

Draft 1! Work-in-Progress, Pending Further Consultation

Portfolio Committee on Communications

Draft Strategy and Programme for the Department of Communications for the Period until the 2014 Elections

20 August 2013

1. Status of this Paper

- 1.1. This is a **draft and is somewhat incomplete**. It will be finalized shortly following further consultations with you, and other stakeholders in the sector.
- 1.2. This paper sets out the broad strategy and programme and broad deadlines to achieve certain targets. We are still in discussion with key stakeholders, not least the state-owned companies (SOCs), to finalise more precise deadlines, and will do so shortly.

2. Broader Political Framework

- 2.1. The broad DOC strategy and programme for the August-May period has to be located within the framework of the National Development Plan (NDP), as contested as it is in parts, New Growth Path (NGP), relevant existing government policies. This paper focuses only on the period from now until the 2014 elections, but, obviously, whatever we do in this period, needs to relate to, and where necessary, **set the basis for far more effective service delivery in the 2014-2019 term**.
- 2.2. The ICT sector has a key role to play in the country's economic growth, development and job-creation goals.

3. The Present Communications Terrain

- 3.1. Below is a very brief sketch of key aspects of the Communications terrain at present.
- 3.2. The DoC has been going through a challenging time in the recent period, and in some senses, for quite some time, and is relatively weak and divided. There is an inclination among the senior managers to settle old scores and create new spaces for influence in the current period. There are accusations, often in the public domain, of some officials committing offenses but concrete evidence in this regard is often inadequate. We are very clear that corruption must be rooted out, but we also need to be sensitive to how officials are smeared with false accusations of corruption as part of the feuds over power and

hegemony in the department. We are aiming to secure greater unity and coherence of the Department and making it more effective, part of which entails tackling corruption very decisively. So let us be very clear: corruption is out in all its forms, including falsely accusing officials with the aim of destroying them to advance the narrow self-interests of the accusers! Yes, the Department is challenged in several ways. And if it is not as good as it should be, it is certainly not as bad as is made out in the public domain. It needs to be stressed that **while, overall, the Department is challenged, it does have skills and experience, and potential that needs to be harnessed to ensure that it is far more effective. In short, for all its inadequacies, the department is certainly capable of doing better.**

3.3. Director General Rosey Sekese won her case against the previous Minister in the Labour Court. For a variety of reasons, including the legal case she won, the need to avoid paying out senior officials unnecessarily, the court challenges that might follow, the limited period left before the elections, the time it takes to appoint a new DG, the work effort of the current DG and the increasing willingness of most of the senior managers (even if some of them grudgingly) to work with her, it has been decided **for now** by the Minister and Deputy Minister to leave Ms Sekese as the DG until the elections, after which the incoming executive can review this decision, if it is necessary. Negotiations with the DG on delegation of powers and functions to her have begun but not been completed because:

3.3.1 There are outstanding issues between the DG and the Parliamentary Portfolio Committee that need to be addressed.

3.3.2 There are some questions relating to consistency with the Public Finance Management Act (PFMA) of some of the DoC decisions taken that are being investigated that need to be finalized.

As soon as these above matters are finalized, shortly, final decisions will be taken about the role of the DG.

In respect of some of the issues raised by the Portfolio Committee previously, it has to be pointed out that Minister Lindiwe Sisulu and the Chief State Law Advisor, Adv Enver Daniels, were consulted, and they both confirm that there are no investigations being undertaken into the DG's behavior.

3.4. As is well-known, the SOCs and other entities falling within this portfolio have capacity, resource and other challenges.

