could be itemised, Singleton said.

A Telkom team established earlier this month, was identifying the implications and requirements of itemised phone bills, Singleton said.

One possible option was the provision of itemised bills on request at Telkom service centres, she said.

Paralysed victim of Ladysmith massacre blames cop ● Phone bill cut by R29 285

EXCESSIVE
Spurelberg 267
bill cut

■ The Consumer Council comes to woman's rescue and gets R129 659 telephone account slashed to R374:

THE CONSUMER Council this week managed to reduce an elated Sharpeville woman's telephone bill from R129 659 to R374 **2217192**

The council's Vaal Triangle consumer adviser, Mr John Kubheka, said Ms Glorina Marumo complained to the council last Friday when she realised she was having no luck with Telkom. When she queried her May account at Telkom, she said she was told she had used the 087 services which had sent her bill soaring and she was asked to pay the bill in "affordable instalments".

Telkom's Mr Andre Koekemoer said the account was an "unfortunate error" that had been rectified quickly. Ms Marumo could not be reached for comment - her telephone has been disconnected

PO vows to stamp out old image

(267) ARC 18/7/92

JEAN LE MAY
Weekend Argus Reporter

YOU could have knocked me down with a 35c stamp

Telephoning the head office of S A Post Office Ltd in Pretoria for an interview with chairman Mr Donald Masson, I expected the usual run-around to which we had all become accustomed when the post office was run by the civil service

Instead, I was put straight through "You're my client," he said when I voiced my surprise. Clearly, the post office of the future will not be the same as in the bad old days

There already has been a clean sweep in the upper echelons, with former managing director Mr Willem van Rooyen, financial manager Mr Piet Jordaan

personnel manager Mr Eddie Pretorius and operations manager Mr Bernie Bloom all having taken early retirement

"There's nothing sinister about this," said Mr Masson. "They thought to themselves that there were going to be changes in the post office and opted for early retirement"

What changes? As chairman of Trek Petroleum and chief executive officer of, successively, Kanhym and Tradeagro, as well as president of the Afrikaanse Handelsinstituut, Mr Masson, 60, has a reputation for not pulling punches

For instance, the post office has had an appalling Press in recent years for losing money consistently — it had a deficit of close on R500-million in 1991/1992 — and for putting up prices frequently while service remained poor

"People will have to decide whether they want efficient service or low tariffs," he said

"I'm going to turn the business around so that in a couple of years' time there will be a profit of R1,3 million instead of a subsidy of half a million from taxpayers"

The business would be kept running on money paid voluntarily by consumers, he insisted, instead of money taken without consultation from taxpayers

"If people complain they have to queue when there are unmanned counters, I'll fill the counters, but at the cost of higher tariffs. We're going to move the tax burden to the consumer"

He has strong feelings about the morality of placing too heavy a burden of taxpayers to finance over-spending. If

Government showed no morality in this regard he said soon after becoming AHI president, it could hardly expect taxpayers not to follow suit

"We've got task forces studying our priorities in three sections," he said

The first group deals with market making. Junk mail has always been a goldmine for the post office and has been thought to subsidise other mail

The second group deals with standards and services — how to create an entirely new service culture and ways of establishing franchise operations and postal agencies. And, for instance, "whether we want an expensive three-day delivery or a cheaper 10-day delivery"

The third task-force is dealing with areas where postal services are underdeveloped



Mr Donald Masson ... eager to please his Post Office clients.

Vandal-proofed

JOHANNESBURG —
Telkom is to introduce
600 new "vandal-proof"
steel telephone booths in
metropolitan areas.
Sapa (26) ARG 16/1/72

R50 000 telephone bill shock

HENRIETTE GELDENHUYS
Staff Reporter

Argus 16/7/92

A VREDEHOEK woman got the shock of her life when she opened her telephone bill — instead of her average account of under R200, the account was for more than R50 000 for 266 387 units.

"I am absolutely stunned, shocked and furious," said Ms Lydia John, a single mother of two teenagers.

"We are all living stressful lives and we really don't need this nonsense. How do we know the previous accounts we received were correct?"

A Gardens woman who lives alone in a bachelor flat got an account this month for R1 227,33. Her June account was R109,38 and she says she normally pays less than R150 a month.

The woman, who did not want her name mentioned, said, "I will refuse to pay, no matter what they do."

Telkom has been widely criticised for sending astronomical accounts since it was split from the postal service and privatised in October.

In recent months The Argus has had more letters and telephone calls about telephone bills than any other issue. (267)

Telkom has blamed the introduction of the premium rate (087) service and value-added tax for higher accounts, but most people who have complained say they or their families do not call 087 numbers.

Last month, seven organisations, including the ANC, Cosatu, the Consumer Council and the Housewives' League, threatened mass action against Telkom if the issue was not resolved.

● A Telkom spokesman said it was not Telkom's policy to comment on individual cases but mistakes could be made because of computer faults, cable or meter problems or other faults.

He said clerical errors had been made in the past, but there were more proved cases of people getting huge bills because of telephoning 087 numbers.

He said Ms John's account would be investigated immediately.

Mystery of the galloping phone bill

By Zingisa Mkhuma

A Kempton Park pensioner has appealed to Telkom to untangle the riddle of her runaway telephone bill

Rowena Veldman's telephone was disconnected in May, but Telkom has sent her a whopping R800,32 bill for 891 units used during June/July

Mrs Veldman's telephone troubles started in April when her bill rose from an average of R60 a month to R250. Suspecting a fault with the meter, she asked Telkom to investigate

"When I got the bill for R250, I knew I had not made these calls. After Telkom checked my meter, they said it was right and that I should pay the bill. I could not afford to pay, so my phone was disconnected."

Mrs Veldman said she had been "spooked" by a man's voice on her phone, and suspected somebody was using her line.

"Throughout the month of June I have been hearing click, click sounds coming from the phone. When I picked it up, a man wanted to find out if my house was in Roodepoort."

"I reported the matter to Telkom and they said that next time the man gets on the line, I should ask for his number. When the man called, he swore at me and put the phone down after I asked for his number."

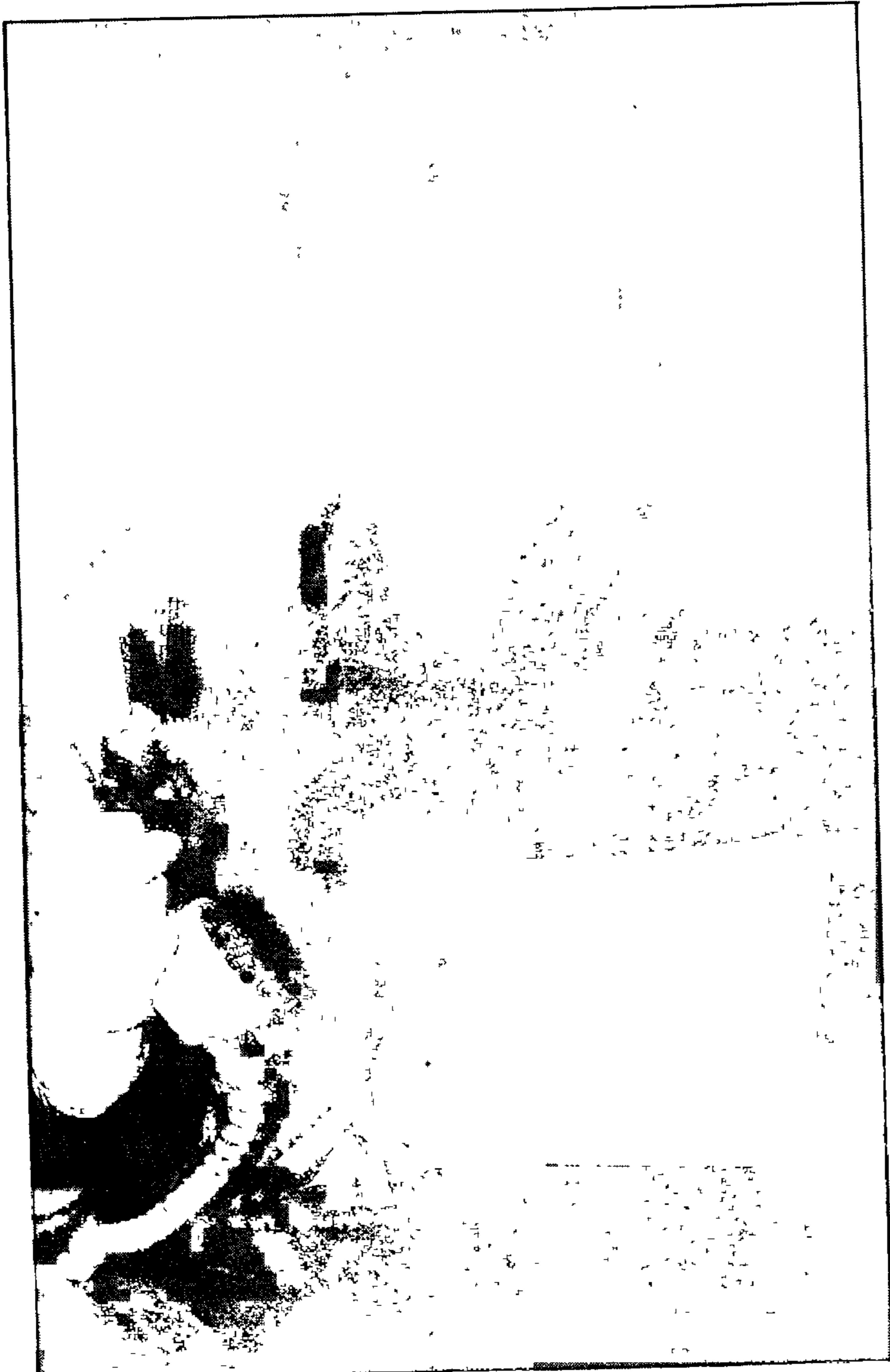
A fuming Mrs Veldman said she wanted her telephone fixed as soon as possible because she felt cut off from her children, who live in Johannesburg.

"I suffer from unstable blood pressure and I am scared about something happening to me."

When approached for comment, Telkom referred The Star to its East Rand office, where a spokesman said he was reluctant to speak to the media.

However, Consumer Council director Ben Stafford said the council would try to help Mrs Veldman if she supplied the council with previous accounts.

Mr Stafford asked complainants to contact Art Meyer at the council offices on (012) 28-3512.



Engaged in battle with Telkom . . . Rowena Veldman is fuming over the huge telephone bills she has received for a disconnected phone service. Picture: Jacob Rykliff

267 ARG 11/7/92

Viewers See Red

IF you are wondering why you have had a reminder to pay your already-paid television licence, don't worry — you know you've paid, but the SABC doesn't

As the result of an unsuccessful data-capture effort, the SABC has sent out reminders to more than 600 000 television viewers because it doesn't know if they have renewed their licences for 1992/93

This amounts to more than 20 percent of 2,5 million television viewers, who have been asked to forward a copy of their post office receipts to the SABC

Viewers around the country have been getting mildly menacing reminders in which the SABC announces that "according to our records it would appear that your 1991/92 television licence has not been paid yet"

It tells viewers that failure to pay can lead to a fine of R2 000 (or imprisonment up to six months) and includes an invoice that reflects a licence fee of R147 and a late-payment penalty of R132

Then, in an apparent climbdown, it adds "However, if you are in possession of a 1991/92 licence, kindly furnish the SABC, not the Post Office, with particulars of your licence within 14 days"

■ The SABC appears to have muddled its television licence records, leaving the Post Office to clean up after it, and viewers to pay at least R200 000.

TED MAGILL, Weekend Argus Reporter

A card has space for details, adding "Affix your stamp here"

If all recipients of the circular respond by telephone or post, the Post Office can expect additional revenue of at least R200 000

Post Office spokesman Mr André Joubert said "All the data and tapes were forwarded to the SABC, on time and without problems. Our side is clear. This is not a Post Office thing"

An unidentified SABC official said this week that data captured about licence payments at the Post Office had "got lost" and added "We sent out reminders to find out who had paid and who had not"

The manager for television licencing, Mr Wavell Fox, said the SABC had introduced a new data capture system at the Post Office. Rather than sending

duplicates of licence payments to the SABC, the Post Office had captured the information directly on to magnetic tape, which was passed on to Auckland Park

A confidential source in the Post Office said the tapes "went missing or something. I don't know exactly what happened, but we were told not to say anything about the tapes"

According to a Post Office source, officials have been getting telephone calls from at least 300 rate licence holders a day since Monday last week

Mr Fox said the system had been foiled by confusing viewers' identity numbers with television licence numbers. The viewers' identity numbers had been used as television licence numbers and these had been confused when other family members had renewed their licences

"It is possible that people were unaware that their identity numbers were also used as licence numbers," he admitted

Mr Fox admitted that the SABC did not know which of the 600 000 people had paid and which not

"But we will find out by inspection. We supply an address list of those who, according to our records, have not paid, and the Post Office will do a door-to-door inspection"

Calls from above, Telkom?

Staff Reporter

EMBATTLED Telkom, reeling under complaints of high and unjustified telephone accounts, was red-faced after billing Mrs Barbara Buchert for R16 490 in calls for the last 17 days of her life.

Family of the Meadowridge widow — who died on March 19 — were flabbergasted when they got an account for 99 940 units used between March 2 and April 2.

(267) APR 30/6/92
Daughter-in-law Mrs Mervyn Gillen-Buchert said speculation was that "maybe she's been doing reverse-charge phone calls" from her new abode

Telkom was asked to investigate and days later came up with an apology.

The entire R16 490 bill, as well as R208 in interest, was cancelled. All Mrs Buchert's estate owed was R103 in arrears from the previous month, said Mr Bothma

TELKOM FM 26/6/92

Subscribers' distress

267

Competitions — rather than psychological (for which, read sexual) advice — have tarnished Telkom's public image. Some subscribers face telephone accounts running to thousands of rands. The major cause appears to be the unauthorised use of domestic telephones to submit premium-rated 087 competition entries.

Telkom MD Danie du Toit announced on Tuesday that customers connected to electronic exchanges will be able — with immediate effect — to bar any use of 087 numbers at the exchange, for a fee of R20. To reinstate the facility costs another R20.

Clients connected to electromechanical exchanges will have to wait about six months for an equivalent barring device — which Telkom is developing. This system will be available to rent. In the interim, Telkom is offering a lockable telephone jack at a (heavily subsidised) cost of R7,50.

Associated with the problem of unauthorised calls to 087 numbers is the recent problem of errors in telephone accounts. Telkom acknowledges that a considerable number of incorrect accounts were recently posted in Verwoerdburg and Illovo, Johannesburg. These are being corrected.

Telkom says it is unlikely its own staff have been calling 087 numbers from clients' telephones in the course of service visits — in view of the "high ethical standards required of staff and the threat of summary dismissal if such conduct is discovered."

Neil Jacobsohn, chairman of the Premium Rated Association of SA (Prasa), considers Telkom is overreacting to what is admittedly a genuine problem. He argues it would be absurd and self-penalising for Telkom to

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cont

BUSINESS & TECHNOLOGY

267

FM 26/6/92

forgo the potential financial benefits of this class of business. Prasa is to meet representatives of Telkom to discuss this again.

Jacobsohn suggests Telkom should establish a credit limit on each telephone account. Though he concedes there are problems with this approach, he feels it should be studied further.

In the case of businesses wishing to preserve access to 087 lines, the problem of abuse of access can be simply dealt with by installing a barring system on the internal telephone exchange.

A service provider within Prasa points out that Telkom is contractually bound to continue with premium-rated services until December 31. An additional source of subscriber resentment has been the failure by some competition promoters to meet required standards. Jacobsohn says failure to conform can lead to their suspension or even expulsion from Prasa.

Prasa was formed to represent what are now some 32 groups offering premium-rated services. Telkom receives a commission and, after only eight months of operation, profit is substantial. ■

087 bar ready soon

Staff Reporter

TELKOM clients connected to electronic exchanges will be able to bar costly 087 lines for a fee of R20 within days, a spokesman for the company said yesterday.

By yesterday only 16 people in the Western Cape had applied to have their phones deactivated.

Mr Ronald Waldron, regional director for Telkom, said the company had taken complaints about costly 087 calls "very seriously" and had introduced the blocking device to protect clients. The R20 would cover administration and installation costs, he said.

Sixty four percent of telephones in Cape Town and 59% in the Boland are

linked to electronic exchanges. But subscribers connected to the older exchanges will have to wait about six months for a unit which can block the 087 lines for them.

Lockable jacks for use in combination with a lockable telephone are being made available to clients.

Negotiations with the Premium Rate Association of SA are underway to decide if the controversial 087 service will be dropped by the end of the year after Telkom threatened this week to close it down the service because of bad debts and consumer complaints.

People wishing to have phones barred for 087 numbers should apply to the regional manager of Telkom in the Western Cape.

(257) CT 27/6/92

267

Telephone bills: Call for inquiry

CT-26/6/92

JOHANNESBURG — Seven organisations, including the ANC and the Housewives' League, have threatened to launch mass action against high post and telecommunication bills, if the issue is not resolved

In a joint statement yesterday the ANC, Cosatu, the Post and Telecommunication Workers' Association, the Civic Association of Southern Transvaal, the Consumer Council, the Housewives' League and the National Black Consumers' Union demanded a restructuring of the telecommunications industry and pricing system and an independent body to investigate the accounting system

Meanwhile, the Democratic Party lashed out at Telkom's handling of the 087 service

DP telecommunications spokesman Mr. Wessel Nel warned that taxpayers may have to foot the bill if subscribers refuse to pay

"Telkom's dilemma is that they are unable to ascertain the number of units recorded in respect of 087 calls for any specific subscriber"

"They can, therefore, not prove that any bad debt relates to 087 numbers and cannot recover such amounts from the service providers who will already have been paid out by Telkom." — Sapa, Political Staff

IT WAS just another quiet day in the friendly neighborhood post office of Yeoville, Johannesburg, last month when a customer walked in, spent R63 on overseas postage, and asked for a receipt

"We don't give receipts," said the teller

The customer suggested a till slip
"We don't give till slips"

Well then, what about a scrap of paper showing the amount and with a date-stamp, the customer needed it for his records

"That is not a legal document"

The customer tried to explain that he merely wanted something for his records. The technical legality didn't matter to him

"I'll decide what's legal here!" the teller shouted. The customer, visibly shocked, said he had never before been refused this request, and anyway, he felt he was entitled to proof of purchase

"You're not entitled to anything," the teller told him. Whereupon the customer dragged out that weary old cliché about the teller's salary being paid by the public. The response from behind the counter was an eye-opener. "Don't tell me that nonsense. You don't pay my salary — I pay as much taxes as you do. I don't care what you think your rights are"

The customer demanded to see the postmaster, who, very patiently and politely — in true friendly neighborhood post office style — explained that it was not policy to provide proof of purchase. Nevertheless, he instructed the teller to give the customer what he wanted

Had the post office been a real business enterprise, operating in a competitive environment, it would have lost that customer for good. Along with many like him, dismayed at an apparently deteriorating service at urban post offices

Suburban newspapers are littered with letters complaining about various aspects of their treatment. Many of the complaints are petty, like those about long queues (supermarkets have them) and slow deliveries (tests show that these are the exception)

Others are more serious: increasing arrogance and lack of concern with the customer at the counter and a rash of stolen postal items in the Johannesburg area

The incident at the Yeoville post office suggested contempt for the needs of customers

Yet, barely nine months ago, when the Department of Posts and Telecommunications was "corporatised" and divided into two "business units", the SA Post Office (SAPO) and Telkom, customer service was at the pinnacle of both companies' mission statements

Donald Masson, chairman of the SAPO board of directors, stated that his company's biggest challenge was "to change the approach and culture of what used to be the civil service undertaking to a more business orientated organisation"

Among the major objectives of the commercialised post office, he said, was to "offer an acceptably efficient and courteous/friendly service", to "earn the respect of customers and further extend credibility by keeping promises", and to "introduce new and innovative ideas in meeting the demands of customers"

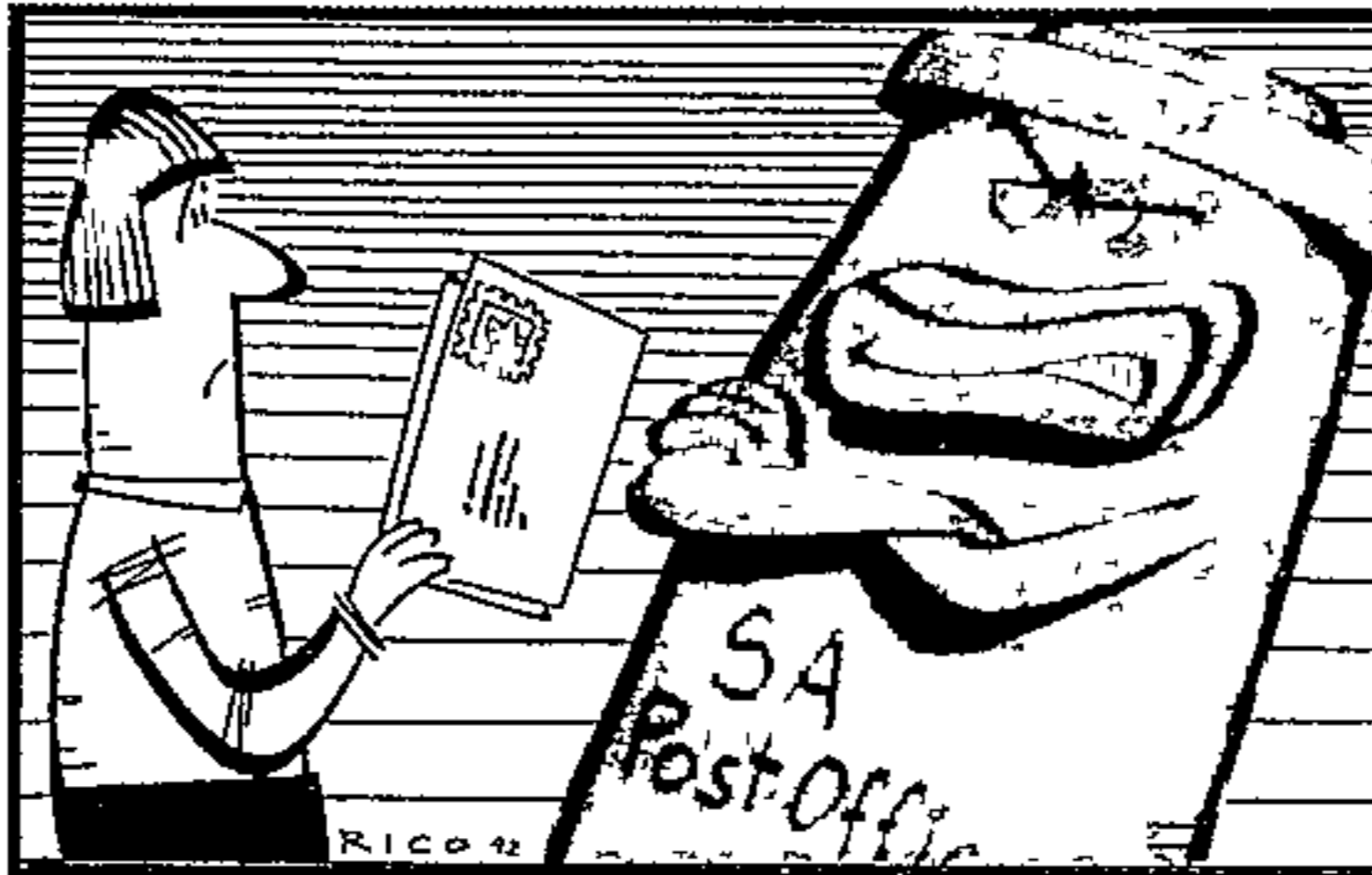
These ideals seemed to have crashed on the rockface of the post office counter

At Telkom, the promise has been just as badly dashed. Its mission statement reads "We are dedicated to being Africa's leading and most respected provider of excellent telecommunications and information services and products that satisfy the needs of our clients whilst fulfilling our social responsibility and maintaining a sound financial structure." Today, the company is so heavily inundated with complaints, its own communications system cannot handle all the enquiries

Much public anger is related to the 087 service. Telkom this week expressed its unhappiness with "abuse" of the service, and suggested it may curtail it when the pilot period expires in December

The negative reports and letters in the media, said Telkom managing director Danie du Toit, "are damaging to the image of Telkom and retard our progress to becoming

What's the post office going to do



about the grumbles?

21 mail 26/6-2/7/92
Nine months have passed since the Post Office was carved up and made 'private'. But complaints about inefficiency seem more widespread than ever. Was it unrealistic to expect miracles overnight?
By ARTHUR GOLDSTUCK (267)

ing a truly client-driven company we are still as committed to client satisfaction"

Masson expressed similar sentiments when quizzed by *The Weekly Mail* this week

But, he said, "a complete culture change cannot take place within eight months. As in all large business undertakings, the Post Office with 30 000 employees also has different cultures, eg the counter clerk has a specific client culture whilst management at head office has a different culture, they need to have a profit-making culture"

Masson said he believed the client-orientated, business-like culture was taking form and, if it had not yet been felt by customers, he promised "they will feel it in the near future"

Training of counter staff, for instance, was receiving urgent attention.

"Although counter staff do receive training, we are again looking at whether this training is effective, and we are investigating ways of broadening and intensifying it. Our counter service is the showcase of the company and we expect from them to render an efficient and friendly service to our clients with whom they are in direct contact all day"

Masson does appear to have a genuine and deep concern for customer satisfaction, but in his explanation of how and when customers are supplied with proof of purchase, he inadvertently slips into an attitude South Africans have long encountered from monopoly-type businesses. The post office, he says, does supply till slips on all cash register transactions, but "as a rule" does not give receipts for items. "Experience has proved there is not a demand for receipts of this nature," he said

Customer experience, of course, proves that when demands of this nature are made, they are refused. Masson agreed, however, that receipts can be supplied on request, "as is the case when you fill up your petrol tank"

He ascribed the increase in complaints to the press to the recent increase in postal rates. "This is normal — as long as things are running in the way consumers are used to, they do not complain, but as soon as things change, eg the postal rate, they become aware of it and start writing letters"

If that is the case, SAPO can expect a rapid

increase in rather personal mail to itself in the next few years. It has a business plan which makes provision for becoming profitable in five years — but which requires average annual increases in rates of 30 percent a year

So far, there has been no mass outcry against SAPO, probably because most problems are isolated and individual, and do not involve entire communities

Its former Siamese twin Telkom, on the other hand, only requires a faulty computer or lax operator to have the entire Illovo and Verwoerdburg up in arms, as happened last month, when almost every bill in these areas was horrifically inflated

Such incidents, along with the sheer sleaze contained in advertisements for the 087 service (the actual services seldom live up to the salacious promises), serve as mobilising points for the public, also enabling them to bring to the fore the very minutiae of their troubled relationships with their telephones

Telkom's action began this week with an extraordinary media conference, open to the public and with the entire Telkom management board in attendance

Sitting under a Telkom banner reading "We are the future", the board blamed much of its troubles on its past.

In hindsight, said Du Toit, it would probably never have introduced the 087 system. And its inability to provide detailed bills was a result of the infrastructure it had inherited from the old civil service version of the post office.

Du Toit said that the company was now debating whether South Africans were ready for the 087 system. He said, however, that "it was introduced as an information service which in many

cases is vital. For instance, the blind don't want to hear of dropping 087"

However, the 087 issue is a red herring for the real complaints about Telkom's service, which in many ways mirror those about SAPO. They even have a direct equivalent of the refusal to provide proof of purchase: they consistently refuse to provide itemised bills

The key issue — surely a customer-oriented company must be able to tell its clients what they are paying for — was put again and again at the meeting, each time in different words to prod Telkom into a satisfactory answer

Telkom's explanation is simple: such a service can only be provided on electronic exchanges, which service 52 percent of all phones in the country. The technology of the outdated electro-mechanical exchanges used by the rest simply do not allow for itemised bills. It will cost R17 000-million to upgrade these exchanges immediately.

Keith Prins, senior general manager, technology, began his response to the issue with the kind of answer the public had grown accustomed to from government departments. "The facilities cannot be justified. Telkom does not see a possibility of adding equipment that will enable it to provide detailed statements"

Giving this capacity to an electronic exchange — which only requires a computer network linking the communications system with the accounts system — had never been a priority but the company was now looking urgently at implementing the system

Du Toit finally admitted that Telkom was upgrading all exchanges in a programme that had begun in 1981. That "unjustified" R17 000-million is indeed being spent

The 087 issue provided a different example of Telkom's slow learning processes. Asked what it earned from the 087 service, Du Toit said it was inappropriate for him to reveal that information, since it would then be possible to calculate what 087 companies were making. It took only five minutes, under a barrage of outrage, for Telkom to learn the customer's need for information outweighed civil service ideas of what constituted confidential information.

For the period October 1991 to March 1992, it came to an average of R5,8-million — the

company's 15 percent share of a total 087 income of R36,6-million a month

And that's not bad compensation for everyone hating you

•Negative reports and letters in the media are damaging the image of Telkom and retarding our progress to becoming a truly client-driven company•

inet meeting, the government's negotiator, Mr Roelf Meyer, said that a full government would only follow today's Buildings meeting. At yesterday's press conference

tion of an interim government but laid down no deadline for these. "The ANC reaffirms its commitment to a negotiated resolution of the conflict in our country which would bring about democracy,

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To page From page 1

Telkom may axe the 087s

Johannesburg Bureau

TELKOM has threatened to close down its controversial 087 telephone service, citing bad debts and consumer complaints as the reasons.

Managing director Mr Danie du Toit told a press conference in Pretoria yesterday that the attitude of telephone-users would be gauged in a referendum, but details were still to be decided.

Even if it was decided to retain the 087 service, it was likely that the competition lines — the "biggest reason for the huge increase" in telephone bills — would be either dropped or subjected to far stricter controls, he said.

Mr Du Toit also disclosed that clients connected to an electronic exchange could bar the 087 service in the exchange for a fee of R20 per deactivation or activation.

Sixty-four percent of telephones in Cape Town and 59% in the Boland are linked to electronic exchanges.

Clients connected to the older electro-mechanical exchanges would have to wait about six months before Telkom developed a unit which could block the 087 lines.

Lockable jacks costing R7,50 each and used in combination with a locka-

ble telephone to ensure the prevention of unscrupulous phone use were meanwhile being made available by Telkom, Mr Du Toit said.

Mr Neil Jacobsohn, chairman of the Premium Rate Association of SA, the umbrella organisation representing 087 operators, said yesterday he was shaken by Telkom's statements.

Prasa had agreed with Telkom on Monday night to hold top-level talks aimed at finding creative and effective solutions to the 087 problems, he said.

Prasa had its own ombudsman and a tough code of conduct aimed at regulating the industry and disciplining industry offenders.

R17bn to upgrade

However, he welcomed Telkom's announcement that telephone owners would from yesterday be able to block the 087 line on their telephones.

Telkom said it was unable to give telephone users a call-by-call breakdown of their accounts as it would cost R17 billion to upgrade the existing equipment — an amount that would translate into a 40% hike in telephone fees.

To page 3

Referring to incorrect telephone accounts, Mr Du Toit said a high-powered team of experts had been appointed to thoroughly investigate Telkom's accounts-receivable system and to comment on the controls that are built in.

He said mistakes could happen when a company billed 3,1 million clients every month.

Telkom's head of marketing Mr Eben Krüger briefly referred to the sleaze lines, saying more than 600 had been cut since last month, when Telkom began looking at advertisements for the lines and listening to the content of the calls.

Figures released by Telkom indicate that the eight-month-old 087 service generates in the region of R23 million for Telkom and the companies which service the 087 lines.

Telkom received a monthly gross profit of about R5,8 million from the 087 lines, he said.

Referring to complaints about huge bills connected to the 087 lines, Mr Du Toit said Telkom spent many hours investigating each complaint and statistics showed that in more than 99,9% of the cases the telephone user actually did incur the expense.

While Telkom was accused of making a fortune out of the 087 lines, they had to carry the bad debts and cost of investigating each complaint.

"It is true that a portion of the tariff accrues to Telkom, but it must be remembered that service providers are paid monthly, usually before the accounts have been paid, and bad debt is carried by Telkom."

"Besides the direct cost of bad debts, there is the cost of the many manhours required to thoroughly investigate each complaint," Mr Du Toit said, adding that since the introduction of the 087 lines, account inquiries had jumped by 300%.

087 lure hooks Telkom staff

Staff Reporter

NOT even the family of Telkom senior officials are immune to the lure of 087 numbers

Telkom's chief administration officer in the West Rand, Mr Gert Kilian, is paying off a R1 111 bill that his 11-year-old son ran up playing the 087 game

Mr Kilian's son rang his mother recently to inform her that he had entered her in a competition.

His son admitted that he had been dialling the number over a three-day period, like all his friends at school," said Telkom regional general manager Mr Ronald Waldron.

A Telkom fitter, who works with telephone installations in Alberton, is paying off a R1 700 087 bill his child ran up, Mr Waldron said.

(267)

10 NOV 1992

UNIVERSITY OF CAPE TOWN

INFORMATION TECHNOLOGY

Rejection of report on telecommunications

B/DAM 5/11/92 (267)

A ROW has broken out over a government-commissioned report on the future of SA's telecommunications services.

The ANC and many industry bodies and players have objected strongly to the Coopers & Lybrand study into the industry, saying they should have been canvassed for comment before it was compiled.

ANC information systems and telecommunications head Andile Ngcaba says his organisation is outraged by the document's release. "It assumes the acceptance of privatisation, whereas the reverse is a fact.

"It is another example of the Posts and Telecommunications Department's determination to restructure telecommunication systems without broad consultation."

Like other players — believed to include M-Net, the Electronics Industries Federation and Transtel — the ANC regards the document as flawed in important areas.

Ngcaba says "The provision of communication facilities is vital for all South Africans, they are a catalyst for growth. We believe it will be essential to have a 'mixed' system where basic services stay under the control of a public body and some systems like value-added networks could be privatised."

The ANC says a "shocking prescription" in the report is retrenchment to rationalise the running of the system and to maximise profit.

"We are strongly against retrenchments, and this includes potential job losses in other organisations supplying Telkom — such as TMSA, which makes phones.

"Rather, we believe suppliers should become more competitive and ensure their products can be exported and priced to compete with mass producers from the East, for example."

A senior Telkom source says the entire industry was asked to comment on the

Reports by
MELANIE SERGEANT

final report, and the department will be guided by their opinions in formulating the telecommunications Bill scheduled for the next parliamentary session.

"We are now co-ordinating responses, and these will be submitted to the department soon," the source says, adding that government is unlikely to accept the report's recommendations in full. "The report is very professional, although many ideas in it are applicable to First World countries."

The report provides three scenarios. First is to maintain the status quo, where growth in service provision would not be spectacular. The second is to increase penetration by instituting lower-cost services, and the third covers the introduction of competition over a period.

"We don't believe SA can afford to subsidise services. Telkom is restrained by not being able to retrench people and we have no plans to retrench."

"We agree that SA cannot afford to lose suppliers like TMSA," he adds.

Meanwhile, BMI-TechKnowledge has launched a private initiative to produce a draft policy document for submission to the department.

Interested parties are being invited to voice opinions at a public workshop to be held before year-end.

BMI-T director Alan Paul says that although the report is comprehensive, it fails to recommend the way in which responsibilities should be split between government, an independent regulator and the operators. "It leaves the playing fields wide open, not saying whether there should be more than one regulator, for example," he says. Many industry sources believe that an independent regulator should be set up to license other operators.

Telkom '93 theme will be ⁽²⁶⁷⁾ geared to business ^{23/10/92}

■ Industry and communications:

THREE parallel "tracks" will ensure that both experienced users and novices in telecommunications draw benefit from Telkom '93 at the Nico Malan and Civic Theatres in Cape Town from March 1-3. The theme is "Telecommunications for business".

