Independent Communications Authority of South Africa

Q3 Performance Report, Strategic Plan 2014-2018 and Budget 2013/14

27 March 2013

Presentation Outline

Part 1   Oversight Progress Report

Part 2   Audit Findings Progress Report

Part 3   Quarter 3 Performance Report

Part 4   Strategic and Annual Performance Plans

Part 5   Financial Performance

Part 6   Conclusion

Dr. Stephen Mncube
Chairperson

NORTHERN CAPE & WESTERN CAPE:
17 to 20 JANUARY 2012

COMMUNITY RADIO BROADCASTING

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
The Department should provide a progress report on the undertakings they made in relation to providing support to the NFM station, whilst ICASA and Sentech on the expansion of coverage.		• NFM is included in category A (define category – stations that is based in nodal/rural areas who receives 100% subsidy from the DoC) Through the subsidy for needy stations the Dept. has solved the problem. The radio station been notified effective from 1 September 2012.	
The ICASA should investigate the issue of the Similar names between NFM and Namakwaland Radio	• It should be noted that "Radio NFM" was previously registered as "Radio Namakwa". However, the name was subsequently changed from "Radio Namakwa" to "Radio NFM" on 12 May 2005 with CIPRO. • The Authority has noted that Radio NFM's licence issued on 15 March 2012 erroneously indicated the licensee's name as "Radio Namakwa" instead of "Radio NFM". The Authority has corrected the licence for Radio NFM on 03 December 2012, accordingly.		

POSTAL

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
ICASA to comply with their mandate of conducting postal inspections		• ICASA has streamlined the monitoring postal sector under one line Manager (Postal Compliance). ICASA has developed a work plan on how the inspections will be conducted country wide. The work plans were discussed and shared with the postal inspectors for implementation.	

BROADCASTING INFRASTRUCTURE

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
Task team to be urgently established comprising of Sentech, ICASA and SABC and the Department in the Western Cape to develop an integrated framework for rolling out low power transmitters.	- Draft framework has been developed and is awaiting approval from CEO's of SABC and Sentech and subsequently submitted to Minister - A list of areas that are without signal coverage was developed and is guiding the roll out of (low power) transmitters. - National Task Team has been established composed of DoC, ICASA, SABC and Sentech and are functional - The Task Team looking at all provinces including WC.		

REGULATORY

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
The relocation process of the ICASA Regional office should be investigated to deal with the suspicions.	• ICASA investigated the matter. Lease agreement for WC office has been processed through supply chain management policies		
Develop a comprehensive report on the impact of the legislation on the work of ICASA inspectors in particular powers to confiscate illegal equipment.	• ICASA has implemented an Inspector Protocol to detail the prescribed procedure to be followed when Inspectors confiscate illegal equipment. • The Protocol provides specific actions and sequence of actions to be taken by inspectors when exercising the powers conferred on them by the Independent Communications Authority of South Africa, Act No. 13 of 2000 (the ICASA Act).		

LIMPOPO PROVINCE:
5 to 8 FEBRUARY 2012

UNIVERSAL ACCESS

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
Rollout of telecommunications infrastructure to rural areas should be prioritized by the regulator and the Department	• Partly Achieved - The Authority has published Regulations on the Definition of Under-serviced areas and Findings on the Review of Universal Service and Access Obligations. • The Authority met with all licensees who have obligations to rollout telecommunications infrastructure in rural areas to discuss the extent to which the obligations were met and the future implementation plans. • ICASA is currently developing an online map of available infrastructure to the street level		
Provincial Task Team which comprises SABC, Sentech, ICASA and Department should be established to co-ordinate development of comprehensive footprint coverage for the Province	• Partly Achieved - The outcome of the initiative to determine the ICT footprint in the provinces would serve the basis of developing an integrated framework for rolling out low power transmitters. Progress would be provided in the first quarter of 2013/2014.		

BUDGET VOTE DELIBERATION REPORT
26 MAY 2011

BVDR – ICASA STRATEGY

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
ICASA reprioritize its strategic focus areas in line with the allocated budget		• ICASA is committed to review its budget allocation and ensure that funding is allocated directly to those core areas that support government objectives and initiatives.	

THE BUDGETARY REVIEW AND RECOMMENDATION REPORT (BRRR)
OF THE PCC
20 OCTOBER 2011

BRRR – TELECOMS POLICY

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
Due to the lapse of time, the Ministry review the policy directive on LLU and come out with clear timeframes			• Not Achieved – (See challenges and mitigating measures in actual report submitted)
Conduct a regulatory impact assessment on LLU before ICASA embarks on the process			• Not Achieved – (See challenges and mitigating measures in actual report submitted)

EASTERN CAPE AND KWAZULU-NATAL:
28 MARCH to 1 APRIL 2011

COMMUNITY RADIO STATIONS

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
A steering committee (including MDDA and USAASA) should be established nationally and should develop a national broadcasting coverage plan, with clear timeframes on when will universal coverage be achieved. The report should look at all areas and not the narrow population based approach.			• Not Achieved - This recommendations / concerns would be addressed by all affected parties lead by the MDDA in the First Quarter of 2013/2014

REGULATORY

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
The acknowledgement of guilt fines by those not complying should be part of the system (ICASA regional office in KZN)			• ICASA must declare our inspectors as Peace Officers before promulgating proposed regulations

BROADCASTING INFRA-STRUCTURE

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
A steering committee should be established to identify and facilitate the rollout of low-powered transmitters to improve the footprint coverage of the SABC and ICASA should respond to the issues raised by community broadcasters in relation to coverage	• Partly Achieved - The outcome of the initiative to determine the ICT footprint in the provinces would serve the basis of developing an integrated framework for rolling out low power transmitters. Progress would be provided in the first quarter of 2013/2014.		

