



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

RESEARCH UNIT

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 8273 Fax: 27 (21) 403 8118
www.parliament.gov.za

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AN OVERVIEW OF THE DEPARTMENT OF TELECOMMUNICATIONS AND POSTAL SERVICES (DTPS) STRATEGIC PLAN (2015-2019) AND ANNUAL PERFORMANCE PLAN AND BUDGET (2015-2016)

1. Introduction

The purpose of this paper is to assess the Department of Telecommunications and Postal Services' Strategic and Annual Performance Plans for the year 2015/16. It also includes the link between the Departments' flagship programmes to the State of the Nation Addresses (SoNA), New Growth Path, and the recommendations of the National Development Plan. An attempt to analyse this Strategic Plan is made regardless of the unquantifiable targets of the Department as contained in the five programmes and the outstanding issues that they have failed to address over time.

2. OUTSTANDING ISSUES FROM THE DEPARTMENT AND IMPLICATIONS TO PARLIAMENT

2.1. Failure to provide National Broadband Master Plan and Initiatives

Since the financial crisis began, many governments around the world have looked at ways to use infrastructure investments to stimulate the economy. National broadband infrastructure includes both backbone networks and last-mile solutions. It is mainly fibre-based but also has wireless elements. It is not just for the big cities; it is for rural areas as well where the majority of the poor are located. In the first ever meeting between the Department and the Select Committee after the split with the Department of Communication, the DTPS indicated that there was a Broadband Master Plan outlining all entities involved and their roles and responsibilities and corresponding timeframes. Although, it can now be reasonably expected that the Department have finally found its footing (it is no longer a new Department), the committee is still to hear or even see that Master plan as promised.

2.2. Failure to implement section 76: Establishment of public emergency communication centres

The Department have for some time been in the process of implementing the Electronic Communications Act (ECA) in relation to the establishment of the 112 Emergency Call Centre. What is the latest regarding this matter/centre and does it have any relation to the Digital Terrestrial Television (DTT)?



2.3. Failure to implement cost of communication

In his first State of the Nation Address (SONA) in 2009, President Jacob Zuma lamented the high cost of communications, which the then Minister of Communications, Mr. Sipiwe Nyanda, vowed to bring down.

South Africa's ICT sector has not been accompanied by a realisation of the primary 1996 White Paper on Telecommunications policy objectives, which had envisioned balancing the provision of basic universal service to disadvantaged rural and urban communities with the delivery of high-level services capable of meeting the needs of a growing South African economy.

In South Africa there is very little pricing transparency to allow for any meaningful assessment by consumers or even the regulator of mobile communication prices. Operator tariffs are filed with the regulator, the Independent Communications Authority of South Africa (ICASA), without any process of assessment or objection and lowest price tariff calculators, set up by regulators and consumer groups in countries such as the United Kingdom, do not yet exist in South Africa.

2.4. Failure to co- implement 1996 White Paper on e-education that all 24 000 public schools would be connected by the year 2013

In 2001, the South African Government established the Presidential National Commission on the Information Society and Development (PNC on ISAD) which would advise Government on the optimal uses of ICTs to address South Africa's developmental challenges, with education as a key focus area. An 'ICT development plan' for South Africa was adopted in 2007. The vision of this *National Information Society and Development (ISAD) Plan* was to "establish South Africa as an advanced Information Society in which ICT tools and information are key drivers".¹

With over 11 million learners in over 24 000 public schools in the nine provinces,² the implementation of e-education policy in South Africa should have been one of the upper most priorities of the Department. However, in the past 12 years, e-education as a cross-governmental collaboration, has sadly not produced enough tangible results.

According to statistics published by the DoBE, at the end of 2011, out of a total of 24 000 ordinary public schools, only 5 714 had a computer centre (28.57 per cent).³ Of this total, only 2 449 computer centres are actually stocked with computer equipment. Thus only 14 per cent of the total number of public schools had computers.

¹ Isaacs, S. (2013)

² Ibid

⁵ The first phase of the NEPAD e-Schools Initiative was launched in 2006 in 16 African countries. Each country selected 6 schools to participate. In 2009, 10 of the selected countries completed their projects.

⁶ InfoDev (2007)



2.5. Implications to Parliament

In the previous Strategic Plans for 2012/13 and 2013/14, and the subsequent Annual Reports, the Department has frequently referred to schools connectivity of 1 650 schools. The number also includes the Dinaledi schools, which the Department either did not adequately connect or did not connect within the given timeframe. The problem with this figure is two fold:

- Firstly - this figure has also been reported by Telkom as part of Telkom's connectivity mandate to school;
- Secondly, previously the Department reported that there was as many as 30 schools of the 1650 that were connected using the "total solution" meaning some of the schools connected either have computers only, no network points, while others have network points without computers at all.

In this regard, Parliament must conduct in-depth oversight on the school connectivity figures cited by the Department and Telkom for the past and current plan. This should include the financial cost of this project, individuals involved, the method or criteria used to identify the schools, and the subsequent socio-economic benefit if any to the 1 650 schools.