3.5. The trade unions in the sector are not as strong as they should be.

- 3.6. The most vocal and prominent NGOs in the sector find the government inadequate in our performance and often challenge us in different forms.
- 3.7. The potential for community media is not being sufficiently developed.
- 3.8. As a whole, however, while the Communications sector is challenged for a variety of structural and other objective reasons and also subjective reasons, **there is sufficient potential, and certainly more than is made out in the public domain, for the Communications sector to contribute far more effectively to the country's economic growth, development and job-creation goals.**
- 3.9. **But clearly government cannot do it alone. We need the active participation of parliament, business, NGOs, CBOs and other sections of civil society including technical experts and ordinary people.**

4. Consultations within the Communications Sector for the Past 5 Weeks

- 4.1. There have been exchanges with a wide range of stakeholders in the Communications sector over the past 5 weeks to consider what we should prioritise in the limited period ahead until the 2014 elections, and over the 2014-2019 term, and to consider what role they can play in meeting important goals. These exchanges have included the SOCs, Telkom, ICASA, mobile operators, broadcasters, SANEF (South African Editors Forum) trade unions, business, NGOs, technical experts, and individual commentators.
- 4.2. Meetings have been held with the senior managers and the staff generally of the Department to hear what they have to say and to make it clear that the Deputy Minister and I will be exercising stringent strategic and political oversight of the Department.
- 4.3. The focus here will be on the SOCs, ICASA and Telkom as key entities within our portfolio. These meetings were mainly to hear what they had to say about where they are and what support they wanted from DoC, and to also communicate that we intend to be very active in our engagement with them within the Constitutional and legal framework that defines our role.
- 4.4. There have been 2 meetings with the SABC Board and management, and one with the staff and trade unions. A Joint Task Team (JTT) comprising the SABC, the AG's Office, National Treasury and DoC has been established to among other issues deal with:

- 4.4.1 Finalising the shareholder compact.
 - 4.4.2 Finalising key managerial positions.
 - 4.4.3 Progress on Digital Migration.
 - 4.4.4 The financial sustainability of the SABC.
 - 4.4.5 The location of the 24-hour News Channel in the overall strategy of the SABC.
- 4.5. With due recognition of its independence, a meeting was held with the council, management and staff of the Independent Communications Authority of South Africa (ICASA) to see what support can be offered to ensure that it is more effective and discuss various other issues.
 - 4.6. Of course, Telkom is a listed company, but government is a major shareholder and policy maker, and we need to manage these two roles in ways that are consistent with corporate governance principles and norms. We met with the Chairperson and CEO to discuss various issues.
 - 4.7. We met the Board and Management of the Universal Service and Access Agency of South Africa (USAASA) and stressed the need for them to use their limited resources more productively and function more effectively. We urged that the disciplinary and other issues relating to allegations of misconduct be dealt with swiftly. We also discussed the need for greater cooperation between DoC and USAASA, especially on school connectivity and Broadband. USAASA will also need to cooperate effectively with SAPO on the distribution of the subsidy on the Set Top Boxes (STBs). A JTT has been set up to take issues forward.
 - 4.8. A meeting was held with the ICT Policy Review Panel to get a report on progress and set firmer deadlines. We committed to providing more resources and other support to ensure that the Panel is able to function better and quicker
 - 4.9. We met with the South African Post Office (SAPO) and dealt with the need to finalise the Board vacancies, declines in the use of mail services, ICASA regulations relating to SAPO's market and expected financial losses. A JTT has been established to address these issues.
 - 4.10. We met with Sentech and discussed the need for more effective cooperation with the SABC. We stressed that all key vacancies should be filled as soon as possible and that we would assist with the process. Sentech are to launch in FreeVision, a digital satellite platform in September. It will initially air the SABC Free to Air channels as well as the eTV 24 hour news channel.
 - 4.11. At our meeting with the National Electronic Media Institute of South Africa (NEMISA), we discussed the transfer of the DoC e-Skills Unit to

NEMISA and the merger with the Institute of Software Satellite Application. We also agreed to assist with their budgetary constraints to the extent possible.