NORTHERN CAPE & FREE STATE: 8 NOVEMBER 2011

BROADCASTING COVERAGE AND ACCESS

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
Establish a Regional task team to focus on SABC footprint coverage in Kimberley & Bloemfontein (universal coverage) comprising of ICASA, Sentech and SABC. A progress report of the task team should be presented monthly to the Boards of SABC and Sentech and the Council of ICASA. This process should contribute to the development and finalization of a national programme for universal access and services in broadcasting.		• Partly Achieved - The outcome of the initiative to determine the ICT footprint in the provinces would serve the basis of developing an integrated framework for rolling out low power transmitters. Progress would be provided in the first quarter of 2013/2014.	
All entities should offer any kind of assistance to the Itekeng Self Help and Telecentre		This is work in progress with all relevant entities.	

POSTAL REGULATORY

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
Develop a programme to visit all Post Offices and present a comprehensive report to the PCC by end November 2011		• Partly Achieved - the Authority visited 524 postal outlets. • In the new financial year (2013/2014) the Authority will visit the remaining postal outlets (1876). • An annual compliance report is being compiled on SAPO's obligations.	

BROADCASTING COVERAGE

RECOMMENDATION	STATUS		
	Green Achieved	Yellow Partly Achieved	Red Not Achieved
Establish a Regional task team (NC & FS) to deal, amongst others, with the following issues: SABC footprint coverage The process of taking over self-help transmission sites. A replica of such a tack team should be established at National level		• Partly Achieved - The outcome of the initiative to determine the ICT footprint in the provinces would serve the basis of developing an integrated framework for rolling out low power transmitters. Progress would be provided in the first quarter of 2013/2014.	

Joseph Lebooa

Councillor

Audit Findings – Dashboard

AUDIT ISSUES	No	%
TOTAL AUDIT ISSUES	83	100
ISSUES IN PROGRESS	46	55
ISSUES TO BE RESOLVED WITH MULTIPLE DEPENDENCIES	4	5
ISSUES RESOLVED AND COMPLETED	33	40

Audit Findings – Dashboard Report

- The above table shows that so far ICASA has resolved 40% (green issues) of all the audit issues.
- Another 55% of all the issues (yellow issues) are in progress and will be resolved by the end of this financial year by the 31st of March 2013.
- Another 5 % (red issues) of all the audit issues still remain very critical even though there is still hope that these issues will also be resolved by the end of March 2013.
- ICASA is aspiring to have all the audit issues resolved by the end of this financial year and all efforts are been put in place to make this a reality.
- Most of the remaining yellow issues are primarily caused by the following issues:
  - Wrong opening balances of the financial statements
  - Spectrum Debtors
  - ECN and ECNS Licensee non compliance
  - Tracing of debtors
- A lot of effort has been spent in trying to resolve each and every aspect of the management letter and it is still our hope that by the 31st of March 2013 most if not all of the issues will be resolved.

