**Annual Performance Plan 2021/22FY**

**Date: 4**

**th**

**May 2021**

# **Presentation Outline**

# 1.Vision Mission & Values 2.Mandate 3.Impact Statement and Outcomes 4.Situational Analysis 5.Strategic Focus Areas 6.Financial Resources 7.Key Risks & Mitigation Measures

## Vision, Mission and Values

### Vision

An inclusive digital economy


### Mission

To regulate electronic communications, broadcasting and postal services in the public interest

## Mandates – Legislation and Policy

### ICASA’s Legislative Mandates (Sustained Agenda)

* The Constitution of the Republic of South Africa, 1996
* The Independent Communications Authority of South Africa Act No. 13 of 2000
* The Broadcasting Act No. 4 of 1999
* The Promotion of Administrative Justice Act No. 3 of 2000
* The Postal Services Act No. 124 of 1998

### ICASA’s Policy Mandates (Change Agenda)

* National Development Plan 2030
* Broadband Policy (SA-Connect), 2013
* MTSF 2021 - 2025
* 7 Government Priorities (Priority 2)
* Policy on High Demand Spectrum and Policy Direction on Licensing of the WOAN, 2019
* District Development Model
* Operation Vulindlela

### Impact Statement

|  |  |
| --- | --- |
| **Impact Statement** | **Access for all South Africans to a variety of safe, affordable & reliable communication services for inclusive economic growth** |

### Outcomes

|  |  |  |  |
| --- | --- | --- | --- |
| **Outcome** | **Outcome Indicator** | **Baseline** | **Five Year Target** |
| Access to quality broadband services increased | Average Download Speed | 15 Mbps | 50 Mbps |
| Status of Social Cohesion (inclusive of diversity of views) enhanced | Percentage of status of SocialCohesion (inclusive of Diversity Views)enhanced | - | 50% |
| Rights of Consumers Protected | Level ofConsumer RightsProtection | - | 5 |
| Competition in the ICT sector promoted | Number of procompetitiveregulatory interventions | 3 | 15 |
| Organisational service delivery maintained | Percentage of organisationalservice delivery maintained | 91% | 91% |

**Situational Analysis**

### Situational Analysis – external environment (PESTLE analysis)

Sub optimal funding model

High unemployment rate

(

especially amongst youth)

Litigation as an inherent threat to

regulatory processes

Subdued GDP growth

Technological advancement (5G

deployment and 4IR)

EMF concerns regarding

infrastructure deployment and

frequency emissions

P

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T

L

E

### Situational Analysis – internal environment (SWOT analysis)

**Clear**

**Legislative**

**Mandate**

**Suboptimal**

**Funding**

**Model**

**Enabler for**

**technological**

**innovation**

(5

G

deployment,

4

IR etc.

)

**Litigation**

S

W

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T



**Strategic Focus Areas**

**Strategic Focus Areas**

**Broadband Access**

ASSIGNMENT OF HIGH

DEMAND SPECTRUM

Development of specifications for

connectivity of TVET campuses and

Community Education and Training sites

Recommendations towards enabling South

Africa's uptake of 5G technologies

Update of National

Radio Frequency Plans, implementation of

Frequency Migration

#### **Promotion of Competition**

DRAFT REGULATIONS ON SUBSCRIPTION TV

BROADCASTING MARKET

Regulations on Mobile

Broadband Services

Market

Review of 2018 Call

Termination Regulations

Discussion Document on Signal Distribution

Services Market

**Organisational Delivery**

#### IMPROVE AUDIT OUTCOMES

Maintain risk maturity level and enhance level of organisational compliance

Maintain staff vacancy rate at 7%

Fiscus shoring – license fee collection and transfer to NRF

 **Social Cohesion Consumer Protection**

REGULATIONS ON MUST

RESOLUTION OF RADIO

CARRY REGULATIONS

FREQUENCY

|  |
| --- |
| Resolution of Consumer complaints  |

|  |
| --- |
| Implementation of Municipal Elections Monitoring Plan  |

INTERFERENCE CASES

|  |  |  |
| --- | --- | --- |
| Licensing of digital community television broadcasting services on MUX 1  |  | SAPO Tariffs Review |
|

|  |
| --- |
| Licensing of Commercial Sound broadcasting services in the Northern Cape  |

 |

|  |
| --- |
| Finalisation of regulations on customer care in the postal sector  |