3. OVERALL ANALYSIS OF THE 2015/16 ANNUAL PERFORMANCE PLAN-PROGRAMME OF THE DEPARTMENT

The Department has identified four flagships programme to modernise society through the roll-out of ICTs that will impact the livelihoods of all South Africans. These key projects are underpinned by lowering the cost of using and delivering services through modern technology.⁴ These programmes are:

- Roll-out of Postal and Postbank services;
- Broadband;
- E-Government; and
- Addressing Cybercrime.

⁴ Cwele, S.(2015), pg. 2



3.1.1. Economic classification

During the current (2015/16) financial year, the Department has been allocated R1.4 billion. Of this amount, R679 million or 48 per cent of the total allocation is allocated to current payments with compensation of employees amounting R191 million and goods and services amounting to R488 million.

3.1.2. The Impact of the Strategic Plan to the Broadcasting (signal distribution), Postal and Telecommunications sector

ICTs are driving innovation, labour productivity and growth. Their applications are also key enablers for “greening” society and all sectors of the economy, and thus for laying a new path for green growth and green jobs. Top areas of these green ICTs applications include “smart” electricity grids, “smart” transport systems, “smart cities,” and “smart” buildings, for improving resource efficiency.

Whilst acknowledging the situational analysis conducted by the Department, it however, does not provide an in-depth ICT market analysis. A short and long-term forecast of the sectors growth and the anticipated policies (assessing the economic deployment of wireless access broadband in emerging markets; drivers for investment in broadband networks; spectrum policy, the broadband value chain of broadband, etc.). The Strategic Plan is also silent on how implementation of the 2015/16 Strategic Plan will impact upon the sector.

3.2. Programme Analysis of the APP

3.2.1. Programme 1: Administration

The purpose of this programme is to provide strategic support to the ministry and overall management of the Department.⁵ The Department has been operating without a Chief Financial Officer (CFO) for over 4 months during the 2014/15 financial year. This is not the first time this problem was occurring. In the past the Department has operated without a CFO for a period longer than three years.

- *The use of consultants and professional services (business and advisory services)*

During 2014/15 financial year, under the current payments portion of this sub-programme, the Department was allocated R22.3 million, of which only 1 per cent or R0.2 million had been budgeted for professional consultants. During the 2015/16 financial year, R5.7 million has been budgeted for consultants from the allocation of R31.0 under current payments. This means the Department has budgeted 18.3 per cent for professional consultants in the current financial year, which is a big jump from the previous year's allocation of 1 per cent.

⁵ Department of Communications (2012)



It should be remembered that in a presentation to SCOPA in Parliament during the 2013/14 financial year, the Auditor-General had found that many Departments spent money on consultants even for activities where there are personnel employed to perform those functions.⁶

- Does the Department have a formal strategy document for career planning and pathing in place for employees? The Department did not have this in the past financial years.
- Have all senior managers and employees signed their individual performance contracts in the financial year?
- The Department has consistently under-achieved in compliance with gender representation legislation or on policy of the country. For instance in 2009/10, the Department achieved 41.57 per cent gender representativity at Senior Management Services (SMS) level and 2.6 per cent representativity of people with disability. In 2011/12, the Department achieved 40 per cent female representation at SMS level and 1.6 per cent representation of people with disabilities. However, in the current financial year, there is no quantifiable target and the Department only states that organisational change interventions focusing on culture, management and performance were implemented. What informs this ambiguity?

3.2.2. Programme 4: ICT Enterprise and SOC Oversight

The purpose of this programme is to oversee and manage Government's shareholding interests in ICT public entities. This programme also facilitates growth and development of Small Micro Medium Enterprises (SMME).⁷

3.2.2.1. Rural Connectivity Mandate

Since the year 2013, the Department of Rural Development and Land Reform's (DRDLR) has identified effective deployment of ICT infrastructure as one of the key interventions for developing rural communities in far flung areas. This has led to the implementation of the e-Rural Access Programme (e-RAP) which is one of the programmes within DRDLR. It addresses key aspects of the information society and rural development.⁸

The e-RAP's goal is to accelerate socio-economic development in rural South Africa through the innovative use of ICT; to make online resources, information and services a reality to rural communities; and to promote knowledge-based economies in rural South

⁶ Auditor-General of South Africa (2013)

⁷ Department of Communications (2010)

⁸ Ibid



Africa. Furthermore, the e-RAP's purpose is to improve the quality and efficiency of front-line government service delivery, and contribute towards increasing public participation in rural development by driving ICTs within rural South African communities.⁹ What is the level of co-operation/collaboration with the DRDLR on this function?

