



# ICASA Corporate Strategy 2011 – 2014

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# Vision and Mission



## VISION

- To advance the building of a digital society

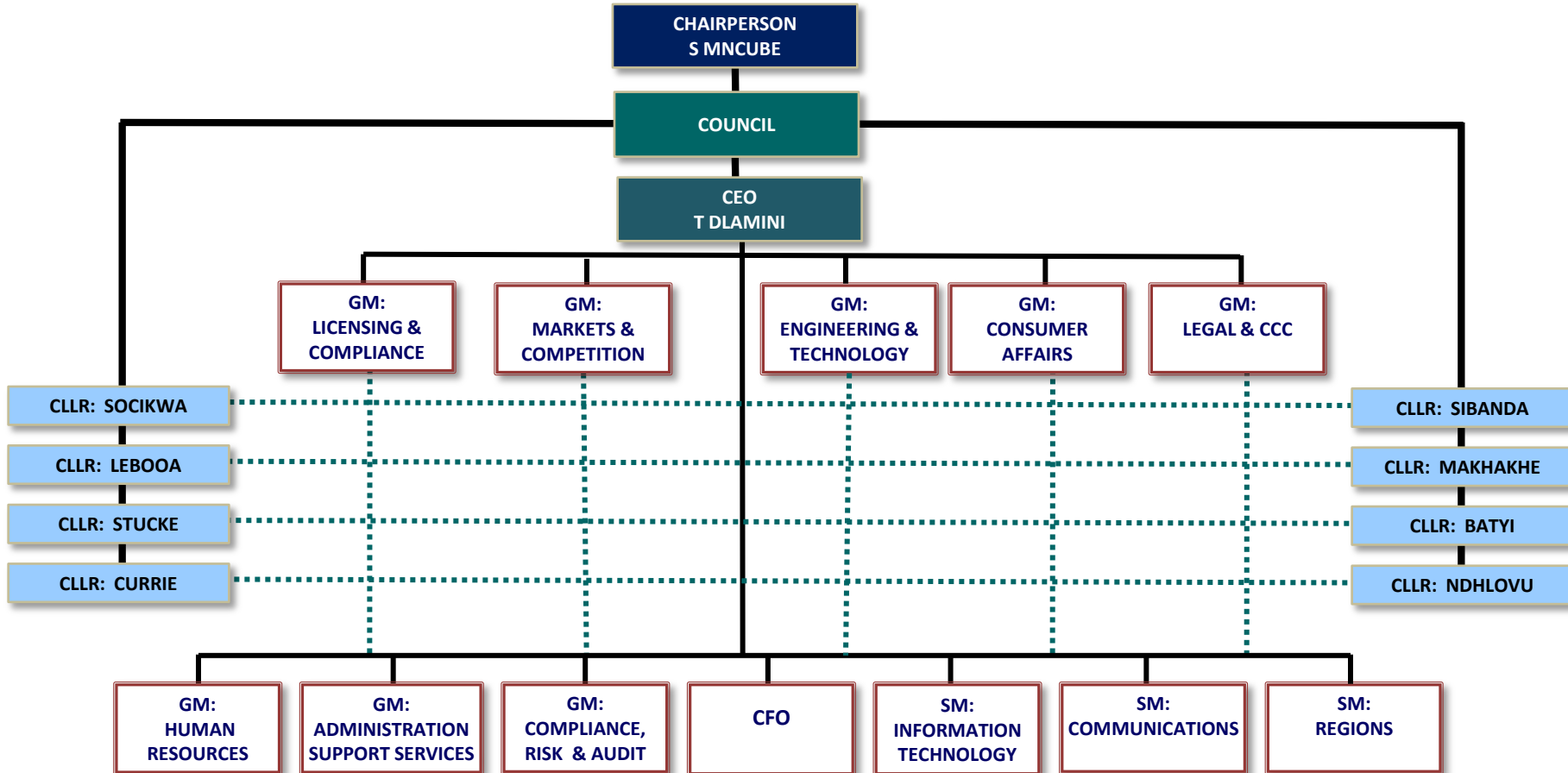
## MISSION

- ICASA aims to ensure that all South Africans have access to a wide range of high quality communication services at affordable prices



# ICASA Organogram

## Council and Executive





# ICASA Values



Necessity	ICASA is committed to evidence-based regulation ensuring that regulation is only introduced where there is a demonstrable need. The Authority furthermore intends to ensure that regulatory compliance does not become a barrier to the development of a sustainable ICT sector by simplifying or reducing regulation, wherever possible or appropriate.
Effectiveness	ICASA is committed to achieving its identified goals and to delivery on its mandate, taking into account the impact of such decisions.
Proportionality	ICASA aims to impose obligations in an objective, transparent and proportionate manner, where intervention is necessary.
Transparency	ICASA strives to work within a consistent, fair and certain set of parameters, and to ensure decisions are evidence based and fully reasoned, and that any decision-making process is open and accessible.
Accountability	ICASA is formally accountable to the Parliament of South Africa and, through the appeals system, to the courts. ICASA remains conscious that it ultimately serves end-users.
Consistency	ICASA pursues its legal responsibility to ensure consistency in its actions.



