**Speakers Notes of Hon. Khumbudzo Ntshavheni during the 2022 SONA Debate**

15 February 2022

Chairperson of the NCOP
Madam Speaker
Mr. President and the Deputy President

It is interesting that yesterday, the legend of the fiddling Nero whilst Rome burnt was invoked. Those who have read history, and not only heard of convenient quotations, would know that Emperor Nero was popular with lower class commoners in Rome and the provinces, but he was deeply resented by the Roman aristocracy. Despite concerted and almost successful efforts to vilify Nero through fabrications and exaggeration from dubious and partisan sources, the British Museum has opened an exhibition that debunks the manipulation and lies about Nero. So Honourable Gwarube, the quotation about Emperor Nero you used yesterday is based on manipulation and lies that are over two thousand years old. It is a legend. On our part, we won’t allow you, the DA and your ilks to manipulate and distort facts to fabricate a narrative that suits your political agenda about the leadership of President Ramaphosa, any of us and the governing ANC. We admit that the process of rebuilding and renewing the ANC has not been easy but we are certain that we are now on firmer ground.

Equally, we have acknowledged that over the years our record for service delivery has not always been glorious but President Ramaphosa committed us to visible improvement of our performance. I rise today in this debate to give testament to South Africans about the improvement in performance of their government as we strive to deliver services to all and not only the privileged and the rich like what happens here in the Western Cape.

**HIGH FREQUENCY COMMUNICATION SPECTRUM**

In his State of the Nation Address, President Ramaphosa, announced that our communications Regulator ICASA will commence with the auctioning of the high frequency communication spectrum in March 2022. This is despite the ongoing litigation because the withdrawal of Part A from court allows the auction to proceed and further gives confidence that the parties can find each other outside of court on outstanding matters that are part of Part B. This progress did not happen by coincidence, it is a result of continuous engagements to find common ground with all stakeholders.

The licensing of the high frequency spectrum will not only improve the ability of mobile telecommunications operators to build robust telecommunications with better penetration and reach. Through ICASA, we have set social service obligations to connect within 36 months of the licensing of spectrum, all outstanding public schools (18520), public health facilities (5731 of both clinics and hospitals) and offices of traditional leadership/ authorities that hold certificates of recognition (8241). The extension of the broadband connectivity to traditional authorities is part government’s commitment to strengthen the role of traditional leaders as service delivery centres of government. Our traditional leaders did a sterling job in supporting government programmes during the fight against COVID-19 pandemic and a programme to strengthen their capacity is also beneficial to rural development.

In the past, we have seen the telecommunications operators ignoring their social obligations and opting to pay negligible penalties instead of connecting our people. This time around, ICASA will include the fulfilment of social service obligations as part of the licensing conditions without an option of a penalty but the spectrum license itself.

Although the journey has been a long, we are look forward to the positive benefits associated with release of spectrum which include reduced costs of data and voice communications for our people. Of course, we are anticipating that the national fiscus will also benefit in excess of R8billion from the proceeds of the auction.

This spectrum is expected to unlock economic transformation not only for the telecommunications sector but to service other industries such as mining, agriculture, and manufacturing. We expect industry growth of R4-6 billion in 2023. We are also working to Radio Frequency Spectrum Policy for embedding 5G network and preparations for advances to 6th and 7th Generation networks. This will allow us prescribe minimum data to the home as data has become the new utility like wate and electricity are to the home.

**BROADCAST DIGITAL MIGRATION.**

Part of the challenges that have bedeviled the auctioning of the high demand spectrum has been the availability sub-1Gig spectrum that is to be released through the Broadcast Digital Migration (BDM) programme. The President in his address reported that this programme is firmly underway and on course to be completed by 31st March 2022.

I am happy to report that we have concluded analogue switch-off in the 5 provinces as follows;

* Free-State
* Northern Cape
* North-Western
* Mpumalanga
* Limpopo

We are on course to conclude the remaining 4 provinces during months of February and the March (2 provinces during February, and 2 provinces during March). To date, the analogue switch-off programme has supported 396 installer companies who have created 3109 job opportunities to locals. These numbers of both companies participating and jobs created will double by the time when we conclude the digital migration. These companies form the basis from where we build digital technology businesses in our townships and rural areas.

In addition, we have commenced the process of frequency Re-stacking in provinces where we have concluded ASO. To -date, we have concluded frequency restacking in FS and NC, and will be concluding the NW during February and we are to commence with frequency re-stacking in the provinces of Mpumalanga and Limpopo.