Themba Dlamini

Chief Executive Officer

ICASA Programme Structure from Q3

COUNCIL

CHAIRPERSON: DR S MNCUBE

CLLR. SOCIKWA	CLLR. NDHLOVU
CLLR. CURRIE	CLLR. BATYI
CLLR. STUCKE	CLLR. PILLAY
CLLR. LEBOOA	VACANT

CHIEF EXECUTIVE OFFICER

PROGRAMME 1
T DLAMINI
- GOVERNANCE & ADMINISTRATION

PROGRAMME 2
CLLR. CURRIE
- LICENSING & COMPLIANCE

PROGRAMME 3
CLLR. STUCKE
CLLR. BATYI
- MARKETS & COMPETITION

PROGRAMME 4
CLLR. SOCIKWA
- ENGINEERING & TECHNOLOGY

PROGRAMME 5
CLLR. NDHLOVU
CLLR. PILLAY
- CONSUMER AFFAIRS

REGIONAL OFFICES
CLLR. LEBOOA
- REGIONAL OFFICES

ICASA Organogram

COUNCIL

CHAIRPERSON: DR S MNCUBE

CLLR. SOCIKWA	CLLR. NDHLOVU
CLLR. CURRIE	CLLR. BATYI
CLLR. STUCKE	CLLR. PILLAY
CLLR. LEBOOA	VACANT

CORPORATE SECRETARY
M MATHABATHE

CHIEF EXECUTIVE OFFICER
T DLAMINI

CHIEF AUDIT EXECUTIVE
E KARA

MONITORING &
EVALUATION
G COX

PROGRAMME 1
GOVERNANCE & ADMINISTRATION

GM: ADMINISTRATION
B NTULI

GM: COMPLIANCE,
RISK & AUDIT
B JOOSTE

GM: HUMAN
RESOURCES
VACANT

SM: INFORMATION
TECHNOLOGY
R ALGU

ACTING GM: LEGAL AND
CCC
M NGXINGO

SM: COMMUNICATIONS
& IR
J MATLOU

CHIEF FINANCIAL
OFFICER
C SIMPSON

PROGRAMME 2
CLLR. CURRIE

PROGRAMME 3
CLLR. STUCKE
CLLR. BATYI

PROGRAMME 4
CLLR. SOCIKWA

PROGRAMME 5
CLLR. NDHLOVU
CLLR. PILLAY

REGIONAL OFFICES
CLLR. LEBOOA

GM: LICENSING &
COMPLIANCE
S TSOTETSI

GM: MARKETS &
COMPETITION
P GROOTES

GM: ENGINEERING &
TECHNOLOGY
R SEEBER

GM: CONSUMER
AFFAIRS
P MASHANGOANE

SM: REGIONAL
OFFICES
M RAMSEY

Strategic and Operational Deliverables NOT ACHIEVED - Q3

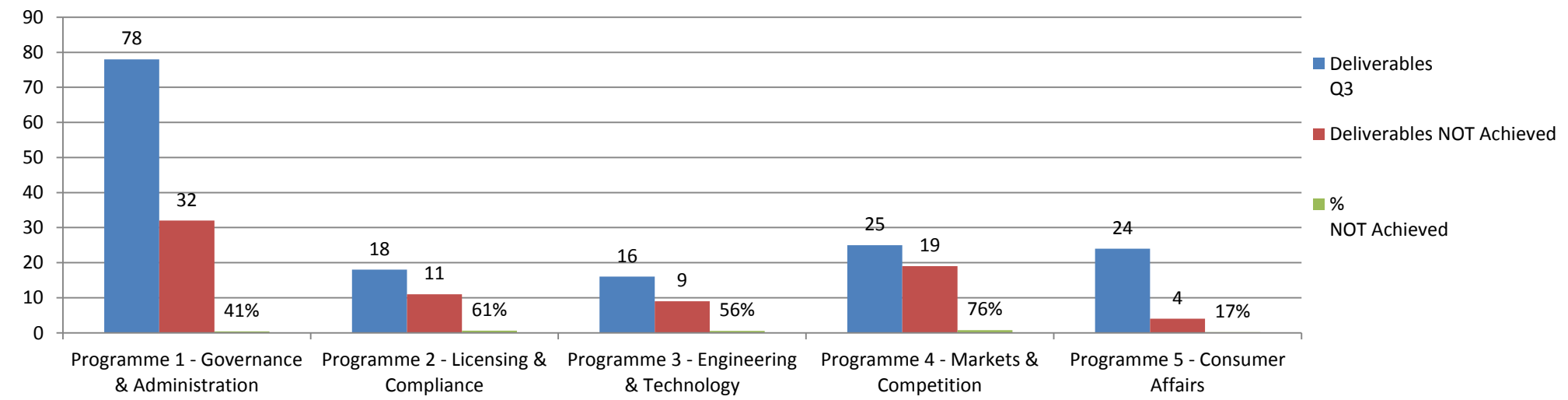| Annual Performance Plan & Operational Plan	Outcomes	Outputs	Targets 2012/2013	Activities 2012/2013	Deliverables Q1	Deliverables NOT Achieved	% NOT Achieved	Deliverables Q2	Deliverables NOT Achieved	% NOT Achieved	Deliverables Q3	Deliverables NOT Achieved	% NOT Achieved
Programme 1 - Governance & Administration	36	61	82	82	78	35	45%	77	28	36%	78	32	41%
Programme 2 - Licensing & Compliance	7	15	18	18	18	4	22%	18	10	56%	18	11	61%
Programme 3 - Engineering & Technology	7	14	16	14	16	6	38%	16	8	50%	16	9	56%
Programme 4 - Markets & Competition	14	26	30	31	27	8	30%	24	17	71%	25	19	76%
Programme 5 - Consumer Affairs	4	13	18	22	23	4	17%	23	7	30%	24	4	17%
	68	129	164	167	162	57	35%	158	70	44%	161	75	47%