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Plans

**Financial Resources**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of Financial Performance** | **Medium-term estimate**  |  | **Average growth rate****(%)**  | **Expen-****diture/ total:****Average (%)**  |
| **R thousand** | 2021/22 | 2022/23 | 2023/24 | 2020/21 - 2023/24  |
| **Revenue** |  |  |  |  |  |
| **Tax revenue** | – | – | – | – | – |
| **Non-tax revenue** | 16 084 | 16 682 | 17 433 | 4.6% | 3.2% |
| **Sale of goods and services other than capital assets** | – | – | – | – | – |
| **of which:** |  |  |  | – |  |
| **Administrative fees** | – | – | – | – | – |
| **Sales by market establishment** | – | – | – | – | – |
| **Other sales** | – | – | – | – | – |
| **Other non-tax revenue** | 16 084 | 16 682 | 17 433 | 4.6% | 3.2% |
| **Interest, dividends and rent on land** | 16 084 | 16 682 | 17 433 | 4.6% | 3.2% |
| **Transfers received** | 459 990 | 469 431 | 473 947 | -7.1% | 96.8% |
| **Tax benefit** | – | – | – | – | – |
| **Outside shareholders Interest**  | – | – | – | – | – |
| **Total revenue** | 476 074 | 486 113 | 491 380 | -6.8% | 100.0% |
| **Expenses** |  |  |  | – |  |
| **Current expenses** | 520 270 | 539 612 | 563 894 | 4.6% | 104.1% |
| **Compensation of employees** | 382 333 | 409 096 | 427 506 | 6.2% | 77.6% |
| **Goods and services** | 119 083 | 110 756 | 115 740 | -0.6% | 22.7% |
| **Depreciation** | 18 847 | 19 751 | 20 640 | 4.8% | 3.8% |
| **Interest, dividends and rent on land** | 8 | 8 | 8 | 4.4% | 0.0% |
| **Transfers and subsidies** | (44 196) | (53 498) | (72 514) | -186.0% | -4.1% |
| **Tax payment** | – | – | – | – | – |
| 13**Outside shareholders Interest** | – | – | – | – | – |
| **Total expenses** | 476 074 | 486 114 | 491 380 | -6.8% | 100.0% |