The three tracks are

- Business and strategic issues
- Technical planning and related matters
- An introduction to telecommunications

Organiser Alan Knott-Craig, Telkom's general manager for corporate communications, says customers' comments after last year's conference have resulted in this one being more user-oriented. "The emphasis is on the opportunities for business in a deregulated environment and a competitive, global marketplace".

Keynote address will be given by British Telecom's Dr David Leakey.

Topics will include

- Shifts in the global telecom market
- Global account management
- Telecommunications in Italy
- Mobile satellite communications
- Business integration
- Deregulation in the US, Australia and Europe
- Network quality assurance
- PABX networking with special reference to Ford's European network

Trends

The Computer Society of SA helped in the revamping and its vice-president Peter Davies says the International Federation for Information Processing was also consulted.

"Some 700 people at the fifth national telecommunications conference at Sun City last year, said in questionnaires that they needed quality information of direct relevance to business users. They wanted to hear of international trends and their likely effect on SA.

"This time, allowance has been made for longer panel discussions, with Telkom representatives present. Business perspectives on existing and planned telecommunications technologies and services will be discussed intensively."

Running concurrently with the speaker programme will be an extensive exhibition of the most recent advances in mobile communications, as well as a smaller show of some of the latest products in business communications.

Langa wants electricity arrears to be written off

Municipal Reporter

LANGA Civic Association is ready to meet the city council for talks on vital issues — but is demanding that electricity arrears be written off

It is understood that money owed by residents of Langa and Guguletu makes up a large portion of the R34,5 million due to the council

The council hopes to accelerate settlement by a campaign of increased disconnections, and by

opening channels to township residents to encourage them to pay.

Langa Civic Association spokesman Mr Price Siqwana said the root of the problem lay in the council's refusal to hire black meter readers. After the 1970s riots, meter reading by white council staff became impossible.

"We are not to blame. The council refused to hire black staff and instead estimated consumption — and bills went up," said Mr Siqwana.

FM 9/10/92 (267)

Elsewhere, particularly in Europe and the Far East, demand for mobile phone services has rocketed in the past few years. In justifying its proposed investment in its new GSM network, Telkom estimates that there will be 200 000 mobile phones in use in SA within five years. Others say the figure will be higher. ■

(267)

THE POST OFFICE

Lots of bright ideas

FM 9/10/92

267

Donald Masson came to the chairman's hot seat at the Post Office last year with a sack full of good ideas to take the unwieldy mammoth into the 21st Century. It is now one year since commercialisation began and he has come a long way.

His priority right now, however, is more of a 19th Century idea — to get a letter from one place to another in the shortest time. "There is no argument that the only route is commercialisation — the more I look at this, the more I realise that government cannot run these things," he says.

Masson has been driving the company to

trying to reduce numbers. Posts have been frozen so that numbers will drop through attrition and early retirement offers have been made to some staff on a "purely voluntary basis," Masson says.

With the public image of the Post Office dependent on counter staff and letter carriers, previous training programmes have been stopped while a new programme, Counter 2000, is under way to improve service where it counts most. Post Office staff will be getting uniforms, too, which they will be allowed to wear only if they pass the course.

"It isn't Dior but it's attractive and staff will wear it with pride," he says.

The biggest problems are on the financial side. There is a R700m deficit in the pension fund that will be made up over the next five years. Masson says this will be funded out of the subsidy, which totalled R550m in the last financial year. "My customers will not

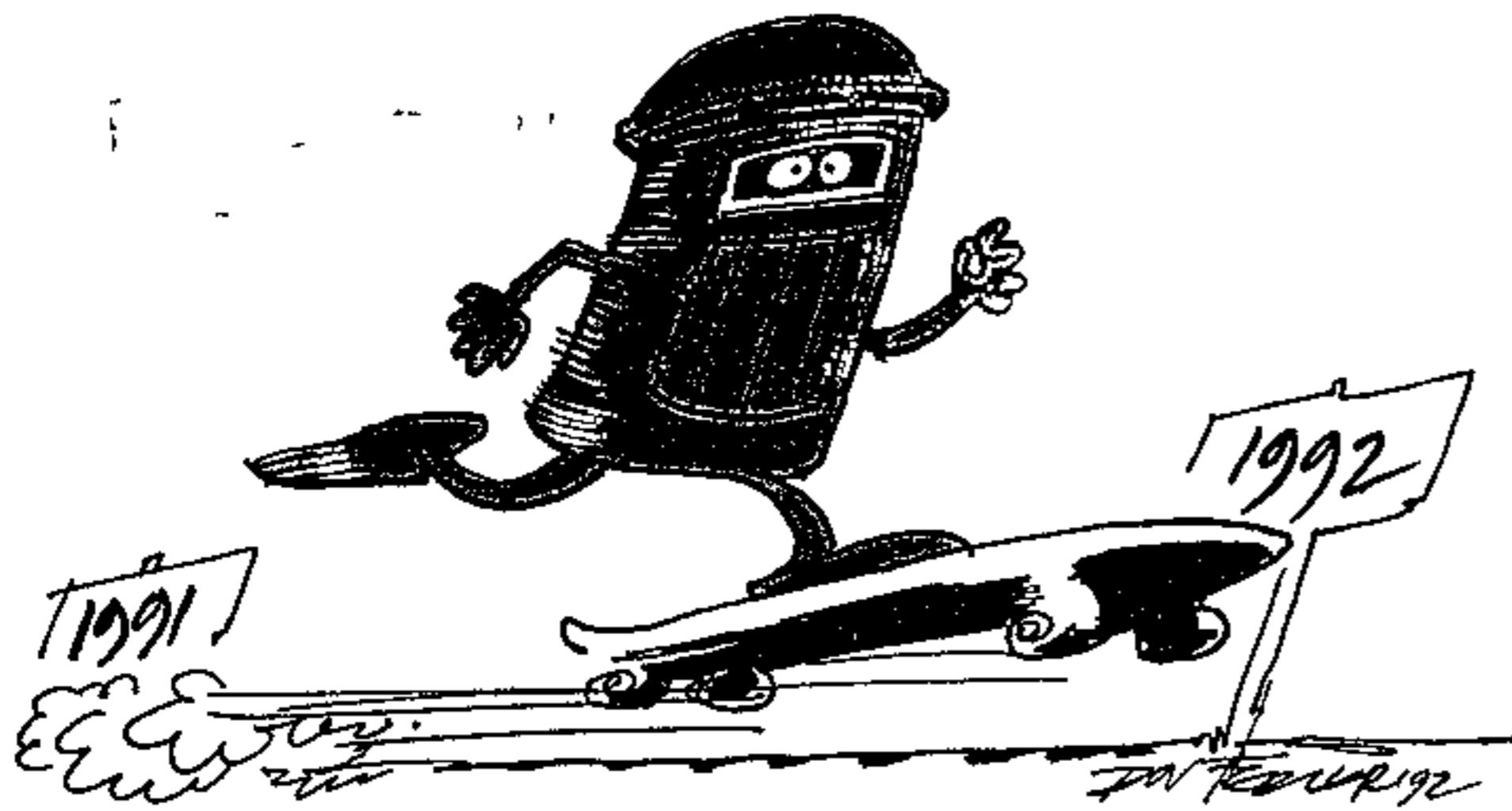
improve client service

The expansion of the priority mail service is the first shot in a war with private couriers such as DHL. "They (the couriers) have taken the business, at high prices, and we believe that's our business," Masson says. The Post Office is looking at ways of getting some of that business back but Masson says it will not use subsidies to undercut the competition.

The Post Office is also sitting on millions of rands worth of property, much of it under-utilised.

A property division, under an outside CEO, will be formed to look at the property portfolio, to decide whether the buildings should be retained, leased or sold.

Centralised office space is the future, Masson says. At the moment five buildings are occupied in Pretoria alone, but all staff will be accommodated in the head office by the end of the year. Another plan is to move mail sorting centres from city centres to more accessible locations. "The middle of town is the worst place — all you need is a hangar, not a 10-storey office block with marble outside."



change rapidly. The biggest single change, he says, has been in top management, where the MD and most of the rest of the old guard have left. He is quickly finding replacements. The two newest appointees are Albert Michau, who is the new senior GM finance, and Japs Jacobs, who takes over the senior GM human resources post.

Michau, who comes from the CSIR, was also a director with AFI and group financial controller with Federal Chemical Investments and group financial accountant at TrustBank, while Jacobs has a background with SA Philips, GKN and Unilever.

Getting a new MD from the private sector has not been as successful. One of the problems is that he cannot offer the candidates any equity in the company because it's still 100% owned by government. "I have one or two excellent candidates but, with political and economic uncertainty, it is a doubtful time to move."

To compensate for the lack of equity, remuneration will be performance-based. "It all evens out in the end — he can go and buy his own equity elsewhere," Masson says.

He acknowledges that the problem of hiring new managers is partly because the Post Office never developed its management profile and that existing management was not prepared for the rapid changes.

Management isn't the only division getting a shake-up. While there won't be a full-scale retrenchment programme, Masson is

have to foot the bill."

Nevertheless, postal rates have to go up by about 30% a year so that the Post Office can start earning some money. "People are too used to getting things for nothing."

The Post Office is also trying, however, to make sure its customers are happy. Task groups consisting of the biggest customers, consumer bodies and extraparliamentary groups are looking at ways to improve the service.

Eventually, Masson wants to have account executives looking after each of the 250 biggest customers. One incentive discounts will be given to bulk mailers that sort their mail themselves and there will be sliding scales of rates for bulk postage.

Other innovations include

- Appointing task groups to investigate the lack of postal facilities in underdeveloped areas. There are 71 post offices in Pretoria but only nine in Soweto,
- Setting standards for mail delivery that will be monitored by an independent auditor,
- Expanding the priority mail service to a courier service in which items will be collected from the sender and delivered directly,
- Selling postage stamps in outlets such as supermarkets, bookshops and pharmacies,
- Tollfree help lines,
- Supplying another 40 000 post boxes at mail collection points, and
- Restructuring the Post Office savings bank to make it market-orientated and to

TELKOM FM 9/10/92

Brave new world

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Telkom's monopoly on the provision of telecommunications services could soon come to an end. A study for government by Coopers & Lybrand supports the widespread belief of local business that Telkom should be exposed to more competition. The UK firm recommends that government should consider licensing competitors in several key telecommunications markets.

It adds, however, that the State-owned telecommunications group should retain its monopoly on international and long distance domestic telephone services for at least another five years. This would give Telkom enough time to upgrade its national network to counter competition.

The investigation, commissioned by Piet Welgemoed soon after he was appointed as Posts & Telecommunications Minister last October, is expected to influence strongly government's thinking about the level of protection it should continue to provide. Telkom Welgemoed has called for comment on the findings by the end of the month.

It is likely that government will take the first step towards a major deregulation of the telecommunications industry by granting concessions to potential competitors before the end of the year. Such a move would normally require legislative changes. How-

Continue

FM 9/10/92

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SILENCING A VOICE

"Are you still transmitting? Turn it off, turn it off." Those words from a harassed Telkom technician signalled the end of a brief experiment in deregulated radio as pirate campus station Voice of Wits was shut down by government decree this week

Telkom technicians put the station's transmitter and aerial jack in lead-sealed bags while students crammed into the studio shouting, "Viva Voice of Wits" and singing protest songs

Postmaster-General Robbie Raath says he was told to have the station shut down after a complaint was received

The Wits station began broadcasting six weeks ago on a limited radius to Braamfontein and parts of Hillbrow after numerous failed attempts to get a broad-

casting licence from government (*Business & Technology* September 4)

Voice of Wits station director Damian Hardy is resigned to the shutdown, but adds "Something has to be done or there is going to be anarchy on the dials — we need free media in this country" Station personnel are going to re-examine the Radio Act and may seek legal advice

Under the terms of the Act, Voice of Wits could be fined up to R10 000 and staffers could face six months in prison But the Act does provide for an appeal to the Minister if equipment is seized or sealed, a media lawyer says

Meanwhile, Wits Technikon's Channel-T remains the only non-SABC radio station to get a licence and it has been on the air for three months ■

thousands of new subscribers on the Reef but dramatically reduce the price of mobile phones — a drop from around R15 000 to R3 500 is widely expected

Consumers could benefit from competition in other ways Already two UK network operators, Cable & Wireless and Racal-Vodafone, have applied for licences to operate mobile phone services in SA Other international operators are understood to be waiting for government to signal its commitment to competition before lodging applications Potential local contenders are understood to include M-Net, which appears to have forged close ties with Cable & Wireless, and Transnet's telecommunications division, Transtel Transtel has been lobbying government for some time to allow it to carry telecommunications traffic on its national network

The Coopers & Lybrand report recommends that licences should be issued to two mobile phone network operators — Telkom and one other — and it appears increasingly likely that this will be the tack adopted by government The potential for these mobile phone services is enormous In the past, the high price of mobile phones in this country has suppressed demand — only about 11 000 units are in use — but reduced costs, more frequencies, better marketing and the innovations offered by new technology are expected to trigger rapid demand

FM 9/10/92

ever, recent amendments to the Post Office Act give the Minister latitude in appointing new telecommunications operators

The first of Telkom's monopolies to be opened to competition will probably be the provision of cellular mobile phone services Telkom's mobile phone network on the PWV

is close to full capacity and the organisation intends setting up a new service, based on digital Global Systems Mobile (GSM) technology, by the end of next year (*Business & Technology* May 8) This service, which will cost Telkom an estimated R500m-R750m to put in place, will not only open the way for



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Independent regulator in offing

THE independent regulating of SA's telecommunications infrastructure is taking shape under the restructured and smaller Department of Posts, but staff to enforce regulations — as well as more 'teeth' — are needed for it to become effective

While users battle to decide what is allowed and what is not, Communications Policy and Regulating GM Dennis Hurrell says that in the next short session of Parliament or in next year's session, it is hoped an Act will be passed to establish an independent telecommunications commission to regulate the industry

The majority of the people working at the existing department are expected to become staff of the new commission

In the meantime, negotiations will continue on rules and regulations, under the department's chairmanship

Discussions on the supply and maintenance of PABXs, cabling of buildings, monopolies in the private sector, and what phones can be used on networks start today.

The discussions are not expected to yield early results though Talks on deregulating PABX suppliers took more than two years to be resolved some years ago

"We have about 40 people involved in this round of talks, including those from the National Association of Business Users (the first time users have been involved in such talks), as well as PABX suppliers, licensed maintenance organisations, phone manufacturers and Telkom itself," says Hurrell

Meanwhile, some groups of telematics users are believed to be "overstepping" permitted service boundaries

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 Reports by
 MELANIE SARGEANT

Data service providers and computer bureaux are allowed to function under certain rules and regulations — also to supply telematic services — but they appear to be competing directly with Telkom in some instances.

"Two Telkom staff members have recently travelled overseas to study developments there, and new rules for local value added network services (VANS), as well as for network management services should be finalised soon," Hurrell says

Basically, VANS licenses can do almost anything on their services, as long as they are truly adding value by, for example, processing information on their computers.

Tariffs

New rules could see the licensing of enterprise wide groups which will allow VAN services within single large entities, such as motor companies and their dealers

As far as tariffs are concerned, Hurrell explains that if various firms share common lines between centres, they will pay premium tariffs to compensate for Telkom's non cost-based tariffs

"The premium tariff will be reduced over a period of five years to give Telkom an opportunity to get its tariffs cost-based," he explains.

When the new laws are enforced, he says telematics users with 'illegally' shared lines will have three months to register their existing lines "They will not have to pay premium tariffs on existing lines, but rather only on new

shared lines."

While the original CAN line tariff was double that of other lines, it is now about 70%, having been reduced since VANS were introduced about 18 months ago

Experiments are currently under way to provide shared voice and data lines.

Overall though, Hurrell says the regulatory body does not currently have many guidelines, other than maintaining a level playing field in areas where competition is allowed, and keeping an eye on Telkom's monopoly

Until the commission is established and the new Telecommunications Act promulgated, the strength of its 'teeth' is limited

Hurrell retires this month, and will be succeeded by Telkom's Peter Lochner, who has held various positions including Telecommunications Development Institute GM

Industry sources say users must understand what Telkom and the regulator's definition of shared use and switched shared use are

One source says "Many do not understand these matters, and could find themselves inadvertently breaking the law

The good news is that there are set methods of going through the complex licensing procedure.

Peter Aspinall of Strategic Business Services, says that with the confusion over rules and licences, a brainstorming session is being organised so Telkom, the Competition Board, and private industry can discuss all the issues to help clarify some of them

Users will have the opportunity to query the new rules at talks in Johannesburg on August 18, and in Cape Town on August 19

TELKOM'S PROBLEMS

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Miles to go before they sleep

Telkom still needs to grasp the full requirements of commercialisation



One gripe unites South Africans, resentment towards the inadequate telephone service. Some of the complaints are of long standing, such as the interminable wait for a telephone. Others, like the surrealist experience of vastly inflated bills resulting from over-enthusiastic use of 087 numbers, are novelties.

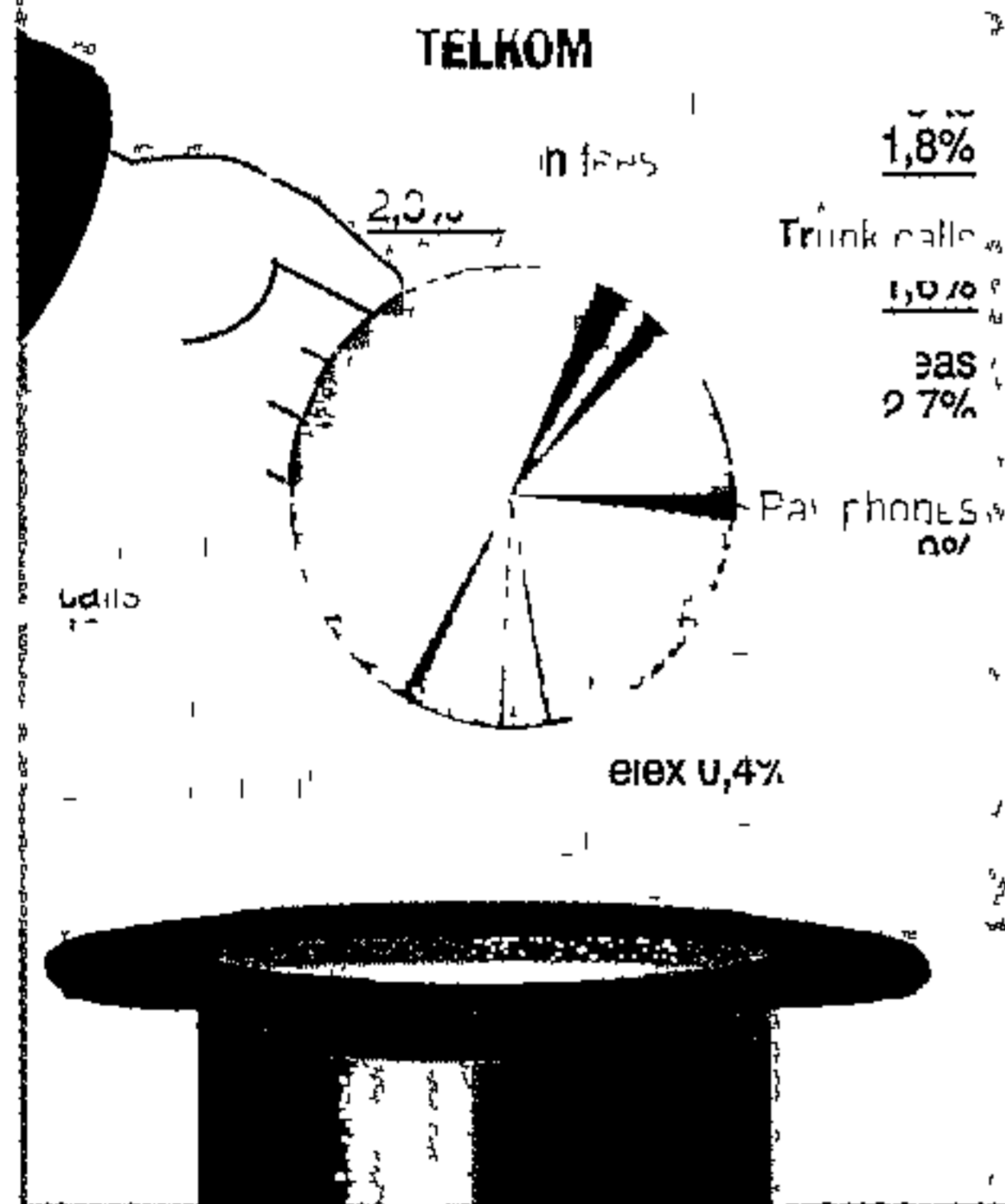
Sadly — despite the vast expansion in the network and the introduction of many important innovations — SA's economic progress is still being held back by a telecommunications system that is far behind First World standards.

One thing has, however, changed for the better. The telecommunications activities of the old Department of Posts & Telegraphs were hived off into Telkom SA Ltd (with government as sole shareholder and a board on which the private sector is strongly represented) on October 1.

Government's bolder original plan to privatise the company was blocked by the postal

Concealed subsidy

Budgeted income



union Potwa. The management of SA's telecommunications remains heavily politicised.

Nonetheless, the placing of all relevant assets, liabilities, income and expenditure into one corporate box has made Telkom's financial condition transparent. The inadequate return on capital is clearly exposed, for example. And while the postal department still has a role in Telkom's affairs,

according to MD Danie Du Toit, this is purely as a regulator.

Du Toit believes that many basic requirements for successful operation as a commercialised entity are already in place. Auditors have been appointed. Accounting practices and procedures have been set up and a pension fund has been established.

There is obviously still a great deal of work to be done, as non-executive chairman Jack Clarke concedes. Clarke's presence — he hails from ISM (formerly IBM) and is one of the country's leading businessmen — should do much to wean certain middle managers from their formerly bureaucratic approach. This is especially important considering Telkom's decision to operate regionally, though some powers of central management have been reserved.

One innovation has been the appointment of individual client managers for important corporate clients. After all, the business sector provides 80% of Telkom's income.

Swift reaction

The public has some immediate concerns. One is abuse of 087 lines — for which Telkom has been getting more than its share of flak.

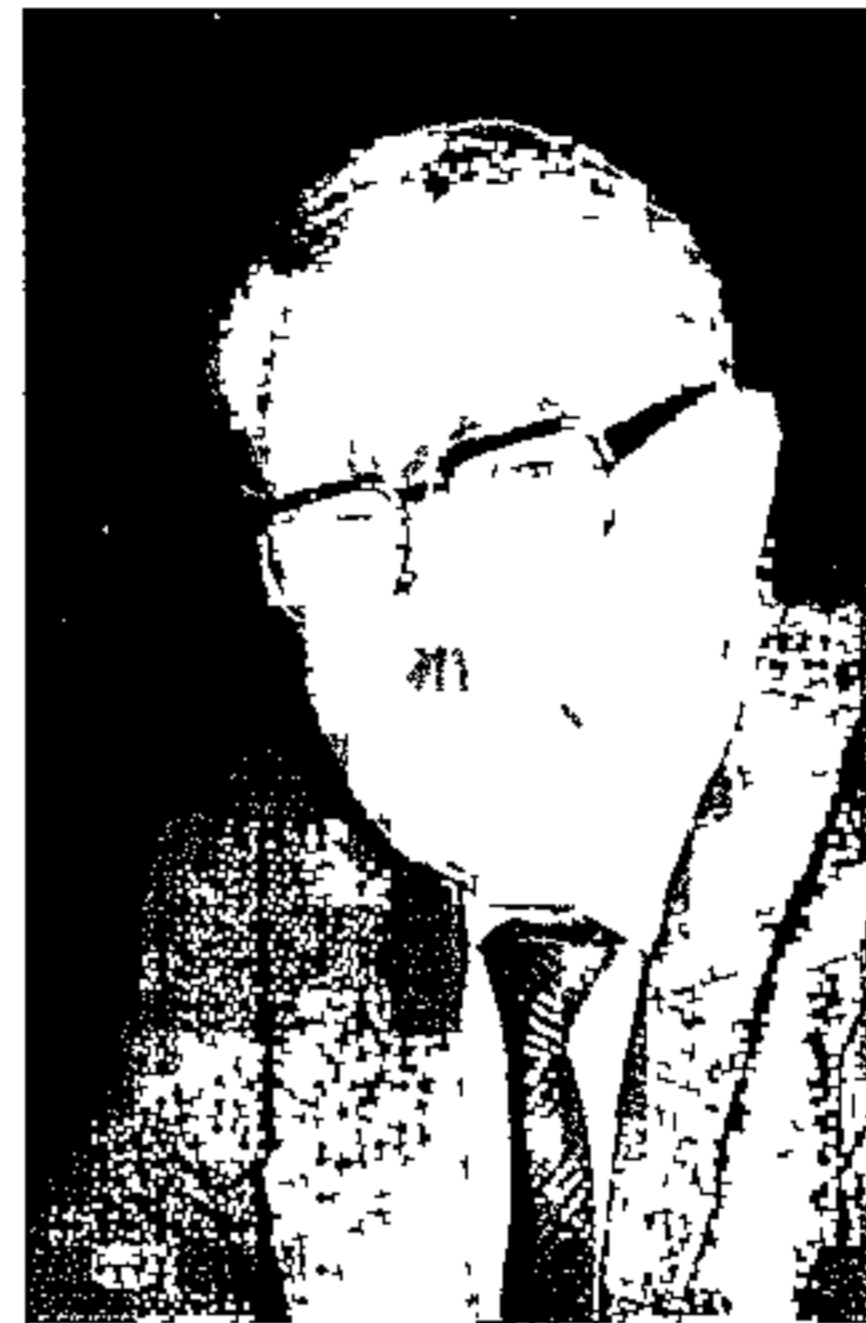
The company has reacted swiftly by ending telephone competitions charging R5,97 per minute (the top rate). Earlier, it provided a barring mechanism at digital exchanges and one is promised within six months for electromechanical exchanges.

Computerised billing errors at certain exchanges are being remedied.

What Telkom really needs to do now is itemise bills. The simple ability to analyse accounts into local and long-distance components is an essential customer service.

There are bigger, long-term problems. The tariff structure must be rationalised to eliminate cross-subsidies and enhance aggregate revenues to a level high enough to provide an adequate return on capital. Telkom has started its independent existence with an assets dowry worth R14,6bn (replacement cost). Net profit before tax from this base is R700m — a miserable return of only 8,7% on shareholders' funds of R4,5bn.

The debt-equity ratio must be reduced from its current unhealthy 2,2 to a more acceptable level. Ideally, private-sector shareholders should provide additional equi-



Clarke

ty to make this easier;

- The backlog in providing telephone services must be reduced. It is still more than 100 000 — and, as a priority, the waiting time for installation in fast-growing urban areas should be cut;
- While continuing to nurture the hi-tech, First-World component of its services, Telkom must find cost-effective ways to provide a rudimentary mass telephone facility to black areas;
- The number of employees must be cut. At present, there are 66 000 — down from 67 000 at the start of commercialisation — and

Telkom has undertaken to staff to allow numbers to fall through wastage over five years. But perhaps it should have been bolder, and

- A private-sector culture based on the law of contract must be inculcated in middle management staff used to regulations carrying the weight of State authority.

Essentially, the problem of Telkom's return on capital is political. As part of a department of State during 40 years of Nationalist rule, SA's telephone system served the interests of apartheid. Little attention was paid to the provision of telephones for black urban areas, though every effort was made to provide each white-owned farm with a telephone.

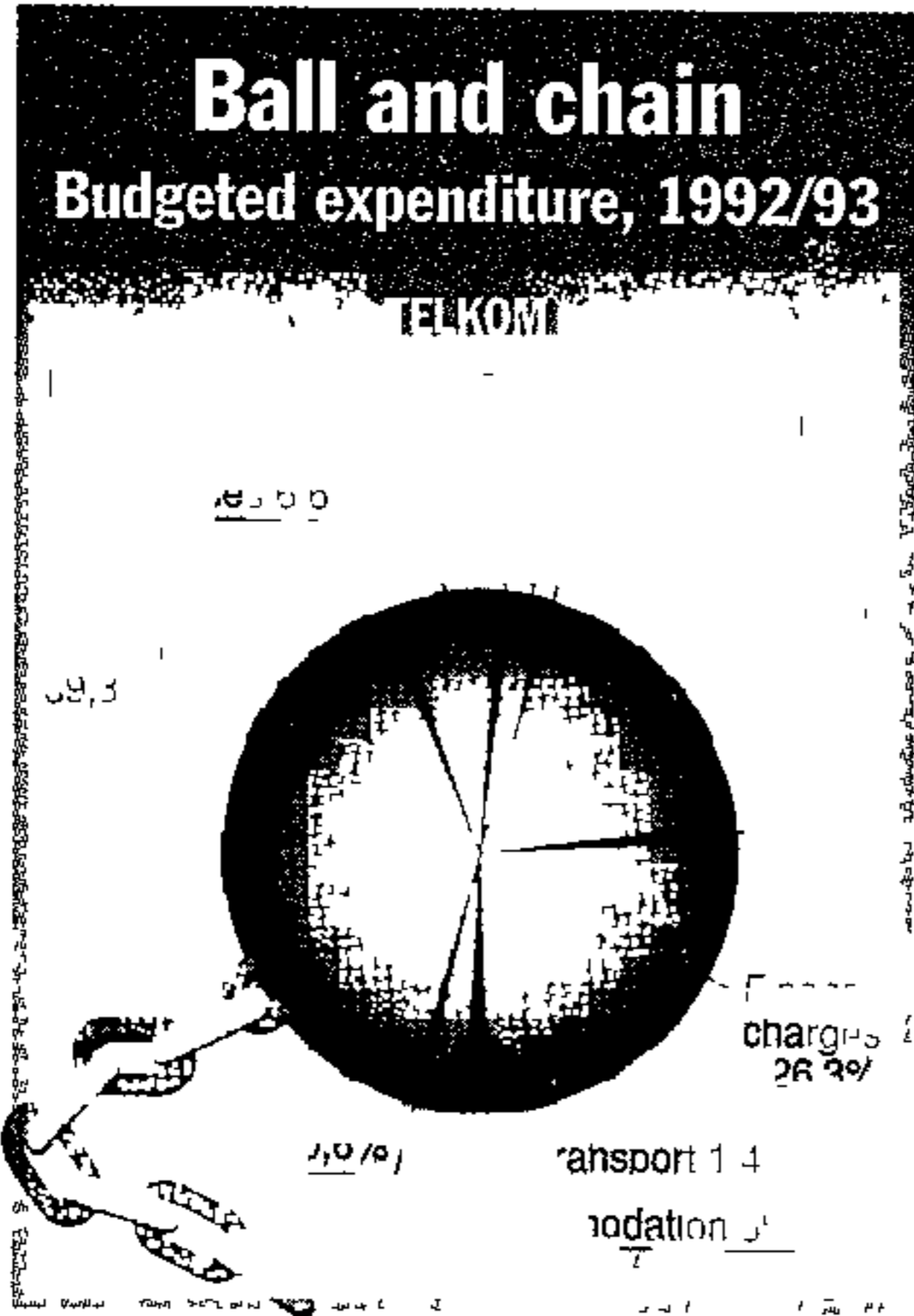
And, as UCT Professor of Economic History David Kaplan points out in his 1990

TELKOM

Summarised balance sheets

| | (Rm) | |
|-----------------------|-----------------|-----------------|
| | 31 Mar 1992 | 1 Oct 1991 |
| Capital employed | | |
| Shareholders equity | 4 514,6 | 4 370,7 |
| Foreign loans | 3 276,8 | 3 127,4 |
| Local loans | 6 843,7 | 5 746,9 |
| | <u>14 635,1</u> | <u>13 245,0</u> |
| Employment of capital | | |
| Fixed assets | 12 666,6 | 12 355,0 |
| Investments | 338,7 | 309,0 |
| Net current assets | 1 629,8 | 581,0 |
| | <u>14 635,1</u> | <u>13 245,0</u> |

The actuarially valued deficit of the pension fund is R1 442,0m. Discount on stock issued amounting to R1 324,5m (Oct 91) and R1 696,0m (Mar 92) have been netted off against local loans.



book on telecommunications, *The Crossed Line*, the tariff structure has kept telephone rentals and installation charges low. So businesses have been cross-subsidising individual subscribers.

To fix this, all tariffs must be adjusted to rational levels — leaving it to government to provide subsidies for any group of consumers it judges, on social grounds, deserves this favour. The pricing mechanism for telephone services could then act as a rational allocator of resources.

The political pain of such an exercise should not be underestimated. The 087 debacle has shown how sensitive the public is to telephone charges. Ending the subsidy to households will be greeted by a howl of rage. But a tough, entrepreneurial management would be prepared for this.

When return on capital is adequate, the next logical step of introducing additional share capital would be within reach. But, acting in its members' perceived interests, Potwa remains an obstacle to actual privatisation.

This resistance can be explained as a long-term desire by the union — and its political masters — to use Telkom as a means for their economic advancement. Under State control, Telkom could be used to "create" jobs.

But this was done before — which is why telecommunications services are not satisfactory. If the services are brought up to First-World standards, many benefits would flow for the economy.

For every dead-end job that would have been created for blacks in a patronage-orientated Telkom, five would be created in a rapidly advancing export-led eco-



Du Toit

nomy served by a modern, efficient telecommunications service.

Unionists and other political radicals should note the urgent social need to improve basic telephone services to black areas. This need would be far more easily addressed by an efficient, profitable Telkom. Here again, management needs to be tough in getting this message across to Potwa.

Not only the townships are doing without. The backlog stretches to northern Johannesburg and Sandton. Telkom claims the average waiting time for a telephone is around 30 days countrywide. But averages are known to conceal extremes and anecdotal evidence is that it can take up to a year to get a telephone in a prestigious suburb north of Johannesburg.

Du Toit concedes that Telkom has in the past seriously underestimated the demand for services north of the Golden City.

Telkom should be considering, especially in view of the problems in Johannesburg and Sandton, auctioning rankings for telephone installation. This would enhance revenues, perhaps by enough to pay for the manpower and equipment to lay the cables and install the exchanges. It would enable the market to set the value of early installation to any given consumer and many businesses would surely be happy to pay a premium for quick installation.

Long-term contracts

The backlog is an indication that Telkom's rentals and installation fees are far below market-clearing levels.

Another historic distortion of the pricing mechanism arises out of the relationship between local telecommunications manufacturers and Telkom. Much of the local industry was developed to meet long-term contracts for the supply of equipment to the company. Kaplan notes that important contracts run out in 1994.

Telkom's past policies were designed to foster a local industry in the face of sanctions, but the time is now ripe to evaluate sources of supply in terms of cost-effectiveness. If that means an important slice of the business should go to overseas suppliers, so be it.

The company has to be extremely cost-conscious. At present, Telkom holds about a 50/50 position between the old, electromechanical and newer, digital exchange equipment.

It would cost R17bn in today's money to replace all the electromechanical exchanges and the goal of an all-digital system remains utopian until Telkom's finances are on a sound footing.

But that goal must be pursued. The extension of Telkom's services — so far achieved — beyond the

TELKOM

Income Statement

1 October 1991 to 31 March 1992

| | (Rm) |
|---|---------|
| Income | 3 686,2 |
| Operating expenditure | 2 615,2 |
| Net profit before finance costs | 1 071,0 |
| Finance costs | 679,0 |
| Net profit after finance costs | 392,0 |
| Return on shareholders funds before tax | 8,7% |

"plain old telephone service" into data transmission and access to databases has hinged on the wide availability of digital equipment.

And here Telkom does deserve credit for its early, aggressive introduction of modern electronic data transmission systems. But expert opinion holds that — given the money — still more could be done.

