

Presentation to Portfolio Committee on Telecommunications
&
Postal Services

Committee Chairperson - Honourable Ms. Mmamoloko Kubayi

USAASA & USAF Strategic Plans &
Annual Performance Plans

12 April 2016

"Universal Access and Service to ICT for All"

USAASA

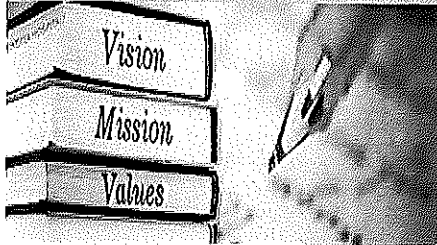
Universal Service and Access Agency of South Africa





- Vision, Mission & Values
- Legislative Mandate
- Policy Drivers
- Links to Department of Telecommunications and Postal Services (DTPS) Plans
- USAASA Strategy Implementation Plan
- USAASA 2016/17 – 2018/19 Year Funding Outlook
- USAASA Corporate Strategic Risks
- USAF Strategy Implementation Plan
- USAF Corporate Strategic Risks
- Conclusion

Vision, Mission & Values



Mission:

- To facilitate the rollout of adequate Information and Communication Technology (ICT) infrastructure to enable universal access to under-serviced areas in South Africa.
- To facilitate ICT service to under-serviced areas and thereby contributing to the reduction of poverty and unemployment in South Africa.
- To promote and pursue the goal of Universal Access and Services and contribute to the sharing and preservation of information in order to build South Africa's sustainable knowledge society.

Values:

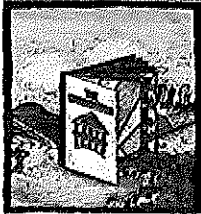
- **Batho Pele** – We believe in providing excellent, efficient and effective service to all customers and stakeholders.
- **Integrity** – We uphold high standards of trust; condemn bribery and corruption; and uphold honesty and respect in all interactions with stakeholders.
- **Accountability** – We foster employee ownership and responsibility in ensuring quality service.
- **Innovation** – We support employee creativity in delivering all our services.
- **Transparency** – We encourage openness in all our activities.
- **Teamwork** – We strive to create a harmonious work environment, where all employees and contributors are respected.

Vision:
"Universal
Access and
Service to ICT
for All".



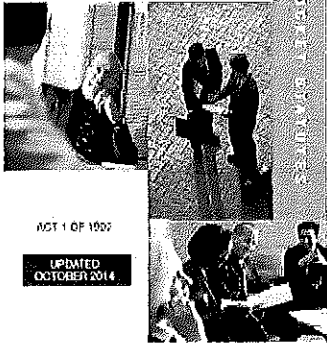
The Constitution

of the Republic of South Africa, 1996



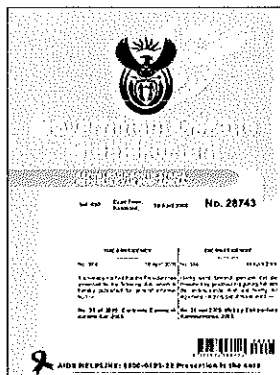
- **Constitution**
- **Public Finance Management Act (Schedule 3A)**
- **Electronic Communications Act (ECA) - In terms of the ECA the Agency must (amongst others):**

PUBLIC FINANCE MANAGEMENT ACT & REGULATIONS



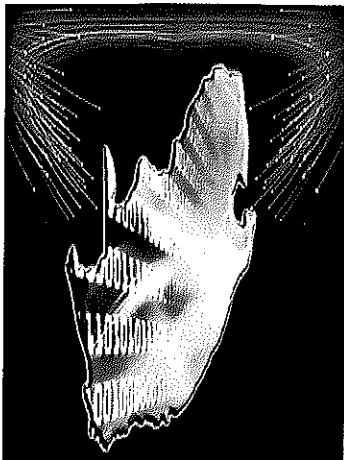
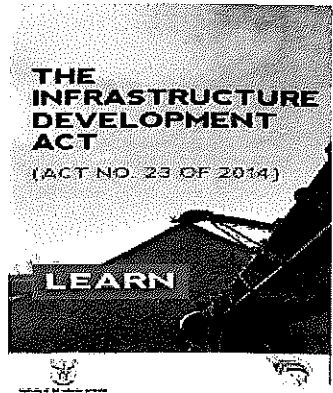
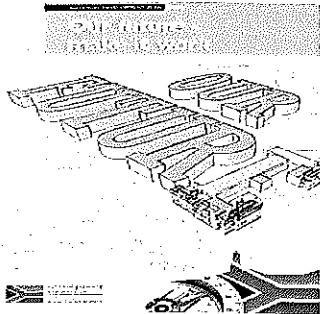
ACT 1 OF 1997