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Strategic Predetermined Objectives NOT ACHIEVED - Q3

by SOOG	2012/2013 Strategic Objectives	2012/2013 Key Outcomes	2012/2013 Key Outputs	2012/2013 Targets	Q1 Quarterly Deliverables	NOT Achieved	% NOT Achieved	Q2 Quarterly Deliverables	NOT Achieved	% NOT Achieved	Q3 Quarterly Deliverables	NOT Achieved	% NOT Achieved	2012/2013 Targets	NOT Achieved	% NOT Achieved
APP Summary table of Strategic Targets and Deliverables														Forecast		
SOOG1	1	1	1	1	1	1	100%	1	1	100%	1	1	100%	1	0	0%
SOOG2	2	2	7	5	5	1	20%	4	2	50%	4	4	100%	5	4	80%
SOOG3	3	3	5	4	4	2	50%	3	2	67%	3	2	67%	4	1	25%
SOOG4	2	3	6	5	5	2	40%	5	3	60%	5	4	80%	5	1	20%
SOOG5	1	2	2	2	2	0	0%	2	1	50%	2	2	100%	2	1	50%
SOOG6	1	1	7	6	6	2	33%	6	3	50%	6	3	50%	6	2	33%
SOOG7	1	5	7	12	12	10	83%	10	10	100%	10	9	90%	12	11	92%
SOOG8	2	5	7	8	8	2	25%	7	7	100%	7	7	100%	8	5	63%
TOTAL	13	22	42	43	43	20	47%	38	29	76%	38	32	84%	43	25	58%
Internal reasons						12	60%		17	59%		21	66%		14	56%
External reasons						8	40%		12	41%		11	34%		11	44%

Budget v Actual Expenditure

EXPENDITURE SUMMARY		BUDGET					ACTUAL					INDICATORS					
		Budget Q1	Budget Q2	Budget Q3	Budget Q4	Budget Total	ACTUAL Q1	ACTUAL Q2	ACTUAL Q3	ACT Q4	ACTUAL Total	%Spend Q1	%Spend Q2	%Spend Q3	%Spend Q4	%Spend Total	BUDGET to spend
Projects	Programme 1 - Governance & Administration	542 078	1 235 050	2 574 973	325 000	4 677 101	4 047	105 428	879 613		989 088	1%	9%	34%	0%	21%	3 688 013
	Programme 2 - Licensing & Compliance	212 652	321 818	3 784 376	3 307 136	7 625 981	104 221	352 346	206 666		663 233	49%	109%	5%	0%	9%	6 962 748
	Programme 3 - Markets & Competition	1 720 218	1 915 314	1 244 759	2 271 666	7 151 957	165 986	999 061	1 007 509	0	2 172 557	10%	52%	81%	0%	30%	4 979 401
	Programme 4 - Engineering & Technology	272 950	5 477 666	-1 071 618	1 429 077	6 108 075	1 180 488	93 170	2 535 109	0	3 808 766	432%	2%		0%	62%	2 299 309
	Programme 5 - Consumer Affairs	0	0	0	0	0	142 413	8 755	0	0	151 168						-151 168
	Regions	0	0	0	0	0	0	1 643	0	0	1 643						-1 643
	Council and Secretariat	0	0	0	0	0	0	0	0	0	0						0
Total PROJECTS	**Approved**	**2 747 898**	**8 949 848**	**6 532 490**	**7 332 879**	**25 563 114**	**1 597 155**	**1 560 403**	**4 628 897**	**0**	**7 786 455**	58%	17%	71%	0%	30%	**17 776 659**
OPEX	Programme 1 - Governance & Administration	41 233 054	40 890 030	44 864 651	45 248 944	172 236 679	39 660 753	41 382 567	39 758 049	0	120 801 370	96%	101%	89%	0%	70%	51 435 310
	Programme 2 - Licensing & Compliance	4 521 601	4 702 046	4 607 297	5 867 198	19 698 142	4 937 500	5 683 873	5 188 727	0	15 810 100	109%	121%	113%	0%	80%	3 888 042
	Programme 3 - Markets & Competition	4 259 356	4 287 671	4 314 467	5 492 505	18 353 999	4 018 524	4 477 797	3 997 091	0	12 493 412	94%	104%	93%	0%	68%	5 860 586
	Programme 4 - Engineering & Technology	7 417 707	7 697 384	9 068 365	9 328 443	33 511 899	7 918 042	8 153 043	7 870 741	0	23 941 825	107%	106%	87%	0%	71%	9 570 074
	Programme 5 - Consumer Affairs	2 087 811	4 978 933	2 215 010	2 611 153	11 892 907	2 986 627	3 382 410	3 162 993	0	9 532 030	143%	68%	143%	0%	80%	2 360 877
	Regions	10 348 498	7 881 859	11 232 919	12 730 995	42 194 270	9 728 322	9 505 548	9 419 797	0	28 653 666	94%	121%	84%	0%	68%	13 540 604
	Council and Secretariat	4 384 412	5 602 038	4 527 894	4 878 170	19 392 513	5 087 450	4 587 601	3 936 329	0	13 611 380	116%	82%	87%	0%	70%	5 781 133
Total OPEX		**74 252 439**	**76 039 961**	**80 830 603**	**86 157 406**	**317 280 409**	**74 337 219**	**77 172 838**	**73 333 727**	**0**	**224 843 783**	100%	101%	91%	0%	71%	**92 436 626**
CAPEX	Programme 1 - Governance & Administration	0	4 100 000	0	0	4 100 000	0	2 289 333	2 212 378	0	4 501 711		56%			110%	-401 711
	Programme 2 - Licensing & Compliance	25 000 000	0	0	0	25 000 000	0	0	0	0	0	0%				0%	25 000 000
	Programme 3 - Markets & Competition	0	0	0	0	0	0	0	0	0	0						0
	Programme 4 - Engineering & Technology	4 000 000	2 000 000	0	0	6 000 000	0	0	0	0	0	0%	0%			0%	6 000 000
	Programme 5 - Consumer Affairs	1 782 147	2 989 649	0	0	4 771 796	537 834	411 304	366 642	0	1 315 781	30%	14%			28%	3 456 016
Total CAPEX		**30 782 147**	**9 089 649**	**0**	**0**	**39 871 796**	**537 834**	**2 700 638**	**2 579 020**	**0**	**5 817 492**	2%	30%			15%	**34 054 304**
Grand Total		107 782 484	94 079 458	87 363 093	93 490 285	382 715 319	76 472 208	81 433 878	80 541 644	0	238 447 730	71%	87%	92%	0%	62%	144 267 589

