



# ICASA

## 2013-2017 Strategic Plan

Presented by

Dr Stephen Mncube - Chairperson, Councillors,  
Themba Dlamini CEO

Thamsanqa Ndadana Acting CFO

to

Parliamentary Portfolio Committee on Communications

17 April 2012



# ICASA Council



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# ICASA Executive Core Team

Themba Dlamini	Chief Executive Officer
Sipho Tsotetsi	GM: Licensing & Compliance
Philemon Molefe	GM: Engineering & Technology (Acting)
Pieter Grootes	GM: Markets & Competition
Phosa Mashangoane	GM: Consumer Awareness
Thamsanqa Ndadana	Chief Financial Officer (Acting)
Mpilo Ngxingo	GM: Legal Services & CCC (Acting)
Bruce Jooste	GM: Compliance and Risk
Geoff Cox	Office of the CEO - Strategy, Planning , Monitoring & Evaluation



# Presentation Outline



**Part 1 Chairperson's Overview**

**Part 2 Chief Executive Officer's Overview**

**Part 3 Acting Chief Financial Officer's Overview**



# Part 1

Dr Stephen Mncube – Chairperson



# Part 1 - Content

1. ICASA Vision and Mission, Values
2. ICASA Organogram
3. Strategic Output Oriented Goals (SOOGs)
4. Mapping of Strategic Goals



# Vision and Mission



## VISION

- To advance the building of a digital society

## MISSION

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



# Values

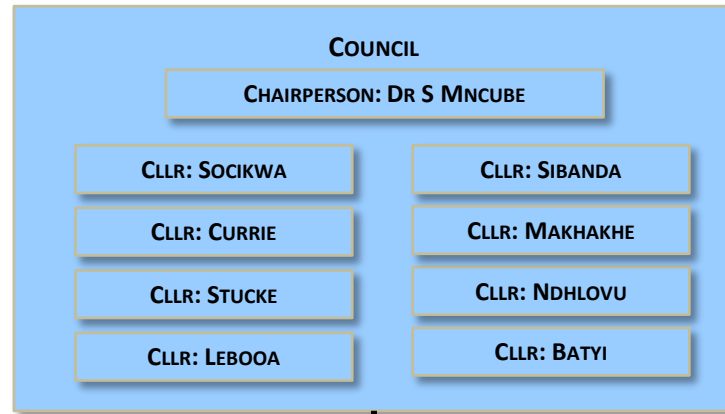


<b>Necessity</b>	ICASA is committed to <b>evidence-based regulation</b> ensuring that regulation is only introduced where there is a demonstrable need. The Authority furthermore intends to ensure that <b>regulatory compliance does not become a barrier</b> to the development of a sustainable ICT sector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





# Organogram



**CORPORATE SECRETARY**  
**M MATHABATHE**

**CHIEF EXECUTIVE OFFICER**  
**T DLAMINI**

**CHIEF AUDIT EXECUTIVE**  
**S SEKANO**

**GM: LICENSING & COMPLIANCE**  
**S TSOTETSI**

**GM: MARKETS & COMPETITION**  
**P GROOTES**

**GM: ENGINEERING & TECHNOLOGY (ACTING)**  
**P MOLEFE**

**GM: CONSUMER AFFAIRS**  
**P MASHANGOANE**

**GM: LEGAL AND CCC (ACTING)**  
**M NGXINGO**

**GM: ADMINISTRATION**  
**B NTULI**

**CHIEF FINANCIAL OFFICER (ACTING)**  
**T NDADANA**

**GM: COMPLIANCE, RISK & AUDIT**  
**B JOOSTE**

**GM: HUMAN RESOURCES (ACTING)**  
**R MAHLABANA**

**SM: INFORMATION TECHNOLOGY**  
**R ALGU**

**SM: COMMUNICATIONS & IR**  
**J MATLOU**

**SM: REGIONAL OFFICES**  
**M RAMSEY**



# ICASA Strategic Goals (1)

## **1. Transformation of the ICT sector**

Ensure effective participation of historically disadvantaged persons in the ICT industry, with particular emphasis on the role of women, persons with disabilities and youth.