UPDATED OCTOBER 2014

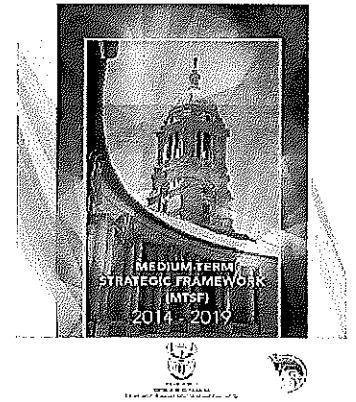
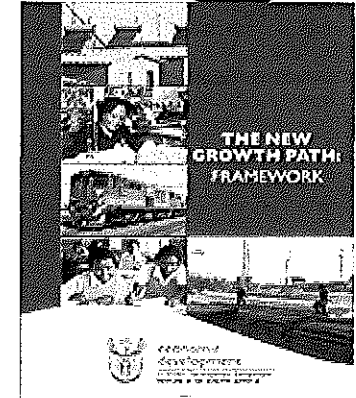


- strive to promote the goal of universal access and universal service;
- foster the adoption and use of new methods of attaining universal access and universal service;
- make recommendations to enable the Minister to determine what constitutes universal access, universal service and under-serviced areas;
- conduct research into and keep abreast of developments in the Republic and elsewhere on information communication technology, electronic communications services and electronic communications facilities;
- make recommendations to the Minister in relation to policy on any matter relating to universal access and universal service;
- advise the Authority (ICASA) on any matter relating to universal access and universal service; manage the Universal Service and Access Fund (USAF) in accordance with the provisions of the Act;
- submit annual reports on its operations, budget and expenses to the Minister;
- Provide incentives to network licensees to construct operate and maintain networks in under-serviced areas.

Policy Drivers



- NDP goals that influence USAASA and USAF's strategies include:
 - 100% broadband penetration by 2020 (>2mbs).
- New Growth Path strategies:
 - New Growth Path target: creation of 100,000 new jobs by 2020 in the knowledge-intensive sectors of ICT, higher education, healthcare etc.
- SIP-15: Expanding Access to Communication Technology
 - AIM: 100% access to digital ICTs for all South Africans by 2020 as a driver of new economic opportunities and digital equity. Interim implementing agencies include: Sentech, Broadband Infracore, Telkom, SANRAL, Eskom, Transnet, **Universal Services and Access Agency of South Africa (USAASA)** and the private sector.
- Medium – Term Strategic Framework:
 - Connect all schools, public health and other government facilities through broadband by 2020, and at least 90% of communities should have substantial and superfast broadband capacity by 2020.
 - Support and develop free-Wi-Fi areas in cities, towns and rural areas.
- South Africa Connect:
 - Affordable broadband available nationally, to meet the diverse needs of public and private users, both formal and informal, consumers and citizens.





DTSPS Strategic Goal (SG)1 - Broadband connectivity that provides secure and affordable access for all citizens to education, health and other government services and stimulates economic development.

USAF goals linked to DTSPS SG1:

- Current under-serviced areas connected through affordable, available, sustainable and qualitative broadband.
- Innovative ICT offerings that respond to the needs of education, primary health care and government institutions in under-serviced areas.

DTSPS Strategic Goal 4 - Optimally functional Department and SOCs that effectively deliver on their respective mandates.

USAASA strategic focus areas linked to DTSPS SG 4 include the following:

- Optimising organisational efficiency to support USAF project delivery .
- Availability of automated, integrated and responsive IT systems.
- Promotion of good stakeholder relations to enhance USAASA and USAF brands.
- Promotion of legal and regulatory compliance.

USAASA Strategy Implementation Plan



Strategic Objective	Key Performance Indicator	MUSF Target	Year 1 Target 2016/17	Year 2 Target 2017/18	Year 3 Target 2018/19	Responsible Unit
Optimise organisational efficiency	Training and development programmes aligned to organisational strategy	Well-resourced and capacitated organisation that delivers on its mandate	Implementation of organisational Work Skills Plan (WSP)	Review Annual Work Skills Plan Implementation of training and development strategy	Review Annual Work Skills Plan Monitor and evaluate alignment of organisational structure & training and development strategy to organisational strategy	Human Resources
	Optimally functional HR policies and systems aligned to organisational strategy	Ensuring Human Resources (HR) policies and systems optimally support the organisational strategy	Review and implement functional HR policies Develop and Implement an HR Service Level Agreement (SLA)	Review and implement functional HR policies Review and Implement an HR Service Level Agreement (SLA)	Review and implement functional HR policies Review and Implement an HR Service Level Agreement (SLA)	
Availability of automated and integrated business processes	Automated and integrated business processes	ERP system implemented, and business processes integrated to enhance organisational effectiveness and efficiency	ERP system rollout and system usage	ERP system support and maintenance	ERP system support and maintenance	Information Technology
Ensure availability of responsive IT systems	Percentage availability of business systems	99% Availability of Business Systems	98.5% availability of business systems in line with approved IT SLA	99% availability of business systems in line with approved IT SLA	99% availability of business systems in line with approved IT SLA	Information Technology

