**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION: 1035**

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**QUESTION PAPER N0: 11**

**Ms D Kohler (DA) to ask the Minister of Communication and Digital Technologies**

Whether his department has implemented a rationalisation plan for state-owned entities that report to him; if not, why not; if so, what are the relevant details**?**

**NW1145E**

**Reply**

Yes, the rationalisation project has been undertaken by the Department, with the initial phase involving the acquisition of Broadband Infraco (BBI) by Sentech. This will entail the transfer of the 74% shareholding in BBI by the State to Sentech, whilst the 26% will remain with the Industrial Development Corporation (IDC). Sentech has since concluded and submitted a due diligence report and turnaround plan to the Department, which together with the Sale Share Agreement are still under consideration by the Department.

The Department is also working on the repurposing of the State Information Technology Agency (SITA) so that it can timely and adequately respond to its clients whilst leading the digitalisation of Government and other related deliverables. In this regard the Department will employ the expertise of an external service provider to conduct a deep study of the SITA business model, with the aim to improve Government services to Departments and the citizens. This aim is to conclude this work by end of FY2023/24.

The Universal Service and Access Agency of South Africa (USAASA) is also in the process of being dissolved due to duplication of roles. On 30 November 2022 the Cabinet approved the:-

a) commencement of the process to disestablish the Universal Service and Access Agency of South Africa (USAASA);

b) transfer of the USAASA functions to the Department of Communications and Digital Technologies and relevant entities under the portfolio

c) transfer of the management of the Universal Service and Access Fund (USAF), temporarily to the Department while formalizing the corporatization of the South African Postbank SOC Limited.

Thank You.