The President narrated the excitement of TV viewers who would not have access to better quality TV picture or additional TV channels in provinces where analogue switch-off has been is concluded, but we are going to do more. Digital migration in other countries has resulted in the boom of the creative industries with more TV channels and radio stations for artists, producers, and others having more platforms to showcase their talents and generate income. When currently, the broadcast digital migration has increased available true free to air TV channels from four to 12, we are commit ourselves to provide capacity to carry 18 additional TV channels in the year 2022/ 23, with capacity for additional 36 TV channels by 23/24 financial year.

By year 2025, South Africa will have capacity for 102 TV channels and these are not only for the SABC but for community TV, and new commercial TV houses. Honourable Members, when we undertook a generational mission during our period as leaders and members of the ANCYL, the mission of economic freedom in our lifetime, we undertook as our aspiration that a black child cannot continue to be a job seeker but we shall strive to create conditions that will enable a black child to be a job creator. We have always been clear that our goal is to own the means of production and not merely to provide our labour. So to the creative industry, GET READY, we are here! Si la!!

We are fully aware that the current TV and radio licensing conditions as provided in the Electronic Communications Act are not only onerous for new entrants but also out of synch with technological advances, we shall this year submit to this House, a Bill to bring the ECA in line with the goals of delivering a digital economy that is inclusive. In addition, we are awaiting Minister Patel to publish shortly, a Notice for the prohibition of importation of analogue TV sets and this will also enable South Africa to expand the market for locally manufactured digital TV sets.

**SOUTH AFRICA CONNECT**

the Department of Communications and Digital Technologies is rolling out the 2nd phase of SA Connect with an expand scope to connect communities. In the next 3 years, we will connect 44 600 government sites (includes 18 036 schools, 3 873 health facilities, 949 libraries and Thusong Centres and 8241 tribal authority sites that will be connected through the telecommunications operators). In the same period, we will well rollout more than 33 000 Community WiFi and broadband to households. To support economic transformation, the Department has revised the plan to include SMMEs and other network service providers such as ISPs, WAPS, MVNOs and SMMEs who are in the network industry. It is expected that 3700 jobs will created, with participation of ISPs / MVNOs and SMMEs.

This is part the commitment to ensure that all South Africans have access to the internet by 2024. We intend to provide 10 gigabytes of free data for each and every household irrespective of their income level and place they live.

**A COMPETITIVE AND SUSTAINABLE SABC**

Our work to broaden and strengthen the creative industries through expansion of broadcasting platforms, is anchored on a sustainable, competitive and strong SABC. There is a task team comprised of representatives from the SABC, DCDT and National Treasury that meets monthly to monitor the utilization of the bailout Funds against the progress of implementing the plan. Accordingly, the SABC implemented 96% of the key actions of its Turnaround Plan. This has been achieved against great odds, including a devastating global pandemic, a tough economic environment, and other internal and external constraints.

The R3.2 billion bailout Funds has significantly assisted the SABC to achieve its turnaround plan. Therefore, it is a figment of someone’s imagination that the SABC is unable to meet its financial obligations, including but not limited to the payment of the salaries.

Of course Turn-Arounds on their own cannot sustain the SABC, it is the consistency of implementing the changes that are required to strengthen the competitiveness of the SABC, to this extent, we are awaiting the decision of the Minister of Finance on two significant applications of the SABC. One, application for amnesty for the TV license to allow the restructuring of the SABC debt and enable its ability to raise funds from the financial markets, and two – the application for exemption from specific PFMA and PPPFA regulations. These exemptions will allow the SABC to be competitive in the acquisition of compelling content for the SABC to retain and attract viewers who are important for critical advertising revenue. In the meantime, the SABC is working to launch, this year, its own Over-The-
Top (OTT) platform that will offer consolidated (TV and radio) SABC programmes over the internet.

I must however indicate that our support and interventions with the SABC, our work is limited to that which is strategic and in full compliance with legislation. Operational matters of the SABC are left to the board and management of that institution, who must be given space to run the institution and we must exercise our oversight role against set targets.

**SOUTH AFRICAN POST OFFICE**

House Chairperson

Let me start here, the South African Post Office (SAPO) is not for sale. SAPO has the potential to contribute to South Africa's social and developmental goals by providing postal, logistics, ICTs and government services via its far-reaching Postal Network. If properly harnessed, the reach of the postal network holds great potential to position the SAPO as a strategic contributor to the goal of ensuring both economic and digital inclusion in South Africa.