USAASA Strategy Implementation Plan

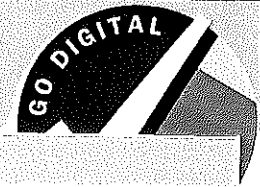
Strategic Objective	Key Performance Indicator	MISF Target	Year 1 Target 2016/17	Year 2 Target 2017/18	Year 3 Target 2018/19	Responsible Unit
Provide legally sound services to the Agency	Number of days for providing legal services in accordance with relevant legislation and policy	Promote legal compliance by providing sound legal services within the stipulated timeframes	Ensure sound legal services are provided to the Agency	Ensure sound legal services are provided to the Agency	Ensure sound legal services are provided to the Agency	Legal Services
USAASA established as a centre of excellence for universal access and universal service markets information, knowledge and expertise	Information on provision of universal access and universal service	Continuous measurements of access gaps with a view to inform policy and regulation, and the dissemination of the findings on universal access and universal service	Monitor and evaluate the impact of universal access and universal service provision on access gaps and disseminate the findings	Review of universal service and access models to foster sustainability of ICT access	Monitor and evaluate the impact of universal access and universal service provision on access gaps and disseminate the findings	Research, Policy and Regulatory
Promotion of good stakeholder relations for purposes of enhancing the USAASA & USAP brands	Positive messages about the Agency on media and social platforms	Promotion of good stakeholder relations	Implementation of the Stakeholder Engagement Strategy and Integrated Communications Policy	Development and implementation of an annual Stakeholder Engagement Plan	Review and implementation of the annual Stakeholder Engagement Plan	Stakeholder Engagement
Promotion of legal and regulatory compliance	Clean administration in compliance with applicable legal and regulatory prescripts	Promotion of legal and regulatory compliance	Compliance with the Public Finance Management Act (PFMA) and Treasury Regulations	Compliance with the Public Finance Management Act (PFMA) and Treasury Regulations	Compliance with the Public Finance Management Act (PFMA) and Treasury Regulations	Corporate Governance



	2015/16 Budget	2016/17 Budget	2017/18 Budget	2018/19 Budget
Rand thousand	R'000	R'000	R'000	R'000
Economic classification:				
Employee Compensation	41 161	43 713	46 686	49 393
*Goods and services	221 268	25 270	28 933	30 612
Interest, dividends and rent on land	-	62	65	69
Total Expenditure	262 429	69 045	75 684	80 074
*CAPEX amounts included in Goods and Services:		1 117	3 380	3 576

- The USAASA budget allocation is for administrative expenses including employee costs, operational expenditure and capital expenditure (CAPEX).
- The 2015/16 budget was significantly higher than the subsequent years due to an additional allocation of R196 million for the Broadcasting Digital Migration project management and distribution costs.
- The CAPEX amounts included in Goods and Services relate to IT equipment, furniture and fittings.

USAASA Corporate Strategic Risks



Risks	Mitigation Plan	Timeframes
Inadequacy of the skills set to deliver on the USAF targets	Migration to the Organisational Development structure Positions that become vacant to be filled with technical personnel – focus will be on capacitating Operations with technically qualified employees	Ongoing process
Lack of institutionalisation of the ERP system	Change management: to ensure employee buy-in Decommissioning of legacy systems ERP system training Incorporating SAP training in the induction programme	2016/17 Financial year
Inability to effectively recover should a disaster occur	Develop a Business Continuity Plan Periodic testing to determine availability of business systems	2016/17 Financial year
Failure to produce GRAP compliant financial statements resulting in an undesirable audit opinion	Ensure that the preparers of the financial statements are involved in continuous professional development (GRAP updates)	2016/17 Financial year
Lack of clarity on the role of USAASA in the implementation of South Africa Connect	Maintain a communication programme with stakeholders on the role of USAASA in implementing South Africa Connect	2016/17 Financial year
Negative stakeholder perceptions and their impact on business imperatives	Vigorous and continuous campaigns targeting key stakeholders to share the USAASA and USAF successes and to ensure stakeholders support the vision of the Agency	This is to remain a focus area for the entire MTSF period of 2016/17 2020/21
Inability to continue operating for the foreseeable future due to declarations made in the ICT review recommendations document	USAASA to engage with DTPS and relevant stakeholders	2016/17 Financial year