# Delivery Agreement



**Outcome 6: An efficient, Competitive and Responsive Economic Infrastructure Network**

**Output 1: Improving Competition and Regulation**

**Output 5: Information and Communication Technology**



# ICASA Strategic Objectives (1)

## 1. Ensure effective participation by HDIs in the industry

- Promote the empowerment of historically disadvantaged persons, including Black people, with particular attention to the needs of women, youth and persons with disabilities.

## 2. Ensure the provision of broadband services

- All South Africans should have affordable access to reliable high speed broadband services.
- Regulatory policies must promote open access, technological neutrality and investment to ensure that broadband service providers have sufficient incentive to develop and offer broadband services as well as harness the capacities of the state in support of the provision of broadband services.



# ICASA Strategic Objectives (2)

## 3. **Optimise the use of the radio frequency spectrum to support the widest variety of services**

- Efficient and effective use of frequency spectrum promotes the growth and rapid deployment of innovative and efficient communications technologies and services.

## 4. **Promote the protection of consumers and accessibility for persons with disabilities**

- Ensure the continued protection of consumers in the ICT and postal sectors, through advocacy and awareness raising programmes and a streamlined complaints handling system.
- Ensure the needs of persons with disabilities are provided for and that there is compliance by operators to meet their requirements.





# ICASA Strategic Objectives (3)

## 5. **Promote the development of public, community and commercial broadcasting services in the context of digital migration**

- ICASA will promote the development of public, commercial and community broadcasting services which are responsive to the needs of the public, competitive, diverse and which promote a plurality of news, views and information and provide a wide range of entertainment and educational programmes, a proportion of which are locally produced.

## 6. **Ensure compliance with legislation and regulation**

- ICASA will advocate for compliance with applicable laws and regulations in South Africa.
- ICASA will also investigate and audit activities by licenced and unlicensed entities to ensure compliance.



# ICASA Strategic Objectives (4)

## 7. Strengthen and modernise ICASA

- ICASA will be an efficient and highly productive regulator that maximises benefit to stakeholders, staff and management from effective systems, processes, resources and organisational culture.
- The Authority will promote internal and external service quality standards.
- ICASA will also:
  - Continue the Authority-wide capacity building programme focusing on staff development;
  - Maintain a close partnership with the Department of Communications and National Treasury to address funding shortfalls; and
  - Demonstrate financial viability and good governance throughout the organisation.

## 8. Promote competition

- Promote competition in the provision of electronic communications, postal and broadcasting services that supports the Nation's economy and the developmental goals of the Republic. The competitive framework should foster innovation and offer consumers a reliable meaningful choice in affordable services.



## Strategic Objectives – Linked to Outcome 6: Outputs 1 and 5 (1)



Strategic Objective (SO)	Weight	Delivery Agent (Division)
(SO1) Ensure effective participation by HDIs in the industry	10	Licensing & Compliance, Markets & Competition
(SO2) Ensure the provision of broadband services	16	Markets and Competition, Engineering & Technology
(SO3) Optimise the use of radio frequency spectrum to support the widest variety of services	16	Engineering & Technology
(SO4) Promote the protection of consumers and accessibility for persons with disabilities	10	Consumer Affairs, Regions
(SO5) Promote the development of public, community and commercial broadcasting services in the context of digital migration	12	Markets & Competition, Licensing & Compliance



## Strategic Objectives – Linked to Outcome 6 : Outputs 1 and 5 (2)



Strategic Objective (SO)	Weight	Delivery Agent (Division)
(SO6) Ensure compliance with legislation and regulation	10	Licensing & Compliance, Markets & Competition, Regions
(SO7) Strengthen and modernise ICASA	10	Legal, Human Resources, Finance, Administration, Information Technology, Communications & International Relations, Compliance, Risk & Audit, Core Divisions and Council
(SO8) Promote competition	16	Markets & Competition, Licensing & Compliance, Engineering & Technology



# Recent Achievements (1)



## Call Termination Regulations

- Published Call Termination Regulations
- Analysed and approved Telkom's 2010/2011 tariff review
- Analysed SAPO's 2011/2012 tariff review
- Analysed and processed **38** ad-hoc tariff applications
- Processed **191** numbering applications



# Recent Achievements (2)

## Licensing of Individual Commercial Free to Air Sound Broadcasting Services

- Conducted public hearings with respect to 41 received applications

## The Authority issued a total of **180** licences and certificates:

- **5** Community Television licences;
- **32** Community Sound Broadcasting licenses;
- **64** Class Electronic Communications Network Service (C-ECNS) licences;
- **48** Class Electronic Communications Service (C-ECS) licences; and
- **31** Courier Services Certificates