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Projects Expenditure YTD Q3

Legend: ACTUAL Total (red) • Budget Total (blue)

Programme	ACTUAL Total	Budget Total
Programme 1 - Governance & Administration	989 088	4 677 101
Programme 2 - Licensing & Compliance	663 233	7 625 981
Programme 3 - Markets & Competition	2 172 557	7 151 957
Programme 4 - Engineering & Technology	3 808 766	6 108 075
Programme 5 - Consumer Affairs	151 168	0
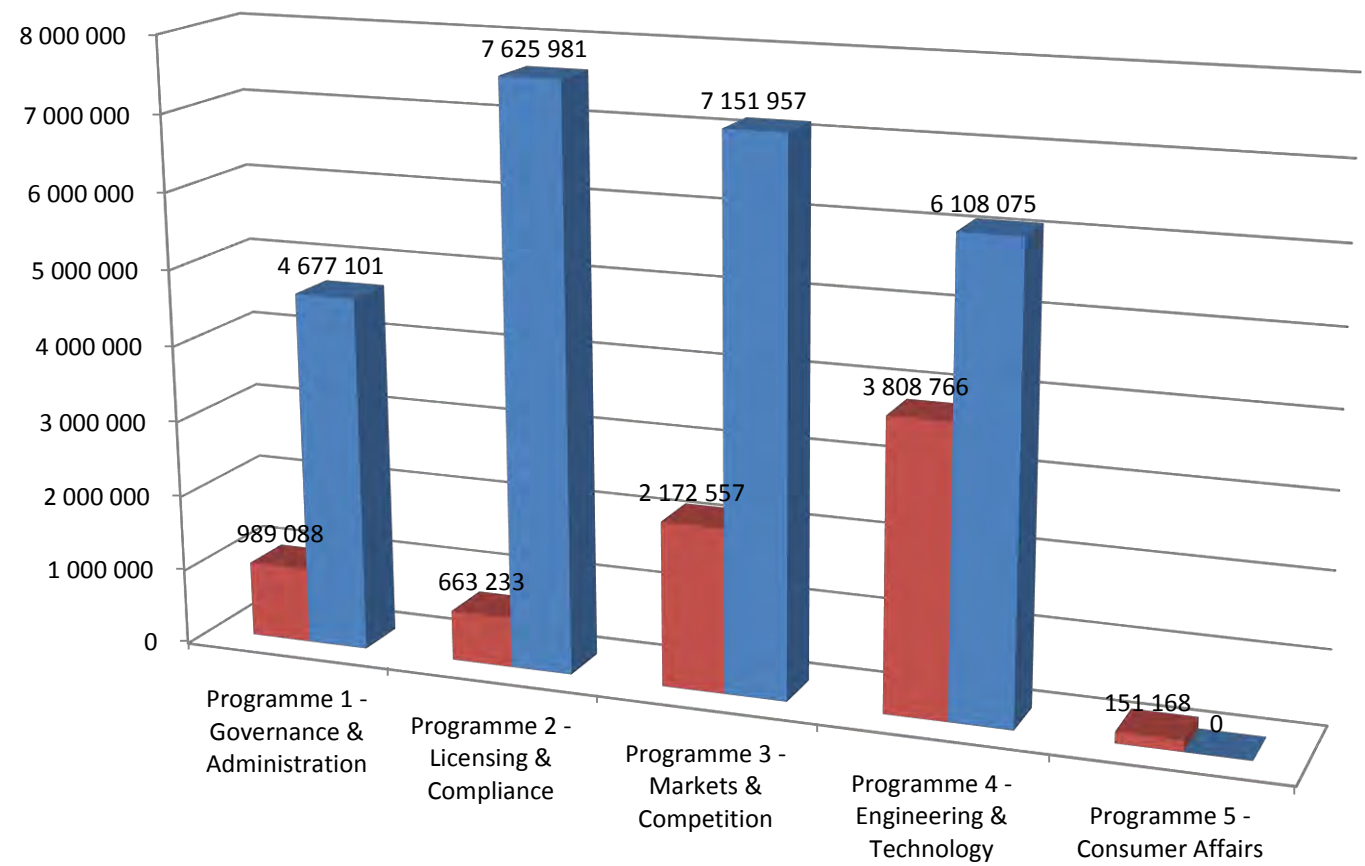
Opex Expenditure YTD Q3