The Universal Service
&
Access Fund



Strategic Objective	Key Performance Indicator	Year 1 Target 2016/17	Year 2 Target 2017/18	Year 3 Target 2018/19	2016/17 Budget R'000	2017/18 Budget R'000	2018/19 Budget R'000
To provide access to ICT services in 6 identified under-serviced areas	Accessible network coverage in identified underserved areas	02 under-serviced local municipality broadband projects initiated & completed in OR Tambo District Municipality in the Eastern Cape	01 under-serviced local municipality broadband project initiated & completed	01 under-serviced local municipality broadband project initiated & completed	R32 634	R34 527	R36 529
To facilitate the broadband connectivity of educational institutions, primary health care facilities and government institutions	Number of existing broadband network connections maintained in educational institutions, primary health care facilities and traditional ICT centres	Maintain broadband network connectivity in 127 schools, 93 clinics and 38 traditional ICT centres	Maintain broadband network connectivity in 128 educational institutions, 93 clinics and 38 traditional ICT centres	Maintain broadband network connectivity in 129 educational institutions, 93 clinics and 38 traditional ICT centres	R18 776	R19 865	R21 017
To fund digital television access equipment for qualifying TV-owning needy households	Number of set-top boxes & antennas procured and installed for qualifying needy TV-owning households	58 460 set-Top Boxes & related accessories procured and installed for qualifying needy TV-owning households	181 399 set-Top Boxes & related accessories procured and installed for qualifying needy TV-owning households	191 920 set-Top Boxes & related accessories procured and installed for qualifying needy TV-owning households	R589 384	R272 098	R287 880

Risks	Mitigation Plan	Timeframes
Inability to deliver on the USAF mandate due to inadequate relevant technical skills pool	Expediting the finalisation of the organisational development process in order to ensure the organisational structure fully supports the USAF mandate	2016/17 Financial Year
Inadequate availability of funding to facilitate the rollout of integrated broadband infrastructure in identified under-serviced areas by 2021	Engage National Treasury, DTPS, ICASA and other relevant stakeholders in order to drive the process of increasing the current 0.2% levy to 1%	2016/17 Financial Year
Low uptake and usage of the digital broadcast services. Delivery of Set-Top boxes is guided and / or influenced by uptake levels	USAASA to engage the Department of Communications to facilitate a public relations strategy and campaign with the purpose of enhancing public awareness around the DTT project	2016/17 Financial Year
Negative stakeholder perceptions and their impact on business imperatives	Vigorous and continuous campaigns targeting key stakeholders to share the USAF successes and to ensure stakeholders support the vision of the Fund	2016/17 Financial Year
Inability to ensure affordable connectivity services	Implement the e-rate charges. This will ensure that the cost and efficiency benefits as regulated are reaped by the Agency and thus allowing it to connect more educational institutions and primary healthcare facilities. A 50% discount is applicable for: connectivity charges for internet access, charges for electronic communications facilities used for internet connectivity; and all call charges for access to the internet	2016/17 Financial Year
Inability to deliver on the USAF mandate due to inadequate relevant technical skills pool	Expediting the finalisation of the organisational development process in order to ensure the organisational structure fully supports the USAF mandate	2016/17 Financial Year
Inadequate availability of funding to facilitate the rollout of integrated broadband infrastructure in identified under-serviced areas by 2021	Engage National Treasury, DTPS, ICASA and other relevant stakeholders in order to drive the process of increasing the current 0.2% levy to 1%	2016/17 Financial Year

The ICT Policy Review Panel submitted recommendations to the Minister of Telecommunications and Postal Services that will have a direct impact on the Agency and its projects, albeit the precise impact remained uncertain at the time of developing the USAASA and USAF Strategic and Annual Performance Plans.

USAASA 2016/17 focus areas:

- Organisational development and re-alignment processes underway for a more effective USAASA.
- Implementation of the ERP system through a staggered approach prioritizing core SAP solutions such as Financial Management and Human Capital Management (incl. Payroll). The ERP system will provide an integrated approach to all business processes.
- Focus will remain on improved governance and accountability.

USAF focus will remain on the key areas of:

- Connecting communities and institutions through broadband infrastructure and access.
- Maintenance of connectivity to educational institutions and primary healthcare facilities.
- Implementation of the Broadcasting Digital Migration (BDM) programme.

Budget availability continues to limit the organisation's ability to accelerate the rollout of broadband and ICT connectivity in underserved areas.



THANK YOU