# Recent Achievements (3)



## Licensing of Radio Frequency Spectrum for the Provision of Mobile Television

- ITU Treaty, Geneva 2006 Regional Radio Communication Conference
- Digital Migration Policy issued
- Providing **2** metropolitan frequency networks designated for the provisioning of mobile broadcasting services
- Granted and issued radio frequency spectrum licences for mobile broadcasting services to
  - MultiChoice Africa (Pty) Ltd
  - e.tv (Pty) Ltd



# Recent Achievements (4)



## Digital Migration

- RSA is obliged to effect the migration of existing terrestrial television services from analogue to digital broadcasting modes
- Digital Migration Policy
- Digital Migration regulations in 2010
- Currently reviewing the regulations for DVB-T2
- Granted and issued to date amended broadcasting services licenses to SABC, e.tv (Pty) Ltd and Trinity Broadcasting Services





# Recent Achievements (5)



## **Monitoring Broadcasting**

- Approved **16** Annual Compliance Reports for period 2009/10

## **Monitoring Local Government Elections**

- Preparation for project has commenced

## **Monitoring ECNS/ECS license compliance**

- Audit of licensees conducted

## **Compliance Manual**

- Developed for Broadcasting Services, ECNS, ECS and Postal Services

## **Postal Services Compliance**

- Draft SAPO 2010/2011 Annual Compliance Report compiled

## **Complaints and Public Awareness**

- Conducted **5** national Awareness Campaigns and adjudicated complaints in the CCC



# Recent Achievements (6)



## Spectrum

- Published Radio Frequency Spectrum Fees regulations
- Published Spectrum Licensing Framework Regulations for high demand bands
- Published Draft Radio Regulations
- Issued **2 321** new radio frequency spectrum licenses
- Issued **2 254** Type Approval authorisations
- Received **214** broadcasting spectrum applications



# Recent Achievements (7)

## The following Spectrum activities were carried out:

- Completion of Radio Frequency spectrum audits for **161-173 MHz**, **450-470 MHz** and **790-862 MHz** bands;
- Conducted GSM Quality of Service drive tests along major routes in JHB, Bloemfontein and Durban;
- Engagement with the GSM operators to standardise “drive test” methodology;
- Maintenance inspections of all ICASA monitoring stations nationwide;
- Timeously issued spectrum and type approval authorisations for the 2010 FWC project;
- GSM Quality of Service monitoring at 2010 FWC stadia; and
- Continuous engagement of Tertiary and Research institutions and participation in relevant international and national fora.



# Recent Achievements (8)



## Consumer Affairs

- An advocacy strategy was formulated and implemented;
- Regular updating of the website to assist consumers;
- Consumer Representative Forums (CRFs) were established to assist in mainstreaming consumer protection in communities;
- A National Campaign Strategy was formulated and implemented;
- Public Awareness Campaign in respect of Complaints Handling Procedures through workshops, distribution of Complaints Handling Procedure pamphlets in **11** languages, as well as distribution of a Complaints Manual; and
- The Authority hosted the National Summit for Persons with Disabilities