## **2. Ensure the provision of broadband services**

Access to broadband and pricing is part of Universal Service and Access. Access to broadband services at fair prices is a crucial element in supporting the development of a knowledge economy.



# ICASA Strategic Goals (2)

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

The Authority will develop a Radio Frequency Migration Strategy, review the Radio Frequency Plan in preparation for the Digital Migration process, licence available wireless spectrum for broadband and produce radio frequency spectrum usage reports.

The licensing of high demand radio frequency spectrum for 800MHz and 2.6GHz will go a long way in optimising usage of the frequency spectrum.

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

The Authority is mandated to protect consumers of postal and ICT services from unfair retail practices.



# ICASA Strategic Goals (3)

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

The Digital Terrestrial Television (DTT) framework will allow for the licensing of new digital television channels, thereby introducing diversity in content production and competition among service providers.

The Digital Migration process will also free up portions of the spectrum that can be used to achieve broadband connectivity to realise some of the country's socio-economic development goals. This value-add to services and applications is known as the Digital Dividend.

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

The Authority has begun a public consultative exercise to review all broadcasting regulations to ensure that these are in line with the unfolding digital era.



## 7. Strengthen and modernise ICASA

Strengthening and modernising ICASA involves positioning the Authority to enable it to meet the demands of a fast changing industry landscape.

## 8. Promote competition

Competition among ICT operators will stimulate innovation, lower prices and add value for consumers.



# Mapping of Strategic Goals

2013 STRATEGIC GOALS

DEPARTMENT OF COMMUNICATIONS  
**STRATEGIC GOAL 1**  
Enable the maximisation of investment in the ICT sector and create new competitive business opportunities for the growth of the ICT industry for socio-economic development

DEPARTMENT OF COMMUNICATIONS  
**STRATEGIC GOAL 2**  
Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people

DEPARTMENT OF COMMUNICATIONS  
**STRATEGIC GOAL 3**  
Accelerate the socio-economic development of South Africans and facilitate the building of an inclusive information Society through partnerships with business and civil society and 3 spheres of Government

DEPARTMENT OF COMMUNICATIONS  
**STRATEGIC GOAL 4**  
Improve Departmental performance and enhance the role of ICT SOEs as the delivery arms of Government

DEPARTMENT OF COMMUNICATIONS  
**STRATEGIC GOAL 5**  
Contribute to the global ICT Agenda prioritising Africa's development

ICASA SOOG2  
Ensure the provision of broadband services

ICASA SOOG6  
Ensure compliance with legislation and regulation

ICASA SOOG8  
Promote competition

ICASA SOOG3  
Optimise the use of the radio frequency and numbering resource to support the widest variety of services

ICASA SOOG1  
Transformation of the ICT sector

ICASA SOOG4  
Promote the protection of consumers and accessibility for persons with disabilities

ICASA SOOG5  
Promote the development of public, community and commercial broadcasting services in the context of digital migration

ICASA SOOG7  
Strengthen and modernise ICASA



the doc

Department:  
Communications  
REPUBLIC OF SOUTH AFRICA





## Part 2

Themba Dlamini – Chief Executive Officer



# Part 2 - Content

1. ICASA's Key Role and Impact
2. Revised Priorities 2012-13
3. Context and Strategic Direction
4. Progress on Priorities 2011-12
5. Key achievements 2011-12
6. Key interventions planned 2012-13
7. ICASA/DoC imperatives
8. Situational Analysis – Binding Constraints
9. Delivery Agreement, Targets and Outputs
10. Functional Programmes
11. ICASA Strategic Goals & Objectives
12. Strategic Risks
13. Monitoring & Evaluation
14. Budget Approach