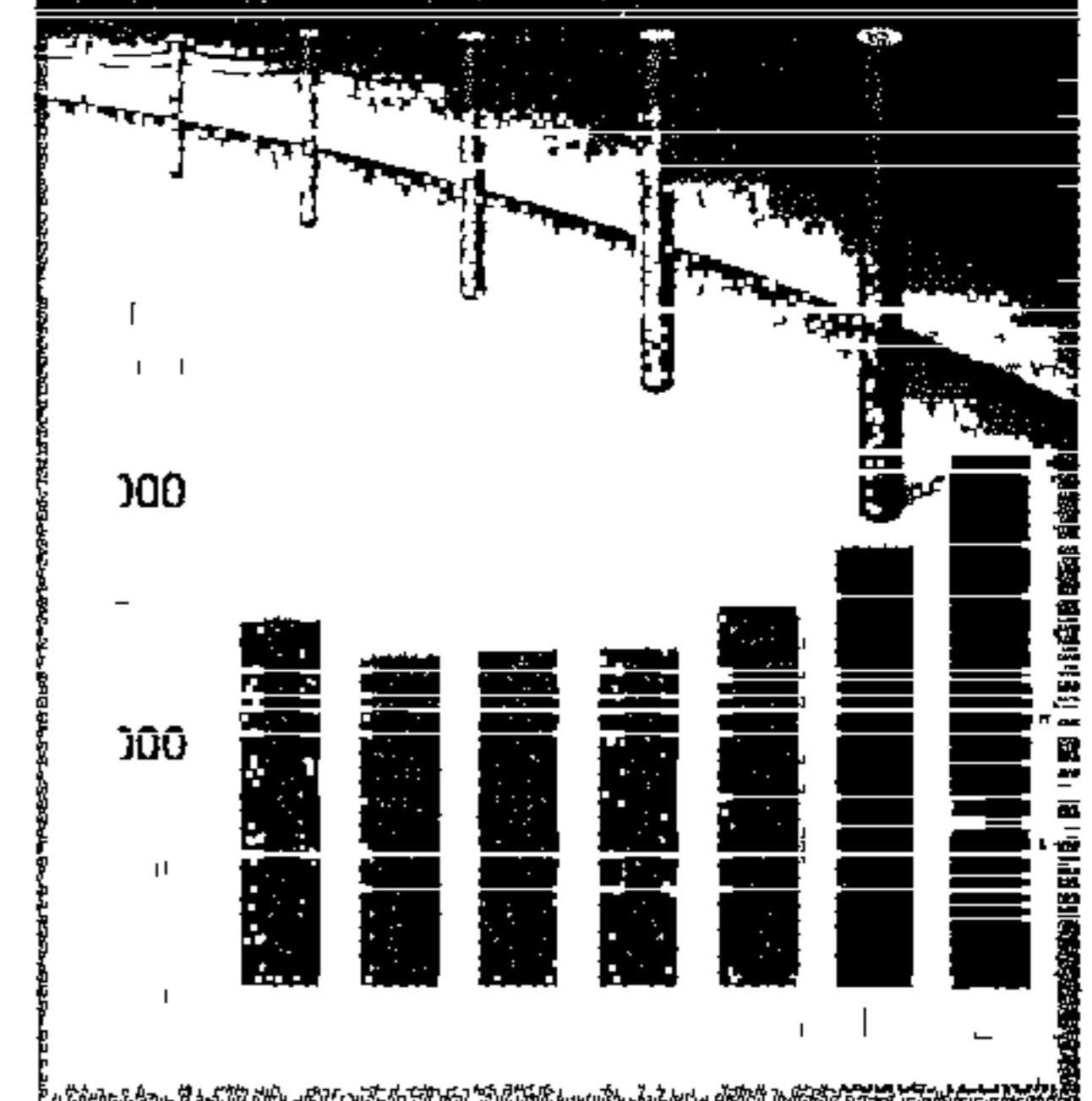
But would the extension of telephone services *en masse* to black urban areas be hastened or retarded by the use of digital equipment? Kaplan suggests that electro-mechanical equipment might be used for the utility part of the network.

One idea for Telkom is the provision — as an interim measure — of "telephone centres" for black areas. Banks of pay telephones, already being provided in Johannesburg by the private sector, seem to be well-

Growing the network

Capital expenditure

TELKOM



patronised and profitable.

Though less definable than raising the return on capital, a change in corporate culture is perhaps Telkom's primary goal. Without that, the other goals will remain elusive.

While permanent staff are still learning the ways of the private sector, Telkom should make liberal use of suitable managerial consultants. Their fees would be repaid in quicker changes in management style. Then they will no longer be needed. Telkom will have made the connection. ■

Telkom

(267)
CT 19/6/92

hangs up

Refuses to list calls

By GLYNNIS UNDERHILL

TELKOM yesterday refused to give telephone users a call-by-call breakdown of their accounts as South Africa's phone-bill crisis grew.

Many telephone subscribers have received unusually high phone bills recently. This has been followed by a clamour from phone users for Telkom to itemise calls.

In some cases Telkom has admitted to errors on its part, but in at least one other case a man was given a list of calls made from his home telephone that morning. The breakdown showed that R200 worth of 087 calls had been made.

Telkom public relations officer in Cape Town Mr Brian de Reuck said the itemising of phone bills was not a service that his company offered.

The telephone company could decide "at its own discretion" to itemise a bill under investigation, he said.

Yesterday there were more reports of huge phone bills.

A Grootte Schuur doctor who changed his unlisted home telephone number has re-

ceived a Telkom bill for the disconnected service for more than R7 000.

"I'm still recovering from the stroke I had when I received the bill in the post," said Dr Errol Cornish.

An accountant of Gardens is also trying to sort out his home telephone bill which he said jumped from an average of up to R200 to more than R11 000 in one month.

Consumer organisations have hit out at government-owned Telkom by urging telephone users to dispute high bills and to take their cases to the Small Claims Court.

The SA National Consumer Union called on subscribers to attend the open news conference in Pretoria on Tuesday to lodge their complaints in person.

'Horrendous bills'

The Small Claims Court will look only at cases involving amounts of less than R2 000, but consumers with larger bills should refuse to pay, say consumer bodies.

Ms Sheila Lord, vice-chairman of the Housewives' League, said the organisation had been "inundated with people phoning us about their horrendous bills".

Accountant Mr Sean Martin said he had responded to Telkom's questions about his home arrangements and assured officials that nobody had dialled 087 numbers

to the tune of more than R7 000.

"I am not going to pay the bill and will certainly contest it."

Dr Cornish says he was given a new telephone number at his request at the end of January. His June telephone account reflects a bill of R7 132 for the old number for a meter reading taken in March.

Dr Cornish and his wife Vanessa hope Telkom will be able to explain why he is being held responsible for the 43 227 units run up on a disconnected number.

"We have no children and no unsupervised help in the house," he said.

The June telephone account shows that he ran up an account of just over R20 on his new number over a two-month period.

Telkom has assured subscribers that all complaints will be investigated.

●Our Correspondent in Johannesburg reports that more than 22 000 incorrect phone accounts were posted to consumers in Verwoerdburg and the North Rand area last month.

Attention was drawn to the mistake, the result of a computer programming error when residents received phone bills last month significantly higher than previous.

Telkom spokesman Mr Fanus Bothma said one person had received an interest bill on his account for almost R50 000.

Five killed

Amnesty slams State oppression

Sowetan 11/6/92

AMNESTY International condemned State oppression and if the ANC became part of a future government and committed human rights abuses, it could also expect criticism, an Amnesty International spokesman said yesterday.

Amnesty International's Ms Mary Rayner, who was part of the London-based human rights organisation's delegation that visited South Africa last December, was reacting to the SAP's denouncement of its report on violence in South Africa on the grounds that it was "partisan" for representing "an almost complete white-wash of the ANC"

Rayner said AI was on record for expressing concern about evidence of human rights violations by the ANC in its camps abroad

The organisation was also involved in a programme to

monitor the ANC's commission of inquiry into human rights abuses.

She said the organisation did acknowledge in its report that ANC supporters were involved in killings, but the major focus of the document was State security involvement in torture and killings

It was acknowledged in the report that State President FW de Klerk took the initiative in 1990 to take the police out of politics, but "evidence over the past two years showed that (police) practice on the ground has not substantially changed"

One of the reasons for the lack of change at grassroots level and police action on the ground, Rayner said, was the failure of the authorities to act swiftly on continuing allegations and evidence of violations over the past two years. The State President's message was "muddled" by this lack of action, Rayner said - Sapa

'Phone bills are a Government ploy'

Sowetan 11/6/92

(267)

SOARING telephone bills — bane of many households in these days of recession and depression — were the result of the privatisation of the Post and Telecommunications Department

Post and Telecommunications Workers Association charged yesterday that it launched campaigns

against privatisation of public organisations like Posts, Telecommunications and Transport services with public sector unions affiliated to the Congress of SA Trade Unions three years ago

"The régime refused to listen... and proceeded to lay the basis for privatisation. We warned them

that many of our people would lose jobs, soaring service charges would be the order of the day," read the statement. Potwa also rejected claims that the 087 number service was responsible for soaring phone bills. The privatisation schemes were clearly aimed at "selling off the crown jewels" so any in-

coming non-racial government would "simply find it is unable to govern" Potwa said it was hoping to convene a meeting on June 18 — to be attended by all interested parties, including civic associations, Cosatu and the National Council of Trade Unions — to "address this matter decisively" - Sapa

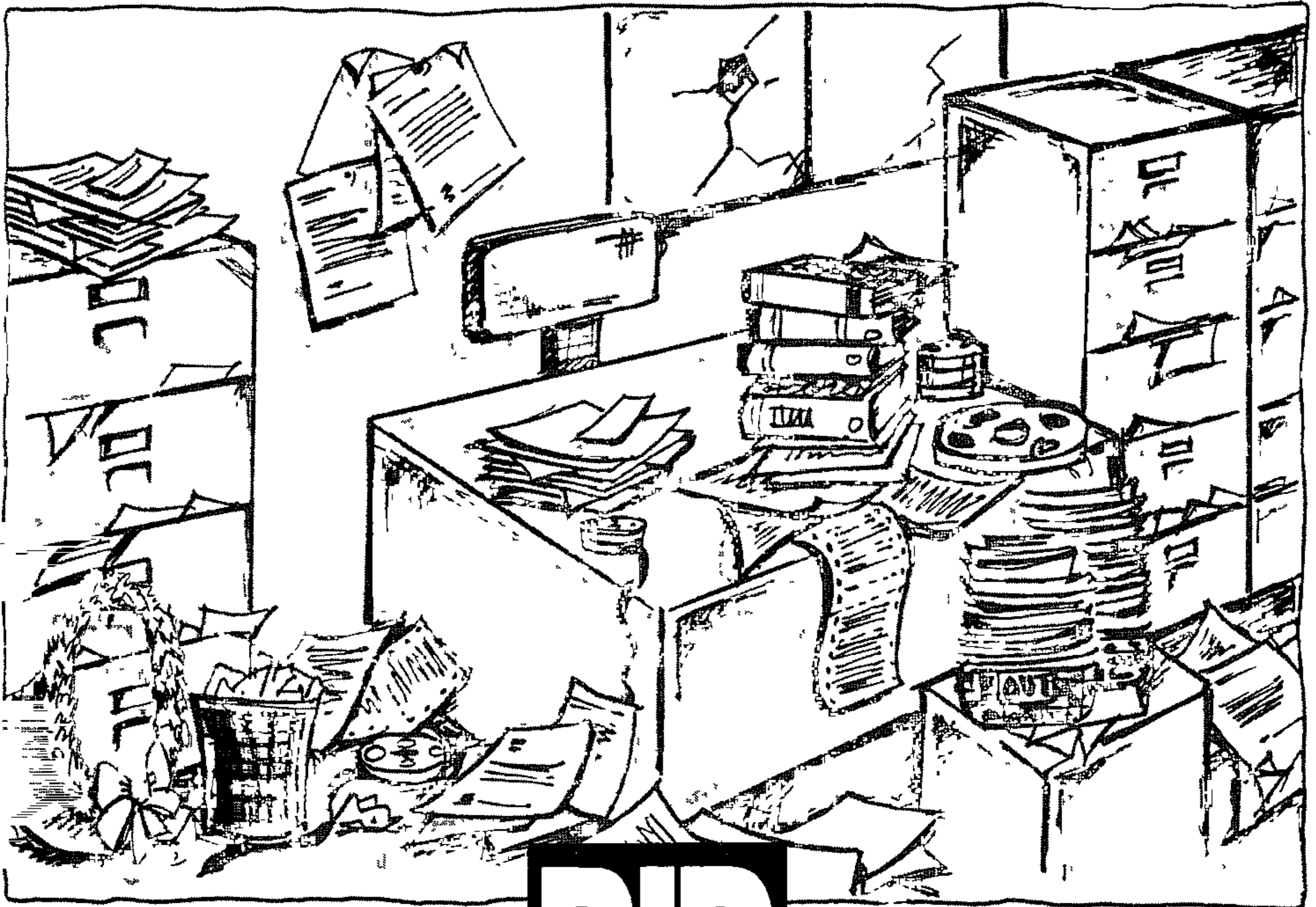
News in Brief

Minimum PO pay rises ⁽²⁶⁷⁾

JOHANNESBURG — Postal workers signed a wage agreement with management on Wednesday, pushing up the minimum wage by 20%, company and union statements said

CT 22/5/92

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TELKOM'S PROBLEMS

FM 10/7/92

267

Miles to go before they sleep

Telkom still needs to grasp the full requirements of commercialisation



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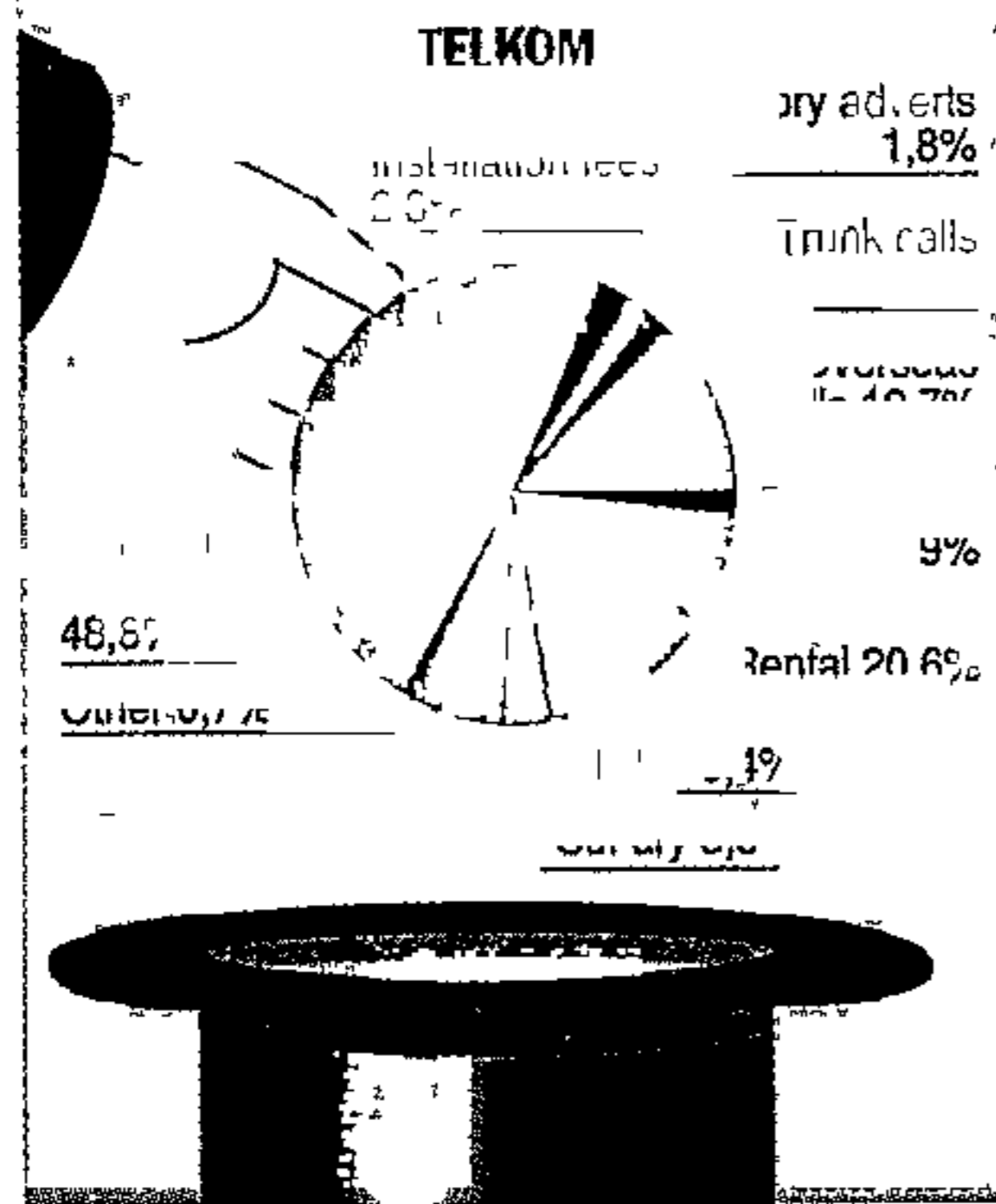
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One innovation has been the appointment of individual client managers for important corporate clients. After all, the business sector provides 80% of Telkom's income.

Swift reaction

The public has some immediate concerns. One is abuse of 087 lines — for which Telkom has been getting more than its share of flak.

The company has reacted swiftly by ending telephone competitions charging R5.97 per minute (the top rate). Earlier, it provided a barring mechanism at digital exchanges and one is promised within six months for electromechanical exchanges.

Computerised billing errors at certain exchanges are being remedied.

What Telkom really needs to do now is itemise bills. The simple ability to analyse accounts into local and long-distance components is an essential customer service.

There are bigger, long-term problems. The tariff structure must be rationalised to eliminate cross-subsidies and enhance aggregate revenues to a level high enough to provide an adequate return on capital. Telkom has started its independent existence with an assets dowry worth R14.6bn (replacement cost). Net profit before tax from this base is R700m — a miserable return of only 8.7% on shareholders' funds of R4.5bn.

The debt-equity ratio must be reduced from its current unhealthy 2.2 to a more acceptable level. Ideally, private-sector shareholders should provide additional equi-



Clarke

ty to make this easier. The backlog in providing telephone services must be reduced. It is still more than 100 000 — and, as a priority, the waiting time for installation in fast-growing urban areas should be cut. While continuing to nurture the hi-tech, First-World component of its services, Telkom must find cost-effective ways to provide a rudimentary mass telephone facility to black areas; The number of employees must be cut. At present, there are 66 000 — down from 67 000 at the start of commercialisation — and

Telkom has undertaken to staff to allow numbers to fall through wastage over five years. But perhaps it should have been bolder, and

A private-sector culture based on the law of contract must be inculcated in middle management staff used to regulations carrying the weight of State authority.

Essentially, the problem of Telkom's return on capital is political. As part of a department of State during 40 years of Nationalist rule, SA's telephone system served the interests of apartheid. Little attention was paid to the provision of telephones for black urban areas, though every effort was made to provide each white-owned farm with a telephone.

And, as UCT Professor of Economic History David Kaplan points out in his 1990

TELKOM

Summarised balance sheets

| | (Rm) | |
|-----------------------|-----------------|-----------------|
| | 31 Mar 1992 | 1 Oct 1991 |
| Capital employed | | |
| Shareholders equity | 4 514,6 | 4 370,7 |
| Foreign loans | 3 276,8 | 3 127,4 |
| Local loans | 6 843,7 | 5 746,9 |
| | <u>14 635,1</u> | <u>13 245,0</u> |
| Employment of capital | | |
| Fixed assets | 12 666,6 | 12 355,0 |
| Investments | 338,7 | 309,0 |
| Net current assets | 1 629,8 | 581,0 |
| | <u>14 635,1</u> | <u>13 245,0</u> |

The actuarially valued deficit of the pension fund is R1 442,0m. Discount on stock issued amounting to R1 324,5m (Oct 91) and R1 696,0m (Mar 92) have been netted off against local loans.

cont-f

FM 9/10/92. (267)

SILENCING A VOICE

"Are you still transmitting? Turn it off, turn it off..." Those words from a harassed Telkom technician signalled the end of a brief experiment in deregulated radio as pirate campus station Voice of Wits was shut down by government decree this week.

Telkom technicians put the station's transmitter and aerial jack in lead-sealed bags while students crammed into the studio shouting, "Viva Voice of Wits" and singing protest songs.

Postmaster-General Robbie Raath says he was told to have the station shut down after a complaint was received.

The Wits station began broadcasting six weeks ago on a limited radius to Braamfontein and parts of Hillbrow after numerous failed attempts to get a broad-

casting licence from government (*Business & Technology* September 4).

Voice of Wits station director Damian Hardy is resigned to the shutdown, but adds "Something has to be done or there is going to be anarchy on the dials — we need free media in this country." Station personnel are going to re-examine the Radio Act and may seek legal advice.

Under the terms of the Act, Voice of Wits could be fined up to R10 000 and staffers could face six months in prison. But the Act does provide for an appeal to the Minister if equipment is seized or sealed, a media lawyer says.

Meanwhile, Wits Technikon's Channel-T remains the only non-SABC radio station to get a licence and it has been on the air for three months. ■

thousands of new subscribers on the Reef but dramatically reduce the price of mobile phones — a drop from around R15 000 to R3 500 is widely expected.

Consumers could benefit from competition in other ways. Already two UK network operators, Cable & Wireless and Racal-Vodafone, have applied for licences to operate mobile phone services in SA. Other international operators are understood to be waiting for government to signal its commitment to competition before lodging applications. Potential local contenders are understood to include M-Net, which appears to have forged close ties with Cable & Wireless, and Transnet's telecommunications division. Transtel has been lobbying government for some time to allow it to carry telecommunications traffic on its national network.

The Coopers & Lybrand report recommends that licences should be issued to two mobile phone network operators — Telkom and one other — and it appears increasingly likely that this will be the tack adopted by government. The potential for these mobile phone services is enormous. In the past, the high price of mobile phones in this country has suppressed demand — only about 11 000 units are in use — but reduced costs, more frequencies, better marketing and the innovations offered by new technology are expected to trigger rapid demand.

FM 9/10/92

ever, recent amendments to the Post Office Act give the Minister latitude in appointing new telecommunications operators.

The first of Telkom's monopolies to be opened to competition will probably be the provision of cellular mobile phone services. Telkom's mobile phone network on the PWV

is close to full capacity and the organisation intends setting up a new service, based on digital Global Systems Mobile (GSM) technology, by the end of next year (*Business & Technology* May 8). This service, which will cost Telkom an estimated R500m-R750m to put in place, will not only open the way for



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PO salary increases

The South African Post Office and the Post and Telecommunication Workers Association have agreed on annual salary increases, retrospective to April 1. The minimum wage will be increased by 19,8 percent and those on the minimum notches of certain grades will get an increase of 11,6 percent. The rest of the workforce will get 10 percent.

~~224~~ (268)

Will competition knock the spots off PO/Telkom?

Posts and Telecommunications backtracked this week on tariff hikes — but plans to commercialise the department steam ahead.

By **MONDLI MAKHANYA**

BAREND DU PLESSIS wasn't the only one swallowing his pride this week. Telkom also relented to public pressure and eased its latest tariff hike.

Telkom's tariff increase — announced two weeks ago and which came into effect yesterday — aroused a great deal of opposition. Resistance to the hike was not just restricted to the usual consumer lobby groups — the Housewives' League and the Consumer Union. Even organised business under the auspices of the South African Chamber of Business (Sacob) and the Afrikaanse Handelsinstituut made representations to the parastatal about the increases.

At the heart of the widespread protest was the fact that Telkom had increased tariffs by 14,2 percent, just two points below the inflation rate as measured by the consumer price index (CPI).

Furthermore, using the rationale that the average telephone call lasts just under three minutes, Telkom lowered the unit per call from five minutes to three minutes. It was only after pressure that on Wednesday this was changed back to five minutes.

Directory services will now no longer be free — Telkom contends that people use the service without bothering to see if the number in question is listed in the directory.

Concern was expressed as to the effect this hike might have on the inflation rate, given the large component which telephone costs comprise in the overheads of small businesses. Business organisations also cautioned that recession would compel them to pass the cost of the increase on to the consumer.

Sanlam economist Pieter Calitzer reckons the increase in costs is going to add a quarter of the percentage point on to the April CPI figure.

"Small business will be quite badly affected because — unlike big businesses where labour and capital comprise the bulk of costs — telephone costs comprise a large portion of their expenditure," says Calitzer.



stanchest critics of Telkom's tariff hike — believes this is the way to go for the parastatal.

"While one recognises that there are areas where the state needs to be involved, telecommunications is one area which must be freed up. Telkom needs to be exposed to competition. In places such as the United States, where there is more than one telephone company, they pay much cheaper rates than we do," says Hirsch.

In the case of Telkom's stablemate, the South African Post Office, competition certainly did help. A number of express delivery organisations have sprung up to challenge Sapo's XPS service and as a result it runs an almost impeccable service. On the other hand the mail delivery service — which has very little competition, if any, as yet — is as inefficient as ever. Even the express section of Sapo's postal service belies its definition.

It would, however, be extremely difficult simply to transplant the whole US system to a developing country like South Africa. University of the Witwatersrand economist David Solomon believes competition should rather be encouraged only among certain branches of the posts and telecommunications services.

"Telecommunications is a natural monopoly and you cannot make a practical competitive environment except by regulating certain aspects of it," says Solomon.

To an extent this has already begun to happen — telephone service centres have sprung up throughout the country to compete with Telkom's pay phones.

Says the owner of a Hillbrow phone service: "People are tired of having to stand in long queues to make a phone call or going to a phone only to find it is out of order. Also, the fact that our service is indoors ensures the client can make a phone call safely and people can come here at any time of the night. The volume of business is just incredible."

Telkom is busy revamping its own telephone booths. It will also be installing 82 000 private telephones this coming year — chopping its backlog by a half.

During the tariff increase uproar, even Telkom's business practices were called into question. The increases were referred to as gross abuse of monopolistic power by Democratic Party spokesman Roger Burrows.

Recently commercialised Telkom is learning to adjust to being profit-driven rather than simply an extension of the state. In terms of the government's privatisation plan, commercialisation is the first step towards privatisation. Had the tenure of the present government been longer, Telkom would have been sold off in the next few years.

Cape Town Chamber of Business president Herbert Hirsch — one of the

Mopping up the red ink

Business interests are screaming about the Post Office's plan to increase its tariffs by 33%. But for years tariffs have been kept artificially low — supposedly to cater for the underprivileged — and subsidised by the more lucrative telephone business. The reality is that businesses account for more than 80% of all items posted and it's about time the postal service was made to pay its own way.

Described as "exorbitant and unjustified," the new tariffs, which take effect May 1, have met with near hysteria from vested interests. The National Communications Committee — representing the AHI, SA Chamber of Business and the Steel & Engineering Industries Federation of SA — condemned the hike as inflationary and predicted mail volumes would drop. The Consumer Council and the Democratic Party also criticised the increases.

Direct-mail users plan to lobby against the new tariffs, suggesting that the increases will

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continue ->

"depress the ability of companies to deal with their client base." But many would argue that the exceptionally cheap rates encourage businesses to forgo media advertising in favour of subsidised direct postal deliveries.

Despite the latest increase, the Post Office still won't meet its budget and faces an estimated R548m loss this year. It claims that local users will pay 35c for a service that costs 46c to provide. Of course, until government ends the Post Office monopoly and lets other companies provide the same services, it's impossible to say how much it should cost to post a standard letter.

SA postal rates are, however, far below those of most other countries. Posting a standard letter in the UK costs the equivalent of R1,21, and it's 83c in the US, where the postal service is required by law to break even.

Since commercialisation in October, the loss-making Post Office can no longer permanently rely on direct cross-subsidisation from Telkom or government. It hopes to make a profit within five years by increasing tariffs at around the same rate each of the next three years. Post Office board chairman Donald Masson predicts that, without these increases, the operating deficit will increase to more than R1,3bn — a situation, he says, that won't benefit anyone.

Business, however, is accusing the Post Office of, at best, inefficiency and nonproductivity and, at worst, blatant profiteering. Their proposed solution is to keep rates low and have government continue to pick up the bill.

Masson is adamant about making the service pay for itself. "Asking government for funds to subsidise postal services when there's not enough for feeding, education and health is morally indefensible. It is only right that people, using services pay for them."

Masson, a former CE of the retail group Tradegro, appears to be succeeding in fostering a client-service culture. Local postal deliveries have improved dramatically in recent months (*Business & Technology* March 27) and business hours have been extended at lunch times at many post offices.

Co-operation between the Post Office and local chambers of commerce also has improved and a workshop with business is planned for later this month to determine client needs.

More postal boxes

And though commercialisation is still in its early stages, many services performed exclusively by the Post Office have been fiercely contested since being opened up to private tender, such as far-flung rural deliveries.

The Post Office also plans to introduce additional services, such as 250 000 new private post boxes, to generate more income.

Masson estimates that "firm action" over the next five years will effect savings of more than R950m without appointing additional personnel.

Of course, privatising the Post Office and ending all restrictions on competitors would make the service even more efficient, but so far that's a dead letter.

10/4/92 (267)

5-minute 'victory' for consumers

(267) ARG 1/4/92

The Argus Correspondents

PRETORIA. — Yielding to pressure from consumers, industry and commerce, Telkom has scrapped a shorter three-minute-a-unit telephone metering system planned for introduction today

The decision announced by Telkom managing director Mr Danie du Toit yesterday has been hailed as a "victory for consumers".

The assistant director of the South African Consumer Council, Mrs Ina

Wilken, said "It is clear they are listening to the consumer. It is good that consumers are prepared to stand up and at last are beginning to realise what their rights are."

Mr Syd Eckley, director of the South African Council for the Aged, said the organisation had fought hard over the issue and was surprised it had been successful

"I think we should be grateful for every sugar cube the government throws our way, but the real problem has still not been resolved.

"In the past we managed to bring installation charges down, but the chilling factor is still the high cost of monthly rentals"

Mr Du Toit said although the five-minute metering period was to be reinstated, increases in rentals and the unit cost would have to remain if Telkom was to provide for the needs of consumers and the economy in the years to come.

"The increase of 14,5 percent is still below the inflation rate and Telkom will continually monitor any future cost adjustments," he said

AAO 31/3192

(267)

Rising opposition to phone tariffs but Telkom firm

STEFAANS BRUMMER
Staff Reporter

OPPOSITION to tomorrow's rise in telephone tariffs is mounting, but Telkom says the controversial price increase will be implemented

The average increase is 14,2 percent, but the metering unit for local calls will be decreased from five to three minutes, meaning an effective rise of more than 90 percent for local calls longer than three minutes

The Housewives League and the Council for the Aged have added their voices to the chorus of protest and both have sent letters of appeal to the Minister of Post and Telecommunications, Dr Piet Welgemoed

Telkom's "insensitivity", its "disgraceful abuse of monopolistic power" and the "exorbitance" of the increases have been decried by the Consumer Council, the Cape Town Chamber of Commerce and Democratic Party spokesman Mr Roger Burrows.

Housewives League national vice president Mrs Sheila Baillie said "Our president has sent a letter to the minister. We are absolutely disgusted. They (Telkom) cry poverty, and yet they have been shown to make a substantial profit"

She said the league was particularly upset about the shorter metering unit. The five-minute unit had been a hard-won victory achieved by a 250 000-signature petition when local call metering was first introduced

She disputed Telkom arguments that an average call lasted less than three minutes, saying business calls mostly took longer

Average increase 14,2% — local metering units down to three minutes

RATES OF TELKOM INCREASES SINCE 1989

| MAIN SERVICE RENTAL | INSTALLATION FEE | UNIT COST |
|-----------------------------|------------------|-----------|
| April 1989 - R18 | R140 | 13,5c |
| April 1990 - R21 | R140 | 13,5c |
| April 1991 - R24 | R155 | 15c |
| ●Sept 1991 - R26 | R170 | 16,5c |
| April 1992 - R29,85 | R195 | 18,9c |
| ●Vat induced price increase | | |
| Source: Telkom | | |

'Business calls are the life blood of the country. The higher costs are going to be passed on to the consumer and we can't stand any more'

The Council for the Aged appeal to Mr Welgemoed said "A great number of aged people living alone are dependent on a telephone service as their only link outside

"The availability of a telephone is, for these people, indispensable because of illness, death and crime"

Telkom, in an attempt to stem the growing tide of discontent, released a statement late yesterday, saying the increase was based on "fairness to the average telephone-user". The principle was that heavy

users pay more than the three-minute — or average — caller

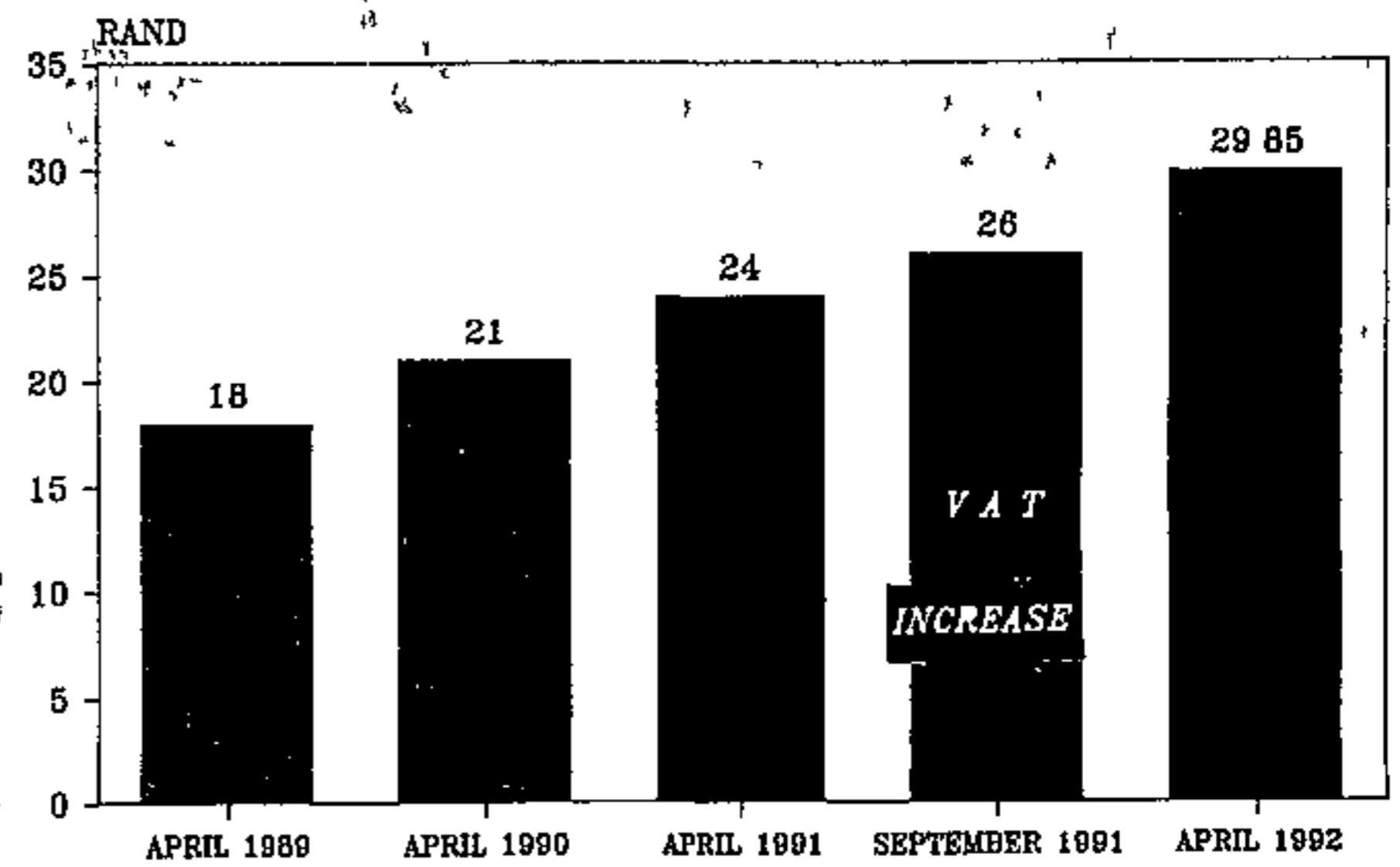
The statement said "Research has shown that 29 percent of telephone users speak for longer than three minutes a call. The latest tariff increase will therefore have a negligible effect on the majority of household or business budgets."