# Medium Term Targets 2012 to 2014

## **Medium Term Target: 2011/12**

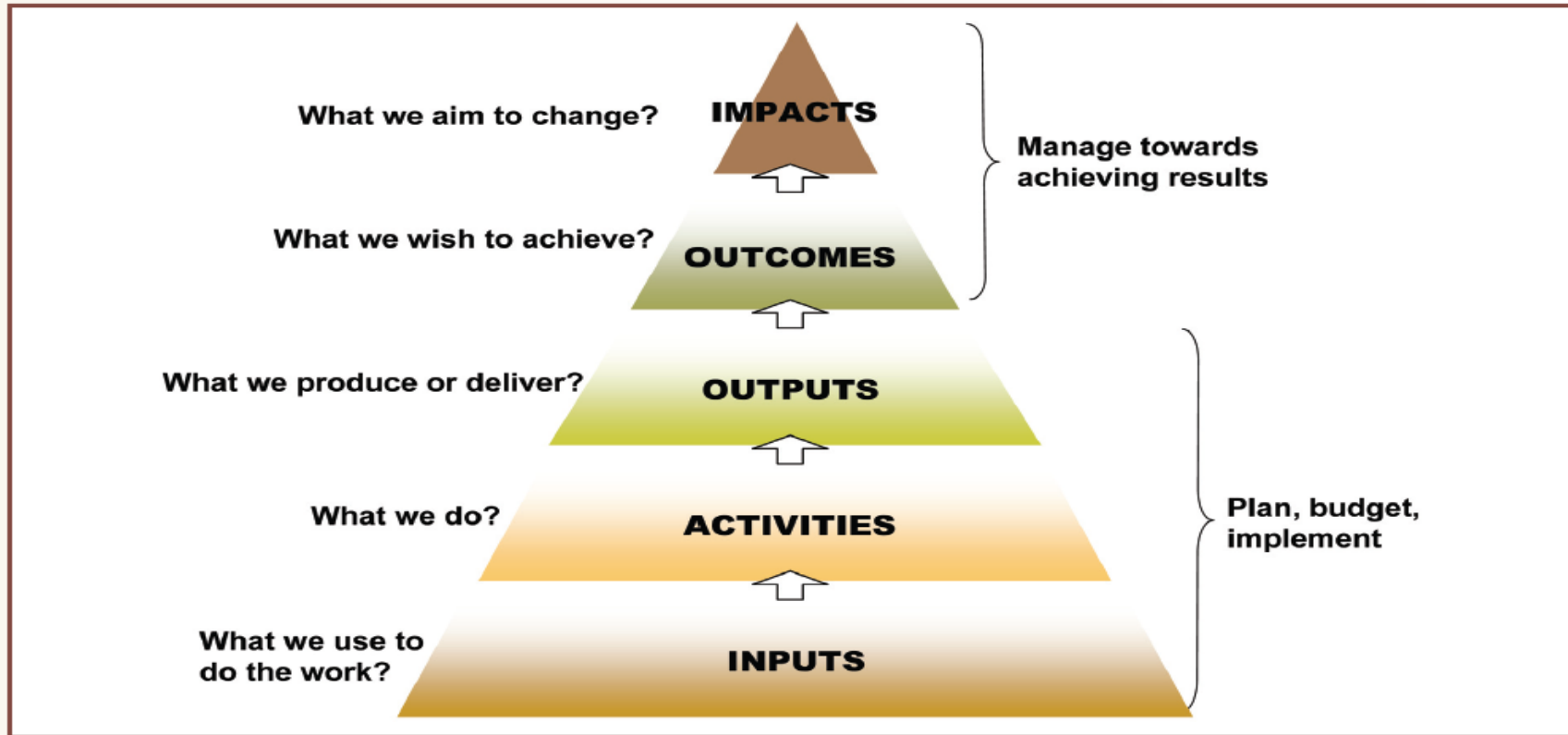
The Medium Term Target for 2011/12 is detailed as per Strategic Objective (SO) on slides 22 to 40 in this presentation , and in Part:B of the ICASA Three Year Corporate Strategy document (pages 18 to 44)

## **Medium Term Targets: 2012/13 and 2013/14**

Medium Term Targets for subsequent years are not discussed in this presentation, but are detailed in Part:B of the ICASA Three Year Corporate Strategy document (pages 18 to 44)



# Inputs, Activities, Outputs, Outcomes and Impacts





# Monitoring and Evaluation

- Strong Focus on outcomes and indicators in the corporate strategy
- Business plans (new approach) to capture outputs, activities, indicators, targets and inputs against the medium-term outcomes of the corporate strategy
- Quarterly Performance Information Reports
- Development of an Integrated Performance Information System
- Shareholder Compact (PMS) key measurement instrument which the DoC will use to assess the Authority's Performance



# (SO 1) Ensuring effective participation by HDIs in the industry



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Report on ownership trends and structures for 50% of all the licensees in the sector	Monitor ownership trends and audit ownership structures in the sector	<p>Publish the final findings document</p> <p>Report on ownership trends and structures for 50% of all ICASA licensees</p> <p>Draft recommendations to Minister on proposed changes to the ECA as required</p>
Monitor impact of ownership structure on diversity of Broadcasting Services (BS) content	Ensure Licensing improves sector's HDI profile in the BS sector	Conduct study on impact of ownership in the BS sector on diversity of views
Completed inquiry process on ownership by persons with disability, women and youth	Develop regulations that address the empowerment of the youth, women and persons with disabilities	Conduct study on the status of empowerment of youth, women and person with disabilities in the sector
Documented HDI Compliance with regulations that are in place	Develop a long term HDI roll out plan	Develop comprehensive compliance report on HDI in the sector





# (SO2) Ensure the provision of broadband services (1)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
By September 2011: Broadband Colloquium with Stakeholders	Regulatory Strategy For Broadband	Develop supply-side plan for broadband access in South Africa and consult stakeholders through colloquium
Establish an ICASA, Industry sector and nationwide broadband committee	Functional Joint working committee for broadband	Set up the nationwide committee jointly with or independently of DOC
Finalise and publish Local Loop Unbundling ( LLU) framework by November 2011	Published Local Loop Unbundling framework	Release of guideline under the ECFL regulations to facilitate leasing of the local loop, by 1 November 2011
By March 2012: Identify Spectrum for Broadband, including from Digital Dividend	Report on Spectrum for Broadband	Identify available spectrum in "suitable" bands. Publish Findings document for the allocation of spectrum afforded by the digital switchover programme Preparatory work on assignment plan for "broadband spectrum"