# ICASA's Key Rôle and Impact

## KEY areas:

- Universal Service and Access
- Cost of Communication
- Broadcasting Content development and diversity
- Promotion of Competition
  - Broadband
  - Spectrum and Numbering management
  - Infrastructure development and sharing
- Consumer Protection



# Revised Priorities 2012-13

## Strategic Priorities

1. Local Loop Unbundling;
2. Access to Broadband and pricing;
3. Spectrum monitoring and assignment equipment and related software;
4. Review of existing regulatory framework for broadcasting services to support the introduction of digital terrestrial television;
5. Universal Service and Access; and
6. Licensing of Spectrum

## Operational Priorities

1. Head Office relocation;
2. Organisational realignment; and
3. Formulation of a self-funding model



# Context and strategic direction

- Competition in the wholesale services market is increasing, with substantial investments going into new wireless access networks as well as long-distance and metropolitan fibre networks
- Access to and utilisation of spectrum is increasingly becoming a priority both on the international and local stage as a result of high consumer demand for increased mobility in the use of data and voice services
- The Authority and the DoC intend to collaborate on matters affecting the cost to communicate in South Africa. The focus areas are the following:
  - To ensure fair and reduced retail prices;
  - Promotion of Broadband Services; and
  - To ensure Universal Service and Access
- An overhaul of the review of our existing Regulations is imperative to ensure that the Regulator is responsive to transformation of the ICT sector<sup>19</sup>



# Progress on Priorities 2011-12

**Progress to date on the 2011-12 priority initiatives has been:**

1. Local Loop Unbundling (LLU);
2. Broadband;
3. Spectrum monitoring and assignment equipment and related software;
4. A review of the existing regulatory framework for broadcasting services to support the introduction of digital terrestrial television (DTT);
5. Universal Service and Access;
6. Licensing of Spectrum; and
7. System Automation – online application and data



# Key achievements 2011-12 summary

- Granted 3 licenses for the provision of commercial radio broadcasting services for Gauteng, Cape Town and Durban
- Development of Compliance Manual Procedure Regulations
- Compliance Report on Coverage of 2011 Municipal Elections
- The release of the Issues Paper on the Review of Existing Broadcasting regulations
- The publication of the Local Loop Unbundling discussion document and subsequent public hearings, followed by the promised reduction in IPC costs
- Broadcasting signal distribution market review public hearings
- Licensing of Spectrum
- Ensuring the provision of Broadband



# Key achievements 2011-12 (1)

<b>Key Achievement</b>	<b>Current or envisaged benefit/impact of achievement</b>
Granted 3 licenses for the provision of commercial radio broadcasting services for Gauteng, Cape Town and Durban	Increase diversity and choice in the broadcasting sector, as well as promotion of competition
Development of Compliance Manual Procedure Regulations	<ol style="list-style-type: none"><li>1. Effective Monitoring of Compliance by the Licensees</li><li>2. Improved compliance</li><li>3. Streamlined reporting procedures</li></ol>
Compliance Report on Coverage of 2011 Municipal Elections	<ol style="list-style-type: none"><li>1. Improved compliance by broadcasters with election coverage regulations</li><li>2. Fair coverage by broadcasters</li></ol>



# Key achievements 2011-12 (2)

<b>Key Achievement</b>	<b>Current or envisaged benefit/impact of achievement</b>
<p>The release of the Issues Paper on the Review of Existing Broadcasting regulations</p>	<p>The envisaged impact of the new regulatory framework will be the introduction of a new licensing framework that introduces more broadcasting service providers, increasing diversity of choice as well as competition in the broadcasting sector. The new regulatory framework will also address the promotion of local content in the digital era</p>
<p>The publication of the Local Loop Unbundling (LLU) discussion document and subsequent public hearings</p>	<p>The impact/outcome of the public consultation regarding local loop unbundling was a price reduction in access to the wholesale layer of Telkom's network on the 1<sup>st</sup> April 2012 as well as the introduction of a new wholesale access layer product, Bitstream in November. The impact of these will a reduction in retail prices and new innovative services, resulting in increased take-up.</p>