- 4.12. We met with the Domain Name of South Africa (.zadNA) and agreed to assist with the finalization of the .zadNA Board. We also decided to meet with the ZACR (ZA Central Registry), which administers the central registry for domain names, to discuss their business model soon.
- 4.13. Over the next few weeks we will also be meeting a wide range of stakeholders, who will also be asked to comment on some of the key ideas in this draft document. By the end of this week we will have met all the cellphone service providers.
- 4.14. We have made it clear to the SOCs that we will provide clearer shareholder compacts for them and exercise more stringent oversight over them.
- 4.15. There is no endless populism here. After having consulted a fair range and number of the stakeholders, we will be decisive.

5. Broad DoC Strategy

- 5.1. As explained above, we will work within the frameworks provided in the NDP (contested though parts of it are), NGP, and the relevant government ICT policies adopted since 1994.
- 5.2. Our overall strategy has 6 key aspects for now:
 - 5.2.1 A more effective DoC: We are working on greater unity and coherence of the Department of Communication (DoC), filling in the critical vacant posts, and ensuring the Department functions in a more consensual way with ICT stakeholders and is more sensitive to the needs of consumers. Where there are genuine cases of corruption, and not smears and false accusations used to settle conflicts of power and hegemony within the department, we will act decisively within the law. Clearly, DoC can and must perform better. A major aim is to put DoC on a firmer foundation to perform better during the 2014-2019 term.
 - 5.2.2 Less fragmented and fractious ICT Sector: The ICT sector is too fragmented and fractious. Of course, there are the inevitable differences and fierce competition, but there is still space, despite the huge challenges, for a more consensual and cooperative terrain to be forged over time, and we can make some progress in this regard in the period up till the elections.
 - 5.2.3 Realistic and realizable goals in programme for period until 2014 Elections: With the 2014 elections looming, we have

about 8 months left before the end of our term. We are reviewing the Annual Performance Plan (APP) of the Department and setting realistic and realisable targets for the next 8 months. (This is set out in greater detail in the programme in Section 6 below.)

5.2.4 Firmer foundation for more effective service delivery in 2014-2019 term: But, importantly, we have to be strategic about what targets we choose for the 8 months ahead. They cannot just be ad hoc. They need to be linked to both creating a much firmer foundation for the next five-year term for faster ICT delivery and providing key elements of a 2014-2019 strategic framework.

5.2.5 Finalising the ICT Policy Review: The National Integrated ICT Policy Review has to be finalized as soon as possible.

5.2.6 NDP and NGP provide the framework: The ICT Policy Review and the strategy, programmes, projects and activities of DoC must be located within the framework provided by the NDP and NGP.

6. Programme

6.1. So what are key aspects of the programme up till the 2014 elections? **The APP will continue to be implemented. However, certain key aspects of the programme will be prioritized and where possible fast-tracked to the extent possible in difficult circumstances.**

6.1.1 Broadband Policy, Strategy and Plan: There has to be significant and realistic progress in broadband becoming more extensive, affordable and speedier. DoC completed a Draft Broadband Policy yesterday and the Draft Broadband Strategy and Plan will be completed by the end of September. **However we will still have to discuss the Policy, Strategy and Plan with other relevant government departments before we take it to Cabinet. We intend to finalise the process by the end of November.**

6.1.2 Develop an Effective Spectrum Policy: A Spectrum Policy to facilitate the deployment of wireless technologies in support of universal access and economic development will be developed by March 2014. Consistent with rolling-out Broadband, we will finalise our policy including high demand spectrum for Broadband.

6.1.3 Furthering Reducing the Costs to Communicate: We have to sensibly and sensitively set a firm foundation for a further reduction in the costs of communication. The needs of the users and the service providers will both be taken into account. A new policy directive on transparent pricing policy will be finalized by

the end of September. By the end of September we will be convening a pricing workshop as part of a consultative process on the cost-to-communicate. We are also engaging ICASA on their reviewing of Mobile Termination Rates.