The statement said the majority of callers — 71 percent — would see account increases of only 14,5 percent, but even the 29 percent who were heavy users would see an average increase of only 16 to 21 percent

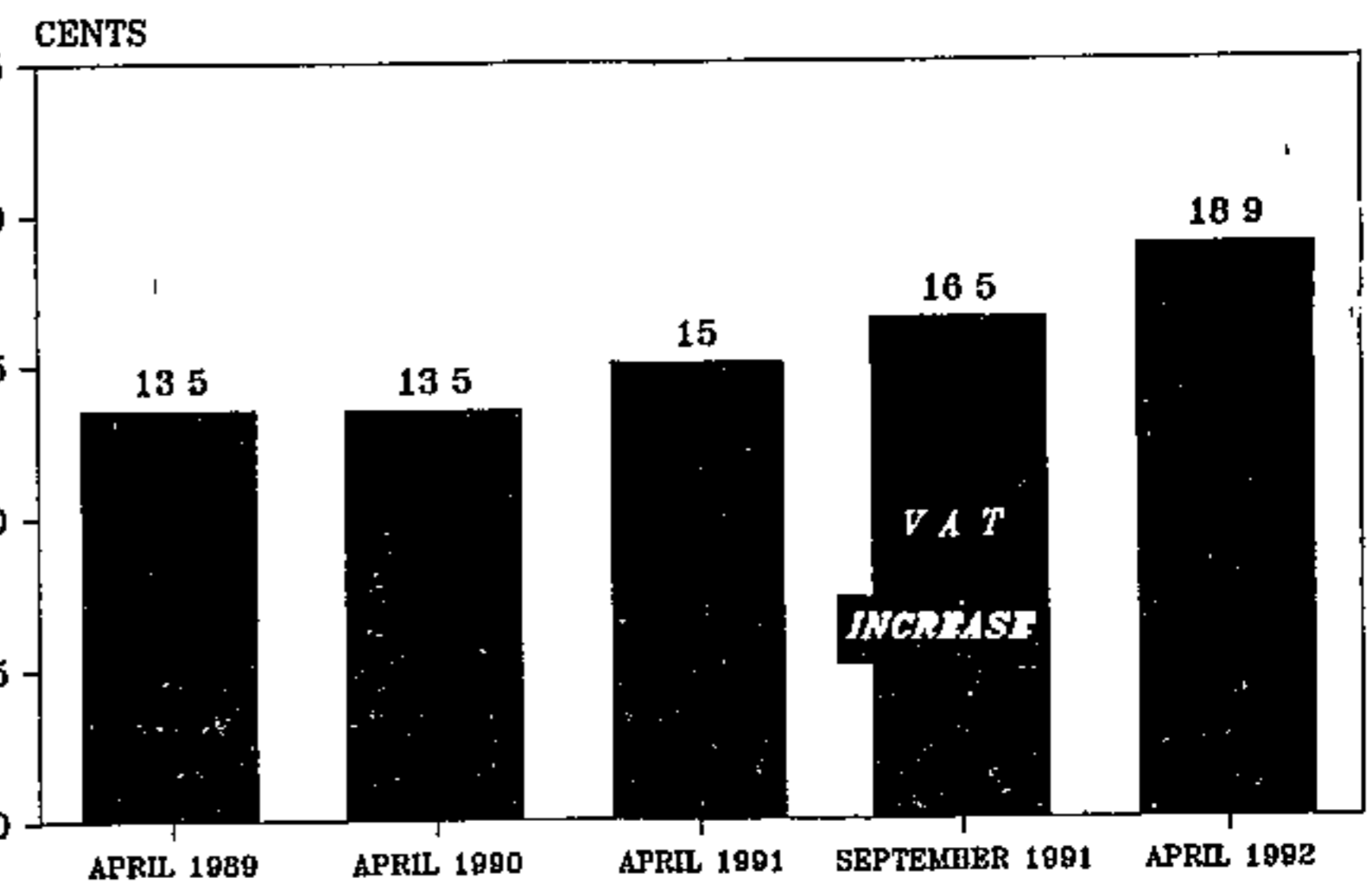
A Telkom spokesman said research had also shown that people often overestimated the length of telephone calls, and that many businesses also fell in the three-minute category.

Ringling the changes

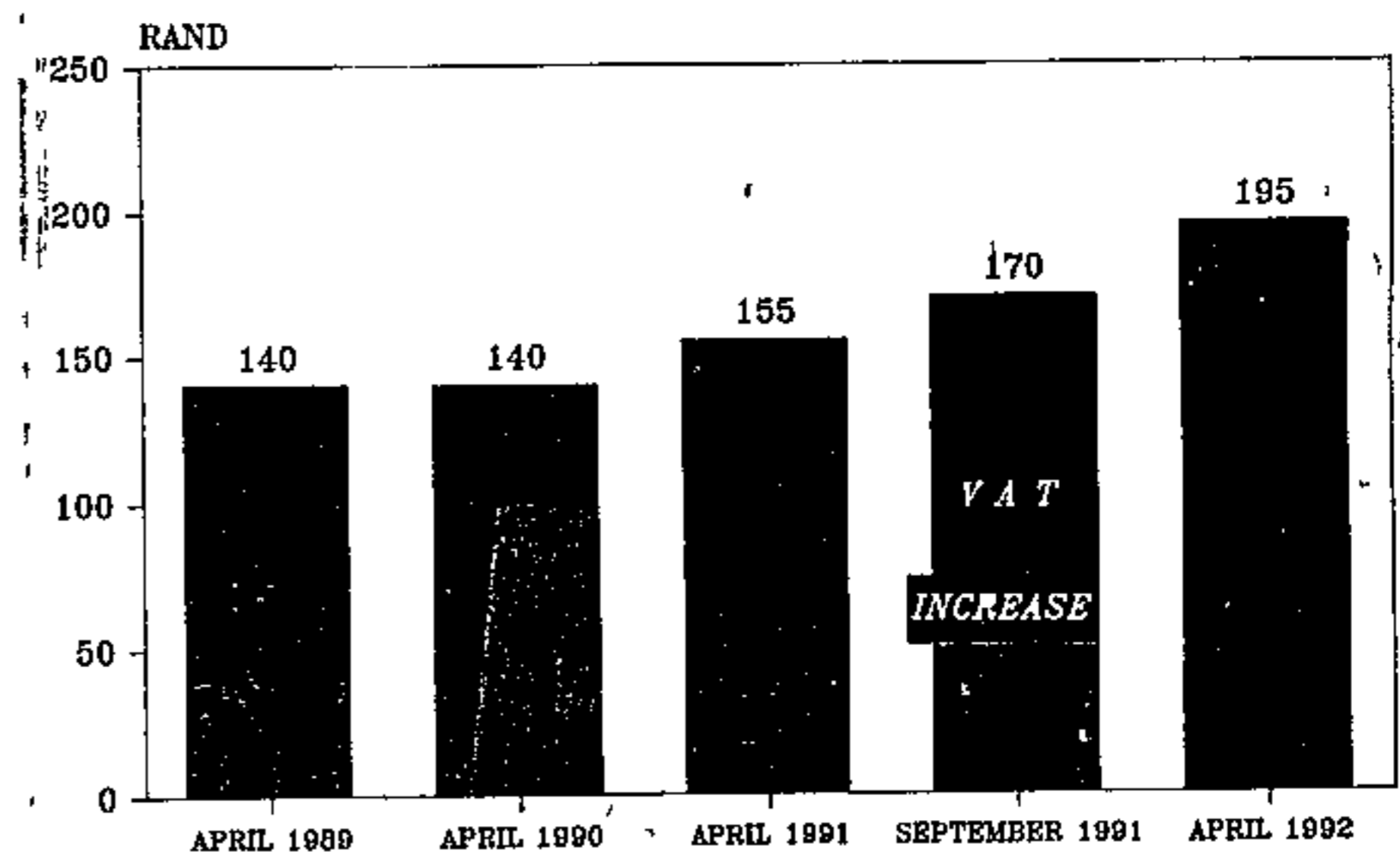
PHONE INCREASES SINCE 1989 MAIN SERVICE RENTAL



PHONE INCREASES SINCE 1989 UNIT COST



PHONE INCREASES SINCE 1989 INSTALLATION FEE



Independent regulator in offing

267
BIDAY 2317192

THE independent regulating of SA's telecommunications infrastructure is taking shape under the restructured and smaller Department of Posts, but staff to enforce regulations — as well as more 'teeth' — are needed for it to become effective.

While users battle to decide what is allowed and what is not, Communications Policy and Regulating GM Dennis Hurrell says that in the next short session of Parliament or in next year's session, it is hoped an Act will be passed to establish an independent telecommunications commission to regulate the industry.

The majority of the people working at the existing department are expected to become staff of the new commission

In the meantime, negotiations will continue on rules and regulations, under the department's chairmanship

Discussions on the supply and maintenance of PABXs, cabling of buildings, monopolies in the private sector, and what phones can be used on networks start today

The discussions are not expected to yield early results though Talks on deregulating PABX suppliers took more than two years to be resolved some years ago

"We have about 40 people involved in this round of talks, including those from the National Association of Business Users (the first time users have been involved in such talks), as well as PABX suppliers, licensed maintenance organisations, phone manufacturers and Telkom itself," says Hurrell

Meanwhile, some groups of telematics users are believed to be "overstepping" permitted service boundaries

Reports by
MELANIE SARGEANT

Data service providers and computer bureaux are allowed to function under certain rules and regulations — also to supply telematic services — but they appear to be competing directly with Telkom in some instances

"Two Telkom staff members have recently travelled overseas to study developments there, and new rules for local value added network services (VANS), as well as for network management services should be finalised soon," Hurrell says

Basically, VANS licenses can do almost anything on their services, as long as they are truly adding value by, for example, processing information on their computers

Tariffs

New rules could see the licensing of enterprise wide groups which will allow VAN services within single large entities, such as motor companies and their dealers

As far as tariffs are concerned, Hurrell explains that if various firms share common lines between centres, they will pay premium tariffs to compensate for Telkom's non cost-based tariffs.

"The premium tariff will be reduced over a period of five years to give Telkom an opportunity to get its tariffs cost-based," he explains.

When the new laws are enforced, he says telematics users with 'illegally' shared lines will have three months to register their existing lines "They will not have to pay premium tariffs on existing lines, but rather only on new

shared lines."

While the original CAN line tariff was double that of other lines, it is now about 70%, having been reduced since VANS were introduced about 18 months ago

Experiments are currently under way to provide shared voice and data lines

Overall though, Hurrell says the regulatory body does not currently have many guidelines, other than maintaining a level playing field in areas where competition is allowed, and keeping an eye on Telkom's monopoly

Until the commission is established and the new Telecommunications Act promulgated, the strength of its 'teeth' is limited

Hurrell retires this month, and will be succeeded by Telkom's Peter Lochner, who has held various positions including Telecommunications Development Institute GM

Industry sources say users must understand what Telkom and the regulator's definition of shared use and switched shared use are.

One source says "Many do not understand these matters, and could find themselves inadvertently breaking the law

The good news is that there are set methods of going through the complex licensing procedure

Peter Aspinall of Strategic Business Services, says that with the confusion over rules and licences, a brainstorming session is being organised so Telkom, the Competition Board, and private industry can discuss all the issues to help clarify some of them

Users will have the opportunity to query the new rules at talks in Johannesburg on August 18, and in Cape Town on August 19.

Price hike makes phones 'a luxury'

(267) CT 28/3/92

By GLYNNIS UNDERHILL and PETER DENNEHY

THE 90% increase in the cost of local calls of over three minutes will make telephones a luxury item in the average household from April 1.

"A telephone has become a necessity in the home but in future it will become a luxury because very few people will be able to afford a telephone," said Ms Ina Wilken, assistant director of the Consumer Council.

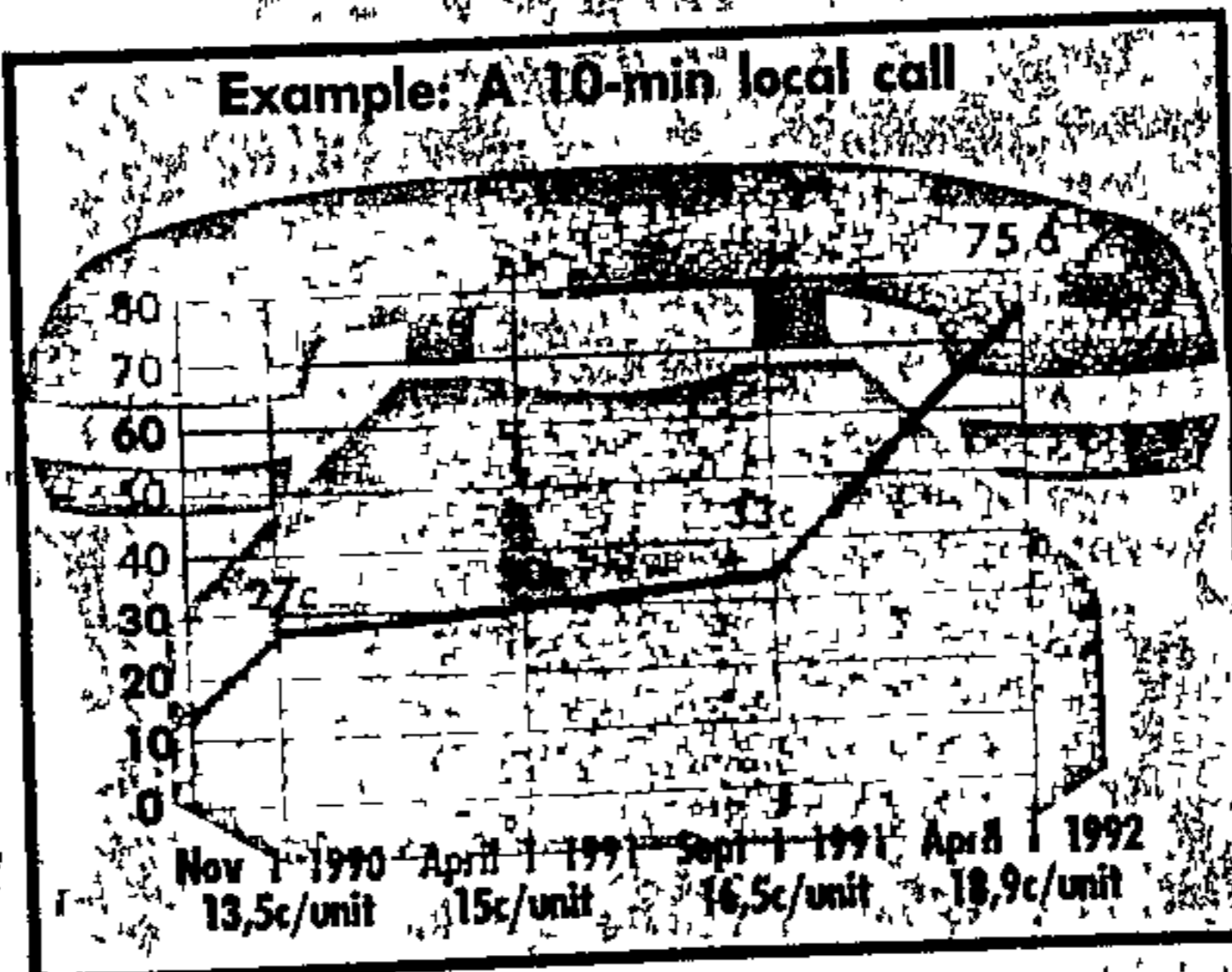
A wave of outrage has followed the announcement, with angry consumers flooding the Cape Times with calls yesterday protesting the price hikes imposed by government-owned Telkom, which has a monopoly on the market.

A local call will increase from 3,3c for one minute to 6,3c.

Five minutes on a local call now costs 16,5c, which is equivalent to 9,9c for three minutes. This same three minutes will cost 18,9c next week.

The latest price increase represents "a disgraceful abuse of monopolistic power", DP spokesman on posts and telecommunications Mr Roger Hulley said yesterday.

No ordinary business in a competitive environment would dare to implement such a startling increase. "How can it possibly be justified?" he said.



He called on the Minister of Posts and Telecommunications, Dr Piet Welgemoed, to step in and use his authority to reverse the announcement.

A spokesman for Dr Welgemoed said that the decision to increase the tariffs had not been taken lightly.

The acting president of the Cape Town Chamber of Commerce, Mr Herbert Hirsch, said that a suggestion that call costs could be contained by tailoring usage to the new call tariff displayed a total lack of

understanding of how business operates.

The ANC head of information systems, Mr Andile Ngcaba, hit out at the lack of an independent telecommunications watchdog in South Africa.

"The telecommunications regulatory functions in South Africa have been the responsibility of the operator for the past decades. You just cannot have an operator regulating itself," he said.

Telkom yesterday defended its tariff increases by claiming that the hikes would not affect most of its 3,5 million clients.

"Most of our clients speak for just over two minutes on a local call. The tariffs really are not high," said Ms Amanda Singleton, corporate communications manager at Telkom.

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SAPO AND TELKOM

Fm 3/1/92

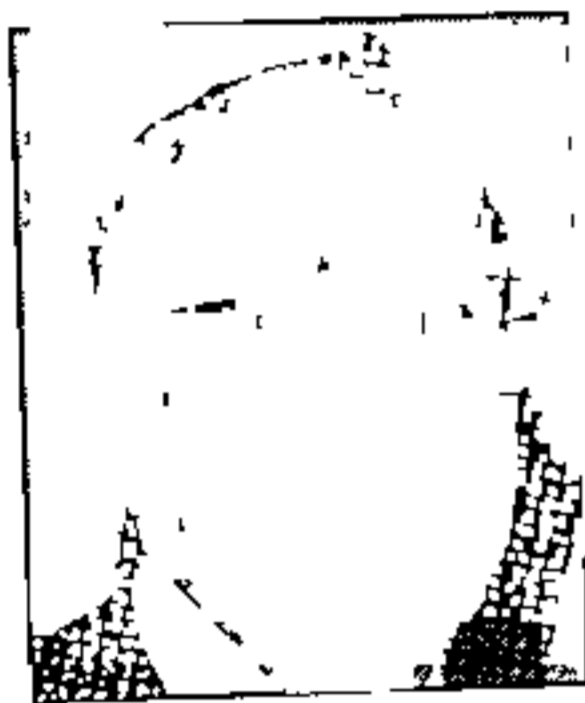
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Keeping competitors at bay

Commercialising the Post Office and splitting it into two companies — Telkom and the SA Post Office (Sapo) — on October 1 raised hopes that deregulation and competition would follow

Three months later, though both seem to be running smoothly under new boards, would-be competitors have no idea when they will be allowed to compete

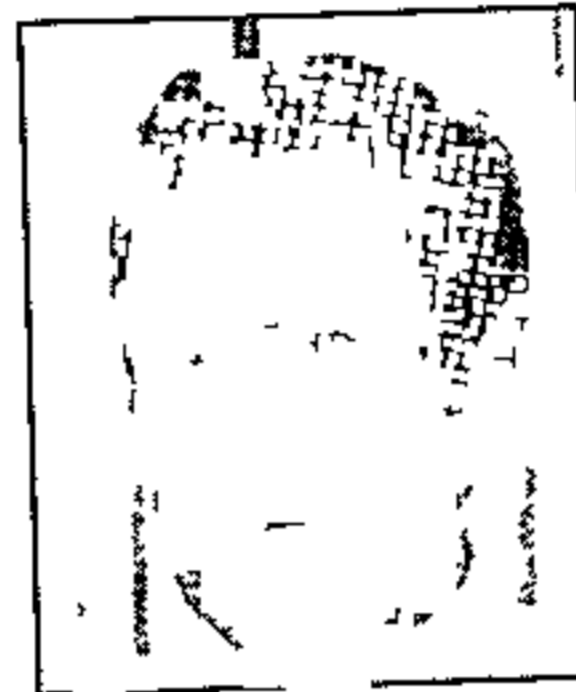
The commercialisation blueprint for the Post Office — largely the brainchild of the late Wim de Villiers — proposed the establishment of a separate regulatory authority, similar to the Office of Telecommunications



De Villiers



Raath



Hainebach

in the UK or the US Federal Communications Commission, to open the market to competitors, particularly in telecommunications, the area most likely to attract private investment

But, though two years were spent preparing for the commercialisation, little attention was given to setting up the regulatory authority

All licensing and administrative duties are handled by a government department — a remnant of the old Post Office — called the Department of Posts & Telecommunications. It is a skeleton operation, formerly headed by acting Postmaster Isaac Coleske and now by Robbie Raath, former Deputy Postmaster-General

Administer the Act

This department will administer the Post Office Act and Radio Act at least until March 31

The result Sapo and Telkom hang on to their monopolies of the markets with the Minister having final say over tariff increases

Government has only recently appointed Transnet legal adviser Pierre Pretorius to investigate and set up a regulatory framework. Pretorius, who brings to the job much experience from the Transnet commercialisation, admits the regulatory structure should have been in place on October 1. "With the Minister still in charge, a regulatory body was not such a priority. The emphasis was to get the services commercialised and launch the two companies"

Pretorius is anxious to bring about an acceptable dispensation. At this stage he's not sure what form the regulatory authority will take but appears to be committed to substantial private-sector involvement

"A possible model could be the tribunal-type structure established to regulate SA domestic air travel last year," he says. This provides for a licensing council, appointed by the Minister. The council has a juristic personality and administers applications for licences. Anyone who wants to challenge the council's decision may appeal to the Supreme Court

Another model is that of the Office of Telecommunications in the UK, which is responsible for the complete regulation of the industry and ultimately answers to Parliament

Business, of course, is deeply concerned about the nature of

the regulatory authority. Says Siemens joint MD Geoff Hainebach: "Where there is competition involving the use of unique resources, for example, the frequency spectrum, it is essential that the regulatory body is seen to be impartial and apply the same criteria to all players. For this reason the regulator should not be one of the players"

Hainebach stresses that the regulatory body must have the necessary expertise to formulate criteria and make decisions. "This means the regulator, or his staff, need to be experienced in the business of telecommunications, with exposure to economic and political criteria"

While Hainebach believes commercialisation may have solved some problems, he is concerned that others may have been created. "The two great pressures on Telkom are to improve service and supply it at a lower cost, while providing service to large sectors of the population, whether it is economical or not"

He says it is unlikely that deregulation will reduce costs to anyone, in the US and UK costs were merely transferred from international and long-distance services, which became cheaper, to local services, which became dearer. In both cases, however, the quality of service improved dramatically

Pretorius says "If we are really committed to free-market principles we should aim at privatisation, which would assist with introducing more competition and see the State withdraw completely from certain spheres"

Whatever structure is decided on the regu-

latory body will be crucial to the future of Sapo and Telkom and development of markets they intend to serve. Only once this body is established will the success of the commercialisation process be known

■ Telephone subscribers are becoming fed up with Telkom as their accounts soar. They say they want itemised bills, but Telkom claims it can't afford the right equipment. Rubbish, say electronic experts.

JEAN LE MAY

Weekend Argus Reporter

TELKOM, which made a profit of R1 billion last year, is jibbing at the expense of having to install extra equipment which would make it possible to give all subscribers itemised monthly accounts as is done in Europe and the United States.

However, it already has the electronic equipment to provide telephone subscribers in central Cape Town and many other areas with itemised accounts on request, according to experts consulted by Weekend Argus.

The state-owned telephone company was split from the postal services and commercialised in October 1991. It is now facing a huge consumer problem, having sharply increased tariffs on April 1. The last straw has been astronomic accounts sent to many subscribers, for which Telkom initially refused to give detailed breakdowns.

Regional manager Mr Bryan Waldron said this week: "It's not that we don't want to give itemised bills. It's just that we can't at the moment."

Telkom was looking into modifying the exchange and providing a system with a tariff acceptable to consumers, he

added.

However, electronics experts disagree.

"The new electronic exchanges which are already in operation in many places have all the information readily available and it is probably just a matter of getting print-outs," said Professor Manfred Remack of the department of electrical and electronic engineering at the University of Cape Town.

"With the old electro-mechanical exchanges there could be problems"

About half the exchanges which served Cape Town were electronic, said Telkom media liaison officer Mr Brian de Reuck, including the exchange which served the CBD. Countrywide, 52 percent of exchanges were electronic, but a wholly electronic system would not be completed until 2010.

Mr Gavin Howard, project manager of Plessey Telecommunications, which provides PABX systems for Telkom, said:

"I don't see why there should be a problem with electronic exchanges — the information is all there. But I do see that it could be difficult with the old electro-mechanical exchanges."

Mr Peter Filo of Siemens, one of the companies which supplies electronic exchanges to Telkom, said: "There are two types of electronic exchanges in use. Detailed billing is only

available if it is especially requested, but this depends on the software level required by the customer. If software were requested to provide itemised accounts for every customer every month, it could be supplied."

Mr Loumie Smit, personal manager to Telkom managing director Mr Dame du Toit, said that a policy decision still had to be made whether to provide all subscribers with itemised monthly accounts.

"The equipment is available in electronic exchanges. What is needed is to expand the capacity of our data base"

Another problem would be the physical handling of 3,5 million accounts every month.

Mr Roger Hulley, Democratic Party spokesman on telecommunications, said:

"Confidence in Telkom has been shattered. It is simply unacceptable that they are not prepared to give itemised accounts. Every other business in the country does so. There is a public demand for it, with increased tariffs and the advent of the 087 services."

The 087 service was described when it was introduced as a licence to print money, and subscribers whose accounts have been inflated by unauthorised 087 calls say this description is justified.

Telkom spokesmen strongly denied allegations that Telkom technicians plugged into subscribers' telephones to make 087 calls.

Amanda Singleton, Telkom spokeswoman in Pretoria, said it was "senseless" for technicians to plug into subscribers' phones. They had unlimited access, at no cost to themselves, to Telkom telephones

Telkom denies subscribers itemised bills so it's a . . .
PHONE-CALLS FIASCO
257 ARG 20/6/92

Minister queries bill chaos

(267)
CT 20/6/92

Staff Reporter

The Minister of Posts and Telecommunications, Dr Piet Welgemoed, has asked for a report-back from Telkom about the telephone accounts chaos that is enveloping the country.

Dr Welgemoed took the consumer complaints "in a serious light", according to his spokesman, Mr Mike Faasen

Telkom had been asked from "the very start of the complaints" to supply reports to the minister on the issue, he said

The minister had been assured by Telkom that the matters were receiving "highest priority" and all systems were being audited and checked

"The minister has asked Telkom to inform him of the number of complaints and to explain how they are being addressed," he said

Dr Welgemoed had requested information from Telkom about the control

of the service it provides

Telkom's regional manager for the Western Cape, Mr Bryan Waldron, said that the company had six investigators constantly monitoring staff

Responding to allegations that Telkom employees were tapping into subscriber's lines, Mr Waldron said that over the years a few operators had been caught selling "free calls" by holding back on metering

"We have no information whatsoever of technicians using consumers' lines for personal use," he said

Angry phone users continued to call the Cape Times yesterday to complain about rocketing bills

The case of Groote Schuur Hospital doctor Dr Errol Cornish, who refused to pay a R7 000 bill for a disconnected service in his name, was finally resolved yesterday with a phone call from Telkom

"They told me they had made a mistake and put it down to human error or 'finger trouble'," said Dr Cornish

Telkom softens line on accounts

CT 19/6/92
267

By GLYNNIS UNDERHILL

TELKOM has backed down on its hardline refusal to provide itemised telephone accounts and undertaken to do so on request once it has sorted out the technical difficulties

"It's not that we don't want to give itemised bills, it is just that we can't at the moment," Mr Bryan Waldron, Telkom's regional manager for the Western Cape, said yesterday

"It's a matter of finding a technically acceptable system that will have a tariff acceptable to consumers"

Mr Waldron said Telkom was looking into introducing additional software and modifying the exchange to provide the service

Earlier this week the company said that in future it would not itemise telephone bills for customers complaining about excessive charges

Mr Waldron said that at present the region had only enough of the expensive equipment needed to monitor lines for Telkom's own investigations into subscribers' accounts

In 90% of Telkom's investigations into queried accounts people finally admitted using 087 lines or making overseas calls, he said

Meanwhile, an attorney for the Legal Resources Centre, Mr Matthew Walton, said yesterday that Telkom could face a legal problem if it had no detailed records of accounts

"In the absence of a signed contract saying that Telkom doesn't have to prove it, in common law the provider

would have to prove in court that the calls were made from that number," he said

Responding to allegations that Telkom employees were tapping into subscribers' lines, Mr Waldron said only 2 000 of the 10 000 staff in the Western Cape had the necessary know-how

The "fitters and faultsmen" who worked on overhead lines could access subscribers' lines "But they have access to Telkom telephones, so why should they steal your metered units?" he asked

No Telkom staff had been fired for tampering with consumers' accounts and there was no evidence of a virus or a large-scale computer problem

Mr Waldron said the 087 numbers — which have earned around R10 million for Telkom in 2½ months — were the main culprit in the telephone account furore

"But I would hate to see them disappear, because I do believe some of these numbers provide a real service to the client," he said

The case of Grooté Schuur Hospital doctor Dr Errol Cornish, who refused to pay a R7 000 bill for a disconnected service in his name, has meanwhile taken a curious turn

He received a new account showing a credit of 72 cents. The thousands of rands previously claimed from him had mysteriously vanished without explanation

"There wasn't even a charge for the rental or metered units on my current phone," he said, "and I know I made some calls"

'Mystery' calls in phone bill

Staff Reporter

MORE city residents yesterday reported discrepancies in their telephone bills from Telkom and one woman found that she did not even know some of the people listed on her account

Mrs H Williams of Brooklyn said she was shocked when her February account said she had made R700 worth of calls

When she questioned Telkom she was told to pay only a percentage of the amount but thereafter the arrears and interest were recorded until it reached R2 000 last week.

Mrs Williams asked Telkom for a print-out of all the numbers she had allegedly dialled, but they said this was against company policy

Eventually she was allowed to write down the numbers and found that 18 of these numbers were completely unknown to her and 12 of them were 087 numbers which she had not dialled

"I phoned some of these people — they didn't know me and I didn't know them. They are even willing to give affidavits testifying to this," she said

Mrs Zuleiga Vallie of Belhar and 10 families in her area have also had bills that have skyrocketed since April this year

Mrs Vallie said her telephone was not used during the week because she phoned from her shop and she found it odd when she received an account for R185,96. Even her business phone bill was not this high, she added

After doing a survey among friends and neighbours, she found that many families' bills had suddenly risen from an

average of R45 a month to more than R100. Mrs Vallie said she had information that telephone technicians tapped into consumers' lines and claimed this was why the bills were so high

The complaints were yesterday put to Telkom's Pretoria-based media liaison officer, Ms Amanda Singleton, who promised to contact the regional manager for an investigation

City cut off in five-hour phone glitch

Staff Reporter

TELEPHONE subscribers found they could not make national nor certain local calls when one of Cape Town's two major electronic exchanges broke down for five hours yesterday.

At 7.57am a fault was found in the computer software programme at the Barrack Street exchange but was restored at 1.05pm, Telkom media spokesman Mr Fanus Bothma said

The southern suburbs, Camps Bay, Sea Point and the central business district were the areas mainly affected.

Subscribers could not phone or fax out of the Peninsula and had difficulty getting through to local numbers starting with 2, 3 or 6.

Calls had been rerouted to the other major exchange at Tygerberg but "there was a clogging up of the network" despite this, Mr Bothma said.

(267) CT 16/6/92

Complaints ringing off the hook

Staff Reporter

IF you have an astronomically high telephone account, be prepared for a long battle with Telkom who are investigating more than 5 000 claims of overcharging in the city — but deny that a technical fault is to blame.

A spot check of Telkom's complaints counter yesterday brought to light several cases of rocketing phone bills. Mrs Isabel Olifant of Mitchells Plain said she had never received an account

for more than R50 and was "flabbergasted" when her last account was for R1 735.

A disgruntled Telkom teller was also found standing in the complaints queue because her monthly phone bill of R250, on average, had jumped to R1 137 last month.

The Consumer Council apparently suspect that a technical flaw at either the punch-in stage or in Telkom's computer system may be responsible for the spate of complaints.

Telkom's public relations officer in the city, Mr Brian de Renck, said it was impossible for a computer error to be responsible because it would affect "a couple of thousand of subscribers and would be detected on the computer output afterwards".

Many of the complainants also expressed concern that Telkom technicians were at liberty to tap into private lines and could run-up bills by phoning 087-premium rate numbers. Mr De Renck said "this was possi-

ble" but that technicians had been warned they would lose their jobs if they were found doing this.

He refused to divulge whether the calls made by technicians were monitored, saying it was an "internal matter".

He said Telkom was able to determine how many 087 calls were made by people who complained of exorbitant bills and that this was the reason behind some high accounts.

(267) OT 13/6/92

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267 OT 13/6/92

Titillated phone teams behind big bills?

Staff Reporter

ASTRONOMICAL hikes in telephone accounts could be caused by Telkom technicians using subscribers' lines to make private calls, Telkom official Mr Mike Rosewall said yesterday.

This admission follows numerous complaints from subscribers about sudden leaps in monthly bills and, in particular, the case of Mr Lawrence Tutu of East London.

A printout of calls made from Mr Tutu's phone shows six calls made to 087 numbers on March 18. But Mr Tutu's phone was locked at

the time, since Telkom was investigating a previous complaint about an abnormally high account.

Furthermore, Mr Tutu was at work at the time — but Telkom technicians were investigating his line.

Mr Rosewall said in East London yesterday that Telkom technicians discovered tampering with lines in this way would be charged with fraud.

Mr Brian de Renck said guilty technicians

would be fired if abuse could be proved.

● A simple electronic device to prevent unauthorised callers from dialling selected telephone numbers such as the popular 087 lines will be available in South Africa next month, Sapa reports.

Called a "phonecuff", the device was designed in the United States and further developed by Detect-a-Dial (SA).

It can bar individual numbers, area codes or any selected combinations of numbers.

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TELECOMMUNICATIONS

267

Holding the airwaves hostage

The battle between government and the ANC over future control of TV and radio broadcasting is threatening to delay much-needed deregulation of the telecommunications industry

The R6,5bn-a-year sector has been waiting for more than a year for the creation of an independent commission to oversee deregulation. Home Affairs Minister Gene Louw announced in March that government supported the idea of a neutral telecommunications regulatory commission. Draft legislation that would pave the way for the creation of such a commission was due to go before parliament during the current session.

But the session ends this month and it looks increasingly likely the appointment of a commission will be delayed further.