# Key achievements 2011-12 (3)

<b>Key Achievement</b>	<b>Current or envisaged benefit/impact of achievement</b>
Broadcasting signal distribution market review discussion paper and public hearings	The Authority intends to reduce the prices that community TV and radio licensees are to pay Sentech through reviewing the cost structure. A reduction in the charges faced by community licensees by 30 <sup>th</sup> June 2012 will support the government policy objective of a financially viable community broadcasting sector
Licensing of Spectrum	Efficient use of high demand spectrum.
Ensuring the provision of Broadband	New entrants to the market to stimulate competition and increased access to broadband services to rural areas.





# Key interventions planned 2012-13 (1)

<b>Planned intervention/target</b>	<b>Envisaged benefit/impact of intervention</b>
Licensing of additional commercial sound broadcasting services in Northern Cape, Free State, Eastern Cape, Gauteng, Cape Town and Durban	Increase diversity and choice of broadcasting services, as well as promotion of competition
Licensing of additional subscription broadcasting service	Promote diversity and choice of broadcasting services as well as promotion of competition
Conduct annual audit on Licensees' equity ownership	Effective monitoring and auditing of Licensee's ownership trends and structures in the ICT sector



# Key interventions planned 2012-13 (2)

Planned intervention/target	Envisaged benefit/impact of intervention
<p>Produce Annual Compliance Reports</p> <p>Postal: 2</p> <p>ECN/S: 30</p> <p>Broadcasting: 45</p>	<p>Improved Compliance by Licensees</p>
<p>Develop an appropriate implementation plan, depending on the outcome of the Universal Service Access Obligations (USAO) Findings document</p>	<p>Improved compliance by Licensees</p>
<p>Implement the Universal Service Access (USA) Regulations</p>	<p>Improved compliance by Licensees</p>



# Key interventions planned 2012-13 (3)

<b>Planned intervention/target</b>	<b>Envisaged benefit/impact of intervention</b>
Procurement of Broadcasting and Postal Monitoring Equipment	Effective monitoring Improved compliance by Licensees
Completion and introduction of the Rapid Deployment Guidelines	The impact of these guidelines will be to substantially reduce any potential red tape delaying the deployment of much needed new infrastructure to support the digitisation of the South African economy. ICASA and the DoC are working closely on this project and intend to have a draft set of guidelines out for public comment by the end of June 2012



# Key interventions planned 2012-13 (4)

Planned intervention/target	Envisaged benefit/impact of intervention
Introduction of a wholesale network access product	<p>The introduction of Bitstream in November will allow innovation in the services offered by ISPs to consumers over Telkom's ADSL last mile connection.</p> <ul style="list-style-type: none"><li>• New and improved products and services are expected</li><li>• This will lead to increased demand</li><li>• Which will increase fixed line broadband penetration</li></ul>



# Key interventions planned 2012-13 (4)

Planned intervention/target	Envisaged benefit/impact of intervention
Accounting Separation Regulations	These regulations will allow the Authority to further regulate wholesale voice call termination prices, if further intervention after the 2013 wholesale voice call termination price cut is necessary
Digital Migration Regulations	Consumers are expected to receive improved quality pictures as well as benefit from increased channel choice from free to air licensees (ETV & SABC). The scope of public broadcasting services will also be expanded to include specific channels on topics such as e-health and e-education



# ICASA/DoC imperatives

- Alignment of projects or programmes
- ICASA Funding model
- Spectrum Audit
- Local Loop Unbundling
- Broadband (budget shortfall)
- Broadcasting Monitoring Equipment
- ICASA Head office relocation