3.2.3. Programme 5: ICT Infrastructure Support

The purpose of this programme is to promote investment in robust secure reliable ICT infrastructure that supports the provision of a multiplicity of applications and services.¹⁰

3.2.3.1. Broadband

South Africa's ambitious broadband rollout plan has received a R1 billion boost intended to connect more than 1 000 government buildings and 900 schools in the next three years. The budget spend announced by finance Minister Nhlanhla Nene is part of the national strategy to improve national broadband penetration. According to National Treasury, buildings will be connected as part of a strategy to provide broadband access to 50 per cent of the population by 2016 and 90 per cent by 2020. This objective is repeated in government's Medium Term Strategic Framework (2015-2019).¹¹ However, the State of the Nation Address (SoNA) mentioned 100 per cent broadband penetration by 2020.

For broadband to be rolled out, four critical issues must be mapped out:

- The Department must expedite/complete and roll out a policy study of broadband frequencies;
- The Department must have an adequate capacity to coordinate the rollout of broadband to in line with the broadband master plan, stringent monitoring and evaluation of activities by each entity involved (even those outside of the Department's portfolio);
- According to Medium Term Expenditure Estimates, the Department will be allocated R1.5 billion in the 2016/17 financial year and in 2017/18 the budget decreases to R1.3 billion. Given the fact that government requires close to R50 billion to rollout broadband, the question is where will this additional amount come from?; and
- Lack of clarity on implementation plans role and responsibilities, funding will certainly hamper government efforts to spread broadband beyond the 16 per cent of the population that currently with has access.

⁹ Ibid.

¹⁰ Department of Communications (2011).

¹¹ Medium Term Strategic Framework (2015-2019).



4. Implications for Parliament on Financing of Broadband

- Has there been an engagement between the Department and National Treasury on how the required allocation will be sourced in order to adequately fund broadband?
- Is there a signed a Memorandum of Understanding between the Department and the District Municipalities identified for broadband rollout during phase one which commences in this financial year?

4.1. Private and Public Partnership Broadband

The 2015/16 Strategic Plan of the Department does not cater for Private-Public Partnerships, yet President Jacob Zuma pronounced that Telkom will be a lead or broadband champion in the roll-out of broadband.

Secondly, an integrated Broadband Master Plan must prioritise private-public partnerships for broadband to ensure that these activities facilitate capital investment, innovation and cater rural access.”¹²

4.2. E-Government

The purpose of public services is to serve the public, whether that is a citizen or a business. The Government should be committed to taking action to ensure that, in these economically difficult times, public services are delivered better than before, and that the improvement is continuous.

E-Government is a very important element of that Plan as it sets out a vision of what needs to be done to deliver services online. However, the South African Government needs to embrace the potential improvements offered by emerging technologies, like smartphones and tablet devices, that are transforming the ways in which people access information and services. Government needs to look at how new technologies can improve how it conduct its business and serve the general public.

There is a link between broadband roll-out and job opportunities, and between broadband roll-out and e-government. The Department's Strategic Plan acknowledges this, stating that it “is envisaged that through the identified broadband interventions, jobs will be created as a result of infrastructure deployment and other related down-stream activities. By ensuring that such infrastructure is deployed in rural and under-served areas, it is envisaged that the delivery of e-Services will contribute to bridging the digital divide and promote service delivery”.¹³

To achieve this, the Department must achieve the following key principles:

¹² Ibid

¹³ Department of Communications(2013) Strategic Plan



- A clear understanding that the needs of citizens and businesses are at the centre of e-Government;
- Public services should be delivered through the most appropriate channels;
- E-Government should reduce the administrative burden for citizens and businesses;
- E-Government projects should reflect Business Process Improvements, delivering demonstrable efficiency, effectiveness and value for money gains; and
- Public Bodies should work to ensure that the online channel is the most attractive option for customers.

4.3. Cybercrime

In the past, the Department told Parliament that the Cybercrime policy it had developed was now in the Justice and Crime Cluster.¹⁴

5. Auditor-General's Recommendations to the Department of Communications

- The vacancy rate of the Department is high, at over 10 per cent and is well beyond 8 per cent which is the Public Service threshold;
- Despite several commitments made by the Department to fill positions, the Department filled position for less than six months, after operating without a Chief Financial Officer for a period longer than three years. The Department appears to be without a CFO for about four months of the 2014/15 financial year.
- Despite several recommendations, the approved Disaster Recovery Plan has not been implemented by the Department.¹⁵
- When will the Department complete and achieve the following studies:

Infrastructure Mapping;
ICT Sector Performance Analysis; and
Research partnership?
- Section 71(1) of the Act which relates to the Electronic Communications and Information Communication Technologies (ICT) Museum, says 'the Director-General must establish and manage a museum that depicts the evolution and the history of ICT sector in the country'.¹⁶ Have this been implemented yet?

¹⁴ Department of Communications(2013)

¹⁵ SITA advised the department to procure new hardware and software for the back-up site identified in November 2012. A budget was not available for the procurement and a request was submitted to Treasury.

¹⁶ Section 72(1) of the Electronic Communications Act.



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