**Statement of Financial Performance**

**Expenditure Estimates**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/23** | **2023/24** |
|  | Auditedoutcome | Auditedoutcome | Auditedoutcome | Approved budget | Changes from budget estimate | Revised budget estimate | Revised budget estimate | Planning budget estimate |
| **Rand thousand** |  |  |  |  |  |  |  |  |
| **Objective/Activity** |  |  |  |  |  |  |  |  |
| **Administration**  | 270 814  | 278 823  | 255 736  | 250 707  | (8 171) | 270 321  | 279 766  | 292 355  |
| **Licensing**  | 52 536  | 53 767  | 56 713  | 59 614  | (3 131) | 67 027  | 69 592  | 72 724  |
| **Engineering and technology**  | 18 282  | 22 659  | 21 133  | 19 485  | (979) | 21 878  | 23 389  | 24 441  |
| **Policy research and analysis**  | 22 492  | 29 533  | 23 564  | 25 009  | (1 267) | 28 113  | 30 078  | 31 432  |
| **Compliance and consumer affairs**  | 31 027  | 27 691  | 34 155  | 28 466  | (1 346) | 31 858  | 34 041  | 35 573  |
| **Regions**  | 69 598  | 75 078  | 73 777  | 90 979  | (3 808) | 101 073  | 102 746  | 107 369  |
| **Total**  | 464 748  | 487 551  | 465 079  | 474 259  | (18 701) | 520 270  | 539 612  | 563 894  |
| **Economic classification** |  |  |  |  |  |  |  |  |
| **Current payments** | 464 748  | 487 551  | 465 079  | 474 259  | (18 702) | 520 270  | 539 612  | 563 894  |
| **Compensation of employees** | 290 165  | 306 448  | 296 314  | 338 619  | (18 702) | 382 333  | 409 096  | 427 506  |
| **Salaries and wages** | 266 491  | 283 586  | 274 291  | 321 083  | (18 702) | 363 570  | 389 020  | 406 526  |
| **Social contributions** | 23 674  | 22 862  | 22 024  | 17 536  | - | 18 763  | 20 077  | 20 980  |
| **Goods and services** | 157 313  | 162 604  | 151 796  | 117 684  | - | 119 083  | 110 756  | 115 740  |
| **Of which** |  |  |  |  |  |  |  |  |
| **Administrative fees** | 19 460  | 26 527  | 24 532  | 11 036  | - | 11 588  | 7 644  | 7 988  |
| **Advertising** | 5 455  | 5 914  | 5 571  | 1 768  | - | 1 856  | 1 945  | 2 033  |
| **Audit costs: External** | 5 318  | 4 289  | 3 934  | 6 354  | - | 6 672  | 6 992  | 7 307  |
| **Communication (G&S)** | 3 211  | 2 600  | 2 510  | 2 294  | - | 2 408  | 2 524  | 2 638  |
| **Computer services** | 26 392  | 16 027  | 15 334  | 12 818  | - | 13 459  | 12 105  | 12 650  |
| **Consultants: Business and advisory services** | 3 008  | 1 819  | 1 669  | 2 851  | - | 2 994  | 3 138  | 3 279  |
| **Legal services (G&S)** | 9 823  | 13 014  | 11 936  | 10 601  | - | 11 131  | 8 666  | 9 055  |
| **Contractors** | 166  | 4 856  | 4 459  | 311  | - | 326  | 342  | 357  |
| **Property payments** | 31 762  | 38 729  | 35 522  | 36 833  | - | 38 674  | 40 531  | 42 354  |
| **Travel and subsistence** | 21 133  | 23 144  | 21 730  | 6 982  | - | 5 975  | 4 762  | 4 976  |
| **Training and development** | 12 581  | 4 495  | 4 124  | 5 492  | - | 3 544  | 3 014  | 3 150  |
| **Operating payments** | 14 619  | 18 269  | 17 796  | 18 107  | - | 19 012  | 17 925  | 18 731  |
| **Venues and facilities** | 4 386  | 2 921  | 2 680  | 2 237  | - | 1 443  | 1 169  | 1 222  |
| **Depreciation** | 17 226  | 18 493  | 16 962  | 17 949  | - | 18 847  | 19 751  | 20 640  |
| **Losses from** | 41  | - | - | - | - | - | - | - |
| **Impairments to non-financial assets** | 41  | - | - | - | - | - | - | - |
| 14**Interest, dividends and rent on land** | 2  | 7  | 6  | 7  | - | 8  | 8  | 8  |