# Situational Analysis-Binding Constraints

- The lack of sufficient funding has the following opportunity costs:
  - continues to over-pay for office rental until head office relocation is fully funded
  - continues to fail to comply with legislative mandate to effectively monitor and enforce activities by licensees, by not having the requisite equipment
  - cannot conduct necessary work to support government objectives, for example, through the effective allocation of spectrum or development of the regulatory framework that will lead to lower prices for end users
- This shortage of funds forced the Authority to revise deliverables in its 2011-2014 corporate strategy
- Whilst the Authority's strategic goals remain based on the key Government priorities it is unlikely to achieve all of these objectives in the future if funding allocation is not increased
- Partial additional funding was however received for 2013 onwards and these ring-fenced allocations will assist in meeting some of the priorities



# Delivery Agreement



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

**Output 1: Improving Competition and Regulation**

**Output 5: Information and Communication Technology**





# Delivery Targets and Outputs(2)

## OUTCOME 6: An Efficient, Competitive and Responsive Economic Infrastructure Network

NATIONAL OUTPUTS	SUB-OUTPUTS	DEPARTMENT'S TARGETS	ICASA COMMITMENTS
<b>Output 5: Communication and Information Technology</b>	Reduce cost of communication, increase broadband penetration and reduce the digital divide in both urban and rural contexts	<ul style="list-style-type: none"> <li><input type="checkbox"/> Issuing a policy directive for unbundling of the local loop by March 2012;</li> <li><input type="checkbox"/> The cost of voice calls, that is mobile, wholesale (Interconnection/Mobile Termination Rates) and fixed-public access, be reduced by 30% by 2014;</li> <li><input type="checkbox"/> Broadband enhancements:               <ul style="list-style-type: none"> <li>▪ Improve broadband speed from 128kbps to 256kbps, through the broadband policy intervention by March 2012;</li> <li>▪ Increase broadband penetration from 2% to 10% by 2014; and</li> <li>▪ 60% population coverage through DTT infrastructure roll-out by March 2012 (Dependent on SENTECH)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Price reduction of the Telkom IPConnect product, to foster retail competition in the market for fixed line ADSL services (being a wholesale input price reduction);</li> <li><input type="checkbox"/> Bitstream product in place by November 2012;</li> <li><input type="checkbox"/> Review of Broadband value chain to identify market failures across the sector; and</li> <li><input type="checkbox"/> ITA for 2.6GHz and 800MHz spectrum completed, leading to better urban and rural broadband penetrations after analogue TV switch off</li> </ul>



# Delivery Targets and Outputs(1)

## OUTCOME 6: An Efficient, Competitive and Responsive Economic Infrastructure Network

NATIONAL OUTPUT	SUB-OUTPUT	DEPARTMENT'S TARGETS	ICASA COMMITMENTS
<b>Output 1: Improving competition and regulation</b>	Review the current industry structure to ensure that the principle of separating policy, operations and regulations is constantly driven through:	<ul style="list-style-type: none"><li><input type="checkbox"/> Developing and enacting the ECA Amendment Bill into Law by March 2012;</li><li><input type="checkbox"/> Developing and enacting the ICASA Amendment Bill into Law by March 2012;</li><li><input type="checkbox"/> Developing of an Integrated ICT Framework by March 2012; and</li><li><input type="checkbox"/> Review of Legislation that has a bearing on ICT by March 2012</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> Regulation of broadcasting signal distribution prices charged by SENTECH</li></ul>