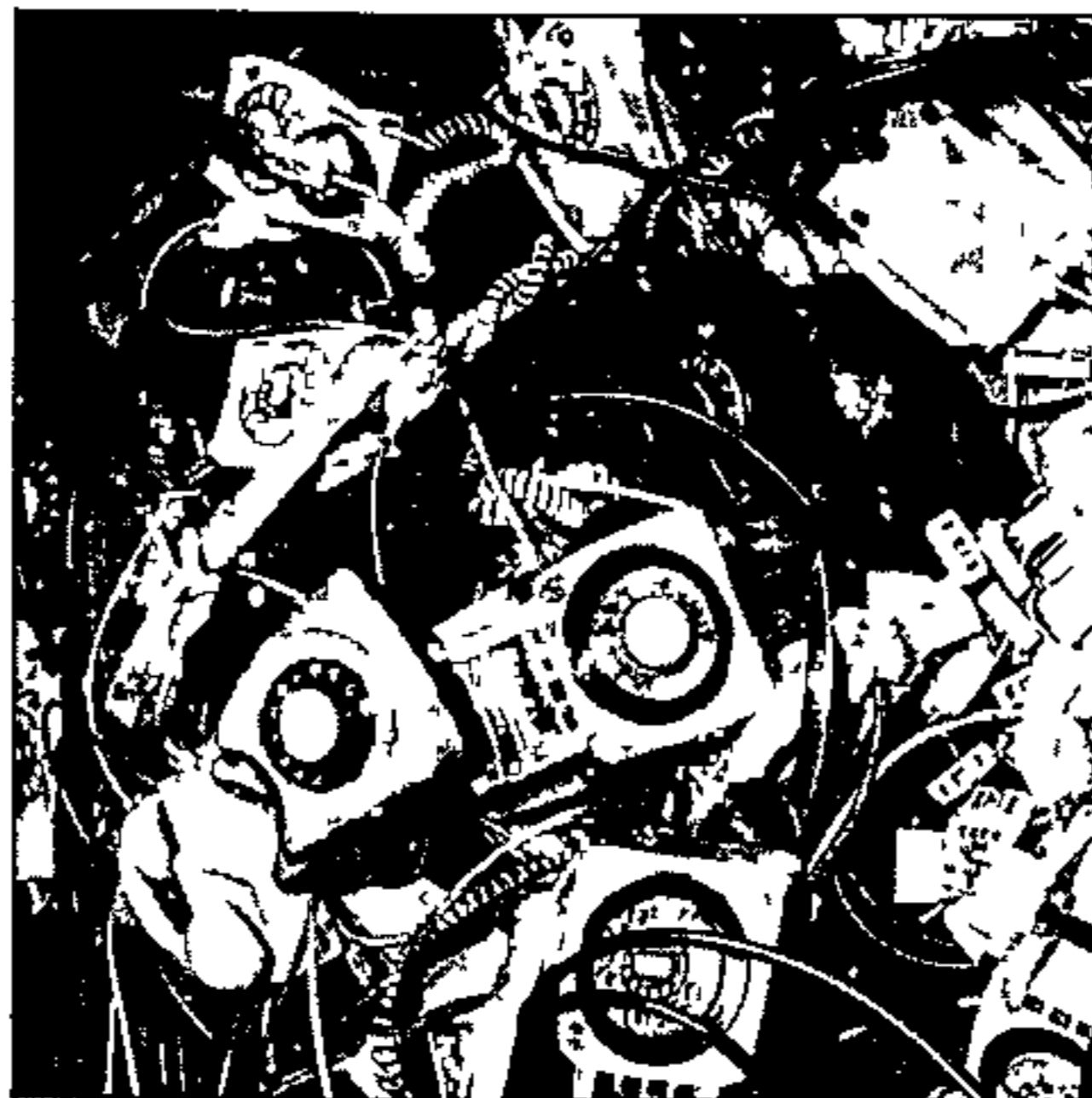
The commission — which is likely to be known as the SA Independent Telecommunications Commission and probably be modelled on the Federal Communications Commission in the US — is expected to play a crucial role in determining the extent to which legislation governing telecommunications is relaxed to encourage greater competition. A key consideration will be the extent to which Telkom is allowed to retain the telecommunications monopolies it now enjoys.

However, the proposed legislation due to go before parliament deals only with the creation of the regulatory commission. An overhaul of legislation that now governs the business will probably not come before parliament until next year at the earliest. Any new watchdog would, at least in the short term, have to police regulations now contained in the Radio and Post Office Acts.

Anxiety among some operators that the long-expected deregulation could be further delayed was heightened by Louw's announcement that the proposed commission would be responsible for radio and TV broadcasting as well as controlling the use of radio frequencies and fixed wire services, such as telephone and data links. This has caused concern that lengthy political haggling over the future of TV and radio broadcasters could hold up the deregulation of other, more economically productive sectors of the industry.

Peter Davies, telecommunications consultant and vice-president of the Computer Society of SA, says the regulation of broadcasting, with its attendant political considerations, should be separated from efforts to restructure the telephone and data communications markets. Changes in these areas are being driven by business needs rather than political considerations, he adds.

While proposed changes to broadcasting have attracted considerable attention in



Time to .. dump the Telkom monopolies

recent months, the liberalisation of the telephone and data communications markets is expected to have a far greater impact on the economy. Throughout the world these sectors of the industry are under review as a result of advances in technology that have opened new business opportunities and a growing desire among many governments to liberalise these parts of their economies.

Last year's commercialisation of Telkom (formerly the telecommunications arm of the Post Office) has intensified calls from big business to rewrite regulations governing these markets. Government's initial intention was to set up an independent regulator at the same time that the Post Office was

split into separate telecommunications and postal operations. This failed to happen and responsibility for policing the current Acts passed to the Department of Posts & Telecommunications.

Former Post Office executive Robbie Raath was brought out of retirement late last year to head the department as postmaster general. Having shed its postal and telecommunications operations, the department is operating with a skeleton staff and, though it has made some moves to assert its independence, it is constrained to work within the current legislation. In the past few months, when the appointment of a new regulatory commission was thought to be imminent, the department appears to have steered clear of issuing any major decisions.

Draft legislation's proposal for a neutral regulatory authority is supported by the findings of the Viljoen Task Group on Broadcasting, a State-commissioned investigation of the local industry by Coopers & Lybrand, Deloitte in the UK, and recent discussions at Codesa. The two reports are expected to have a strong influence when the issue of telecommunications policy is further discussed at Codesa, and probably parliament, next year.

The draft legislation calls for the creation of an independent tribunal or commission, comprising about half a dozen people, that would regulate all telecommunications services. The commission is expected to be headed by a chairman (with a CE responsible for the day-to-day running of the organi-

cont -- P.T.O.

COUNTERINTELLIGENCE

The planned R145m office complex for the National Intelligence Service near Pretoria (*Current Affairs* May 29) makes neither economic nor political sense. In short, it is a waste of money.

Office vacancies in Pretoria are rising and landlords are forgoing short-term profit to secure long-term tenants. Property analyst Erwin Rode estimates office vacancies in the city at about 10%, up from 6% last year and 4% in 1990. Grade A rents haven't moved off last year's level, which was only 2% up on 1990.

The NIS now rents offices in several buildings in Pretoria, "most of which are leased at a very high cost," according to a spokesman for the political head of the NIS, Justice Minister Kobie Coetsee. This is apparently the main reason for moving to a new 37 000 m² complex.

But in such a depressed market no-one should be paying high rents. Surely the State could negotiate a favourable lease for the NIS, even if it means keeping the headquarters fragmented for now.

Committing R145m to an organisation whose future — indeed even existence — must be shaky cannot be wise.

The NIS building is an enormous project — just slightly smaller in usable space than phase one of Bank City in Johannesburg — and according to a property economist, the current cost of around R4 000/m² is above the average for office blocks by about R500/m².

The original estimated cost was R58m but the final figure (if the project goes ahead) when construction is complete in about four years is likely to be more than R200m.

BUSINESS & TECHNOLOGY

FM 12/6/92.

sation) and would probably be divided into separate directorates that would address issues concerned with broadcasting, use of the radio spectrum and fixed telecommunications services

(267)
While the creation of an independent regulator would be widely welcomed by the industry, there is concern about who will sit on such a commission. In addition, the slow pace of deregulation has cast doubts on government's commitment to breaking down many monopolies.

Government's special adviser on regulating the industry, Pierre Pretorius, argues that the State has moved quickly since the Viljoen Task Group on Broadcasting completed its report last year. Piet Welgemoed commissioned the Coopers & Lybrand investigation soon after his appointment as Minister of Posts & Telecommunications in October and this study was not completed until April, says Pretorius. He adds that the proposed creation of a telecommunications regulator also had to be discussed at Working Group One of Codesa as well as by other interested parties.

Pretorius believes it is important that broadcasting is included in the portfolio of the telecommunications regulatory commission. The technology involved in broadcasting and traditional telecommunications is converging, he says. Far from delaying new legislation, the coupling of broadcasting and traditional telecommunications has stimulated debate regarding the need for an independent regulator and probably speeded up the whole process, Pretorius adds.

"The telecommunications debate is alive on all sides. The issue of broadcasting has put the whole problem in the sunshine."

Some telecommunications operators are likely to disagree with Pretorius's analysis. They are keen for Telkom to be forced to open up many of its services and want an overhaul of the process of allocating frequencies on the highly congested radio frequency spectrum.

With commercialisation Telkom has relaxed its once steadfast attitude to competition. Last month after lengthy negotiations (described by some participants as consensus by exhaustion) Telkom reached agreement with the National Telematics User Group about deregulation of some of its data communications services. Nevertheless, fundamental changes to the telephone and data communications markets — particularly regarding competition for Telkom — are unlikely to come about until a permanent regulatory organisation is in place and the legislation it is responsible for policing rewritten.

The allocation of the radio spectrum is being reviewed by the department and there has been some relaxing of regulations. Access to such frequencies has long been scarce. It is not unusual for users of the radio communications systems, such as security firms and fleet operators, to pay up to R100 000 on the black market for access to a particular frequency when the official price of a licence is just R22 per mobile radio. *Simon Cashmore*

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Outcry over snoop Bill

STAR 11/6/72

● From Page 1
real accountability

"Ironically, today we're talking about moving towards a human rights culture and a bill of rights. This particular Bill is the absolute antithesis of a human rights culture," Mr Currin said.

ANC spokesman Carl Niehaus stressed that the organisation had not yet had a chance to study the Bill and that its comments were therefore of a preliminary nature.

The ANC was nevertheless deeply disturbed by the Bill and, while it had repeatedly called on the Government to combat crime, it did not believe the Bill would contribute to this end.

"Rather, it will make further inroads into people's privacy. At the same time we are deeply concerned that such Bills are tabled in Parliament while negotiations are going on at Codesa."

Mr Niehaus said the Bill was clearly not directed only against criminal activity, but also political activity.

Democratic Party justice spokesman Tony Leon said in a statement the DP had grave reservations about the Bill.

"We are concerned about the incursions into fundamental liberties and private conduct evidenced in the Bill. This is part of a pattern in recent legislation

"The only significant procedural safeguard provided for in the Bill is that the relevant attorney-general, or his deputy, will be granted the power to authorise such interception."

But, Mr Leon said, the Attorney-General remained the chief prosecuting arm of the State and it would be invidious for the Attorney-General or his deputies to be the sole judge over whether a tap or mail interception was justified.

Witwatersrand Attorney-General Klaus von Lieres said he had not had an opportunity to study the provisions of the Bill.

The Bill empowers agents to "at any time enter upon any premises in order to install, maintain or remove a monitoring device".

It applies to serious offences including: treason, sedition, public violence, murder, culpable homicide, rape, indecent assault, sodomy, bestiality, robbery, kidnapping, child-stealing, assault when a dangerous wound is inflicted, arson and malicious damage to property.

Other suspected crimes which may be held to justify intercepts include breaking or entering, theft, receiving stolen property, fraud, forgery and coinage offences.

Gripes on big phone accounts

Own Correspondent

CT 9/6/92
(267)

JOHANNESBURG. — About half the callers who phoned the ombudsman responsible for monitoring the ethics and code of conduct of the 087 premium telephone services complained about large telephone accounts while others complained about 087 competitions.

Speaking during his first day of operation, 087 ombudsman Mr William Lane said the callers complaining about excessive telephone accounts had to be redirected to Telkom as his office did not handle such matters.

Mr Lane, a former president of the Transvaal Law Society, said about 25 of the complaints he received needed further investigation.

None of the callers complained about the "sleaze lines", some of which were cut by Telkom last month.

'Astronomical' accounts bring Telkom under fire

267
ARC 9/16/92

ANDRÉ MARTIN
Staff Reporter

THE Argus has been inundated with letters from readers complaining about Telkom

Complaints include "astronomical jumps in accounts", failure to provide detailed accounts and expensive fees for after-hours telephone repairs

Dr Evan Kaplin, of Fresnaye said he had spoken to about 17 subscribers who could not account for sudden huge jumps in their accounts

One person who normally paid between R70 to R100 started getting accounts for more than R700, he said

Miss Miriam Pinda, of Green Point, showed The Argus accounts which increased from R229, to R307 and R1 400

She claimed she did not use her phone often and had not used the 087 service

Western Cape regional manager of Telkom Mr R C Waldron said clients with account queries could write to Telkom or contact the accounts department at 23 8880

"Each query is thoroughly investigated to establish whether a technical problem or administra-

tive error could have caused the account to be higher than average," said Mr Waldron

A decision was then taken whether to credit the client

"Due to the involved nature of these investigations, it is not possible to say how long queries will take, but we try our best to finalise matters within a reasonable time"

Mr Joe O' Carroll of Cape Town wrote that Telkom should issue detailed accounts to enable subscribers to check for errors

Mr Waldron said although electro-mechanical exchanges were being replaced by electronic exchanges, many were still electro-mechanical and could not record particulars of individual calls

To provide detailed accounts, it would also be necessary to make costly technical changes to electronic exchange equipment

Telkom was nevertheless pursuing the possibility of detailed accounts

Another reader complained about the R250 fee for after-hours repairs to emergency service telephones

The service was rented and repairs were usually needed because of a Telkom fault, the reader said

"If a tree falls on a telephone line supplying a block of flats in which five doctors, two dentists, three policemen and two nursing sisters live, who are all on call, does each get charged R250 if they all call the repair service?"

Mr Waldron said the decision to charge for after hours repairs was not taken lightly

For years there had been pressure to implement an after hours repair service, especially by clients who did not qualify for the free emergency repair service, but believed they performed essential services

But the extension of the service was resisted because of the cost of expanding the infrastructure and paying personnel, without any costs being recovered from clients

"The after hours repair fee of R250 is cost-related and includes the call-out fee"

It would be unreasonable if only certain clients were to pay for the after hours service

The arrangement should not be seen as the withdrawal of a concession, but the continuation of a service at cost-related tariffs

Referring to the hypothetical tree scenario, Telkom would try to repair the line at no cost to the clients, he said

Post Office 'in mess', says MP

THE Post Office was in such an economic mess that nobody would touch it with a barge pole, Mr Joseph Chiole (CP Pretoria West) said yesterday.

26 OCT 31 6 19 92
Speaking during debate on the Post and Telecommunications Acts Amendment Bill, he said the Post Office would owe more than R2 billion within the next five years if it did not get a loan. — Sapa.

Post Office 'sinks deeper in debt'

(267) ARG 3/6/92

THE Post Office was in such an economic mess that nobody would touch it with a barge pole, said Mr Joseph Chiolo (CP Pretoria West).

Speaking during the second reading debate on the Post and Telecommunications Acts Amendment Bill yesterday, he said the government's successor would inherit a bankrupt state.

The present government would be able to say of its successors, "look at the mess they have made of the economy".

"To what depths can a political party's integrity drop?"

The Post Office would owe more than R2-billion within the next five years if it did not get a loan and its rollover debt amounted to millions of rands, said Mr Chiolo.

If the shortfall was not paid to the Exchequer by Telkom, the only relief would be by increasing tariffs to the detriment of consumers.

It was unethical of the National Party to have ended parliamentary control over the Post Office as this inhibited free criticism by the Opposition, he said. — Sapa

SA wants to join new space race

WILLEM STEENKAMP

Weekend Argus Reporter

Billions for low-orbit systems

THE space race is hotting up between consortiums in America and Europe who want to be first to put up constellations of low-orbiting satellites which will change the face of communications — and earn billions for the companies and countries involved.

And South Africa, with its own sophisticated space industry, wants in on this lucrative market.

South Africa has amazed overseas scientists with its local achievements in aerospace technology. Besides successfully launching advanced booster

rockets hundreds of kilometres into the atmosphere, local engineers also have had some other major aerospace achievements.

Experts involved in the aerospace division of Denel, the commercialised company that grew out of Armscor, have little doubt that it is within South Africa's capability to put satellites into space within five years, as was reported in Weekend Argus last week.

The news appears to have dumbfounded local politicians, and decision-makers who have refused to comment on South Africa's space capability. Sources claim the great si-

lence is because of sensitive negotiations under way with possible overseas partners. They warn that care must be taken not to derail these negotiations.

However, Weekend Argus has learnt that the real reason could be that politicians fear that the millions of rands spent on developing local space technology could become a money-draining millstone around the government's neck.

Even although South Africa already has a substantial satellite launching capacity, Denel needs partners in this expensive field.

If South Africa is successful in finding the right partners and viable markets, thousands of jobs and millions, possibly billions of rands, could be earned.

The Cape, where most of the aerospace infrastructure is situated, could become the space headquarters of the southern hemisphere — particularly with the excellent launching facilities in the Overberg.

Experts estimate that for every worker directly employed in the local space industry, R400,000 a year could be earned in foreign exchange.

Indications are that after 1995 there will be a tremendous increase in low-orbiting satellite space programmes. Various international consortiums are investigating the feasibility of putting up to 70 satellites into a low orbit around the earth.

The possibilities for communications are boundless. People could, for instance, use their own cordless telephones anywhere in the world, and could be reached simply by dialling the number, even if the caller did not know where the receiver was.

Solar-powered phone booths could be installed in areas without electricity and calls could be placed by way of satellite to these booths from anywhere in the world.

267 RRG 30/5/92

Post Office due for major streamlining

16/5/77
267

Weekend Argus Correspondent

NEXT time you go into a post office, don't be surprised if the clerk behind the counter smiles and wishes you a good day.

Among the priorities of new chairman and former businessman Mr Donald Masson, are ridding that organisation of its "terrible bureaucracy" and making it more sensitive to the needs of its customers.

And it was in this spirit earlier this month that he called an "indaba" at which the Post Office's major customers and representatives of consumer groups told senior management what they thought of the service they were getting.

"It was almost a painful process for many of them. They believed they were providing the customers with what they needed. But they had to go through it and, in the end, it was a valuable experience."

For the first time also, the Post Office has a five-year business plan, instead of an ad hoc year-to-year approach in which the major factor was a reliance upon the State to make up shortfalls. It involves making up a backlog which has seen postal tariffs lag behind inflation by 70 percent since 1975.

"Clearly, something has to be done about this situation and it is no use saying we should rationalise by closing post offices. We have to meet the needs of the community."

"For instance, Inanda is home to 2.5 million people. There is no service to Crossroads. For every post office we closed, we would have to open ten new ones."

Mr Masson said there was no alternative to raising tariffs, although a flexible business-orientated approach to the process would be adopted. He

pointed out that the average South African received five letters and one parcel every month. The extra cost to him as a result of the recent 30 percent tariff increase would be about R150 a month.

"That is not a great extra burden. But if you are in a business which has an annual postal bill of, say, R20 million, then a 30 percent increase assumes major proportions."

"Our top 50 clients account for turnover of R175 million and we are going to talk to these people to see if we can find other ways of doing things. It may be that if we can persuade them to deliver their post at, say 9 p.m. we can make savings which we can pass on through a special deal."

"It may also be, for instance, that we can make substantial savings by putting some of our people into their mailing rooms to pre-sort bulk mailings to

save us time when the items concerned are delivered to us. Again, savings could be passed on."

Mr Masson found bureaucratic attitudes which had been built up over the years to be a frustrating obstacle to his plans and he vowed that by the time his two-year initial term was up he would at least have changed the culture in the upper echelons of the organisation.

Recently he appointed an executive to a position which involved his skipping two rungs on the promotional ladder while other more senior men were overlooked.

"They are simply going to have to get used to the idea that merit is the sole criterion on which such appointments are going to be made. The same applies to attitudes on customer service. The current attitude is 'We'll get to it at

some stage'. My attitude is 'We must make a decision now'."

Shake-ups might even see such innovations as the appointment of account executives to market services to major clients and to ensure that their needs could be met.

There would also be a considerable increase in the discretion granted to regional offices.

"Right now, if a man in Springbok wants to buy a pair to enable him to wash windows he has to fill in forms requesting authorisation of the expenditure, send them to head office, have them processed there and then referred to central stores. By the time he gets his pair it will cost us three or four times the amount it would have if he had simply gone out and bought it at the local supermarket. That kind of bureaucratic attitude is going to be broken down."

POST OFFICE FM 15/92

267

Lots of problems to lick

When Donald Masson was CE at Tradegro, he probably wondered why the postal service was so inefficient. Now he knows.

For the past seven months he has served as chairman of the Post Office as it inches its way through a long process of commercialisation. He has quickly learnt that the mountains he is trying to move are far bigger than he ever anticipated.

To start with, there's a deficit of R548m this year, but the recent 33% postal tariff hikes met with near hysteria from business, long accustomed to a cheap, government-subsidised service. There's also the battle for the hearts and minds of the hardened bureaucrats, solidly entrenched in the Post Office hierarchy.

Masson is finding out that old habits die hard as he tries to reform a system that is clearly top heavy, encourages automatic promotions as opposed to appointments on merit, and clearly cares little about the customer on the other side of the counter.

Despite the often-discouraging obstacles, Masson plans to put the money-losing operation into the black in five years, ending the need for State subsidy. He envisages a before-tax return of 25% on shareholder capital by 1997.

Last month, Masson did the unthinkable for a postal official almost anywhere — he asked some of his customers for suggestions on how to improve the service. Some of his own staff weren't too amused — the Post Office's three marketing managers failed to arrive for the workshop, but the 60 business delegates who attended weren't short on ideas.

Several working groups comprising private-sector members were formed to generate solutions.

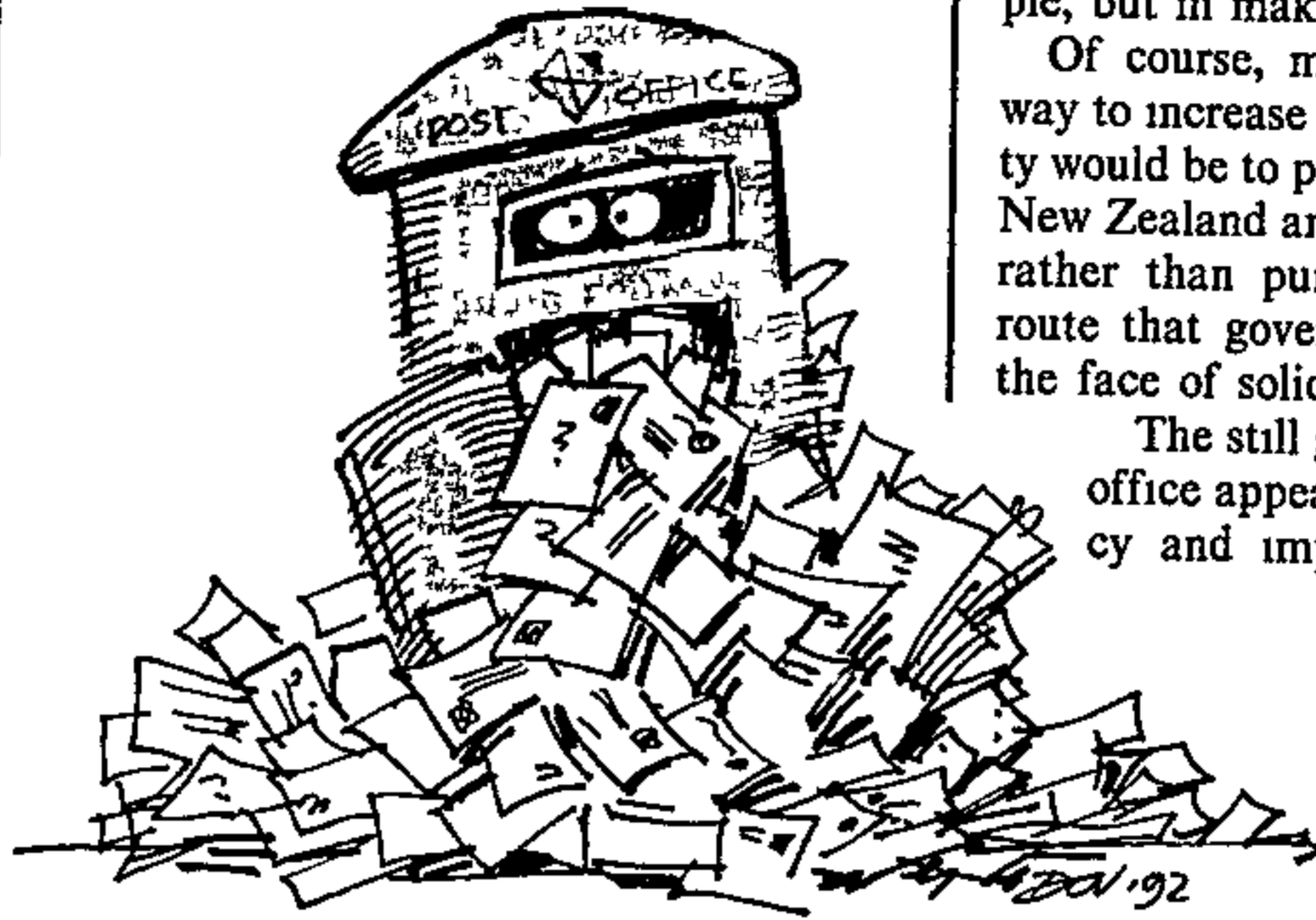
□ A task group on bulk mailers will study the possibility of introducing a variety of rates for non-standard bulk mail items and of revising contracts between the Post Office and large mail users.

□ Another group will concentrate solely on improving service. Suburban mail deliveries, delivery times and post office business hours will be scrutinised.

□ Mail deliveries in underdeveloped areas, such as informal settlements, will also be investigated and Masson has made it clear that trade unions and extra-parliamentary bodies will play an important role in this task group, and

□ Increasing the volume of mail will be a priority and extending the Post Office's customer base beyond traditional postal services also will be investigated.

But, while innovative thinking is crucial to the turnaround of the ailing postal monopoly, there's a lot that tight administration



could cure

An obvious target is the deficit-ridden postal savings system. Masson says that of the 8m savings accounts, only 3.5m are active. "In other words, more than 4m small accounts still must be administered without any charge." He says that while the Post Office won't try to compete with commercial banks — it can't adopt the attitude that accounts of less than R500 aren't viable — some sort of ledger fee will have to be charged for administering these accounts. "Such a fee could generate annual savings of around R50m."

Masson also intends to re-invest some of the Post Office's capital. He estimates that the Post Office is losing around R25m a year in interest on its unprofitable R300m government stock holdings and the R80m it loaned to Soweto for electricity. "These types of investments are really not our function."

Masson will, in the next five years, also continue to persuade government that tariffs should be hiked by at least 30% annually, a move that he says is essential to breaking even. He says the tariffs are still among the lowest in the world.

Proposals made by the private sector include the rationalisation of certain services and the expansion of services in other areas, the phasing-out of free street delivery in favour of private postboxes and mail collection points, opening more post offices during lunch hours and aggressively marketing Post Office products.

Many of these proposals already form part of Masson's five-year plan. But one idea — cutting the Post Office's massive R1bn salary bill — does not. Says Masson: "A 10% cut would save only R100m but put thousands on the streets, unemployed. Certainly, we will hesitate to take on new employees, but we need to rationalise our staff complement carefully. The solution lies not in firing peo-

ple, but in making them more productive."

Of course, many argue that the fastest way to increase productivity and profitability would be to privatise the postal service, as New Zealand and other countries are doing, rather than pursue the commercialisation route that government compromised on in the face of solid political opposition.

The still government-owned UK post office appears to be increasing efficiency and improving service rapidly by

franchising out many of its operations — often to former employees, though the UK government is still reluctant to lower the legal barriers to entry from private-

sector rivals.

Similar laws in SA bar the private sector from distributing standard mail. Masson is eager to have these laws amended if new services can be provided and existing ones improved.

For now, privatisation doesn't feature on his agenda. Says Masson: "We first need to run the Post Office profitably. As it stands, no-one would want to buy a loss-maker." ■

ROADS BOARD

Under the microscope

Transport Minister Piet Welgemoed, after learning of an Auditor-General investigation of the SA Roads Board, moved swiftly last week to commission an independent inquiry into its activities. The probe will be conducted by a committee of experts from a variety of fields.

Welgemoed is interviewing candidates and says the names will be released later. The inquiry is expected to look at the board's financial controls and procedures for awarding contracts. The board controls millions of rands of funding annually. This year the figure is nearly R500m.

Welgemoed says that in the 13 months since he took over the Transport Department, which oversees the board, he has heard complaints that the board has a less-than-arm's-length relationship with some of the companies it deals with. One criticism he cites is that some of its consultants structured advice in such a way that they were also awarded the contracts on which they were paid to advise without having to tender for the work. He stresses that at this stage he cannot point a finger at any individual.

Independently of the department, Auditor-General Peter Wronsley launched an investigation into the board last year. He men-

SAP 'trains terrorists'

THE Mozambican army has accused the SAP of training anti-government rebels

Mozambique's AIM news agency reported yesterday that the army said "elements linked to the SA police" recruited young Mozambicans and trained them in terrorism.

A Foreign Affairs department spokesman could not comment.

B10ay 15/5/72

Duties 'threaten firms'

THERE was almost anarchy in the clothing industry because of the huge increase in duties on imported cloth, Cape Clothing Manufacturers' Association chairman Simon Jocum said in Cape Town yesterday

Jocum said the near 50% increase in duties would result in large-scale retrenchment and many factories would close.

B10ay 15/5/72

Postal services halted

POSTAL workers suspended services in Alexandra yesterday because of criminal attacks, Alexandra ANC branch secretary Obed Bapela said in a statement.

He said workers had complained to the ANC that their lives were in danger.

B10ay 15/5/72

2,7-million jobless

THE number of unemployed people in Britain claiming benefits went up in April to 9,5% of the workforce or about 2,7-million people, the Employment Department said in London yesterday

REPORTS, Political Staff, Sapa, Own Correspondent

B10ay 15/5/72

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NEWS IN BRIEF

Bl page 14/5/92
Telkom's losses (267)

TELKOM's operating losses may be charged to the state revenue fund for up to five years in terms of the Posts and Telecommunications Act Amendment Bill published in Parliament yesterday.

The Treasury will not bear any losses, because Telkom will provide bridging finance where dividends and tax payments are insufficient to cover operating losses.

Telkom hunts for 'sleaze'

Staff Reporter (267)

TELKOM staff are combing newspapers for "sleaze" advertisements and cutting off lines daily in an effort to stamp out abuse in the industry.

General manager of product management for Telkom Mr Walter Price said yesterday Telkom had discontinued over 200 of the services, but some were still operating.

He said that Telkom staff were checking advertisements in newspapers to see which advertisements and 087 services use suggestive and

ET 14/5/92
lurid sex, and which do not meet the prescribed code of conduct for the industry.

The only reason some services of a sexually suggestive nature were still operating was because they were springing up all the time, he said.

The move follows complaints by church groups, consumer bodies and the public about the offensive sex lines.

He said that Telkom had asked subscribers for transcripts of their tapes and if they were sexually suggestive they were immediately discontinued.



MEN AT WORK . . . Workers at the Melkbosstrand cable station consult while laying the first section of a 9 000km underwater telephone cable this weekend. *CT 11/5/92 (267)* Picture ANNE LAING

Underwater cable work begins

Staff Reporter

THE first phase of an international undersea telephone cable project, the SAT-2 underwater cable system costing over R700m, began at the weekend at the Melkbosstrand cable station

A section of the cable was laid from a French cable ship, the Vercos,

lying two kilometres off Melkbosstrand.

Telkom spokesman Mr Fanus Bothma said that the cable would stretch over 9 000km to Madeira and the Canary Islands.

Mr Bothma said that for most of its a length, the cable would lie at a depth in excess of 4 000 metres, reaching a maxi-

mum depth of 5 800 metres in the vicinity of St Helena.

He said the first phase, comprising approximately 2 000km of cable, is expected to be completed by the end of May and the entire system is also expected to go into service in the first quarter of 1993.

Transnet land to prop pension fund

S Times (BUSS) 10/5/92 (269)

By CIARAN RYAN

TRANSNET property division Propnet is developing its land holdings to help pay for its parent's R8,5-billion pension fund deficit.

Transnet owns vast tracts of land in and around railway stations, lines and ports.

Propnet hopes that money from its developments will help to reduce the interest burden on R10-billion of long-term stock issued to fund the actuarial deficit which was more than R17-billion in 1990.

A survey shows that Transnet owns about 44 000 properties.

The value of its land and buildings is put at R9,2-billion, of which about R1-billion is underused, says Propnet chief executive Fuzz Loubser.

Home

"Propnet is looking for commercially sound property development opportunities on Transnet land.

"The potential for residential, commercial and industrial development is enormous. We are looking at the underused component of Transnet properties, even if this means that the transport infrastructure has to be moved."

Propnet is also providing a home for some of Transnet's pension fund cash flows which totalled R600-million in 1991. The fund is switching to growth assets to further reduce the deficit.

Pension fund manager Gideon van Zyl says R3,3-billion of the fund's R16-billion is invested in shares and about 10% will go into property.

Transnet's pension fund was one of the first parastatal ones to be privatised in an effort to reverse a widening deficit. Most of the funding for property developments comes from external

sources, says Mr Loubser.

"We do not want to be tied to the Transnet pension fund to finance our projects and it does not want to be tied to us."

Propnet is looking for private-sector partners to finance and develop its property portfolio.

Its most successful development to date is the Victoria and Alfred Waterfront in the old Cape Town harbour.

Harbour redevelopment is also planned for Durban, East London, Port Elizabeth and Mossel Bay, providing a boost to tourism.

The planned Point Road development in Durban is an extension of the Golden Mile, where Propnet will make land available for restaurants, offices and entertainment complexes. An office and retail development is planned for Durban's Victoria Embankment.

Port Elizabeth's Bay Waterfront development will link the CBD and the harbour.

Propnet will encourage tourism along the Garden Route, making available 70

hectares of property in and around the 38 stations between Mossel Bay, George, Oudtshoorn and Knysna.

Industrial and business parks have been announced for Empangeni and Maritzburg on Spoornet land.

A 70-year lease agreement has been signed with Soda Ash Botswana for a distribution plant at Natalspruit, east of Johannesburg.

Black

Work has begun on SA's first commercial airspace development over the railway tracks to the east of Johannesburg station.

Pretoria's Salvokop, opposite Unisa on the Ben Schoeman highway, will be made available for residential and commercial use, says Mr Loubser.

Propnet is also behind a plan to provide retail facilities in black townships. A R12-million shopping centre is being constructed at Mamelodi's Denneboom station on SARCC property.

A piece of land has been made available by Propnet for a R26-million transport and commercial centre in Vereeniging.

Holiday protest

RETAILERS are up in arms about the Government's decision to make Saturday, May 30, a public holiday.

Companies like Elleries, Sterns and Edgars say the holiday falls on one of the busiest monthends and staff members will have to be paid overtime.

JD Group chief David Sussman says both retailers and manufacturers will be affected. He has cancelled orders from suppliers because he cannot afford to be overstocked.

Retailers say business in CBD stores will be dead and cash flows hurt because instalments are usually collected at the monthend.

The Saturday will become a holiday to please the organisers of the Comrades Marathon who did not want the race to take place on the Sunday.

Telkom attacked over charges

RIDICULOUSLY high telephone rates to Italy, Greece and Israel — 300 times the cost of local calls — showed Telkom was neglecting its duties as a public utility, said Mr Tony Leon (DP Houghton)

He asked yesterday that the Minister of Post and Telecommunications intervene to ensure that the consumer was given a square deal.

(267) ARG 7/5/92
International calls from South Africa to Israel, Italy and Greece cost R11,34 for one minute. This was twice the charge of calls to the US, Britain and Australia.

“One can speak for five hours on the phone locally for the same cost as one minute to Israel — a ridiculously disproportionate charge.” — Sapa.