6.1.4 Beginning the Roll-Out of Digital Migration: We have had several meetings with the broadcasters and other stakeholders in this regard. SENTECH has already provided about 80% of the country with the network for Digital Terrestrial Television and intends to reach 84% by March 2014. The remaining 16% of the country that cannot be accessed by the terrestrial network because of their geographic character will be serviced by satellite. The major stumbling block to progress are the disputes about whether the Set Top Boxes (STBs) should have "Control" or not. We have met the contending parties separately and have encouraged them to meet together, but there has not been much progress. We have therefore decided to bring the contending parties together by mid-September with a consensually agreed facilitator who combines technical expertise and negotiating skills to, under the broad supervision of the Ministry, work towards consensus on STB issues. Yes, as government we accept our share of responsibility for the delays in digital migration, but unless we get a measure of consensus among the broadcasters and other contending parties we are not going to be able to move swiftly forward. Provided we get consensus among the contending parties, we will be able to begin the roll-out digital migration within the next few months. However, if we fail to get consensus, we will of course go ahead after having considered all views.

6.1.5 Greater focus on the rural and other underserved areas: The digital divide between the haves and have-nots needs to be reduced, and we are going to place much greater stress on delivering in rural and underserved areas. We intend to connect 788 schools by the end of the financial year. This figure will be higher if our current negotiations with some of the operators on implementing their universal service obligations go well. SAPO has also committed to building 50 new post offices by the end of the financial year. The project on the National Address System will also be taken significantly forward. Discussions have already begun with the DoC, Statistician-General, CoGTA and SALGA on this matter.

6.1.6 Towards Greater Stability in the SOCs: The SABC and other SOCs and public entities in the ICT sector need to be made far more stable and effective. They need to be properly resourced, bearing in mind major budgetary and other constraints, but related to this, they have to use their available resources more productively. They also have to be more skilled. Joint Task Teams

(JTTs) have been established with most of them including representatives of the SOCs, DoCs and other relevant structures. Without interfering with their operational autonomy, and consistent with corporate governance rules and norms, we will, as the shareholder, be providing clearer shareholder compacts and exercising more stringent oversight of the SOCs.

6.1.7 Corporatisation of Postbank: Among the key issues to be addressed are: the Postbank Amendments Bill and South African Post Office Amendment Bill that are before Parliament; and the finalization of the licence issues and the Board members.

6.1.8 ICT Policy Review: A National Integrated ICT Policy Green Paper will be ready within 3 months. Public hearings will follow and a White Paper will be finalized either shortly before the 2014 elections or soon thereafter. Our programmes and activities will, to the extent possible, feed into and take into account the emerging Integrated ICT Policy.

6.1.9 National ICT Forum: A National ICT Forum bringing together government, the industry, trade unions, and other civil society roleplayers will be held in late November or early in 2014.

6.1.10 Community Media: There are about 133 licenced community radio stations which account for about 25% of the total radio listenership in the country. More needs to be done to support community media and the department will finalise a new Community Broadcasting Support Policy by the end of the financial year.

6.1.11 Legislation: Of course, we recognize that the parliamentary terms are brief in view of the elections, but we hope that the 4 Bills before Parliament will be processed before the 2014 elections. These are the Electronic Communications Amendment Bill, ICASA Amendment Bill, South African Post Office Amendment Bill, and the Postbank Amendment Bill.

7. Role of the Portfolio Committee

7.1. We take the NA and NCOP Communications Committee very seriously, and urge that you hold us effectively to account and exercise rigorous oversight of us. If we are to fulfill our role effectively, it is crucial that we have strong and active NA and NCOP parliamentary committees.

8. Let's just get things done!

- 8.1. Government cannot do it alone! We need a strong and effective parliament, more functional SOCs and other public entities in the Communications sector, active NGOs and other structures in civil society, a vigorous media and a mobilized public to achieve significant progress. We are keen to work with all of you, and urge you to engage with us.
- 8.2. Of course, there is much to do and with the elections looming, very limited time, and we may not be able to get all that we want to do done. But we should certainly try. And we most certainly will! **While we will seek to get as much done as possible in the period until the elections, the main aim, ultimately, is to set a firmer foundation for the Communications sector to deliver far more effectively in the 2014-19 term.**