

**Speech delivered by Hon Kalako: on Vote 3 of the Department of Communications 10 May 2018**  
**Hon Chairperson**

Hon Ministers and Deputy Ministers

Honourable members

Members of the public and Stakeholders

This year marks the centenary of two of our icons of NDR, giants of African Revolution, Comrades Tata Rholihlahla Mandela and uMama Albertina Sisulu. We owe our political freedom to their courage, bravery and commitment. Their sacrifice and selflessness without expecting rewards after the attainment of political freedom. We salute them and we will always endeavour to follow their example.

Chairperson, ANC said in its 2014 Manifesto: "We will invest in a comprehensive plan to expand broadband access throughout the country and substantially reduce the cost of communication. We aim to connect all schools, public health and other government facilities through broadband by 2020, and at least 90% of our communities should have substantial and superfast broadband capacity by 2020. Government will support and develop free Wi-Fi areas in cities, towns and rural areas"

To realise the above, Universal Access through government infrastructure roll-out for DTT was achieved with government spending through Sentech to a tune of more than R2,5 billion, excluding the cost for illumination which currently is operational. Government should consider exploiting unsubsidized market through a commercial model of unlocking opportunities. The Department of Communications must quickly deal with challenges that are an obstacle for digital migration, among them is Policy uncertainty. We recognise the changing landscape of ICT Sector as a result of fast developments in technology. In addition, in this regard commend the Department of Communications for its intervention through developing and consulting on the audio-visual and Digital Content Strategy. This is necessary because of the emergence of many players in the sector, which is encouraged as it brings competition. The worrying factor is unfair competition that is enjoyed by global players because of the absence of policy and legislation. This will negatively affect local broadcasters, both pay TV and FTA. Despite the fact that these global players take a big share of South Africa's advertising market estimated at R4 billion, they do not pay taxes and VAT. They do not contribute to local content, unregulated and are not subjected to any licences.

Chairperson, while we appreciate response of ICASA and Competition Commission on calls to reduce high prices of communicating, these issues must be speedily resolved. Lack of transformation in the ICT sector broadly is a challenge. ICT Role players have failed to implement key empowerment targets to address inequality and the imbalances of the past. The sector is monopolistic and has experienced limited growth and development. Due to its monopolistic structure and high pricing model is exposing consumers to poor quality of service. It is in this regard that the ANC supports the public call that the reduction of data costs through regulatory interventions to ensure that public in general and government benefits.

The Department of Communications ( DoC) and related departments must monitor implementation of the National Broadband Strategy, which promotes SMME Sector participation, and take into account the minimum 30% set aside policy on procurement. As per the regulation issued by National Treasury to support the growth and development of SMME's, localisation, creation of jobs as part of inclusive growth and preparing the country towards 4th Industrial Revolution.

We as ANC encourage establishment of the 4th Industrial Revolution Commission in order to develop strategic response to the technological advancements, which may have negative consequences on workers in general. Its role should be preparing the country in terms of skilling, reskilling, innovation, research development and digitization, including SMME readiness. It should also look into investment readiness

leveraging on new opportunities provided by new way of doing things.

As ANC, we commend the DoC for obtaining unqualified Audit outcome without findings over three years, and its guidance to its entities, in particular GCIS and Brand South Africa. We note that ICASA, MDDA and FPB have not improved over this period and we urge the Department to pay its attention to these entities especially MDDA and FPB who are bedevilled by governance and management challenges over some time now.

Department of Communications ( DoC) must pay special attention to SABC, must tackle challenges of governance and management in this entity. In the same period of over three years SABC have performed badly where it have been getting adverse audit outcomes with findings.

We have seen improvements after the Board was dissolved. The appointment of the interim Board began the process of dealing with leadership problems of the SABC at the level of executives. We can say with confidence that despite some persistence problems, the recently appointed Board, which took over from interim board, have begun addressing many shortcomings in the SABC.

The Oversight Unit of DoC should pay special attention to its entities in order to make sure that they address areas that have been raised and highlighted by the Auditor-General. These areas are usefulness of Annual performance information and reliability of performance of information.