Majority go for Model C

By Phil Molefe
Education Reporter

The majority of Model B and previously "whites-only" State schools country-wide have changed to semi-private Model C schools.

This is despite initial fears that most parents would resist the Government's plan because of the financial implications.

Provincial education authorities told The Star yesterday that most State schools had agreed to having their status changed to "State-aided" schools in line with the Government's new education policy announced in February.

All 174 white schools under the Free State Education Department have opted to become Model C.

About 91 percent of Natal's white public schools, which were previously classified as Model B and status quo schools, have changed to Model C. In the Cape, of 680 Model B and status quo schools under the Cape Education Department,

637 have opted for Model C status.

In the Transvaal, only 28 status quo schools have chosen to retain their present classification.

TEED spokesman Willie van Staden said of the 1 101 Model B and status quo schools in the province, 1 073 had opted to become Model C.

The Government's dramatic rationalisation programme for white education was rejected by all fronts and interpreted by various bodies as an abandonment of State responsibility.

Educationalists warned that by converting schools to Model C, fees would be pushed up by 200 percent or even more.

The Government also came in for criticism from angry parents who warned that they could not afford increased fees.

While parents paid only about R300 a year in a Model B school, fees were expected to rise to more than R1 000 in a Model C school because the Government subsidy would fall away when schools converted to semi-private status.

Phone, post profits hit by economy

CAPE TOWN — The decline in the economy had been clearly reflected in a slowdown in the rate of increase of metered phone call units in 1990/91, the Postmaster-General, R B Raath, said in his annual report tabled in Parliament yesterday.

The rate declined markedly to 6,68 percent in 1990/91 from 18,41 percent the previous year. There was an even sharper decline in the growth of mail matter, from 8,9 percent in 1989/90 to 0,02 percent in 1990/91.

The unfavourable economic climate had also meant the Department of Posts and Telecommunications financial results were less satisfactory than the year before.

Operating surplus before appropriations declined from R693 million in 1989/90 to R256,9 million in 1990/91. The report also noted that the outflow of funds from the Post Office Savings Bank continued during 1990/91.

This relatively cheap capital would have to be replaced by much more expensive capital, which would further complicate Posts and Telecommunications' financial planning — Sapa

40 people a month buried as paupers

By Montshiwa Mrooke

On average, 40 people and more are being buried as paupers every month in the Johannesburg area, according to a spokesman for the Witwatersrand police.

This figure applied to the Johannesburg area alone and did not include Soweto, he said.

The spokesman said about 400 people had been buried as unknowns in the past six months. The number was much higher during periods when violence broke out on a large scale.

The number of pauper burials was expected to increase especially in winter, when more unidentified people died from exposure.

A spokesman for Baragwanath Hospital said an average of 28 people from the hospital's mortuary were buried unidentified every month.

Some of them included unrest victims, but authorities could not establish what the percentage was.

Problems were also experienced with people whose homes were in Natal and Transkei, whose relatives, if traced, took

a long time to identify them.

In all cases, corpses had already been buried by the time they were identified through fingerprints. The bodies were kept only for a month, as required by legislation.

A Witwatersrand police spokesman said. "If the identification of a body cannot be established within seven days, two sets of fingerprints must be taken and sent to the Criminal Records Bureau in Pretoria.

"There the fingerprints will be examined to establish the deceased's identity. If problems are experienced, the investigating officer must seek the help of the media," he said. "The investigating officer was required to take clear, colour photographs of the body and make a report describing where and how the body was found, including descriptions of clothing and other marks.

However, a spokesman for the Sebokeng mortuary said that if the relatives did not identify a body within 12 days, fingerprints and photographs were taken and sent to Pretoria. The person was then buried as a pauper.

200 'sleaze lines' to be cut today

267

CT 5/5/92

By EUNICE RIDER

TELKOM will today cut about 200 premium 087 "sleaze" phone lines

Yesterday Telkom contacted companies running the phone lines and told them that services which contradicted Telkom standards and advertising standards would be discontinued with immediate effect

According to the fax sent to the companies, message and advertising standards were based on the principle that all persons using the services were "entitled to protection from exposure to services of an indecent, obscene,

provocative or sexually suggestive nature"

IVR Communications spokesman Mr Dieter Etzel said there was a clear demand for the "titillating" lines his company offered He said "public morals are flexible" and material that some regard as offensive is seen as innocuous by others

Mr Andrew Robertson of TRS Communications said his company would be affected by the cuts and would resist "in the interests of a free market"

Mr Tubby Roy, of Parrot Publishing, said he was "glad sleaze lines are being cut"

Telkom spokeswoman Ms

Amanda Singleton said yesterday certain datelines and so-called medical service lines would also be cut this morning

"In future medical advice pertaining to sexual matters will have to be backed by written approval of the Medical and Dental Association of South Africa"

She refused to disclose the more-than 200 services that will be disconnected today saying it would be "unethical"

Ms Singleton warned that if stipulations were disobeyed by the same company more than twice their services would be terminated and they would not be eligible for new lines

crack of dawn



This is not a riot really More like a free-for-all



Unions form unit trust

JOHANNESBURG — Several of South Africa's largest trade unions have formed a unit trust to invest portions of workers' pension and provident funds in "socially responsible" JSE-listed companies

The trust will be managed and administered by Syfrets CT 5/5/92

● Full report — Page 13

Dene Smuts makes history

MS Dene Smuts (DP Groote Schuur) has been elected a Whip by the party's caucus and is possibly the first woman in South African parliamentary history to hold the position Ms Smuts was yesterday also appointed chief spokesman for home affairs.

2 die as police ambushed

CT 5/5/92

DURBAN. — A police patrol was ambushed on the Natal South Coast yesterday and in the ensuing shootout two men were shot dead by police and four policemen wounded.

The wounded policemen were airlifted to Addington Hospital yesterday after about 10 gunmen opened fire on them at Umgababa

Police said officers of the internal stabilisation unit based at Merebank were patrolling in Umgababa when their vehicle reached a cul-de-sac

As they were making a U-turn, they were fired upon by people hiding in a nearby shop

The gunmen then threw a handgrenade at them and continued shooting as the policemen jumped out of their vehicle

The policemen returned the fire and their attackers fled from the shop

Four policemen, Lance Sergeant Deon Meintjes, Constable Cedric Gaza, Constable Craig Benn and Constable B I Sithole, were wounded

Two of the alleged assailants, Mr C Luthuli and a Mr Hlatswayo, were killed Police said they were believed to be ANC marshals

A third assailant was injured and at least eight others taken in for questioning — Sapa

AX, 199, (h), and (ain Rd building)

h a n r a B. p e t o B. m a l s a T r t h p l a n a s s u " d s n o n w h p o l a l t O r

Postal charges to go up today

Sowetan 4/15/92
By NORMAN JOSEPH

POSTAL rates will increase today

However, the Post Office has announced there will be no surcharge on items posted before today

Postage on standardised mail items will increase from 27 to 35 cents

Exchange

Mail users still in possession of 27 cents stamps may exchange them or add stamps to the value of eight cents on their mail

Postage on non-standardised surface mail letters up to 100g will increase from 44 cents to 60 cents and on non-standardised airmail items from 60 cents to 80 cents

Postage on surface mail parcels up to 1kg increase to R3,65 and on airmail parcels to R4,80

SA set to get stake in \$31bn project

By ZILLA EFRAT (267)

SOUTH Africa is well placed to become a major supplier for a \$31.2-billion project to improve telecommunications in Africa.

So says African Development Bank department of infrastructure and industry director Kouassi Apetey, who attended a conference in Johannesburg this week on regional development.

Part of the project to boost Africa's telecommunications, a prerequisite for development, includes a regional African satellite communications system (Rascom).

Mr Apetey says feasibility studies on Rascom were completed last year. However, the final decision to set up a Rascom organisation will be taken in May at a meeting of African telecommunications ministers in Yamoussokro, Ivory Coast.

It is envisaged that Rascom will be a joint venture among African governments and private companies.

Mr Apetey says SA, once it has sorted out its political problems and become an Organisation for African Unity member, will be able to become part of Rascom.

SA is well advanced to make much of the equipment needed for the project.

Africa, excluding SA, has about 5.7-million direct exchange lines (DELs). This compares unfavourably with other continents. For example, South America has 21.5-million, North America 133.6-million and Europe 186-million.

The average penetration of DELs in Africa is 0.77 for 100 inhabitants compared with 60 in Europe and North America.

Mr Apetey says the objectives set by each African country in the Rascom feasibility study indicate that telephone density for Africa should reach about 2.5 by the year 2005.

This would require 19.8-million more phone lines at a cost of about \$30-billion to African countries. Satellite connections could raise the bill by another \$1.2-billion.

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KENNISGEWING 388 VAN 1992**TELKOM SA BPK.****WYSIGING VAN DIE TARIEFLYS VIR
TELEKOMMUNIKASIEDIENSTE**

Hiermee word ingevolge artikel 7 (5) van die Poswet, 1958 (Wet 44 van 1958), soos gewysig, bekendgemaak dat Telkom SA Bpk, handelende kragtens artikel 7 (2) (a) van genoemde Wet en met die goedkeuring van die Minister van Vervoer en van Pos- en Telekomunikasiewese bepaal het dat die gelde wat in die onderstaande Bylae uiteengesit word ten opsigte van die betrokke dienste geëis of ontvang moet word

NOTICE 388 OF 1992**TELKOM SA LTD****AMENDMENT OF THE TARIFF FOR
TELECOMMUNICATION SERVICES**

It is hereby made known, in terms of section 7 (5) of the Post Office Act, 1958 (Act 44 of 1958), as amended, that Telkom SA Ltd, acting under section 7 (2) (a) of the said Act and with the approval of the Minister of Transport and of Posts and Telecommunications, has determined that the fees set out in the under-mentioned Schedule are to be demanded or received in respect of the services concerned.

BYLAE

1 0 In hierdie Bylae beteken die uitdrukking "die Tarieflys" die Tarieflys vir Telekommunikasiedienste afgekondig by Goewermentskennisgewing 1192 van 1 Julie 1977, soos gewysig

2 0 Die Tarieflys word met ingang van 1 April 1992 soos volg verder gewysig

Vervang die bestaande tabel in item 17 0 deur die volgende

TABEL

| Tarief | Vir afstande tot en met (km) | Outomaties (j) | | | Handbediende oproepe (j) | | | |
|--------|------------------------------|--|--------|---------|------------------------------------|--------|--------------------------------|--------|
| | | WTD-telling (kyk Telekomunikasieregulasie A 14) t o v oproepe vanaf kliente en oproepkantore | | | Vanaf kliente | | Vanaf oproepkantore | |
| | | Teleperiode in sekondes (i) | | | Tarief in sent per drie minute (d) | | Tarief in sent per drie minute | |
| | | I (a) | II (b) | III (c) | I (e) | II (f) | I (g) | II (h) |
| A | 50 | 300 | 450 | 600 | 57 (k) | 57 (k) | 90 | 90 |
| B | 100 | 36 | 50 | 70 | 111 | 84 | 130 | 100 |
| C | 200 | 20 | 30 | 48 | 189 | 106 | 200 | 120 |
| D | 400 | 12,6 | 20 | 30 | 264 | 132 | 280 | 140 |
| E | 800 | 10,3 | 18 | 28 | 342 | 171 | 400 | 200 |
| F | bo 800 | 8,4 | 15 | 26 | 390 | 195 | 440 | 220 |

SCHEDULE

1 0 In this Schedule the expression "the Tariff" means the Tariff for Telecommunication Services promulgated under Government Notice 1992 of 1 July 1977, as amended

2 0 The Tariff is hereby further amended with effect from 1 April 1992 as follows

Substitute the existing table in item 17 0 by the following

TABLE

| Rate | For distances up to and including (km) | Automatic (j) | | | Manually-operated calls (j) | | | |
|------|--|--|--------|---------|-------------------------------------|--------|---------------------------------|--------|
| | | VTI-metering (see Telecommunication Regulation A 14) i r o calls from clients and call offices | | | From clients | | From call offices | |
| | | Metering period in seconds (i) | | | Rate in cents per three minutes (d) | | Rate in cents per three minutes | |
| | | I (a) | II (b) | III (c) | I (e) | II (f) | I (g) | II (h) |
| A | 50 | 300 | 450 | 600 | 57 (k) | 57 (k) | 90 | 90 |
| B | 100 | 36 | 50 | 70 | 111 | 84 | 130 | 100 |
| C | 200 | 20 | 30 | 48 | 189 | 106 | 200 | 120 |
| D | 400 | 12,6 | 20 | 30 | 264 | 132 | 280 | 140 |
| E | 800 | 10,3 | 18 | 28 | 342 | 171 | 400 | 200 |
| F | above 800 | 8,4 | 15 | 26 | 390 | 195 | 440 | 220 |

Telkom faces foreign muscle

(267) CT 29/4/92

Staff Reporter

OVERSEAS rivals are muscling in on Telkom's lucrative international telephone operation by offering cut-rate calls to allow local callers to bypass Telkom and slash costs

Telkom's high charges for overseas calls are attracting American and British competitors, including International Discount Telecommunications (IDT) of New York which is already offering its cut-rate long distance service to a few South African customers

Soon to enter the market is MCI, a US long-distance carrier that will offer cheaper calls from June, and two other American

companies, ATT and Sprint, are expected to begin operating within a year

British Telecom's "UK Direct" service is expected to open in South Africa this year

Bargain basement international calls through a US reverse call system are now possible through IDT, which can offer lower rates because it costs less to call South Africa from the US than it does to call the US from South Africa

The American company explained that a subscriber who paid the monthly fee and wanted to make an international call would dial a pre-assigned number in the US, let it ring once and hang up

Subscribers are called back from America and transferred to a second line from which they

receive an American dial tone

"They can now use this line to make as many calls as they want, to America or any overseas country"

Telkom spokesman Mr Fanus Bothma said hidden costs were likely to put IDT out of reach for the average subscriber

The company charges about R700 a month for the service, about R400 for each additional line and a touch telephone is also needed, he said

IDT claims that by using its service it can undercut overseas calls by 50% but Mr Bothma said yesterday he estimated the saving to be about 25%

"Because of the cost of the service it's probable that only large companies will make use of the service," Mr Bothma said

REVIEW: Technology in Africa

GETTING a phone in Harare, or just getting a phone to work in Gaborone, is a nightmare to people whose livelihood depends on communication

The decay and collapse — not to mention the absence, in many cases — of telephone systems across the continent presents not only a problem, but also suggests unlimited opportunity for sharp players in the telecommunications field

One of the hungriest of these players is Telkom, South Africa's state-owned "corporatised" telecommunications service, which is presently beset with criticism over increased rates, the abuse of premium rate "advice" and "personality" lines, and the introduction of new charges for repairs

It needs to sort out its own problems before it can tackle those of Africa, but it has a firm vision for an interconnected future on the continent

"In the short term Africa is a bit remote — we have too much to do internally before we can even think about it," says managing director Danie du Toit "But in the long term we see ourselves as a gateway into Africa. We see ourselves as a vehicle for overseas investors in, for instance, telecommunications equipment. They could use our skills and expertise to assist governments to the north in providing telecommunications services, based on standards and systems that are compatible."

One of the barriers, says Du Toit, is the fact that many countries have chosen systems that are not compatible with their neighbours or other countries in the region. When the systems break down or go wrong, the original suppliers, who may be half a world away, have to be brought out at great expense.

"A very good example is the exchange in Botswana — for some 14 months it was inoperable because it was just too expensive to bring people from overseas to repair it," says Du Toit

"So it is necessary to form some kind of African alliance in telecommunications where we can set up standards that are interconnected. Not only does this enable greater ease of installation and maintenance, but we can share in terms of our knowledge. This is our vision for the future

Even if, say, a Japanese company wanted to set up a system somewhere in Africa, it would probably be easier for them to use Telkom as a kind of gatekeeper. "If they want to provide a service of the standard we're talking about, it would be very expensive for them to set it up and keep it going here, and also very expensive for the country concerned to import it so it would be cheaper for both sides to use us as a gateway

"Normally when you talk telecommunications, it's something that goes along with some other developments, like dams or railways or power stations. There are always three commodities: a transport system, a communications network and power distribution — these things go hand in hand, and it might even be necessary to have alliances in our own country to provide these services"

The financial windfall this

Telkom wants to talk to Africa

W/maail 24/4 - 29/4/92

267

As ageing communications networks in Africa decay and collapse, South Africa's Telkom may well become the continent's technological knight in shining armour — once it has sorted out its own problems. By ARTHUR GOLDSTUCK

prospect seems to suggest might be as distant as the vision itself. Most of the countries that would want to benefit from this kind of investment do not have the funds necessary to make it a reality. However, developed countries that would want to provide the facilities in terms

of aid packages would probably be looking for the most effective ways of applying the aid. South Africa could be an obvious solution

"We see this starting out on more of a social responsibility level — we would want to help integrate the economies of Africa more

effectively in terms of technology," says Du Toit.

Telkom does not envisage supplying Africa with the technological daydreams that are emerging from the high-tech laboratories of Japan and the United States, but again this depends on how fast it can get these

goodies to South Africans themselves

"These are things that are, at the moment, dependent on our suppliers. They are generated overseas and brought here via those suppliers. Initially our drive is to provide electronic exchange facilities to our existing clients

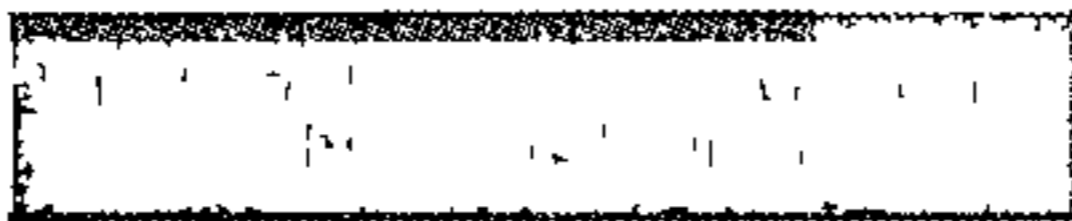
"Once we've done that, we can provide all the other services that are available on electronic exchanges. Many of the services we'd like to provide, like electronic banking from home, we can now do where we've got electronic exchanges

The kind of services that

are taken for granted in US cities, for instance, will become a reality for ordinary householders in South Africa, says Du Toit

One example is teleconferencing services — including three-person conversations on a private line — which are already available in certain areas but cannot be marketed, since most exchanges are still electro-mechanical and cannot be included

The next phase would be the science-fiction-turned-reality that is flooding the US and Japan



The geologist has come a long way from when the pursuit of minerals meant weeks of trudging across dusty plains, carrying a knapsack under a blazing African sun. Because, although there is still a lot of fieldwork involved, exploration today is likely to start in front of a computer

A satellite in orbit one million metres above the earth scans the surface and, in digital form, relays these remotely-sensed images to a ground station. These images are often in wavelengths

invisible to the human eye and are processed and enhanced by computer. The end result of this formidable technology is a multicoloured picture of a region of the earth showing the presence of geological structures that are associated with mineral deposits

So, to ensure our exploration edge and to keep pace with rapidly changing technology, we maintain an in-house research programme to develop and implement new processing techniques. Not to replace our field geologists, just to enhance the way they look at things



GOLD FIELDS

TELKOM

Dial 'D' for discount

(267) FM 24/4/92

Telkom's monopolistic grip on all international telephone calls is showing some cracks. The high prices that Telkom charges for overseas connections are attracting US and UK competitors, allowing local callers to bypass Telkom and slash their bills.

The competition will hit Telkom where it hurts because the US and UK are the two most popular overseas connections for SA callers. Telkom has already apparently reacted by trimming its charges on calls to the US and UK by nearly 10%. The rates were cut from R6,60 to R5,97 a minute on April 1.

Rivals muscling in on a share of Telkom's international market are

- MCI, an American long-distance carrier, which will offer reduced-price calls to the US from June, says spokesman Jane Levine,
- International Discount Communications (IDT), based in the Bronx, New York, which is already offering its cut-rate long-distance service to a few SA customers and plans to launch a major marketing offensive soon, says vice-president Mark Knoller,
- Two other American companies, industry giant AT&T and third-ranked Sprint, are expected to enter the market within a year,
- British Telecom. Its "UK Direct" service is "imminent this year," according to Tim Eyre, the company's regional manager for Africa. "We're ready to go at any moment. SA is our biggest tourist market that doesn't have this service."

Eyre says it was not sanctions or lack of technology that kept British Telecom from offering "UK Direct" here, as it does in 80 countries. He says Telkom's commercialisation six months ago led to a rethink on such services.

For its part, Telkom says it is "concerned about the long-term negative effects of these services and is continually looking at ways and means to offer our clients the best service at reasonable rates."

Nevertheless, Telkom CE Danie du Toit maintains that "charges are not being lowered as a result of competition" but because of the way other countries settle their accounts with Telkom. Settlement rates are the agreements countries have on what to charge for handling ingoing and outgoing calls — and they vary considerably. "In those cases where we have an adequate retention after outpayment, users will be able to enjoy a cheaper rate."

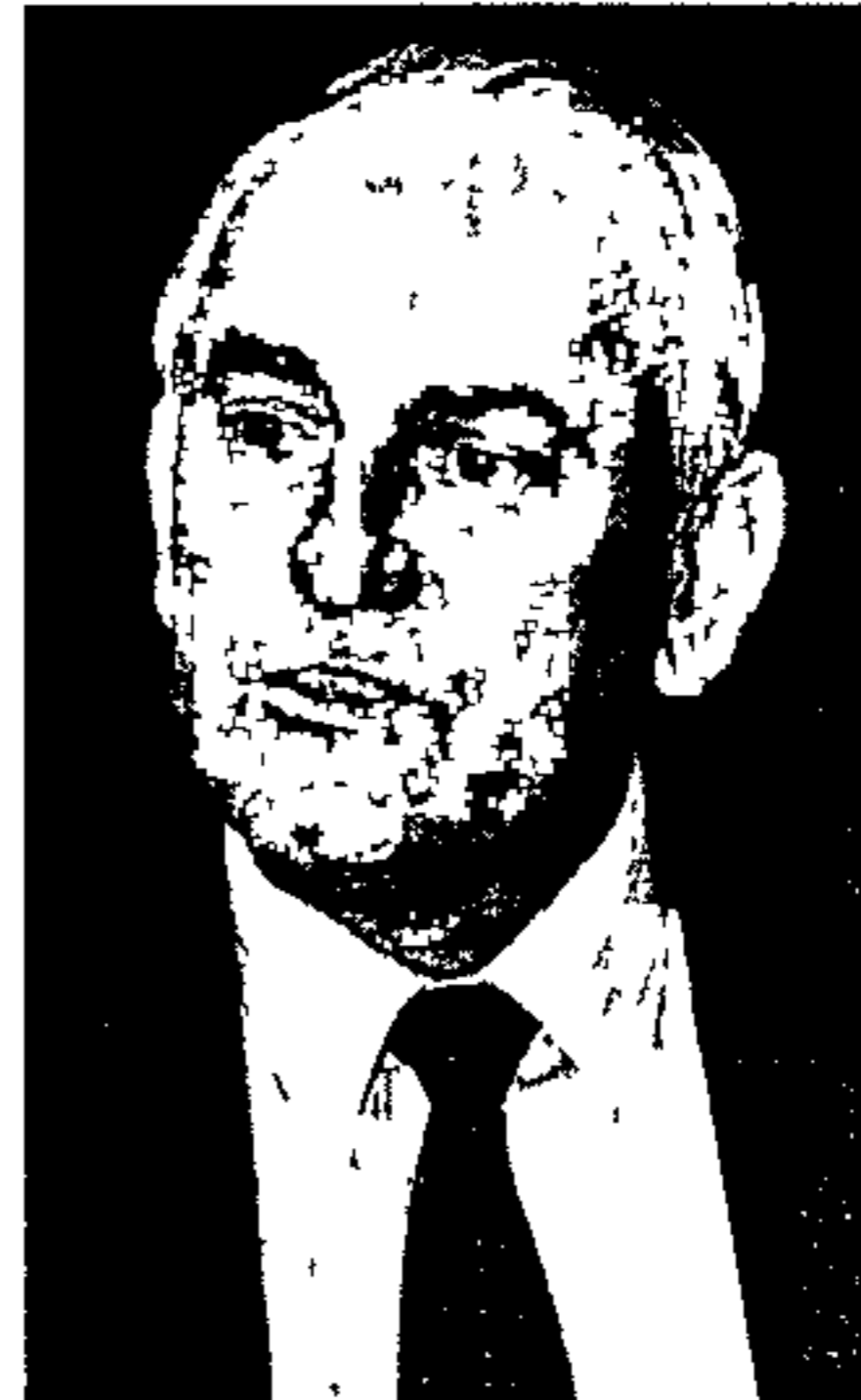
Telkom says it is negotiating with MCI, British Telecom, AT&T and Sprint to introduce "country direct" services here. AT&T and Sprint would not confirm negotiations are taking place. A return to SA by AT&T would signal the end of its strict disinvestment policy. AT&T already offers its "USA Direct" service in 106 countries, including

Zimbabwe and Uganda.

The way "country direct" usually works is that a caller in SA, an American businessman for instance, would dial a toll-free number here that immediately puts him through to an AT&T operator in the US. The operator takes his billing information and the number he wants to reach and places the call. The call is charged at the highest American rate, plus a \$2,50 service charge (or \$5 for a reverse charge call), which works out to about R43 for a 10-minute call. That's still cheaper than the R59,70 Telkom would charge for the same 10 minutes.

Though the American companies and British Telecom are limited to connecting calls in their home countries, they are extending the reach of their services to others. That would provide significant savings if, for instance, that businessman in SA wanted to call Italy, which costs R11,34 a minute via Telkom.

The overseas companies are now working out agreements with Telkom on what the charges should be and who should have access. Then Telkom would set up toll-free, dedicated numbers for each carrier, which the companies pay for. Telkom and other national telephone companies go along with these services to maintain good relations with AT&T, British Telecom and other telecommunications multinationals that funnel



Du Toit

huge volumes of business their way.

In most countries where the "country direct" services are in place, the host nationals do not have access to the service, it is designed for expatriates, the military, tourists and business travellers who want to bypass hotel surcharges and high local rates and deal with English-speaking operators, as well as consolidate telephone charges on one bill.

Jane Levine of MCI, which offers its "Call USA" service in 62 countries, says Latin American countries allow locals to use the service via MCI charge cards.

"Those countries have no problem with us offering the cards. Others say 'Not in my country, you don't.' We have to be very careful about relations. It's decided on a country-by-country basis."

Telkom has not said whether it will allow the US and UK companies to provide their services to SA citizens.

Payment by locals has been a stumbling block to attracting overseas clients. AT&T, for instance, used to limit the service to Americans with a telephone service in the US. It later expanded that to include Americans with bank accounts in the US. Now it is available to Americans and nationals of some other countries who have Mastercard and Visa credit cards.

In addition to "UK Direct," Eyre says British Telecom plans to offer "SA Direct." That type of service, now available to about 40 countries, will allow South Africans to place a call home from Britain from pay telephones.

Knoller says IDT, which offers a slightly different service, is hiring an SA representative and will then "begin to market our service strongly with newspaper advertisements, one-on-one sales calls and free test trials."

IDT works this way. A subscriber pays \$250 a month (and \$150 for the second outlet), which provides unlimited access to a telephone number in Hackensack, New Jersey. The subscriber dials that number, lets it ring once and then hangs up. A computer rings back and provides the client with an American carrier's dial tone, with which he can call anywhere in the world.

Instead of paying the flat-rate premium charges — such as on AT&T's "USA Direct" — subscribers can take advantage of the off-peak economy rates available in the



BUSINESS & TECHNOLOGY

267

FM 244492

US and IDT's wholesale business rates that are not available to residential customers

IDT also breaks down its charges to six-second intervals — after the initial 30-second period — instead of one-minute metering periods offered by the other international carriers and Telkom

Unlike Telkom, all of the American carriers and IDT offer telephone bills itemised by date, time, duration and destination of call at no additional charge

"Bills have to be paid in US dollars," Knoller says, "which is no problem for multinationals SA companies may have a problem, but I think we will be able to work something out."

He says IDT's most serious problem in establishing its service around the world has been educating people about what they actually pay for a call and why "People love us People hate their own telephone companies Basically, the companies are raping their customers because they have the monopoly Americans have a choice They are constantly bombarded with ads saying 'cut your rates, cut your rates, we're better'"

Maureen Sullivan

Phone metering: Changes mooted

Staff Reporter

267

CT 16/4/92

TELKOM is to consider introducing a charge-per-second system for all calls in a move that would save consumers from paying for unused time.

Telkom's regional spokesman, Mr F Peake, said the conversion, if decided on, could be implemented "soon".

He said Telkom was aware of complaints about the present charging system.

At present Telkom charges 18,9c for a unit lasting 8,4 seconds for a call from Cape Town to Johannesburg. If the call lasts even slightly longer than the first unit, the caller is charged for the second unit.

"We are not only looking at changing the charging system, but also at reflecting clearly in monthly phone bills what numbers the user dialled and for how long he spoke," Mr Peake said.

This move could reduce the pressure Telkom has been under from telephone users and organisations since it announced a huge hike in its local and international tariffs last month.

Telkom yielded to consumer, industry and commerce lobbying earlier this month when it scrapped a shorter three-minute-a-unit telephone metering system it planned to introduce.

STAMP 15/4/92
**Overseas mail
postage to rise
by 12,9 percent**

Consumer Reporter (267)

Postage costs for letters sent overseas will increase by an average of 12,9 percent on May 1 — considerably less than the average 33 percent increase in local costs announced recently.

The Post Office said yesterday overseas rates were also dependent on transport and end-costs charged by the postal administrations of other countries.

The surface mail rate for a letter with a mass not exceeding 20 g to Australasia, Europe (including the UK), the Far East, the US and some African countries will increase from 50c to 55c.

The surface mail rate to Zimbabwe will rise from 45c to 50c.

The airmail rate on letters not exceeding 10 g will increase as follows: Australasia — 95c to R1,05c; Japan — 90c to R1; Taiwan — 70c to 75c; the US — 85c to 90c, and most European countries from 65c to 70c.

The new rates to Africa vary from 50c to Zimbabwe, 55c to Zambia and 75c to Nigeria. The cost of sending parcels will also increase from May 1.

PO tariff shock eased by state (267)

ARG 11/4/92

DAVID CUMMINGS

Business Staff

THIS month's postal tariff shock for consumers could have been more than twice as bad if the postal authorities had had their way

This has been revealed by a direct marketing organisation which has told its clients that a request for a 100 percent increase was made by the Post Office but was turned down by the Cabinet after "vigorous opposition" from a variety of business organisations

It also suggests that about a third of R800 million the Post Office expects to lose in 1992 will be accounted for by funding for an overhanging pension deficit (R200 million) and a leave deficit (R123 million)

The remainder, the organisation says, is made up by low interest loans, the fact that there is no charge on State mail, the cost of adhering to an undertaking that there would be no retrenchments when privatisation took place, and the need to subsidise unprofitable mail services to outlying areas

"In essence, what business is being

asked to do is to pick up the tab for budget over-runs, inadequately controlled by the Auditor-General in prior years, inefficiencies and low productivity within the Postal Services

"The increase is clearly an attempt to resolve their financial difficulties without getting their own house in order. This is an unacceptable situation," the organisation says

It points out that while little can be done about the current situation, a full-day meeting between industry leaders and the chairman of the Post Office, Donald Masson would take place on April 30. The delegation will be aiming to keep future increases to a realistic level.

Reacting this week, Mr Masson said the figures quoted were erroneous. "The shortfall this year is R548 million and that is basically what the Government has to pay us by way of subsidy

And the figure for the pension shortfall in the estimates was R122 million a year over the next 15 years, although a subsequent actuarial valuation put it lower than that

"What people must decide is whether they want postal services or not and, if they do, whether the user

should pay for them or the taxpayer should pay for them

"We have calculated that our shortfall would be more than R1 billion by 1996 if we restricted tariff increases to the customary 12 to 13 percent. We would take that from government with pleasure, but then who is going to explain to the poor people that there is simply not enough money in the State's coffers to pay for housing for them?"

He confirmed that he had asked for a 100 percent increase in tariffs but that this was aimed at cutting shortfalls at a faster rate than was currently envisaged

He also denied that the Post Office was insensitive to complaints about efficiencies. A rationalisation plan for the next five years, for instance, would see savings of about R900 million

"All I ask of my clients is that they tell me what they want and I will provide it for them — but at a price," he said

"When people complain that they have to queue at a Post Office when there are unmanned counters, I will fill those counters but the trade-off is higher tariffs"

225 postal worker 'deviants' fired in '91

By Paula Fray
Consumer Reporter

STAR
9/4/92

During the past year about 225 employees of the South African Post Office were discharged as a result of irregularities of a criminal nature, Post Office liaison officer Juliana Nel said yesterday.

Miss Nel was replying to queries from The Star following consumer complaints that mail had been tampered with.

"The Post Office is aware of the possibility of malpractices being committed by staff members and in order to combat this evil, our security and supervisory arrangements are under continuous scrutiny and are adapted if any shortcomings are found," she said.

"If it is taken into account that more than 7 million mail items are handled by the SAPO each working day (2 400 million a year), it can be understood that losses cannot be eliminated entirely," Miss Nel said.

"Of the 14,5 million parcels handled during 1990/91, only 0.04 percent did not reach their destinations," she added.

In view of the fact that there were about 30 000 Post Office workers handling 7 million mail items each day, the occurrence of mail being tampered with was more the exception than the rule.

But, "every mail item tampered with or not reaching its destination safely is one too many to the Post Office," said Miss Nel.

She noted that, Post Office employees are not always the culprits.

There has been a noticeable increase in armed robberies on Post Offices over the past year or two and the SAPO had no control over crimes such as burglaries, fires, hijackings of vehicles transporting mail and muggings on postmen and post women.

"It often happens that the senders of mail items are responsible for their mail not being delivered by, for example, giving incorrect and incomplete addresses, as well as not providing the address of the sender or poor packaging."

The SAPO also requested clients not to enclose cash but to use money or postal orders.

According to Miss Nel, the Post Office is not legally liable for the loss of ordinary postal articles (only registered or insured items), except in the cases of proven fraud on the part of an employee.