## (SO2) Ensure the provision of broadband services (2)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Promote the sharing of infrastructure for the provision of broadband services	Framework for Infrastructure Sharing between licensees	Recommendations to enhance infrastructure sharing
Improve coordination of infrastructure initiatives between Local and Provincial Governments, and the Broadband Inter-Governmental Implementation Committee	Framework for Co-ordinating Infrastructure Sharing at Local and Provincial Government levels	Identify existing infrastructure and key Government infrastructure rollout plans
Identify hindrances to broadband penetration and propose corrective measures	Reduced barriers for broadband penetration	Report on recommendations to remove barriers to network investment as well as incentives to facilitate investment in electronic communications infrastructure



# (SO3) Optimise the use of the radio frequency spectrum to support the widest variety of services (1)

OUTPUTS	PERFORMANCE INDICATORS	2011/12
Approval of the Radio Frequency Migration Strategy	Review radio frequency plan and completed radio frequency migration strategy and plan by 31 March 2012. Develop framework for spectrum reform	Publication of the final frequency migration plan
Published replanning of the broadcasting bands to optimise DTT. Formation of the Joint Spectrum Advisory Committee in terms of DTT Regulations. Public enquiry for reallocation of digital dividends	Managed implementation of the broadcasting frequency plan from analogue to digital migration	Formation of the JSAC and three meetings to be held Replanning of the UHF and VHF broadcasting bands and a discussion document on requirements and planning philosophy
Licensing of All wireless broadband spectrum	All available spectrum for wireless broadband is assigned and utilised as a catalyst to country's broadband objectives	Licensing of remaining spectrum in 900, 1800 and 2100 MHz band ITA and licensing of 2.6 and 3.5 GHz band



# (SO3) Optimise the use of the radio frequency spectrum to support the widest variety of services (2)

OUTPUTS	PERFORMANCE INDICATORS	2011/12
Development of a ten (10) year roadmap for spectrum	Colloquium on the future use of Spectrum	Assessment and a discussion document on current and future usage of wireless broadband spectrum
		Colloquium on future spectrum use
Report on comprehensive usage of Spectrum	Completed Spectrum Audit	Report on comprehensive usage of broadband wireless spectrum
Draft report on development of Spectrum Assignment Dashboard	Defined spectrum Metrics (e.g. utilisation, coverage etc.)	Implementation of an end-to-end automated spectrum management system



# SO(4) Promote the protection of consumers and accessibility for persons with disabilities (1)

OUTPUTS	PERFORMANCE INDICATORS	2011/12
Report on consumer satisfaction	Consumer satisfaction index	Develop framework to measure consumer satisfaction
Consumer programmes	Consumer Advocacy	711 Consumer outreach interventions held. Consumer Education and Information Report on consumer outreach and advocacy in rural and urban areas
Increase Accessibility initiatives for persons with disabilities	Report on success of accessibility initiatives	Develop regulations on accessibility to communications services by Persons with Disabilities Licensee Compliance report on accessibility to communications services by Persons with Disabilities
Improved consumer complaints redress	Consumer complaints redressed within 30 days	Alternative Dispute Resolution Committee established 65 per cent of complaints redressed within 30 days



# SO(4) Promote the protection of consumers and accessibility for persons with disabilities (2)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Monitor and report Accessibility and QoS by licensees to Consumers	Monitor accessibility and the quality of service provided by licensees to consumers	Produce post visit reports - 2
		Quality of Service Reports - 2
Develop a Memorandum of Understanding with National Consumer Commission (NCC)	Conduct discussion with NCC	Task Team constituted
		MoU signed
		Co-operation and collaboration between ICASA and NCC
Ensure Compliance with Consumer Protection Regulations	Prescribe Consumer Protection Regulations	Review and publication of CAP Regulations
		Review and publication of E-Rate Regulations once ECA is amended
		Application and publication of Exemption in response to Consumer Protection Act
		Develop Code of Practice for Metering and Billing accuracy
		Code of Practice for Complaints Handling and Dispute Resolution



# SO(5) Promote the development of public, community and commercial broadcasting services in the context of digital migration

OUTPUTS	PERFORMANCE INDICATORS	2011/12
Review of the existing regulatory frameworks/regime for broadcasting services (BS) and related policies to reflect the new evolving digital environment	Framework for Broadcasting in the Digital Era taking into account the three licence groups: public broadcasting; commercial broadcasting; community broadcasting	Review of the existing regulatory frameworks/regime for broadcasting services and related policies to reflect the new evolving digital environment
Review of Digital Dividend for allocation to identified services	Implementation of Digital Terrestrial Television and Digital Dividend Review	Review Digital Migration regulations
Promote diversity of broadcasting services	Licensing of additional TV services	
Improvement in diversity and quality of local content	Report on status of local content	