 **Interest** 2 7 6 7 - 8 8 8

### Financial Position

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Financial position** |  | **Medium-term estimate**  |  | **Average growth rate****(%)**  |  | **Net change/ total:****Average (%)**  |  |  |
|  | 2021/22 | 2022/23 | 2023/24 |  | 2020/21 - 2023/24  |  |
| **Carrying value of assets** | 178 526 | 187 096 | 195 515 |  | 4.8% | 10.5% |  |  |
| **of which:** |  |  |  |  |  |  |  |  |
| **Acquisition of assets** | (30 246) | (31 698) | (33 124) |  | 4.8% | -1.8% |  |  |
| **Investments** | – | – | – |  | – | – |  |  |
| **Inventory** | 1 026 | 1 075 | 1 124 |  | 4.8% | 0.1% |  |  |
| **Loans** | – | – | – |  | – | – |  |  |
| **Accrued investment interest** | – | – | – |  | – | – |  |  |
| **Receivables and prepayments** | 988 766 | 1 036 227 | 1 082 857 |  | 4.8% | 58.2% |  |  |
| **Cash and cash equivalents** | 530 829 | 556 309 | 581 343 |  | 4.8% | 31.2% |  |  |
| **Non-current assets held for sale** | – | – | – |  | – | – |  |  |
| **Defined benefit plan assets** | – | – | – |  | – | – |  |  |
| **Taxation** | – | – | – |  | – | – |  |  |
| **Derivatives financial instruments** | – | – | – |  | – | – |  |  |
| **Total assets** | 1 699 147 | 1 780 706 | 1 860 838 |  | 4.8% | 100.0% |  |  |
| **Accumulated surplus/(deficit)** | 136 003 | 142 531 | 148 945 |  | 4.8% | 8.0% |  |  |
| **Capital and reserves** | – | – | – |  | – | – |  |  |
| **Capital reserve fund** | – | – | – |  | – | – |  |  |
| **Borrowings** | – | – | – |  | – | – |  |  |
| **Finance lease**  | 32 | 33 | 35 |  | 4.8% | 0.0% |  |  |
| **Accrued interest** | – | – | – |  | – | – |  |  |
| **Deferred income** | – | – | – |  | – | – |  |  |
| **Trade and other payables** | 1 529 523 | 1 602 940 | 1 675 072 |  | 4.8% | 90.0% |  |  |
| **Benefits payable** | – | – | – |  | – | – |  |  |
| **Capitalised value of pensions** | – | – | – |  | – | – |  |  |
| **Taxation** | – | – | – |  | – | – |  |  |
| **Provisions** | 33 590 | 35 202 | 36 786 |  | 4.8% | 2.0% |  |  |
| **Managed funds (e.g. poverty alleviation fund)** | – | – | – |  | – | – |  |  |
| **Derivatives financial instruments** | – | – | – |  | – | – |  |  |
| **Total equity and liabilities** | 1 699 147 | 1 780 706 | 1 860 838 |  | 4.8% | 100.0% |  |  |

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**Key Risks & Mitigation**

**Measures**

#### **Key Risks & Mitigation Measures**

|  |  |  |  |
| --- | --- | --- | --- |
| **#** | **OUTCOME** | **KEY RISK**  | **MITIGATION**  |
| 1 | Access to quality broadband Services Increased | * Potential delays in regulatory interventions due to litigation by stakeholders [# 1,2,3,4]
* Inability/Limitation to execute our mandate independently due to political interference and/or undue influence (lobbying) [#1, 2,3 & 4]
* Possible delays in the assignment of spectrum to radio communication services in SA due to late approval of the National Radio Frequency Plan [#1 & 4]
* Non-adherence by licensees to licence terms and conditions and regulatory requirements [#1, 2, 3 & 4]
 | * Transparency
* Adherence to administrative due processes and procedures
* Effective engagement with all key stakeholders Effective Monitoring and Enforcement
 |
| 2 | Status of Social Cohesion, Diversity and Plurality of Views enhanced. | * Transparency
* Adherence to administrative due processes and procedures
 |
| 3 | Rights of Consumer Protected.  | * Transparency
* Adherence to administrative due processes and procedures
* Continuous Monitoring and Market Scanning
* Periodical review of regulatory measures
* Continuous research and development activities
 |
| 4 | Competition in the ICT Sector Promoted | * Transparency
* Adherence to administrative due processes and procedures
* Monitoring and Enforcement
 |
| 5 | Maintain organisational service delivery | Failure to achieve regulatory targets due to inadequate funding, reductions in MTEF allocations and mandate changes due to reconfiguration of entities and or policy/legislative changes | * Proposal on revision of ICASA funding model
* Stakeholder management
* Effective consultation with the DCDT, National Treasury and National Assembly
 |
|  |  | Failure to ensure business continuity due to the COVID-19 pandemic | * Acquisition / enhancement of organisational IT and related systems to automate functions and allow for remote / online
* Provision of tools necessary for remote working to all staff
* Provision of protective clothing/associated tools to all field workers
* Disinfection of all ICASA premises and all ICASA vehicles
 |
|  |  |  |  |

# **Thank You**