Indeed SAPO has been experiencing severe liquidity and solvency challenges which continue to threaten its going-concern status. At present, SAPO is not able to generate enough revenues to fully meet its monthly financial obligations when they become due.

The current financial position of SAPO has compounded over a period of time with multiple Turn-Around strategies not fully implemented due to non-alignment between board, executives and employees. The impact of the Covid-19 pandemic worsened an already untenable situation.

We have supported the Board and Management of SAPO to develop a Strategy to reorganise and reposition the Post Office to become;

* Leading Logistics Service Provider for South Africa and region;
* Logistics service partner to other e-commerce and logistics players, including Small, Medium and Micro Enterprises (SMMEs) and informal traders nationally and internationally based on its expansive postal network;
* e-Commerce hub for South Africa and the region;
* Business digital hubs that also serve as digital hubs for communities; and
* the Department is considering modalities to Designate SAPO as a Authentication Authority for South Africa that will also enable it to effectively fulfil its role as a national Trust Centre in the age of digital identity and services.

The strategy takes into consideration, the changes in the postal sector landscape both locally and globally and addresses, with the required urgency, the need to reposition the SAPO to become relevant in the digital era whilst working towards the resolution of its financial challenges.

We are picking our pace in the work to corporatise the Post Bank to take its rightful place within the financial services sector. Through the Post Bank, we plan to ensure that all South Africans have access to financial services in a manner that facilitates economic participation for all. Through the work of the Post Office as a Trust Centre, we are planning to finalise biometric technology as primary identification for clients of the PostBank. The use of biometric technology will restore the dignity of our elderly who cannot write where they will be treated in an similar manner when they use biometrics to confirm their identity instead of a written signature. In this regard, we are working with institutions of higher learning to establish South Africa as a AI biometrics hub as we advance Artificial Intelligence technology in our country and region.

**THE REPORT ON THE STATE OF CAPTURE COMMISSION**

Honourable members, at a minimum we are required not to be swayed by headlines but facts. On the State of Capture Report, President Ramaphosa said he will finalise a Plan, which will be tabled in this House, on how he is going to process the findings of the Commission on the State of Capture. As a person, whose tenure in the Board of Denel is referenced in the Report, and for those who have read the Part 2 Report, would know that there is no specific finding against Khumbudzo Ntshavheni so attempts to throw mud at me won’t stick. In my language, they say – hu vhala, malofha a u dodzwa ha fari.

Let me remind you of what the Commission recommended “that the Board of Denel, of which I was a member between July 2015 and March 2018, must be investigated (where probable) for failure to carry out its fiduciary duties as it relates to the suspension and ultimately the dismissal of the three executives.

I reiterate what I have already stated in public, one, there must be an investigation because the Commission cannot recommend an investigation which is not possible. Two, that I will fully cooperate with such an investigation. I have gone further and said, as an affected party, I will request an investigation of the transaction by Denel to acquire a company known as the Land System South Africa (LSSA) overseen by the three Executives. This transaction is the one that led to their suspension. In anticipation of the investigation of the LSSA transaction, I have written to my colleague Minister Gordhan to request his assistance to declassify the following documents :

* All the board minutes as from 10 September 2015 to 31 March 2018 when I was a non-executive director of the Denel board;
* The Due diligence report conducted on the acquisition of LSSA by Denel;
* A due diligence report from Nedbank conducted in respect of the LSSA transaction;
* The due diligence report conducted by Absa bank in respect of the LSSA transaction, and any other report in respect of that transaction, including the correspondence between the Nedbank and Denel, Standard Bank and Absa in respect that transaction;
* The valuation of the LSSA;
* The PFMA applications by Denel in respect of the LSSA transaction,
* All the correspondence between DPE and Denel in respect of LSSA transaction, and all correspondence between Treasury and Denel in respect of that correspondence;

As a member of the National Executive, I fully understand my obligation to be accountable to the people of South Africa, and their interest to know the truth about the past and present activities of any member of the National Executive.

I have also made this request, the only legacy that will live beyond my death is my name, when all my worldly belongings have being distributed to my chosen beneficiaries, it is only my name that will outlive and continue to be inherited by generations of my children and it is my name that I will protect with all I have.

I am young, I am black, I have a purpose and destiny with the future in a prosperous South Africa that is led by the ANC.

Thank you