# SO(6) Ensure compliance with legislation and regulation (1)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Compliance procedure manual by June 2011	Publish a compliance framework for all licensees	Publish the Compliance Procedure Manual Regulations Implement the Regulations and produce Annual Compliance Reports
Improve monitoring and compliance in the postal sector	Development of regulations on standard terms and conditions for unreserved postal services	Publication of the regulations on standard terms and conditions for unreserved postal services
Improve monitoring and compliance in the communications sector	Review of regulations on standard terms and conditions, and processes and procedures regulations for class and individual licences, broadcasting services	Publication of the amended regulations on standard terms and conditions, and processes and procedures regulations for class and individual licences, broadcasting services
Consult on and Publish USAO regulation by January 2012. Consult on and Publish USA regulation by October 2011	Reviewed USAO framework and gazetted definition and list of under serviced areas	Publish the Findings Document on USAO framework and prescribe Section 8 (4) Regulations





## SO(6) Ensure compliance with legislation and regulation (2)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Develop and publish annual compliance reports by March 2012	Published report on compliance with legislation and regulations. Publish annual compliance reports. Report on party political broadcasts during Local/Provincial 2011 and National Government elections of 2014	75% compliance by licensees through active and passive monitoring for ECS, ECNS, Broadcasting and Postal Services  Produce 30 Annual Compliance Reports, including Local Government Elections  To Create capacity to monitor compliance - New Broadcasting Monitoring Equipment
Enforcement of pro-competitive measures in line with regulatory/legislative requirements	Annual analysis report on Regulated Financial Reporting for specified services	Not Applicable



# SO(6) Ensure compliance with legislation and regulation (3)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Ensure compliance with numbering plan regulations to ensure that licensees utilize numbers efficiently and effectively	Annual audit report on number utilisation and implementation of corrective measures	Annual Number Audit
Monitor implementation of IC and FL regulations	Review of IC and FL agreements done within timeframes. Report on status of interoperability of ECS/ECNS licensees, including interconnection and the leasing of electronic communications facilities	Development and introduction of database for online submission and data storage  Ninety percent (90%) of agreements processed within required timeframes  Annual report on interoperability



# SO(7) Strengthen and modernise ICASA (1)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Complete the proposed funding model and engage stakeholders (National Treasury, DoC)	Establish Self-funding model for ICASA	<p>New funding model finalised based on Activity Based Costing model and develop budget module</p> <p>Engagement with Stakeholders on New funding model</p>
Automated regulatory & business processes. Integrated talent management system	Integrated Management System for ICASA	<p>Integrated end-to-end business process.</p> <p>Update JDE</p> <p>New Spectrum System Implemented</p> <p>Blueprint of CRM and HRIS Systems</p>
Completed review and implementation of new organisational structure	Reviewed organisational structure to align with strategy	<p>80% implementation of the Organisation Review Study</p> <p>Change management process</p> <p>New Organisational Structure</p> <p>Organisational readiness for transformation imperatives</p>



# SO(7) Strengthen and modernise ICASA (2)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Complete organisation-wide Skills audit and training program	Reviewed Skills pool aligned with strategy	<p>Report on competence gaps for core Divisions</p> <p>Dual career pathing model implemented in core divisions</p> <p>Enhanced leadership competence and transformed organisational culture</p> <p>Approval of Talent Management (TM) and Development strategy.</p> <p>Internships and learnerships in core areas</p>
Publish RIA Reports Maximise value derived from resources /assets	<p>RIA frameworks</p> <p>Quarterly report on the management of resources and assets</p>	<p>Formulate RIA framework</p> <p>50% reduction in asset losses</p> <p>Integrated PMS framework for ICASA</p> <p>Refresh IT technology and provide for growth to the business</p>
Stakeholder satisfaction index	Improve stakeholder relations	<p>Annual stakeholder reputation survey</p> <p>Develop intervention measures</p>



# SO(7) Strengthen and modernise ICASA (4)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
An economic rental location is identified and occupied	Relocate ICASA	Head office relocated
Reviewed and strengthened financial & other internal controls	Improved governance systems	Management dashboard
		Enhance Financial Systems
		Improve Service level standards between Divisions
		Compliance with ICASA's approved records management program
Coherent Risk strategy and implementation		



# SO(7) Strengthen and modernise ICASA (5)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Contribute to industry knowledge management	Improved Stakeholder engagement and international relations	Develop and implement an engagement strategy with regulators and agencies
		Develop and implement an engagement strategy for Improved access to information about ICASA's regulatory activities for external stakeholders
		Develop and implement an engagement strategy for an Improved flow of information within the organisation
Regulations finalized and gazetted	All projects are aligned with project plans and timelines	Develop and implement project management framework
Effective participation of Councillors in Corporate Council committees	Ensuring governance	Report on Committee work



# SO(7) Strengthen and modernise ICASA (6)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Timeous Amendments and Transfers of ECNS, ECS and BS licences	Licence amendment and transfer applications considered within 120 days of receipt	All received licence amendment and transfer applications considered within 120 days of receipt
Timeous Registration of Class Broadcasting, ECS and ECNS Licences and Courier Services	Class licence registrations considered within 60 days of receipt	All Class ECS, ECNS, community sound broadcasting services and courier services licences, considered within 60 working days of receipt
Centralised complaints management	Completed framework for centralising complaints handling to ensure the efficient and timeous resolution of all complaints received, implement the framework and monitor and evaluate the effectiveness of the process thereafter	Develop framework for complaints handling