# Functional Programmes

**Programme 2**  
Licensing & Compliance

**Programme 3**  
Engineering & Technology

**Programme 1**  
Governance &  
Administration

**Programme 4**  
Markets & Competition

**Programme 5**  
Consumer Awareness



# ICASA Strategic Goals & Objectives (1)

- |             |                        |   |
|-------------|------------------------|---|
| <b>1</b>    | <b>STRATEGIC GOAL:</b> | <b>Transformation of the ICT sector</b>   |
| <b>1.1.</b> | STRATEGIC OBJECTIVE:   | Ensure effective HDI/BEE participation in the sector  |
| <b>2</b>    | <b>STRATEGIC GOAL:</b> | <b>Ensure the provision of broadband services</b>   |
| <b>2.1.</b> | STRATEGIC OBJECTIVE:   | Assignment of accumulated 1000MHz for data communications   |
| <b>2.2.</b> | STRATEGIC OBJECTIVE:   | Increase connectivity of South Africans on broadband  |
| <b>3</b>    | <b>STRATEGIC GOAL:</b> | <b>Optimise the use of the radio frequency and numbering resource to support the widest variety of services</b> |
| <b>3.1.</b> | STRATEGIC OBJECTIVE:   | Introduce market-based, opportunistic and other innovative approaches in access to spectrum                     |
| <b>3.2.</b> | STRATEGIC OBJECTIVE:   | Introduce regulatory reforms in the numbering frameworks  |
| <b>3.3.</b> | STRATEGIC OBJECTIVE:   | Support the rapid uptake of new ICT technologies  |
| <b>4</b>    | <b>STRATEGIC GOAL:</b> | <b>Promote the protection of consumers and accessibility for persons with disabilities</b>                      |
| <b>4.1.</b> | STRATEGIC OBJECTIVE:   | Promote consumer rights   |
| <b>4.2.</b> | STRATEGIC OBJECTIVE:   | Ensure universal service and access   |



# ICASA Strategic Goals & Objectives (2)

<b>5</b>	<b>STRATEGIC GOAL:</b>	<b>Promote the development of public, community and commercial broadcasting services in the context of digital migration</b>
<b>5.1.</b>	<b>STRATEGIC OBJECTIVE:</b>	Migration to and availability of choice & diversity of broadcasting services in the digital environment
<b>6</b>	<b>STRATEGIC GOAL:</b>	<b>Ensure compliance with legislation and regulation</b>
<b>6.1.</b>	<b>STRATEGIC OBJECTIVE:</b>	Introduce a comprehensive Compliance and Enforcement framework
<b>7</b>	<b>STRATEGIC GOAL:</b>	<b>Strengthen and modernise ICASA</b>
<b>7.1.</b>	<b>STRATEGIC OBJECTIVE:</b>	Improved operational processes and performance
<b>8</b>	<b>STRATEGIC GOAL:</b>	<b>Promote competition</b>
<b>8.1.</b>	<b>STRATEGIC OBJECTIVE:</b>	Remove barriers to competition
<b>8.2.</b>	<b>STRATEGIC OBJECTIVE:</b>	Ensure South African retail prices of ICT services fairly reflect costs <sup>37</sup>



# Strategic Risks (1)

Key Risks Identified	Mitigation
<p>Regulatory framework applicable to ownership and control issues may be affected by the amendments of the ECA, and finalisation of the ICT Charter</p>	<p>Participating in the amendment process of the ECA and thereafter aligning its initiatives as well as existing regulations</p>
<p>Difficulty of achieving consensus from all parties regarding the provisioning of broadband services on how best to ensure access to the Internet for all by 2020</p>	<p>On-going engagement with the DoC regarding the implementation of the Broadband Policy as well as holding industry workshops to cover supply-side aspects of the provision of broadband services</p>



# Strategic Risks (2)

Key Risks Identified	Mitigation
<p>Delays in the effective introduction of Digital Terrestrial Television owing to outdated (analogue-based) regulatory framework</p>	<p>New broadcasting regulatory framework to be developed, including a complete review of all existing regulations that affect broadcasting services, to account for the digital era. A broad consultation process will be embarked on covering all interest groups.</p>
<p>Potential challenges from parties likely to be affected by any pro-competitive action</p>	<p>Detailed information gathering processes and consultative processes will be concluded during any investigation</p>
<p>Non-electronic complaints handling system thereby compromising the integrity of complaints data</p>	<p>Procurement of an Electronic Complaints Case Management System to improve efficiencies in the redress of consumer complaints</p>