● If addressees believe their mail has been tampered with, they should immediately contact their local postmaster who will arrange for an investigation to be instituted.

| | | | | |
|---|--------|--------|--------|--------|
| Osindisweni | 102,00 | 3,60 | 111,41 | 39,26 |
| St Apollinaris | 102,00 | 2,78 | 161,96 | 12,56 |
| <i>Provincial Administration of the Orange Free State</i> | | | | |
| State | (a) | (b) | | |
| Academic Hospitals | R | R | | |
| Oranje | 25,66 | 1,20 | 400,07 | 58,00 |
| Pelononi | 137,47 | 4,57 | 187,28 | 13,05 |
| Universitas/National | 589,41 | 89,24 | 155,03 | 33,67 |
| Regional Hospitals | | | 296,59 | 89,04 |
| Bethlehem | 376,16 | 75,64 | 189,18 | 57,99 |
| Botumelo | 78,45 | 6,96 | 237,24 | 17,53 |
| Phekolong | 90,97 | 13,71 | 155,61 | 3,44 |
| Voortrekker | 310,17 | 43,33 | 114,34 | 40,72 |
| Welkom | 177,36 | 80,33 | 152,83 | 63,43 |
| Community Hospitals | | | 127,72 | 8,51 |
| Bothaville | 132,84 | 2,73 | 122,93 | 19,32 |
| Botshabelo | 199,48 | 4,05 | 114,74 | 35,34 |
| Clocolan | 91,65 | 10,33 | 126,42 | 59,54 |
| Ficksburg | 107,21 | 22,97 | 143,18 | 57,69 |
| Frankfort | 115,47 | 21,67 | 69,66 | 15,11 |
| Harrismith | 131,86 | 32,09 | 129,66 | 11,39 |
| Heilbron | 111,78 | 14,36 | 74,85 | 1,30 |
| Hoopstad | 96,30 | 14,38 | 172,49 | 78,76 |
| Jagersfontein | 98,78 | 23,34 | 99,61 | 26,01 |
| Ladybrand | 173,43 | 15,49 | 116,35 | 17,75 |
| Odendaalsrus | 125,41 | 25,31 | 96,35 | 10,83 |
| Parys | 116,96 | 24,91 | 168,22 | 18,09 |
| Reitz | 96,18 | 10,70 | 117,28 | 32,42 |
| Sasolburg | 344,52 | 142,11 | 73,37 | 0,60 |
| Senekal | 82,70 | 6,74 | 136,24 | 9,34 |
| Smithfield | 147,52 | 16,15 | 182,06 | 4,69 |
| Virginia | 114,11 | 48,68 | 64,67 | 0,67 |
| Vrede | 131,12 | 11,45 | 147,60 | 66,07 |
| Winburg | 190,06 | 16,15 | 107,88 | 24,98 |
| Zastron | 147,71 | 5,58 | | |
| <i>Provincial Administration of Transvaal</i> | | | | |
| General Affairs Hospitals | (a) | (b) | | |
| A G Visser | R | R | | |
| Amajuba Memorial | 143,67 | 38,08 | 218,40 | 181,51 |
| Baragwanath | 121,66 | 30,75 | 211,98 | 105,82 |
| Barberton | 187,20 | 4,93 | 273,81 | 44,10 |
| Bethal | 114,39 | 26,37 | 84,83 | 85,10 |
| Boksburg-Benoni | 110,88 | 29,50 | 307,18 | 86,23 |
| Carolina | 142,44 | 20,73 | 203,35 | 79,22 |
| Christiana | 104,76 | 26,10 | 135,19 | 79,75 |
| Coronation | 105,78 | 22,65 | 308,45 | 51,30 |
| Ellisras | 208,10 | 10,08 | 208,97 | 38,08 |
| | 152,26 | 68,10 | 255,57 | 119,32 |
| | | | 215,87 | 81,04 |
| | | | 97,16 | 64,91 |
| | | | 239,05 | 85,60 |
| | | | 313,18 | 108,79 |
| | | | 319,27 | 75,99 |
| | | | 124,28 | 99,42 |

| | | |
|---|-----------|----------|
| J G Strijdom | 544,70 | 51,20 |
| Kempton Park | 165,14 | 124,12 |
| Louis Trichardt | 250,82 | 115,48 |
| Paardekraal | 335,57 | 90,43 |
| Phalaborwa | 189,67 | 142,95 |
| Pretoria West | 226,75 | 72,46 |
| Sannieshof | 463,02 | 96,57 |
| South Rand | 210,54 | 44,18 |
| Sybrand van Niekerk | 148,14 | 95,22 |
| Van Velden Memorial | 219,71 | 106,01 |
| Ventersdorp | 222,02 | 39,25 |
| Vereeniging | 126,15 | 126,89 |
| Voortrekker | 147,21 | 80,22 |
| Warmbaths | 182,04 | 81,90 |
| Waterval-Boven | 282,32 | 62,83 |
| Willem Cruywagen | 228,07 | 75,51 |
| <i>Pupils/students per capita expenditure</i> | | |
| 174 Mr R M BURROWS asked the Minister of Education and Training | | |
| What was the per capita expenditure, (a) including and (b) excluding expenditure of a capital nature, on pupils or students at State (i)(aa) pre-primary, (bb) primary and (cc) secondary schools, (ii) colleges of education, (iii) technical colleges, (iv) technikons and (v) universities during the 1990-91 financial year or the latest specified 12-month period for which information is available? | (a) | (b) |
| | R | R |
| (i) (aa) | None | None |
| (bb) | 859,10 | 778,07 |
| (cc) | 1 538,23 | 1 238,08 |
| (ii) | 10 210,90 | 7 797,62 |
| (iii) | 5 832,73 | 4 875,72 |
| (iv) | 3 783,77 | 3 569,48 |
| (v) | 7 052,39 | 6 267,18 |
| The information given above is in respect of the 1990-91 financial year | | |
| Note | | |
| (a) The amounts in (ii), (iv) and (v) are based on the number of full time equivalent students | | |
| (b) (v)(b) includes the subsidy formula provision for the replacement and renewal of | | |
| <i>The MINISTER OF EDUCATION AND TRAINING</i> | | |
| 182 Mr M J ELLIS asked the Minister of National Health | | |
| What was the infant mortality rate for (a) Blacks, (b) Whites, (c) Coloureds and (d) Indians in (i) urban and (ii) rural areas in South Africa in 1991? | | |
| <i>The MINISTER OF NATIONAL HEALTH</i> | | |
| Official South African urban and rural infant mortality rates are not available. The mortality figures for 1991 will only be available at the end of 1992 or early 1993 | | |
| The latest available infant mortality rates for 1990 are as follows | | |
| Infant Mortality per 1 000 live births | | |
| South Africa National Average 1990 | (a) | 52,8, |
| | (b) | 7,3, |
| | (c) | 28,0 and |
| | (d) | 13,5 |

fixed assets, while (v)(a) in addition includes the subsidies paid for the payment of interest and redemption on long-term loans

Additional post offices/postal services; Sandton area
 177 Mr D J DALLING asked the Minister of Posts and Telecommunications

Whether it is the intention to provide any additional (a) post offices and (b) postal services in the Sandton area in 1992, if so, (i) where, (ii) what services, and (iii) when, in each case?
 B420E

THE MINISTER OF POSTS AND TELECOMMUNICATIONS

(a) No
 (b) Yes

(i) Buccleuch, Magaliesig and Witkoppen
 (ii) Mail collection points in all three cases
 (iii) Buccleuch—1 April 1992
 Magaliesig and Witkoppen—latter half of 1992

Infant mortality rate in 1991

182 Mr M J ELLIS asked the Minister of National Health

What was the infant mortality rate for (a) Blacks, (b) Whites, (c) Coloureds and (d) Indians in (i) urban and (ii) rural areas in South Africa in 1991?
 B425E

The MINISTER OF NATIONAL HEALTH

Official South African urban and rural infant mortality rates are not available. The mortality figures for 1991 will only be available at the end of 1992 or early 1993
 The latest available infant mortality rates for 1990 are as follows
 Infant Mortality per 1 000 live births
 South Africa National Average 1990
 (a) 52,8,
 (b) 7,3,
 (c) 28,0 and
 (d) 13,5

Telkom has subscribers in mid-air

STAR 7/4/92

(267)

CHATTY LINES
Telkom's decision to back down on plans to cut the duration of a local phone call unit has been described as a victory for subscribers. But most remain confused about the changes. PAULA FRAY explains.

WHEN Telkom announced a change in the metering unit for local calls and public telephones from five minutes to three minutes — as well as increase its rates — it met with a concerted outcry from consumers and businesses.

Its subsequent decision not to cut the units for local calls has left consumers floundering in confusion over what they have to pay for chatting telephonically.

In short, telephone users now pay 18,9c, instead of 16,5c, for each local call — and are still able to speak for five minutes. The minimum tariff for public telephones remains unchanged at 30c.

Last week also saw some of those calls to premium "087" numbers increasing while others decreased. The R1,41 a minute calls are now

R1,62 and those which cost R2,20 are now R2,52. But those priced R6,60 a minute calls have been brought down to R5,97.

One important change is that Directory Inquiries, formerly a free service, will now be charged for as local calls.

This has prompted a warning from the Consumer Council.

Executive director Jan Cronje says users can save on telephone costs by not unnecessarily making calls for directory and trunk call information which already appears in their directories.

Mr Cronje has appealed to Telkom to ensure that directories were available at all public telephones.

Major changes revolve around the international numbers.

International calls, previously charged at a uniform rate of R6,60 a minute, now

fall within four groups of charges.

While callers to the UK now pay 69c less a minute (a 9,6 percent drop), callers to Brazil face a 71,8 percent increase as calls now cost R11,34. Calls to Taiwan increase to R9,45 (43,2 percent) and to Germany to R7,56 (44,5 percent).

According to Telkom, 52 percent of international call traffic goes to group one — including destinations such as the UK, Australia, America and Canada — which has the lowest rate.

Group two — with rates of R7,56 a minute — includes Albania, Bulgaria, Cambodia, China, Cyprus, Kenya, Luxembourg, the Netherlands and Mexico.

Group three lists Denmark, Fiji, Hungary, Japan, Liberia and Western Samoa as costing R9,45 a minute. Calls to Afghanistan, Bahrain, the Congo, Costa

Rica, Israel, Cuba, Italy and Pakistan now cost R11,34.

It is, however, 71,11 percent cheaper to call South Africa than it is to call from within the country.

Calling South Africa from London costs R11,4. Americans and Canadians would pay R4,15 a minute with the Australians paying about R4,03 a minute. The French and Japanese are among the highest payers, with calls to South Africa costing R6,81 and R9,12 respectively.

Telkom spokesman Eamus Bothma says the organisation is, as yet, unable to introduce cheaper off-peak tariffs.

"Because of the technical limitations in the electrical/mechanical switching equipment still employed in many parent trunk telephone exchanges in South Africa, it is not possible to introduce such rates at present," says Mr Bothma.

Long-distance blues for business

STAR 7/4/92

(267)

The cost in South Africa of "visiting" neighbours by phone rates among the cheapest in the world, but calling friends in far-flung countries is another matter.

Apart from Canada, where local calls are free, South Africa's local telephone call costs are the cheapest among 10 countries analysed in a recent international cost survey. But, with higher than average increases, South Africa's position could change.

When it comes to international calls, South Africa is second only to Italy in the survey which covered European nations, the UK, the US,

Canada and Australia.

The survey by National Utility Services (NUS) is for the year up to January 1992 and does not include the latest Telkom increase, effective from April 1.

A separate calculation shows South Africa's local call cost ranking remaining unchanged — even allowing for the latest increases and for the fact that other countries' local charges are based on three-minute durations as opposed to five minutes in South Africa.

Bad news, says the NUS, is that in the year up to January, the 15,4 percent increase was the highest in the

table. Spare a thought for UK subscribers who pay the most of all countries surveyed — 60c for three minutes.

In contrast to local call rates, international call rates for South Africans are the second highest in the table following an 11,2 percent year-on-year increase to January. Moreover, SA and the US were the only countries to increase their international charges — so narrowing the gap between SA and Italy which is the most expensive country for international calls.

This highlights the fact that in most of the countries

surveyed, costs for international phone calls are being maintained or even decreased in real terms.

This raises the possibility that South African international charges will become the most expensive of all — not good for South African businessmen trying to compete in the export markets.

Says NUS' Rob Mackenzie: "As the country re-enters the international markets and communications with other countries increase, the possibility of becoming the country with the most expensive international telephone charges gives cause for concern."

TOMORROW
Compiling information about one's immediate forebears is a popular pastime for many, but for others it is an act of supreme faith.

When it comes to international calls, South Africa is second only to Italy in the survey which covered European nations, the UK, the US,

Canada and Australia.

The survey by National Utility Services (NUS) is for the year up to January 1992 and does not include the latest Telkom increase, effective from April 1.

A separate calculation shows South Africa's local call cost ranking remaining unchanged — even allowing for the latest increases and for the fact that other countries' local charges are based on three-minute durations as opposed to five minutes in South Africa.

Bad news, says the NUS, is that in the year up to January, the 15,4 percent increase was the highest in the

table. Spare a thought for UK subscribers who pay the most of all countries surveyed — 60c for three minutes.

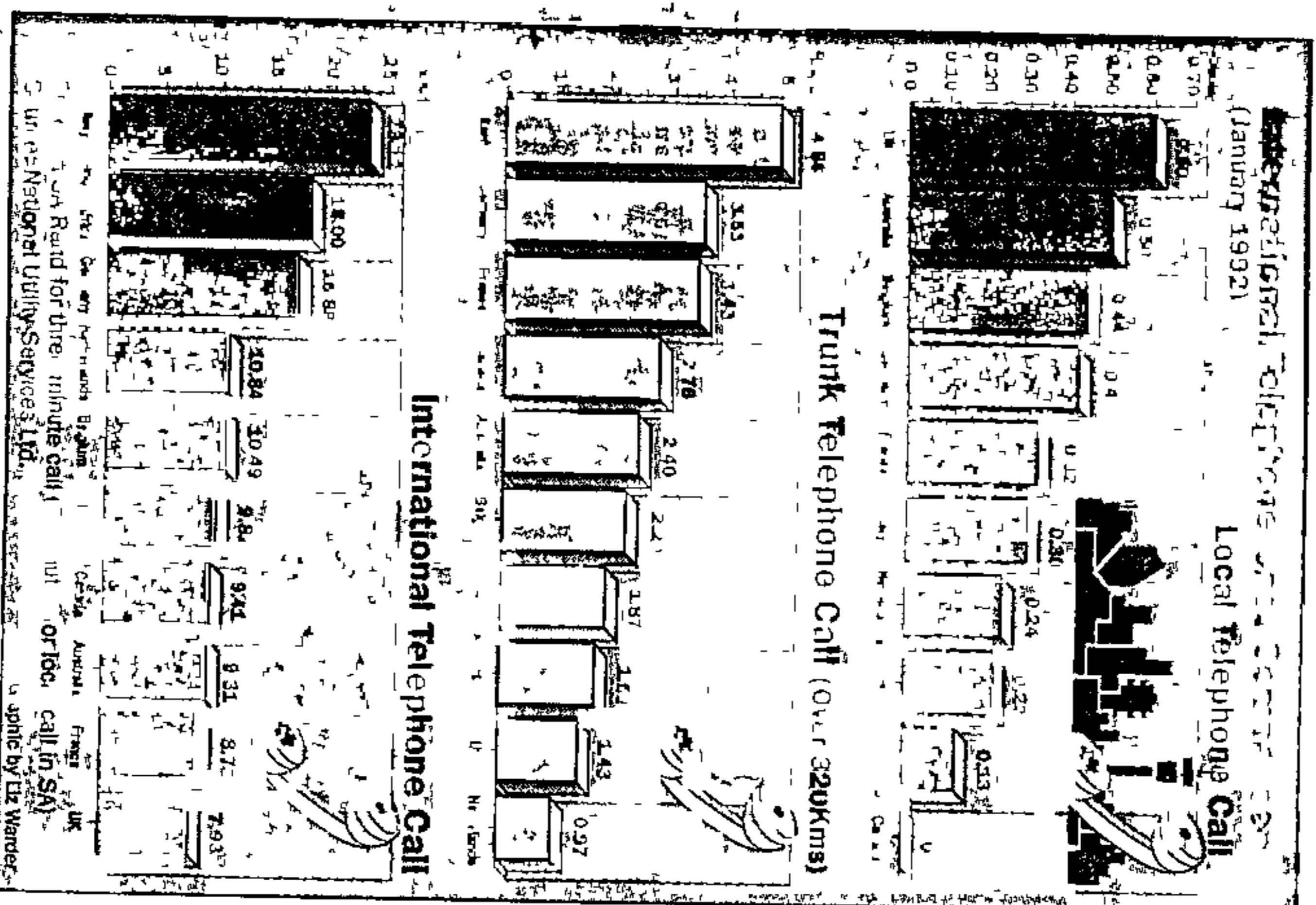
In contrast to local call rates, international call rates for South Africans are the second highest in the table following an 11,2 percent year-on-year increase to January. Moreover, SA and the US were the only countries to increase their international charges — so narrowing the gap between SA and Italy which is the most expensive country for international calls.

This highlights the fact that in most of the countries

surveyed, costs for international phone calls are being maintained or even decreased in real terms.

This raises the possibility that South African international charges will become the most expensive of all — not good for South African businessmen trying to compete in the export markets.

Says NUS' Rob Mackenzie: "As the country re-enters the international markets and communications with other countries increase, the possibility of becoming the country with the most expensive international telephone charges gives cause for concern."



Direct marketers fight 'unjustified' postal hike

Bl Day 7/4/92

267

THE 33% increase in postal rates is causing a stir in the direct marketing industry

Ogilvy & Mather (O & M) direct MD Trevor Moodie said major users of direct mail would meet the Post Office at the end of the month, and would communicate "aggressively" with government over the increase

Not only would the SA Direct Marketing Association address the Post Office specifically, but a major workshop for the industry was being planned. Direct marketers also intended to limit cost increases through effective targeting

Moodie said although direct marketers were in "the whole business of direct marketing", which included areas other than direct mail, their major clients, such as banks, financial institutions and hotel groups, were heavily in-

MEDIA SPOT
by Marcia Klein

involved in direct mail. It was a significant part of the total communication process

The new rates would "depress the ability of companies to deal with their client base" and the increases were unjustified, he said

SA had "a wonderful system of protecting inefficiencies", and the Post Office was one of the worst offenders

Enormous economic pressures had caused companies to watch costs every step of the way, but while business tightened its belt, the Post Office "does not seem to be looking at cutting down on its costs"

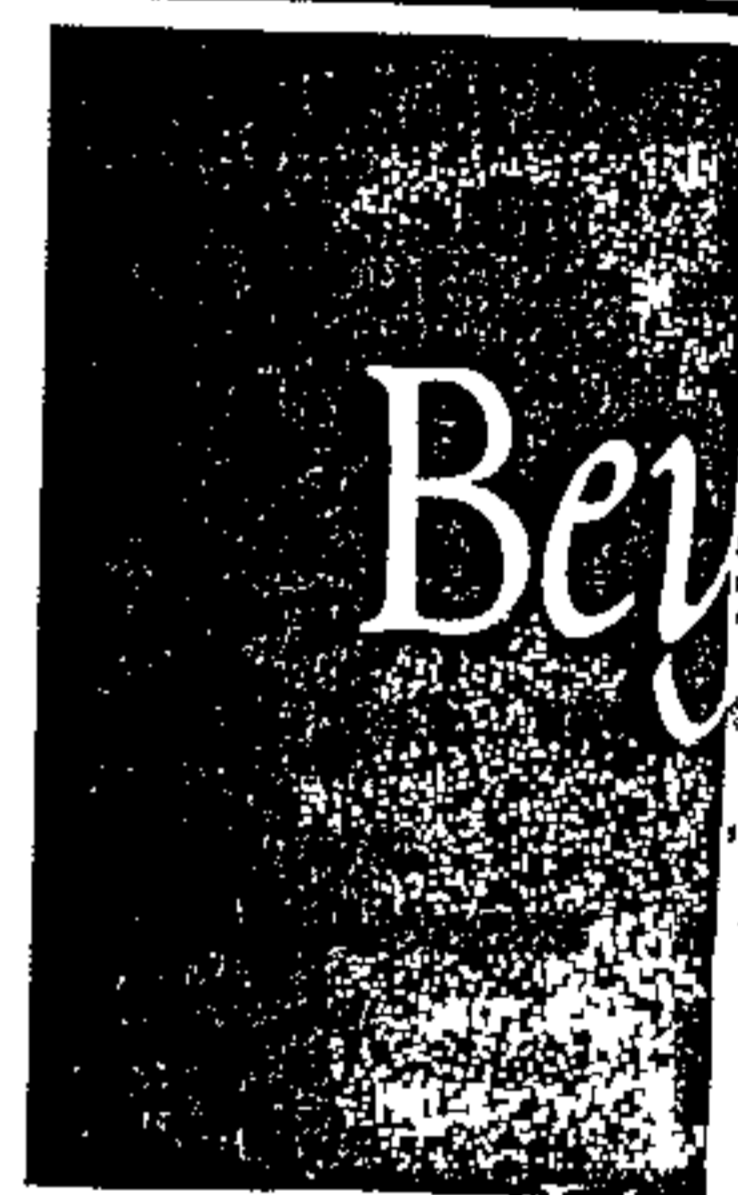
Business was being asked to pick up the tab for budget overruns in previous years and for inefficiency and non-productivity in the light of the Post Office's guarantee that there would be no retrenchments fol-

lowing privatisation

He said government would find itself facing a consistent campaign from big users of direct mail

Postal services should be opened to competition and major customers should be allowed bulk rates

Moodie said the excessive number of post offices in SA was not justified, and government should absorb the extraordinary expenditure relating to overruns in previous years



It's the stamp of madness...

ARG 4/4/92 (267)
MARC HASENFUSS, Business staff

NOW here's something to write home about, if you can afford it! The postage rate increases announced this week mean that a standard letter will cost over 80c to post in 1995.

An annual 33 percent increase in postal rates has been instituted for the next three years by the Post Office to ensure that the newly privatised company breaks even after a five years.

A letter costing 28c to post today will cost 35c from May 1.

Post Office chairman Donald Masson has said that current rates are far from cost related. Post Office estimates show that it costs 46c to handle a standard letter — well above the new increased rate of 35c due in May.

The country's largest mail order company, Mass Holdings of Cape Town, has a monthly postal bill of more than R1 million, which could increase by R330 000 a month unless it negotiates a special deal.

Huge postal tariff increases shock Consumer Council

By Paula Fray
Consumer Reporter 267

The Post Office announcement of an average 33 percent increase in tariffs from May 1 was greeted with shock by the Consumer Council yesterday.

Consumer Council yesterday announced that the increases would have a ripple effect on the economy and leave businesses with no choice but to increase their prices.

Negotiations were held between the Post Office and business representatives yesterday afternoon and the council will issue a fuller statement once the results are known.

From May 1, the cost of stamps for local letters will increase from 27c to 35c. This follows a 2c VAT-related increase on local postage to 27c in September.

And consumers have been warned of similar increases for the next three years "to ensure the Post Office will break even over five years".

From next month, registered letters increase from R1,60 to R2,25, certified letters from 80c to R1,05, and express mail items from R4,35 to R5,65.

Annual private box rentals increase from R16 to R30 for a

small box, from R32 to R60 for a medium box and from R60 to R100 for a large box. Current renters of private post boxes will only pay the increased rates next year.

Post Office board of directors chairman Donald Masson said at a news conference in Pretoria that the rate increase would cost the average user only about R2 more a month.

Housewives League president Lyn Morris said "I don't like increases and this will affect businesses, but at least it means the user will pay."

"And if the alternative is raising the Post Office deficit through Government — which can only mean an increase in VAT or the fuel price — then I would rather have an increase in postal tariffs."

STARS 3/4/92

'Five years of post hikes'

267

CT 3/4/92

Staff Reporter

POSTAGE rates will increase by a staggering average of 33% on May 1 and could rise a further 30% each year for five years to reach the goal of a profit-making service Post Office, chairman Mr Donald Masson said yesterday.

From May 1, the cost of standard letters will increase from 27c to 35c, registered letters from R1,60 to R2,25 and private post box rent from R16 to R30 a year.

Mr Masson said the new rates would raise revenue by R238 million to R1 441m, but the postal service would still operate at a R548m deficit.

The operating costs for 1991/92 were about R1 869m, he said.

South Africans had been paying "dirt cheap prices" for the past 30 years, and without increases the operating deficit would increase to over R1 300m in five years, he said.

"This rate increase will have no real effect on the inflation rate," he claimed.

He said postage costs "of the ordinary man in the street" would increase by "only about R2 a month".

But the increases have met with resistance from consumer and business bodies.

Cape Town Chamber of Com-

'Save by using phone directories'

Own Correspondent

DURBAN. — Callers can save on their telephone bills if they avoid using Telkom's information lines and rather use telephone directories, the Consumer Council said yesterday.

Executive director Mr Jan Cronjé said much directory and trunk-call information already appeared in the directories.

As of Wednesday the previously tariff-free services reached by dialling 1023 for directory information and 1025 for trunk-call inquiries are being charged at the standard rate.

merce assistant director Mr Albert Schuitmaker said the move was inflationary.

His organisation viewed the increases in a "very serious light" and they would be discussed at a special meeting of the transport and communications committee on April 14.

The Consumer Council's assistant director of communications, Mr Dan Kruger, said the "sharp" increase would "do nothing to lessen the effect of inflation".

Mr Masson said the increases

had only been approved for the first year and a meeting was scheduled in Pretoria on April 30 with the Post Office's 20 major clients, consumer bodies and extra-parliamentary organisations.

He said "it was morally indefensible for a government to subsidise a service some use and others don't, when people are starving".

Salary increases were being negotiated with the various staff organisations and unions but demands had not yet been made by either party.

He did not envisage job losses "in the short term", but certain posts would be frozen when people left.

The Democratic Party has slammed the sharp postal tariff increases, charging that they appear to be "blatant profiteering".

The party's posts and telecommunications spokesman, Mr Roger Hulley, said yesterday that the increases were "yet another severe economic shock coming hard on the heels of the Telkom increases".

"The Post Office seems to be abusing its monopolistic power," he said. "How can a 30% increase, in the middle of a recession, possibly be justified? This is double the rate of inflation."

Hikes slammed as inflationary

Post Office pushes up rates by 33%

PRETORIA — Postage rates will be raised by an average 33% from May 1

Post Office chairman Donald Masson told a news conference yesterday the increase would cost the average individual user about R2 more a month.

The increase, he claimed, would "have no real effect on the inflation rate" but would boost the Post Office's income by R238m to R1,441bn.

But the DP described the "unnecessarily high" increase as inflationary

Masson said in spite of the rise in rates, the operating deficit on postal services would still amount to more than R548m

Rate increases include.

□ Standard letters up to 100g will cost 35c instead of 27c.

□ The cost of a R100 money order will increase from R5,20 to R6,65; and

□ Rentals on small private post boxes will almost double from R16 to R30 a year and large boxes will cost R100 instead of R60.

Estimated operating expenditure of about R1,869bn would be only 10,9% higher than the projected 1991/92 figure

Masson stressed the rate increase would have to be applied for at least the next three years to ensure the Post Office would break even after a five-year period

"Should there be no rate increase in the next five years the operating deficit will rise to more than R1,3bn — and this will benefit no one."

Masson said in the past, realistic rate increases were politically sensitive and resulted in current rates being far from cost-related. For instance, it cost the Post Office 46c to handle a standard postal article, for which users would now pay 35c

GERALD REILLY

The Post Office planned to become profit making within five years, when a state subsidy would no longer be needed. A 25% pre-tax return on shareholders' capital was envisaged after five years

Masson said R93m had been budgeted for capital expenditure, including R31m for land and buildings, R22m for vehicles, R16m for data equipment and R5m for new post boxes. Construction of new post offices and extensions would be started in the new financial year and 250 000 boxes would be installed

He said the Post Office was not relying on rates increases alone to break even. Savings of more than R950m would be made over the next five years from establishing new services without appointing more staff, and the expansion of mail volumes by 3% to 5% a year.

Masson said a Post Office survey had found that despite the 33% hike, postal services were still one of the cheapest commodities on the SA market. A survey of international postal rates showed SA's were among the lowest out of 23 countries

More than 80% of mail handled was business mail. A study of 20 large mail users or businesses showed they were subsidised by more than R61m a year. Among them were banks, clothing stores, and direct mail distributors

Our political staff reports from Cape Town that the DP slammed the tariff increases, charging that they appeared to be "blatant profiteering"

The party's posts and telecommunica-

□ To Page 2

Post Office

tions spokesman Roger Hulley said the increases were "yet another severe economic shock, coming hard on the heels of the Telkom increases". The Post Office "seems now also to be abusing its monopolistic power", he said

"No ordinary business in a competitive environment would dare to implement such high increases without full and extensive motivation. How can a 30% increase, in the middle of a recession, possibly be justified? This is double the rate of inflation. It strikes me as blatant profiteering"

He called on Posts and Telecommunications Minister Piet Welgemoed to explain the increases which, in terms of new legislation, must be approved by government

Small business — "the lifeblood of our economy" — would be hard hit

The private sector National Communications Committee said the increases could only be inflationary. A committee spokesman said while the financial rationale for the tariff hikes was understood, its effect on the business sector would affect all consumers

□ From Page 1

Huge hike in cost of foreign calls

267

Staff Reporter

DRAMATIC increases in the cost of international telephone calls were implemented by Telkom yesterday — and in some cases tariffs virtually doubled.

Until yesterday, all international calls were charged at the blanket rate of R6,60 per minute. Overseas calls now fall into four different price categories.

Class One calls to places like the UK, Northern Ireland, Canada, New Zealand and the US will be charged at R5,97 per minute. This is a 10% reduction in call charges.

Callers to Class Two countries like Germany, the Netherlands, Austria and France will have to pay R7,56 per minute — a 14,5% increase.

Class Three calls to places like Japan, Norway and Sweden will cost R9,50 per minute — a 44% tariff increase.

DP call

Calls to Class Four countries like Brazil, Greece, Israel and Italy will be charged at R11,34 per minute, which is a staggering 72% hike.

DP spokesman on posts and telecommunications Mr Roger Hulley called on the minister yesterday to "give a full explanation of these increases that appear overall, to be in excess of the rate of inflation".

The Housewives' League was "not happy" about the hikes, according to national vice-president Mrs Sheila Bailie.

JO Ali wa arc las an in po tro A and wo tow sid

Back ⁽²⁶⁷⁾ to ^{CTI/4/92} 5-min metering

Staff Reporter

TELKOM has backed down on its decision to reduce the five-minute metering to three minutes and has reinstated the longer metering period on all local and callbox calls

Telkom managing director Mr Danie du Toit said yesterday that all other tariff increases on rentals and the cost per unit would remain, as Telkom needed "to provide for the needs of consumers and the economy in the years to come"

"The increase of 14,5% per unit is still below the current inflation rate and Telkom will continually monitor any future cost adjustments

"Our initial move to change local call-metering units from five to three minutes was based on the fact that 71% of local calls last less than three minutes and as such would not have had any significant financial effect on the average telephone user," said Mr Du Toit

Welcoming Telkom's decision, the executive director of the Cape Chamber of Commerce, Mr Alan Lighton, said the "effect on business would have been severe and would have been highly inflationary"

Mrs Sheila Baillie, vice-president of the Housewives' League, said it was a "great relief" that Telkom had backed down but it was a "pity that tariffs had gone up so substantially"

She hoped the company would "curb its expenditure in supplying sophisticated equipment which the country could not afford"

She said the public had not asked for all these services which were proliferating and costing money

● 087: Children can be barred —
Page 3

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Call for phone, VAT concessions to elderly

Staff Reporter

The SA Council for the Aged has called on the Government to make concessions to senior citizens in respect of VAT and more expensive telephone calls. *STAR 1/4/92*

Director Syd Eckley said a telephone service

was an unaffordable luxury for many elderly people but was an essential facility because of the danger of illness, death and crime. (267)

Johannesburg Association for the Aged director Colin McCrystal added that everyone living on a Government

pension would be hit.

"On the one hand the pensions are increased, and on the other, they are diminished by increasing rentals and the cost of food," he said.

An average increase of 14,2 percent for various telephone services comes into effect today

Telkom relents on phone unit length

GERALD REILLY

(267)

PRETORIA — Telkom has heeded criticism from consumer and business organisations — including Sacob and AHI — and reinstated the five-minute metering period for local calls.

In terms of the Budget, the cost of local calls was increased 14,5%, but the metered unit was decreased from five minutes to three *B(Dan) 114192*

Telkom MD Danie du Toit said in a statement yesterday units metered from call boxes would also be five minutes

However, the other tariff increases relating to rentals and the unit cost would have to remain if Telkom were to provide for the needs of consumers and the economy in the years ahead

Du Toit said the increase of 14,5% a unit was still below the current inflation rate and Telkom would continually monitor any future cost adjustments.

Telkom explained the initial move to change local call metering units from five minutes to three by saying 71% of local calls lasted less than three minutes and that the change would not have had any significant financial effect on the average telephone user. It would also have brought Telkom in line with international norms. The proposed increase would have made a minimal contribution to Telkom's budgeted revenue, Du Toit said

"We are aware that Telkom's services and costs affect the lives of all South Africans and have therefore decided to respond positively to the way in which consumers reacted to our initial announcement," he said

Du Toit noted also that Telkom's rates remained among the lowest for providers of telecommunications worldwide.

ARG 30/3/92 (267)

Telkom's ring of 'profiteering'

The Argus Correspondent

JOHANNESBURG — Telkom's imminent increases in phone rates was a "disgraceful abuse of monopolistic power" and should be reversed by the Minister of Post and Telecommunications, Democratic Party spokesman Mr Roger Burrows said.

The increases, which average 14,2 percent but coincide with a reduction in the metering unit for local calls, come into effect on Wednesday

Units which previously cost 16,5c and lasted five minutes will cost 18,9c and last just three minutes. Local phone calls longer than three minutes will go up more than 90 percent

The Consumer Council said the increase in telephone costs will have a ripple effect comparable to that of the fuel price rise

Mr Burrows said the effect of the higher tariffs and reduced metering was an increase of

more than 90 percent on local calls

"No ordinary business in a competitive environment would dare to implement such a startling increase. How can this possibly be justified? It strikes me as blatant profiteering," said Mr Burrows

Under new legislation all tariff increases have to be approved by the government and Mr Burrows said that for this reason he wanted the minister, Dr Piet Welgemoed, to intervene

Any increase in excess of the inflation rate should be fully justified in the full light of public scrutiny before it could be accepted, he said

The worst aspect of the increase was that the brunt of it would be borne by ordinary people, many of whom, such as the elderly, relied on the telephone as a means of communication with their families and the outside world

Cape Town Chamber of Commerce acting president Mr Herbert Hirsch said businesses were

appalled at the "insensitivity" of Telkom

"Conditions in business are the worst they have been since World War 2 and firms are struggling to make ends meet as it is," Mr Hirsch said in a statement

He said a suggestion that call costs could be contained by tailoring usage to the new call tariff displayed a total lack of understanding of how business operated

Time was money to people in business and the last thing that they would do is prolong telephone conversations unnecessarily

"The fact of the matter is that telecommunications are indispensable to modern-day business and the effect of this tariff adjustment will simply be to hike business costs dramatically," said Mr Hirsch

"Business will have no option but to pass these costs on to consumers, which will give a further push to inflation, which is the last thing that we need at this time"

SA follows US down the 087

From SIMON BARBER

WASHINGTON. — With the advent of 087 premium rate telephone numbers, South Africans are heading down a trail already well-blazed by the US 900 service.

There are at least 10 000 900 numbers on offer here in what has become a \$1 billion (about R2,8bn) a year industry. The majority sell a variety of entirely legitimate services. For fees averaging a dollar or so a minute you can obtain stock quotes, sports scores, consumer tips, airline schedules, movie reviews and astrological advice.

For a little more you can dictate an angry letter to your congressman, talk to a private detective about your suspicions that your spouse is being unfaithful, or, if you're feeling really down, get the latest news of the end of the world from the Society of Secular Aimagedomism in San Francisco.

You can even make donations. The ANC's US lobbyist, former congressman Mr Walter Fauntroy, has set up a line to raise money for the Mandela Freedom Fund. The call costs \$5.95 (about R16.70), a portion of which goes to the fund. In return you get a recorded

message of thanks from the ANC president. And then there is the sleaze. Phone sex is offered in varying degrees of explicitness, ranging from "chat lines" to the overtly hardcore.

The Supreme Court has blocked attempts to ban such services on freedom of speech grounds. Callers merely have to be reminded that they must be over 18.

However, the "900 pay-per-call service has emerged as one of the most significant vehicles for consumer fraud in recent his-

tory," a committee of state attorney-generals concluded in a report issued last year.

During the Gulf war, TV ads were aired asking viewers to help support the United Services Organisation — a highly regarded welfare group for US troops in the field — by calling a 900 number. Thousands responded. The USO, which had never authorised the fund-raising effort, never saw a dime.

Children are a popular target. They are often enticed by TV ads urging them to call Santa Claus or the Easter Bunny. What they

path

don't know is that it will cost their parents \$2 (about R5.60) or more a minute when they do. Congress has tried but failed to enact legislation that would more tightly regulate the industry. However, the Federal Communications Commission last year promulgated rules requiring the cost of calls to be disclosed in advance, ordering phone companies to block access to 900 numbers free of charge if requested to do so by individual customers, and barring phone companies from disconnecting customers who dispute their 900 bills.