## S0(8) Promote competition (1)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Determine the competitiveness of the Postal, BS, ECS & ECNS or any other market	Reports on the competitiveness of markets	Consultation on regulations governing the broadcasting signal distribution market Discussion document on Market for provision of leased lines Research Report to inform regulatory strategy towards premium content, including subscription broadcasting services Annual Review of retail prices of electronic communications services
Targets set for new players having access to Spectrum	Ensure a fair spectrum distribution	Spectrum availability plans and targets for new players having access to broadband wireless spectrum





# S0(8) Promote competition (2)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Develop Annual Reports on aspects of the communications infrastructure	Increase network rollout and provide Government, industry and consumers with a clear indication of the state of health of the communications infrastructure	Report on existing networks and Colloquium on networks
Promote diversity and choice of broadcasting services	Licensing of additional subscription television broadcasting service licences and Licensing of Individual ECNS licences for Self provisioning	ITA for Pay TV issued and ITA for I-ECNS for self-provisioning issued
Promote diversity and choice of broadcasting services	Licensing of commercial Sound Broadcasting Service licence in Secondary Markets (Northern Cape, Free State and Eastern Cape)	Issue ITA for commercial sound broadcasting services
Efficient use of the numbering spectrum	Introduction of new Numbering Plan regulations and review of existing regulations affecting number allocation to foster competition	Finalisation of the Numbering Plan under the ECA by October 2011 Facilitate full implementation of Carrier Preselect regulations



## S0(8) Promote competition (3)



OUTPUTS	PERFORMANCE INDICATORS	2011/12
Promote and foster infrastructure sharing in the provision of postal services	Introduction of licensing framework for ETOEs and a regulatory framework to facilitate infrastructure sharing	Findings document on E-Post services and infrastructure sharing, including ETOEs. Regulatory framework for infrastructure sharing including ETOEs for efficient sharing of existing infrastructure
Sector intelligence reports, identifying changing trends in the ICT sector (broadcasting, postal and electronic communications)	Bi-annual reports on trends in the ICT sector	Annual report
Development of new pro-competitive remedies	Introduction of pro-competitive remedies to promote competition, e.g. Regulation of wholesale rates	Remedies in line with market reviews RFR for Call Termination



# Medium Term Budget

R'000s	Adjusted appropriation	Medium term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14
<b>Divisions</b>				
Operating Costs	270 732	296 358	311 055	326 171
Additional Divisional Project Costs	20 191	17 020	13 742	16 490
Consumer Affairs	6 495	3 000	2 500	3 000
Licensing and Compliance	3 555	3 500	2 800	3 500
Markets and Competition	2 708	5 500	4 000	5 000
Engineering and Technology	5 960	4 020	3 442	3 790
Regions	1 473	1 000	1 000	1 200
<b>Total</b>	<b>290 923</b>	<b>313 378</b>	<b>324 797</b>	<b>342 661</b>
<b>Economic classification</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Compensation of employees	175 494	185 156	195 329	206 072
Goods and services	125 447	136 233	136 981	139 970
Capital assets	26 726	5 512	5 490	12 150
<b>Total</b>	<b>327 667</b>	<b>326 901</b>	<b>337 800</b>	<b>358 192</b>
Allocation from Department of Communications (DoC)	290 923	313 378	324 797	342 661
<b>Surplus (Deficit) - excluding interest received</b>	<b>-36 744</b>	<b>-13 523</b>	<b>-13 003</b>	<b>-15 531</b>
Add back: Depreciation	9 368	9 516	10 500	11 500
Add: Interest received and Other income	9 330	6 012	7 513	5 005
Deferred income	18 046			
<b>Total Surplus</b>	<b>0</b>	<b>2 005</b>	<b>5 010</b>	<b>974</b>



# Forward Looking Plan



## Compensation of Employees

An increased budget allocation will reduce the employee costs versus total budget allocation. In addition, a plan is being drafted to reduce expenditure from 60% to 40% for employee compensation over the next four years –

**60%** in 2011/12; **50%** in 2012/13; **45%** in 2013/14; and **40%** in 2014/15

Implementation of these ratios will be achieved by means of:

- Improved **work methods** to eliminate wastage of resources and duplication/overlaps of activities
- **Automation** of processes to enhance efficiency, effectiveness and quality outputs
- **Natural attrition** will create opportunity to redesign jobs and elevate competence requirements (retirements, resignations, incapacity and expiry of contracts)
- Conversion of remuneration structure to **Total Cost to Employer (CTE)** packages will provide accurate labour cost forecasts
- **Project related labour costs** must be a component of budgeted project costs



# Administered Revenue

The Authority's budget allocation was Rm291 for 2010/11 and is Rm313 for 2011/12. However, in terms of Section 15(3) of the ICASA Act all monies ICASA collects in its regulatory activities must be paid over to the National Revenue Fund (NRF) within 30 days of receipt of such revenue.