# Strategic Risks (3)

Key Risks Identified	Mitigation
<p>Non-compliance by licensees with mandated requirements</p>	<p>Compliance and dispute resolution procedures will be streamlined to ensure that future regulations include clear and concise compliance obligations</p>
<p>Inadequate funding received to assist the Authority to relocate its Head Office and thereby reduce rental costs. In addition, the necessary approval processes lie outside the remit of the Authority which may delay the implementation process</p>	<p>Concerted attempts are being made to ensure approval processes are fast-tracked and additional funding will be requested</p>





# Monitoring and Evaluation

- Strong Focus on Goals, Objectives, Outcomes, and Outputs in the five year Strategic Plan
- Annual Performance Plan captures the Outputs, Activities, Indicators, Targets and Deliverables over the medium-term period
- Predetermined Objectives measured with Quarterly Performance Information Reports
- Integrated Performance Management Information System being developed
- PMS key measurement instrument which the DoC will use to assess the Authority's Performance



# Budget Approach

ICASA committed to review its budget allocation in line with the existing allocation to ensure that funding is allocated directly to those core areas that support government objectives



## Part 3

Thamsanqa Ndadana - Acting Chief Financial Officer



# Part 3 - Content



1. Financial Performance & Funding
2. Administered Revenue
3. Where are we? - Audit Findings
4. Finance Turnaround Plan



# Financial Performance & Funding

R'000 Project costs	Actual	Estimated	Medium-Term Expenditure Forecasts		
	2010/11	2011/12	2012/13	2013/14	2014/15
Consumer Affairs	5 022	1 000	0	2 100	3 563
Licensing and Compliance	3 441	3 500	7 626	1 500	2 442
Markets and Competition	1 809	6 300	9 251	3 500	1 284
Engineering and Technology	5 172	7 500	7 773	2 000	1 817
Regions	1 787	600	0	1 000	1 268
Human Resources	2 876	3 600	0	800	2 041
Admin	741	0	13	0	526
Communication & International Affairs	196	0	0	0	139
Information Technology	2 056	0	0	0	1 459
Finance	1 416	0	0	0	1 005
<b>Total Projects (excluding ring-fenced)</b>	<b>24 517</b>	<b>22 500</b>	<b>24 663</b>	<b>10 900</b>	<b>15 544</b>
Operational Expenditure (OPEX)	2010/11	2011/12	2012/13	2013/14	2014/15
Programme 1 - Governance & Administration	217 091	225 909	238 011	247 219	261 219
Programme 2 - Licensing & Compliance	16 099	18 662	19 738	20 729	21 872
Programme 3 - Markets & Competition	14 130	17 458	18 442	19 358	20 426
Programme 4 - Engineering & Technology	28 151	30 452	32 197	33 761	35 629
Programme 5 - Consumer Affairs	7 863	9 059	9 176	9 623	10 156
<b>Total OPEX</b>	<b>283 334</b>	<b>301 541</b>	<b>317 564</b>	<b>330 691</b>	<b>349 302</b>



# Administered Revenue

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%	
Actual	2011/12	0.988	1%	
Forecast	2012/13	2.115	114%	Includes new Spectrum fees regime
Forecast	2013/14	2.231	5%	
Forecast	2014/15	2.342	5%	



# Where are we? - Audit Findings as at March 2012

## Qualification Findings

- Administered Revenue
  - Addressed through the Finance Turnaround Plan (FTP)
  - Purpose of the FTP is to address immediate audit findings and to mitigate any current financial year challenges
  - FTP approved mid-February 2012
- Fixed Assets
  - Auditor General has reviewed the revised calculations and minor adjustment will be effected

## Other

- CFO appointment has been made, with effect from the 2<sup>nd</sup> May 2012



# Finance Turnaround Plan (1)

DELIVERABLES	TASK	DURATION	PROGRESS MADE
<b>1. Project Leadership Oversight</b>	Oversee effective management of all the deliverables	31 July 2012	Bidders have submitted and BAC to finalise appointment on 13 April 2012
<b>2. Verification of ECS and ECNS, and Broadcasting Services</b>	<ol style="list-style-type: none"><li>1. Assessments of Licence Fee Declarations</li><li>2. Practice note on General Licence Fees Regulations to be published urgently and licence fees calculation to be reviewed</li></ol>	February –April 2012	Project started - 50% completed
<b>3. Community Radio USAF Fees payment</b>	Send Letters of Demand	February –April 2012	Project completed - Follow-up on the letters sent to start in April 2012