Legend: ACTUAL Total, Budget Total, %Spend Total

Chart values (approximate, as labelled):
- Programme 1 - Governance & Administration: 70%
- Programme 2 - Licensing & Compliance: 80%
- Programme 3 - Markets & Competition: 68%
- Programme 4 - Engineering & Technology: 71%
- Programme 5 - Consumer Affairs: 80%
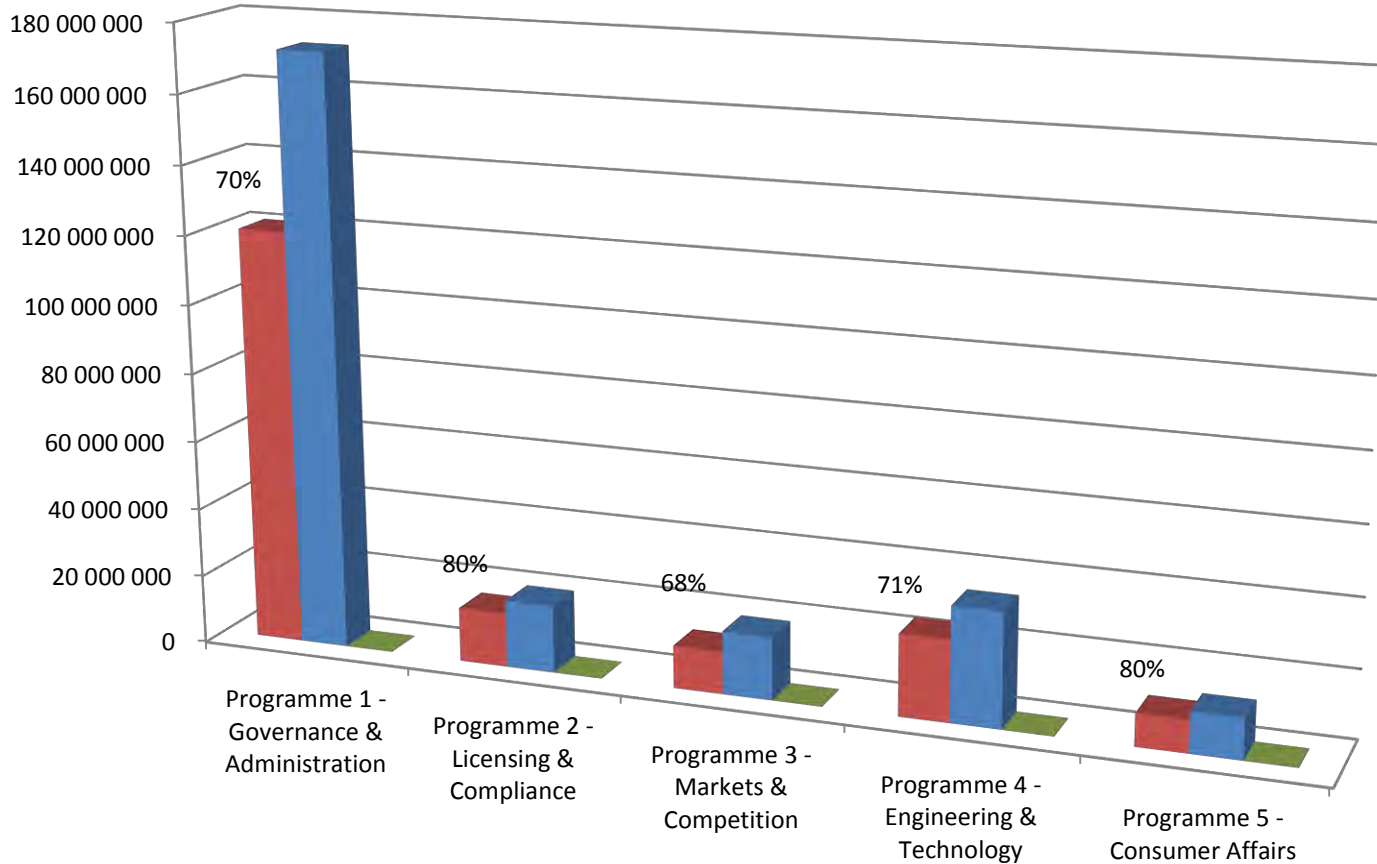
- Radio Frequency Licence Fees have come into effect from April 2012

- The General Licence Fee Regulations are under review

- Broadcasting Regulatory Framework towards a Digitally Converged Environment, Parts 1, 2 and 3 review completed

- Head Office relocation resolved

L&C - Focus Areas for Q4(1)

- The collation of HDI Equity data through the Compliance Procedure Manual Regulation and Report on ownership trends and structures;

- Monitoring of Postal, ECS/ECNS and Broadcasting Services and compilation of annual compliance reports;

- Compilation of an implementation plan in respect of the USAO framework document and USA Regulations; and

- Approval of service provider in respect of the Postal and Broadcast Monitoring equipment.