Transfers to NRF:

	Period	Rbn	% movement	Explanation
Actual	2008/09	2.357		
Actual	2009/10	1.097	-53%	Reduction due to ECA implementation
Actual	2010/11	0.980	-11%	
Forecast	2011/12	1.400	43%	Includes new Spectrum fees regime



# Additional Funding Requirements

	ICASA STRATEGIC OBJECTIVES	R'000	WEIGHT	2011/12	2012/13	2013/14
SO1	Ensure effective participation by HDIs in the industry		10	-	-	-
SO2	Ensure the provision of broadband services		16	1 000	-	-
SO3	Optimise the use of the radio frequency spectrum to support the widest variety of services		16	7 500	5 500	-
SO4	Promote the protection of consumers and accessibility for persons with disabilities		10	9 050	10 370	7 220
SO5	Promote the development of public, community and commercial broadcasting services in the context of digital migration		12	2 534	2 952	1 545
SO6	Ensure compliance with legislation and regulation		10	27 873	4 567	6 478
SO7	Strengthen and modernise ICASA		10	77 750	39 500	21 350
SO8	Promote competition		16	7 765	4 044	3 292
	<b>TOTAL</b>			<b>133 472</b>	<b>66 933</b>	<b>39 885</b>



# 2011/12 Additional Funding Requirements

No.	SO	Description	R million
1	7	Head Office Relocation	39
2	6,7	Equipment required to ensure effective Compliance and Enforcement (Broadcast Monitoring Equipment R21m, Spectrum Software R12m)	33
3	7	Organisational Review and Implementation, Skills Audit	13
4	7	Finalisation of ICASA Funding Model	2
5	7	Improving and strengthening Financial, IT and Operational Controls	12
6	2,3,4, 5,6,8	Regulatory Projects: <ul style="list-style-type: none"><li>•Broadband/Frequency Spectrum/ Broadcasting Services</li><li>•Consumer Affairs</li><li>•Review of Licensee Regulations, Standard Terms and Conditions</li><li>•Market Review/Pro Competitive Remedies</li></ul>	11 8 7 8
<b>Total</b>			<b>133</b>



# 2011/12 Head Office Relocation Costs

Item	Description	R million
1	Physical Move Costs – insurance, co-ordinators	5
2	IT and Telephone infrastructure	9
3	Office fit-outs, Space Planning, Signage	14
4	Removal and Reinstallation of Masts and Generators	2
5	Technical Security Systems	3
6	Open Plan Furniture	1
7	Contingency Cost	3
8	Existing Head Office Restoration	2
	<b>Total</b>	<b>39</b>





# Risks to achieving Strategic Objectives

- Overall lack of Funding:
  - Head Office Relocation
  - No availability of end-to-end spectrum management software
  - Lack of state of the art broadcasting monitoring equipment
  - Organisational restructuring and need for change management
  - Not having optimal funding for skills development and recruitment
  - No capacity to perform monitoring to ensure quality of communication services
- Lack of competencies to deliver at the right level
- Managerial 5 year contracts terminating simultaneously and without succession plans
- Resistance to Performance Management framework
- Delays in migration of terrestrial broadcasting from analogue to digital
- Ongoing litigation designed to delay the implementation of regulations



# MTSF Development Indicators and ICASA's Contribution



No	Indicator: <u>Theme</u> and Name	ICASA's Contribution
14 15	<b><u>Economic Growth and Transformation</u></b> <ul style="list-style-type: none"> <li>• Black Economic Empowerment (BEE) Transactions</li> <li>• Black Female Managers</li> </ul>	Strategic Objective 1 50%
25	<b><u>Employment</u></b> <ul style="list-style-type: none"> <li>• People with Disabilities (Persons with disabilities)</li> </ul>	Consumer Affairs/National Summit
59	<b><u>Safety and Security</u></b> <ul style="list-style-type: none"> <li>• Detection Rate</li> </ul>	Fraud: <ul style="list-style-type: none"> <li>• Monitoring of illegal operations, seize the goods (cellphone), seize computer equipment, poor Code of conduct , poor criminal Act</li> </ul>
71 72 75	<b><u>Good Governance</u></b> <ul style="list-style-type: none"> <li>• Audit</li> <li>• Corruption perceptions</li> <li>• Ease of doing business</li> </ul>	<ul style="list-style-type: none"> <li>• Whistle blowing campaign</li> <li>• Declaration of interests</li> <li>• Code of Conduct</li> <li>• Licensing, promote competition by creating an enabling environment and call termination</li> </ul>



**Questions?**



*Thank you*



*Dankie*

*Re a leboha*

*Re a leboga*

*Siyabonga*

*Inkomu*

*Ro livhuwa*

*Enkosi*