# Finance Turnaround Plan (2)

DELIVERABLES	TASK	DURATION	PROGRESS MADE
<b>4. Courier Unreserved</b>	Collect outstanding licence fees	February –April 2012	Billing Completed - JDE configuration for advanced billing completed
<b>5. Verification of Spectrum Debtors</b>	<ol style="list-style-type: none"> <li>1. Opening Balance at 1 April 2011 to be corrected;</li> <li>2. Upload monthly financial data from Spectrum to JDE;</li> <li>3. Manual verification of uploaded financial data</li> </ol>	31 March 2012	<p>Project started – 20% completed.            Contract signed.            Risk – Task might not be completed in time for auditors to review</p>
<b>6. Spectrum Write Offs</b>	<p>Issue 3-months pro-rata invoices for re-instated licences;</p> <p>Obtain supporting documentation and appropriate approvals for all amounts previously written off</p>	31 July 2012	<p>Amounts written off without following due process to be re-instated, follow up underway.            Approximately R3 million has been recovered</p>



# Finance Turnaround Plan (3)

DELIVERABLES	TASK	DURATION	PROGRESS MADE
<b>7. Verification of NRF</b>	Accounts receivable – identification, reconciliation and billing	February – April 2012	Project started – 60% completed
<b>8. Other Practice Note</b>	Publish a practice note on General Licence Fees Regulations	31 March 2012	Practice Note published on 30 March 2012 Project complete
<b>9. Sentech</b>	Collect all outstanding licence fees from Sentech	31 March 2012	Sentech has responded to the Authority that bulk of its claim prescribed. Sentech intends offering the Authority an ex gratia payment of between R1 million and R2 million. The Authority is taking the matter to the courts



# Finance Turnaround Plan (4)

DELIVERABLES	TASK	DURATION	PROGRESS MADE
<b>10. Orbicom</b>	Collect all outstanding licence fees from Orbicom	31 March 2012	Orbicom responded that it did not have access to high sites and that the regulations did not cater for entities that have revenue in excess of R200 000 but do not have access to high sites
<b>11. Advertorial for payment of Radio Frequency Spectrum license fees</b>	Place an advertorial in national newspaper/s	March 2012	Task completed



1. Conclusions
2. The Road Ahead



# Conclusion (1)



- The Regulatory Regime continues in terms of Monitoring and Compliance;
- Compliance Reports produced by operators in telecoms, broadcasting and postal environment serve as a basis for assessing if licence obligations are met;
- Consumer protection is still on our radar, especially given the fact that Cost to Communicate remains a primary concern for everyone in the ICT sector;
- Linkages with **Outcome 6, Output 1 and 5** and ICASA's Objectives are clearly articulated in the Strategic Plan;
- The eight (8) Strategic Goals of ICASA's have been crafted in accordance with the needs of the ICT sector;



# Conclusion (2)



- The goals and objectives are linked to transforming the sector, as well as efficient utilisation of spectrum;
- Risk and Mitigation factors have been defined in relation to the Strategic Outcome Oriented Goals;
- Priorities have be formulated in accordance with the allocated budget;
- Bi-lateral meetings with the DoC on the Strategic Plan were held and comments were considered accordingly; and
- Predetermined Objectives have been formulated in terms of SMART principles



# Road Ahead



1. The PPCC to adopt ICASA's Strategic Plan as presented
2. ICASA to undertake a road show on its Strategic Plan with Stakeholders as a forward looking approach



# Questions ?





*Thank you*

*Dankie*

*Re a leboha*

*Re a leboga*

*Siyabonga*

*Inkomu*

*Ro livhuwa*

*Enkosi*