SO No.	Project/Deliverable	October 2012	November 2012	December 2012	Q4 (Jan-March 2013)
8.	Licensing of Subscription Broadcasting Services	Implementation of confidentiality determinations (i.e. withdrawal of information). Gazette on received applications published for a period of 41 working days (for both representations and responses, respectively).	Analysis of the applications.	Receipt of both representations and responses.	Gazetting of public hearing notice and finalisation of the analysis of applications.
8.	Licensing of Primary Market s	Providing applicants with an opportunity to remedy the defects. Request for confidentiality analysed and decisions communicated.	Implementation of confidentiality determinations (i.e. withdrawal of information). Gazette on received applications published for a period of 41 working days (for both representations and responses, respectively).	Analysis of the applications.	Gazetting of public hearing notice and finalisation of the analysis of applications;

L&C - Focus Areas for Q4 (3)

SO No.	Project/Deliverable	October 2012	November 2012	December 2012	Q4 (Jan-March 2013)
8.	Licensing of Secondary Markets	Providing applicants with an opportunity to remedy the defects. Request for confidentiality analysed and decisions communicated.	Implementation of confidentiality determinations (i.e. withdrawal of information). Gazette on received applications published for a period of 41 working days (for both representations and responses, respectively).	Analysis of the applications.	Gazetting of public hearing notice and finalisation of the analysis of applications;
6.	Procurement of Broadcasting Monitoring Equipment	Re-issuance of the bid.	Evaluation of the bids.	Appointment of the service provider.	Contract being vetted and will be endorsed before end of the financial year. Delivery will take place in the new FY 2013/14
7.	Procurement of Postal Monitoring Equipment	Advertisement of the bid.	Evaluation of the bids.	Appointment of the service provider.	SCM was completed however, a legal opinion is being sort with the bid.

SO No.	Project/Deliverable	October 2012	November 2012	December 2012	Q4 (Jan-March 2013)
2.2.1	Development of Frequency Migration Plan and Regulations and review of Broadcasting Frequency Plan	Public Comments on Draft Frequency Migration Plan and Regulations received	Public Hearings completed		Final Migration Plan and Regulations published (Gazetted)
			Draft Broadcasting Plan approved by Council published for public consultation	Public Hearings completed	Final Terrestrial Broadcasting Frequency Plan published (Gazetted)
				Draft National Frequency Band Plan approved by Council and published for public consultation	National Frequency Plan (Band Plan) published (Gazetted)
3.3.1	Development of Type Approval Framework	Legal vetting of draft Type Approval Framework completed	Draft Type Approval Framework approved by Council and published for public comment		Final Type Approval Regulations (Framework) published (gazetted)

E&T - Focus Areas for Q4 (2)

SO No.	Project/Deliverable	October 2012	November 2012	December 2012	Q4 (Jan-March 2013)
OpsPlan	Routine Spectrum and Type Approval Licensing			Type Approval RF Specialist vacant posts filled to improve the Turnaround times	One vacant post of RF specialist has been filled during Q3 and by end of March 2013 the second appointment would have been made.
	Management of Research Collaboration		Quarterly presentations by Research Institutions		Renewal of Contract with WITS and UP for 2013/14 on research collaboration
	Efficient spectrum Management and Licensing		Contract for procurement of spectrum management software modules in place	Procurement of basic software modules	Basic software modules procured
	QoS Monitoring			PE Quality of Services monitoring completed	KZN Quality of Services monitoring completed
	Monitoring of 'white spaces"			470-694 band monitored (selected areas as per programme)	470-694 band monitored (selected areas as per programme)

M & C Focus Areas for Q4(1)

SO No.	Project/Deliverable	October 2012	November 2012	December 2012	Q4 (Jan-March 2013)
5.1.3	Broadcasting Regulatory framework to support the digital environment	The Division published the ICASA preliminary report on the Public Consultation Processes document, Government Gazette No. 35842 , on 31 October 2012	to engage in Provincial Workshops from 19 November to 13 December 2013.	to engage in Provincial Workshops from 19 November to 13 December 2013.	The Final Report will be finalised in the fourth quarter of the financial year of 2012/2013 and published on 28 March 2013.
8.2.1	Regulatory Strategy for ECS that promotes effective competition and greater network coverage				The DoC has identified the service provider with contracts only to be signed in January 2013. The project is expected to start from January 2013
6.1.1	Effective management of numbering resources				A comprehensive report on the audit findings was completed and reviewed by the Markets & Competition division in Q3 in preparation for the release of the public report in Q4. A submission to be made to ICASA Council in Q4.
4.2.2	New licensing framework for postal services				We were still working on Q2 deliverable which was completed and achieved. This has caused delay to deliver Q3 on time. However the draft report on SAPO USO has been submitted to the GM awaiting approval. The report will be completed by end of March 2013.