(267) CT 30/6/92

Large hike expected in postal tariffs

PRETORIA ^{B/Day} A big increase in postal tariffs is expected from May 1.

On Thursday board chairman Donald Masson will announce the Post Office's first budget as a commercial company

A Post Office spokesman confirmed the increases would be bigger than previously. They follow the 14,5% hike in Telkom tariffs, effective from tomorrow

In last year's Post and Telecommunications Department budget (Telkom and the Post Office were converted into commercial companies last October), surface letter post was raised from 21c to 25c, a 100g parcel from R1,45 to R1,75, registered items from R1,20 to R1,50 and priority items from R2,75 to R3,50

31/3/92
GERALD REILL (267)

Post Office MD Willem van Rooyen has said the company aimed to become profitable in five years, but this would not be achieved "merely" through higher tariffs

Van Rooyen said it had been claimed, commercialisation would lead to sharp rises in postal rates as cross-subsidisation in services would no longer be possible. But he said the state, as sole shareholder in both, could still use tax and dividend payments from a profitable Telkom to absorb Post Office losses

Post Office services cost more to run than revenue earned. A standard 27c letter costs the postal authorities 46c to handle

Business will pass on higher phone call costs

SHARON SOROUR
Weekend Argus Reporter

BUSINESS has warned it will have "no option" but to pass on to consumers increasing costs brought on by Telkom's price hike of local telephone calls

The acting president of the Cape Town Chamber of Commerce, Mr Herbert Hirsch, said the chamber was appalled by the decision which it slammed as "insensitive"

He said: "In the highly competitive climate in which we are operating, business will have no option but to pass these costs on to consumers,

which will give a further push to inflation the last thing we need at this time"

The chamber could see no reason for the price hike, which it described as "utterly inexplicable", because reports in August showed Telkom had made a profit of R1 billion last year

"This being so, we can see no justification for the proposed massive hike in call charges whatsoever, and we urge Telkom to continue the current unit period of five minutes for local calls"

Business conditions were the worst they had been since World War 2 and firms were

(267) AEC 28/3/92
struggling to make ends-meet, he said

"To suggest that costs can be contained by tailoring usage to the new call tariff displays a total lack of understanding of how business operates

"Time is money to people in business and the last thing that they would do is prolong telephone conversations unnecessarily," Mr Hirsch said.

Telecommunication systems were indispensable to modern businesses and the effect of the new tariff adjustment would lead to a dramatic hike in business costs

TELKOM FM 27/3/92

Number, please (267)

Telkom would like us to believe its new tariffs, which go into effect April 1, will mean that local, private phone calls are going up only 14,5% and local calls from pay phones are remaining at 30c

What's really happening is that calls dialled directly from a customer's phone — up to a distance of 50 km — are going up a whopping 91% a minute and pay phone charges are actually rising 67% a minute

Howzat?

Telkom says it is "contributing toward the fight against inflation" by keeping pay phone charges static. But 30c now will buy the caller three minutes instead of five

As for private-phone charges, they will go up from 16,5c per five-minute unit to 18,9c per three-minute unit

As Telkom explains it, "research has shown that an average call lasts two minutes and 48 seconds" In other words, you didn't need those extra two minutes anyway

The new charges are part of Telkom's first budget since its commercialisation process began last October For the year beginning April 1, it expects a pre-tax profit of around R700m, up from a R176,4m surplus this year

As part of its ongoing commercialisation process, Telkom is abolishing the flat rate of

FINANCIAL MAIL • MARCH • 27 • 1992 • 107

Continue →

FM 27/3/92

(267)

R6,60 it previously charged for a one-minute call to any country overseas If you phone to the UK, that's good news That rate is being reduced 9,6% — to R5,97 per minute — to reflect the fact that it's cheaper to call from the UK to SA

On the other side of the scale, Telkom will hike the charges to about half of overseas destinations to reflect the high tariffs those countries put on calls to SA (and just about everywhere else) For instance, calls to Germany will go up 14,5%, to Taiwan, 43,2%, and to Brazil, 71,8%

"This approach enables us to counter the high outpayments to certain (foreign government) administrations," Telkom explains, referring to the fees that countries charge for connecting international calls

Telkom does appear genuine in its goal of making services pay for themselves A call to directory information — previously free — will cost the same as a regular call, or 18,9c for three minutes at the lowest rate

That compares favourably with a typical call to local directory assistance in the US, which costs US20c, and long-distance inquiries, which costs US65c

For all those potential customers who have been put on hold, Telkom is promising to reduce the 124 000-long telephone waiting list by more than 82 000 in the next year, through the installation of new cables and 212 more exchanges In the past, people who wanted phone service were told it was just

too expensive to install new cables — though it never was explained how the phone company could afford to ignore so much potential income

In addition, 15 000 more car phones will be added to the PWV area ■

90% price hike phone shock

(267)
Own Correspondent

JOHANNESBURG. — On Wednesday local phone calls longer than three minutes will go up more than 90%.

Telkom is increasing its tariffs by an average of 14.2%, but few consumers realise that units which previously cost 16.5c and lasted five minutes will, from April 1, cost 18.9c and last just three minutes.

Computer Society of SA vice-president Mr Peter Davies said this would have a dramatic effect on businesses and on home users who generally speak longer than three minutes.

"The probable increase to large business users could be up to 5% on top of Telkom's 14.5% increase," he said.

Banking

Those using phone attachments to do banking transactions will also generally spend more than three minutes on their calls.

Telkom's marketing general manager Mr Reinhold Karshagen said research showed that an average call lasted two minutes and 48 seconds, but he acknowledged that domestic users and small businesses probably had a higher average.

"Fortunately call costs are the one area over which consumers have control, and once they are aware of the new cost structure they can tailor their phone usage according to the new costs," he said.

A Consumer Council spokesman said consumers must raise their voices and object — especially because phones are vital to them.

FM 27/3/92

102 days six months ago and only 85 days two years ago

The service to London was amazingly consistent — nine of the 10 letters took only eight days — though the last one arrived 38 days after posting

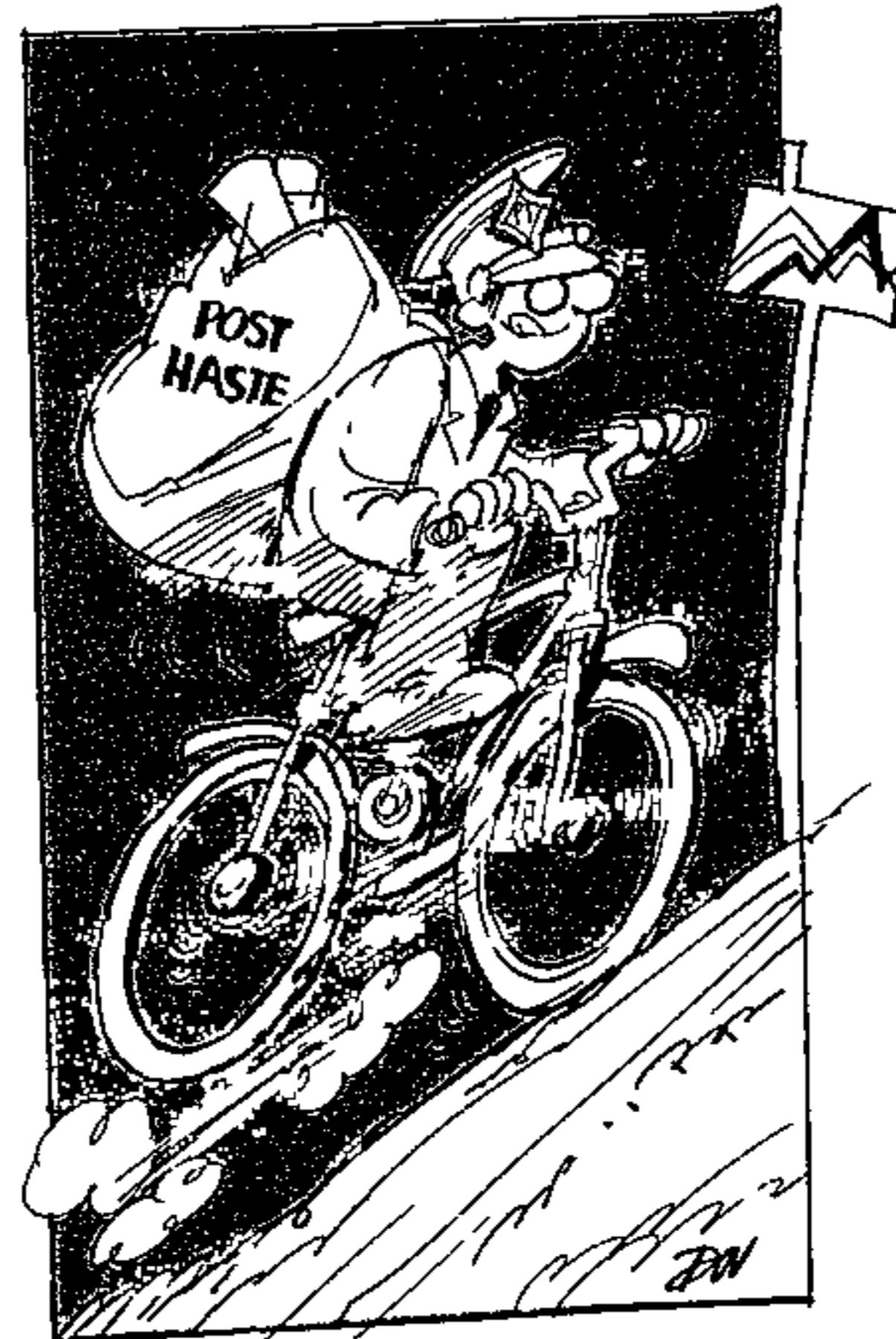
The effect of the poor service overseas means that overall, the 50 letters took a total of 342 days to reach their destinations — the worst combined result of the past two years. The other three tests averaged 274 days

A Post Office spokesman says they can't be held responsible for delays overseas. "We can't control what happens once the letters leave SA"

Post Office management is confident that the first six months of commercialisation have led to greatly improved domestic service through better staff motivation and new methods of operation. Services have become swifter and more efficient with the transport of mail mostly by road rather than rail, a service that became fiercely competitive when the Post Office called for tenders from the private sector

Other initiatives introduced in recent months include extended hours of business at lunch times at certain post offices and greater co-operation with the various chambers of commerce to establish which services customers want. Plans call for greater computerisation of counter services

But the newly commercialised operation still has to counteract the waste and inefficiency of the past



The Post Office's operating loss for the year ending March 31 1991 was R324m, while its projected loss for 1991-1992 is R500m, though much of this reflects the sum needed to make good the deficit on the pension fund, inherited from the old SA Posts & Telecommunications.

Says the spokesman. "We have a long way to go and one can't change 1 700 post offices around the country overnight"

POST OFFICE FM 27/3/92

Testing deliveries 267

Ignore this story if you haven't got your posted copy of the FM yet

It's time once again for the FM postal test. Every six months we send out 50 envelopes — 10 to each of five cities in SA and abroad. Last month's test was the first since the Post Office was commercialised in October.

The good news is that local deliveries speeded up quite dramatically. The bad news, however, is that the service overseas is slower than ever. One letter took more than a month to reach London

As usual, we observed two standard postal rules: post early in the day and early in the week. Once again, all 50 were mailed from the postbox at the Johannesburg Stock Exchange before noon.

Within Johannesburg, the service has continued to improve. Of the 10 letters posted, eight took only one day to reach their destination in the northern suburbs while the remainder took two days

The result is slightly better than the last test — the letters took a total of 12 days instead of 16 days — and dramatically better than the first test conducted in August 1990, when it took a total of 55 days

A spokesman for the Post Office attributes the better service in large part to the high-speed sorting machines installed recently at the Jeppe Street Post Office

Similarly, deliveries to Cape Town also were speedier. Six letters needed two days each and the remaining four took three days each. Overall, the letters took a total of 24 days to deliver, compared with six months earlier when it took 29 days. Two years ago, the 10 letters needed a total of 40 days

The service to Durban also has improved. Nine letters arrived after only three days, while the last one took six days. That's a total of 33 days, compared with the 41 days needed six months ago. But two years ago it took the 10 letters a total of only 22 days to reach Durban

It's no wonder that faxes are taking over the world. Of the 10 letters sent to Princeton, New Jersey — between New York and Philadelphia — the first one made its appearance after 13 days, three others arrived after 14 days and the last six took 18 days. That's a total of 163 days, compared with

R1-m repairs for bombed post offices

STAR 26/3/92
Staff Reporter (267)

Telkom and the South African Post Office will spend nearly R1 million repairing the Verwoerdburg and Krugersdorp post offices, damaged in explosions on January 2.

Permanent repair work on the Verwoerdburg post office will be completed by January next year. Repairs to the Krugersdorp post office have already been done.

According to the Post Office, temporary repair work at Verwoerdburg — including mopping-up, the erection of temporary post boxes, the repair of public counters and the safeguarding of the building — was completed within a month. This cost about R45 000.

Planning of the permanent repair work is scheduled for next month and tenders will be sought in May. The cost of the permanent repair is estimated at R665 000.

Permanent repair work to the Telkom building which houses the Krugersdorp post office was completed earlier this month.

Telephone tariffs up by 14,2 percent

IF you plan to reach out and touch someone telephonically from April 1, use a pay phone and keep it short.

Telkom's budget was announced on Friday and, as from April 1, tariffs will increase by an average of 14,2 percent

According to Telkom, pay phone call charges remain at 30 cents, but the

metering period per call will drop from five minutes to three

Local calls are up from 16,5c a minute to 18,9c - an increase of 14,5 percent - while monthly telephone rental rises from R26,00 to R29,85, a 14,8 percent hike

Telkom has also announced that in future calls to Directory Inquiries will also be charged for, at local

call costs

According to Mr Danie du Toit, managing director of Telkom, the price hikes will generate an extra R911,5 million - meaning that no additional loans will be required

It also means that Telkom's capital expenditure will be financed internally

Du Toit also announced that 212 new exchanges and

1 500 new cable projects will be initiated this year, and that the current waiting list of 124 000 telephone applicants will be reduced by more than 85 000

In addition, Telkom says that the car-phone service will be extended to 15 000 mobile telephones in the PWV area

There is some good news too for long-distance callers, particularly to the UK

From April 1 calls to the UK and Ireland will cost R5,97 a minute, instead of the present R6,60, a reduction of almost 10 percent.

However, callers to Brazil are in for a nasty shock. Their minute's chat will rise from R6,60 to a whopping R11,34 (up 71,8 percent), while calls to Germany will also go up from R6,60 to R7,56 a minute, an increase of 14,5 percent

Sowetan 23/3/92

267

Success by the millions

Seven million mail items are handled every working day by the Post Office, now 200 years old

There are more than 1 700 post offices and some 400 postal agencies — many in remote areas and providing the only way of communication with the outside world

Postal articles are delivered by means of 850 000 private boxes, 150 000 post boxes at mail collection points and 2,5 million street addresses

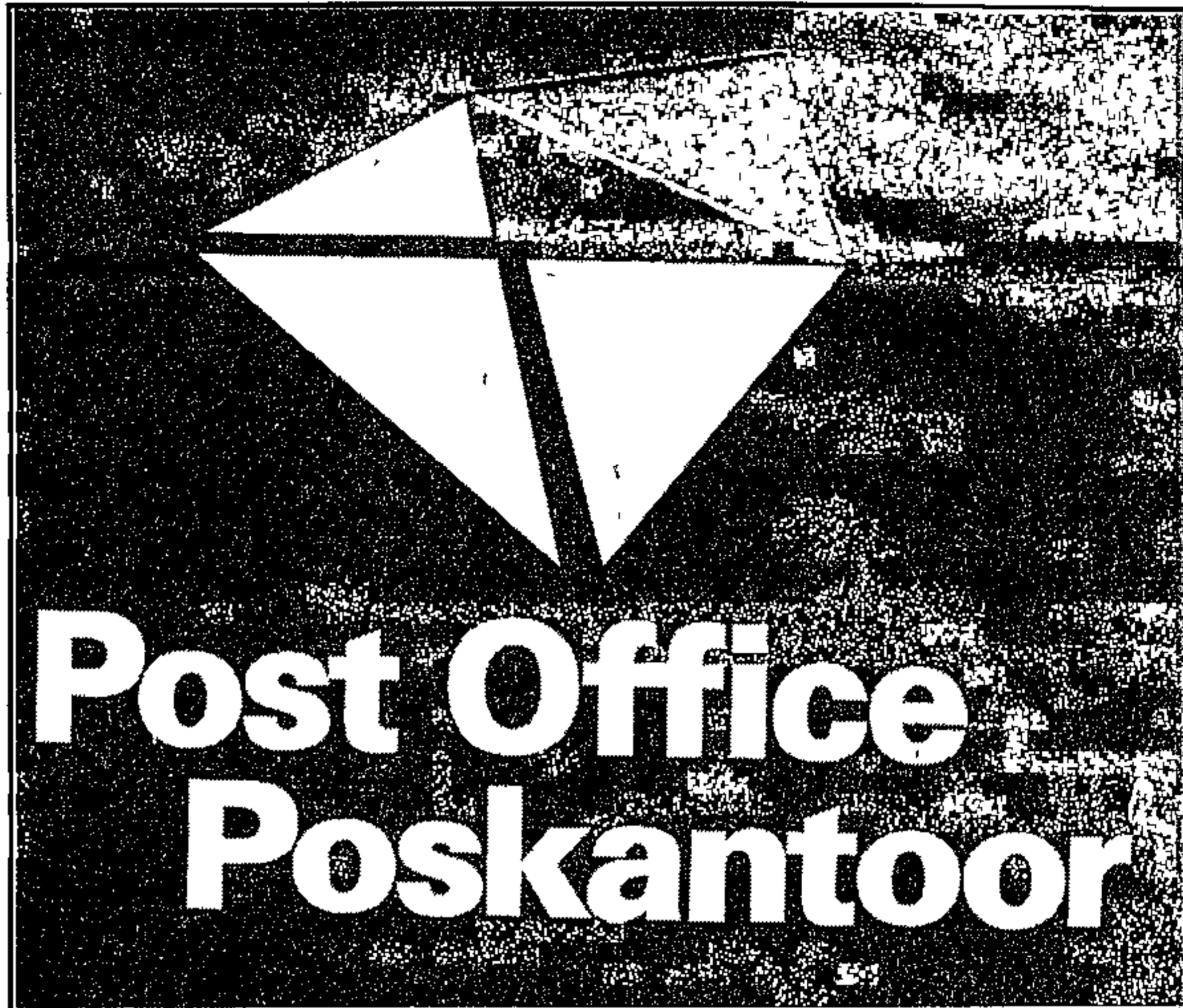
About 100 post offices, most of them large urban offices, are now open over the lunch hour and the PO has given the assurance that public needs are continuously monitored and more offices will be opened over the lunch hour should the need arise

A single-queue system has been introduced at most large offices to expedite counter services and the system will be expanded to more offices in course of time

Latest improvement programme is the introduction of a significant mail transport system by road whereby virtually an overnight service is provided

Private contractors transport mail overnight over six main routes, namely from the PWV area to Pietersburg, Nelspruit, Kimberley, Bloemfontein and Durban as well as from Cape Town to Port Elizabeth

This switch to road transport has made the company less dependent on public and other transport organisations and ensure better control



Post Office now 200 years old

STAR 18/3/92

(267)

over the dispatch and delivery of mail, cutting delivery time in some instances with up to 48 hours

After this proven success, the PO is investigating the possibility of also transporting mail by road between the PWV area and Cape Town, Port Elizabeth and East London

Computerisation of 4 500 counter points began in 1990 and R25 million has been spent to date. Some 1 115 terminals have been installed at 200 post offices and a further 535 counters will be computerised

by the end of this month

More than R50 million has been spent on automatic mail sorting equipment since 1968 and today the PO has one of the most advanced automatic mail sorting systems in the world. Optical character readers, high speed sorting machines and video decoder machines at the four main post offices, handle up to 90 000 mail items per hour

One of the world's longest chain conveyor systems of over 2,2 km is in operation at the Pretoria main post office. The system handles 1 000

mail bags per hour. The tray conveyor is 1,7 km long and handles 1 800 trays per hour

An independent public company with the State as sole shareholder since October 1 1991, the PO has a workforce of about 30 000. The company has fixed assets worth approximately R430 million. Operating expenditure for the year ending March 1991 totalled almost R1,1 billion and the operating income R719 million

Capital expenditure for 1990/91 totalled R74 million

Cathay may take up challenge by Qantas

JOHANNESBURG. — Cathay Pacific was considering introducing a second weekly flight to Johannesburg later this year if passenger loads continued at 82% levels, the airline's southern Africa and Indian Ocean manager Angus Robson said yesterday.

He was commenting on the threat to Cathay Pacific's business posed by the entry of Australian carrier, Qantas, to the SA market, and the imminent entry

of Singapore Airlines.

"Qantas has taken away a chunk of our traffic that was travelling from SA to Australia via Hong Kong," he said, but added that Qantas had not really affected the market as it had only shifted its flights from Harare to Johannesburg.

He said demand for seats on Cathay Pacific's flights had increased, and airline had been forced to turn away business.

(267) CT 6/3/92

Minister calls for impartial body

CAPE TOWN — An impartial, permanent body to regulate the telecommunications industry and control use of the radio spectrum was needed, Transport and Posts and Telecommunications Minister Piet Welgemoed said in Parliament yesterday.

Presenting the Post Office Appropriation Bill, Welgemoed said overseas and SA consultants, appointed last year to advise on the regulation of the industry, had submitted their report. Already it was clear, he added, that an impartial body with a permanent administrative and professional infrastructure would be necessary.

"For this, comprehensive new legislation and the review of the Radio Act, the Post Office Act and other laws will be necessary. The Broadcasting Act may possibly also be implicated."

Of the total expenditure of R19,5m proposed for appropriation — mainly to cover administrative and personnel expenses — R3m has been earmarked for further consultancy work on the regulation of the industry and R1,7m for consultancy work on computerisation. Revenue of R20m has been budgeted for.

3 (Day) 25/12/92 (267)
LINDA ENSOR

Telkom SA and the SA Post Office which, while owned by the state, were constituted like other public companies and would report separately from the department. The first reports of Telkom and SA Post Office would be tabled for the 18 months to end-March 1993.

Welgemoed said the companies were gradually becoming subject to open market forces and the disciplines of the market. The department's functions had been reduced to purely governmental and regulatory functions.

Welgemoed said of the more than 635 000 radio transmitter/receiving sets licensed for private radio communication, more than 500 000 had been installed in vehicles. There were long waiting lists in the PWV area where all the available frequencies had been taken up and where the use of the spectrum was the most intense.

Welgemoed said additional channels in the spectrum for private use could become available with their release by the SADF, Police and Transnet whose requirements had changed.

ET 27/12/92
PO change

necessary

Political Staff

AN impartial, permanent body to regulate the telecommunications industry, and control the use of the radio spectrum was necessary, the Minister of Transport and Posts and Telecommunications, Mr Piet Welgemoed, said in Parliament yesterday.

Presenting the Post Office Appropriation Bill, Mr Welgemoed said the overseas and SA consultants appointed last year to advise on the regulation of the industry had submitted their report. He said it was clear an impartial body with a permanent administrative and professional infrastructure would be necessary.

Persons declared bankrupt in 1991

52 Mr K M ANDREW asked the Minister of Justice
 How many persons were declared bankrupt in each division of the Supreme Court in 1991?

THE MINISTER OF JUSTICE
 B107E

| | |
|------------------|-------|
| Bloemfontein | 585 |
| Grahamstown | 245 |
| Kimberley | 126 |
| Cape Town | 480 |
| Pietermaritzburg | 241 |
| Pretoria | 1 474 |
| TOTAL | 3 151 |

Companies liquidated in 1991

53 Mr K M ANDREW asked the Minister of Justice
 How many companies were placed under compulsory liquidation in the area of each Master of the Supreme Court in 1991?

THE MINISTER OF JUSTICE
 B108E

| | |
|------------------|-------|
| Bloemfontein | 163 |
| Grahamstown | 29 |
| Kimberley | 26 |
| Cape Town | 227 |
| Pietermaritzburg | 282 |
| Pretoria | 1 490 |
| TOTAL | 2 217 |

Persons sentenced to whipping

88 Mr A J LEON asked the Minister of Justice
 (1) How many persons were sentenced in South Africa in 1991 to a whipping (a) with and (b) without the option of a fine or imprisonment by (i) regional magistrates' courts and (ii) divisions of the Supreme Court,
 (2) how many (a) such whippings were carried out, and (b) cuts were administered in each case, in 1991?

THE MINISTER OF JUSTICE
 B233E

(1) (a) 5 635
 (b) 32 689
 (i) and (ii)
 The required information is not

readily available To obtain the information all court records of cases in which persons were sentenced to a whipping will have to be scrutinized which is not economically feasible

(2) The required information is not readily available
 Post office: Yeoville (267)

91 Mr D H M GIBSON asked the Minister of Posts and Telecommunications
 (1) Whether any progress has been made concerning the proposed erection of a post office in Yeoville, if so, (a) when is it anticipated that building operations will commence and (b) what is the estimated cost of the building, if not, why not,
 (2) whether the authorities will consider disposing of this site, if not, why not, if so, what possibilities are being considered in this regard?

THE MINISTER OF POSTS AND TELECOMMUNICATIONS
 B236E

(1) No Owing to other more urgent projects and the limited funds available for the erection of new buildings, the planning of the Yeoville Post Office had perforce to be postponed for at least 12 months
 (a) and (b) Fall away
 (2) Yes The possibility of acquiring suitable hired accommodation to house the Yeoville Post Office is being explored afresh Should we succeed herein alienation of the site at a market related price will be considered

Public Service posts: created/abolished
 94 Mr R M BURROWS asked the Minister for Administration and Tourism
 Whether any posts were created or abolished in the Public Service in 1991, if so, what number of posts in each department or organizational component?

THE MINISTER FOR ADMINISTRATION AND TOURISM
 B240E

Yes See attached Annexure with information as supplied by the relevant departments/organizational components

ANNEXURE

Posts were abolished/Created at the following Departments/Organizational components

| Departments/Organizational Components | Posts created 1-1-91 to 31-12-91 | Posts abolished 1-1-91 to 31-12-91 |
|---|----------------------------------|------------------------------------|
| Administration | 1 161 | 592 |
| House of Delegates | 1 060 | 380 |
| Administration | 1 029 | 1 518 |
| House of Representatives | 433 | 512 |
| Administration | 340 | 400 |
| Home Affairs | 169 | 0 |
| Foreign Affairs | 419 | 75 |
| Finance | 59 | 134 |
| Trade and Industry | 711 | 39 |
| Justice | 3 | 33 |
| Office of the Commission for Administration | 0 | 17 |
| Office of the Auditor-General | 36 | 0 |
| Office for Privatization | 61 | 85 |
| State President's Office | 0 | 0 |
| Office for Regional Development | 61 | 195 |
| Agriculture | 173 | 23 |
| Manpower | 13 | 12 |
| Mineral and Energy Affairs | 938 | 175 |
| National Health and Population Development | 24 | 116 |
| National Education | 30 | 27 |
| Environment | | |
| Affairs | | |

| Departments/Organizational Components | Posts created 1-1-91 to 31-12-91 | Posts abolished 1-1-91 to 31-12-91 |
|--|----------------------------------|------------------------------------|
| Education and Training | 4 359 | 627 |
| Development Aid | 1 188 | 503 |
| Public Works and Land Affairs | 40 | 32 |
| Central Economic Advisory Service | 5 | 0 |
| Constitutional Development Service | 5 | 0 |
| State Expenditure | 0 | 0 |
| Regional and Land Affairs | 30 | 0 |
| South African Communication Service | 73 | 26 |
| Transport | 50 | 36 |
| Water Affairs and Forestry | 18 | 25 |
| Provincial Administration of the Cape of Good Hope | 1 767 | 1 202 |
| Provincial Administration of Natal | 1 397 | 660 |
| Provincial Administration of the Orange Free State | 2 866 | 2 830 |
| Provincial Administration of Transvaal | 11 916 | 12 483 |
| Total | 30 434 | 22 757 |

Notes

- Above-mentioned figures only indicate posts created in civil departments
- Information with regard to service departments is not readily available
- The net increase in posts represents a growth of 3,10%
- In certain cases the abolishment and creation of posts reflect the transfer of a function from one institution to another

Post Office bank exempt from deposits Act

CAPE TOWN — The Post Office Savings Bank has been exempted from the provisions of the Deposit-Taking Institutions Act in terms of a notice in Friday's Government Gazette and will not have to comply with the DTI's prudential requirements. (58) (267)

The notice also extended the exemption of funding by repurchase agreements by stock brokers and financial instrument traders and principals for a further year. *81 Day 27/1/92*

A Reserve Bank spokesman said the exemption of such funding was originally intended to last only until proposals for levelling the playing fields between financial institutions had

LINDA ENSOR

been formulated by Finance Minister Barend du Plessis's special economic adviser, Japie Jacobs. As Jacobs' report was still pending, an extension of the exemption was necessary, he said.

The spokesman said the Post Office Savings Bank had been exempt from the provisions of the DTI in view of the fact that its funds were used to meet the Post Office's capital requirements.

The state was the sole shareholder of the bank which was regarded as a safe institution with a wide spread of small investors.

STAR 22/11/92
Post Office enhances urban centres with R20-m computer

Consumer Reporter **267**

The South African Post Office has bought Volkskas Bank's computer centre in Pretoria in what it describes as the first step towards setting up its own information systems division independent of Telkom SA.

A Post Office spokesman said consumers could now expect more efficient service when financial transactions were carried out at urban post offices.

Yesterday the Post Office said the new centre would serve as its main computer centre, with a back-up site to be located elsewhere.

"The purchase was well below the current construction costs of approximately R20 million," a statement said.

Over the next three years the equipment would be expanded at a cost of about R30 million in order to become totally independent of Telkom SA.

Stamp of approval for Post Office changes

W/med

10/11-16/11/92

(267)

Sweeping changes have been made in the posts and telecommunications sector — and unions are planning further action to press home their demands, reports

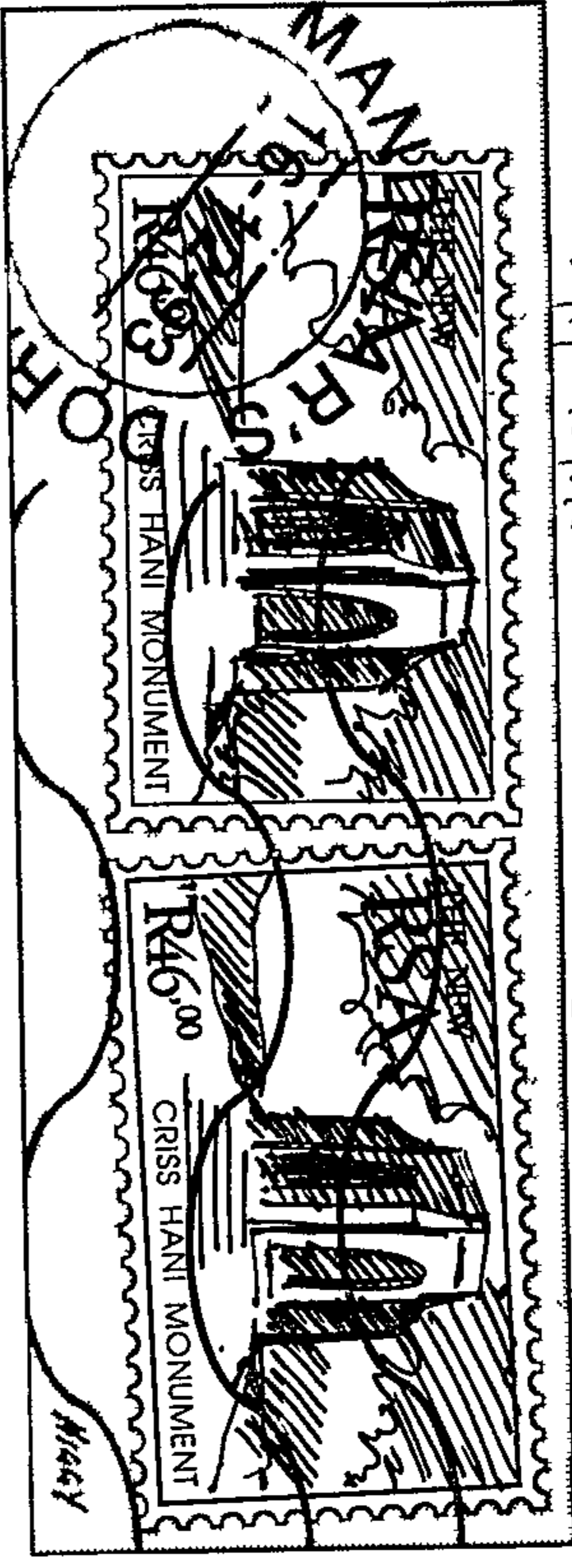
FERIAL HAFFAJEE

A FRESH breeze is set finally to blow through labour relations in the telecommunications sector — a sector long reknown for its conservative and oppressive labour policies.

Last month, major staff associations and employers signed an interim recognition agreement which for the first time included this group of public sector workers under the ambit of the Labour Relations Act (LRA).

The recognition agreement grants telecommunications workers the right to strike and to collective bargaining for the first time ever. It replaces the Post Office Services Act.

It goes further than the LRA by providing a "peace clause" stipulating



Finally getting up to date ... The telecommunications sector is changing its conservative labour policies

that no action may be taken against workers on an unprocedural strike for 24 hours after strike action and for 72 hours against workers on a legal strike.

This clause also recommends that negotiations begin as soon after strike action as possible.

The new dispensation is likely to also pave the path to unity among the various staff associations in the sector. The Post and Telecommunications Workers' Association (Potwa) says

that it will push for "sufficient representivity" as a prerequisite for inclusion in the bargaining unit.

According to Potwa assistant general secretary Sizwe Matshikiza, each staff association in the past had a single vote in the bargaining unit, regardless of membership. This allowed smaller groups the right of veto despite minimal membership.

Already, the mainly coloured Post Office Employees' Association of

South Africa and its Indian counterpart, the South African Post and Telecommunications Employees' Association, have approached Potwa about starting the unity process. A meeting will be held later this month.

Grappling with this new regime will be the biggest challenge for management and employees, believes Potwa general secretary Mlungisi Hlungwane.

He says that already it is proving difficult for management to come to terms with the new procedures. The union has already been forced to negotiate a moratorium on disciplinary hearings because "there are clear indications that management is failing to apply the new agreement", alleges Hlungwane.

He says the union will stick by its principled stand against privatisation this year.

To this end, it will not negotiate separately with South African Posts and Telkor, the two companies created during the commercialisation of telecommunications last year.

Any further restructuring exercises in this sector are likely to meet union action, says Hlungwane and any action will be linked to the Congress of South African Trade Unions' demands for an economic negotiating forum.

But the major demand will be for centralised bargaining. The aim of the campaign will be to force Post Office management into joining a bargaining forum with all other public sector unions and employers.

Hlungwane also says Potwa's wage demands will exceed those of previous years and would be timed so that they are tabled before the Budget is presented to parliament.

He says that wage demands will not be tabled as across-the-board increases, but will take account of different grades.

The union is also likely to demand package medical aid, training and housing subsidies in forthcoming negotiations.

The Patterson grading system, the cause of strike action last year, has been altered to exclude the offending clauses. But, according to Hlungwane, the union will draft a clear policy for evaluation and promotion at its campaigns conference in February.

In the four years since it was established, the union has grown from strength to strength. It now has 21 000 members in South Africa and 3 500 in the homelands.

In addition, droves of white unskilled and semi-skilled workers are joining Potwa after it spearheaded action against the grading system, says Matshikiza.