CA - Focus Areas for Q4(1)

SO No	Project/Deliverable	October 2012	November 2012	December 2012	Q4 (Jan-March 2013)
4.	Review the End-User and Subscriber Service Charter	Draft discussion document submitted to Legal for Vetting	Vetted draft discussion document submitted to Council for consideration and approval	Discussion document published in Government Gazette for public inputs	Existing regulations are under review and published for public consultations that will take place in Q2 of 2013/2014
	Revised Code on People with Disabilities	Draft discussion document submitted to Legal for Vetting	Vetted draft discussion document submitted to Council for consideration and approval	Discussion document published in Government Gazette for public inputs	Existing regulations are under review and published for public consultations that will take place in Q2 of 2013/2014

SO No	Project/Deliverable	October 2012	November 2012	December 2012	Q4 (Jan-March 2013)
4	Development of Accessibility Framework for PwDs	Disability Consultative Forum Executive (DCFE) meeting to deliberate on framework on accessibility for persons with disabilities	DCFE meeting to develop the draft framework on accessibility for persons with disabilities	DCFE meeting to develop the draft framework on accessibility for persons with disabilities	The Draft Accessibility Framework finalized
	Consumer advocacy	Plan and implement outreach programmes Develop and distribute promotional material	Plan and implement outreach programmes Develop and distribute promotional material	Plan and implement outreach programmes Develop and distribute promotional material	Consumer advocacy is an ongoing programme.

Themba Dlamini
Chief Executive Officer

1. 2012-13 = 8 Strategic Goals
2. Strategic Priorities
3. Council Strategic Thrust
4. Re-clustered 5 new SOOGs
5. Mapping of 2014-18 SOOGs to DoC Strategic Goals
6. Reason for re-clustering
7. 5 Strategic Goals and Objectives: 2013-14 Targets
8. Risks to achieving Strategic Goals

2012-13 = 8 Strategic Goals

SO1. 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.

SO2. 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

SO3. 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.

SO4. 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.

SO5. 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.

SO6. 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.

SO8. 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.

SO7. Strengthen and modernise ICASA

The Authority assessed its performance in relation to targets set, the budget allocation received and the demand of the industry together with government imperatives. As a result, the priorities of the Authority have been revisited in line with the NDP.

Promote Competition and Participation

Broadband

Consumer centrism

Universal Service & Access

Modernisation of ICASA
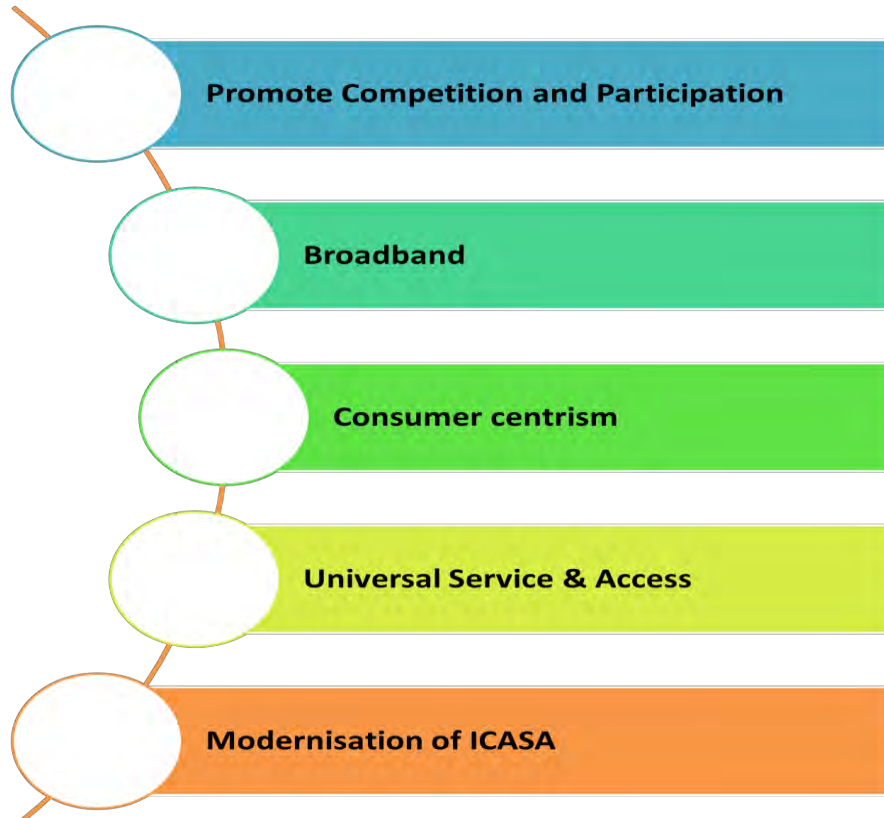
Council Strategic Thrust

Council identified the following strategic thrust that would be prioritised for 2013-14:

a) Competition, **cost to communicate** and cost of services, consumers (including education, quality of service, and ADSL download speeds), (new SOOGs 1&4);

b) Broadband access (LLU and coordination of fibre roll-out) – Regulatory framework, role of postal services (new SOOG 2);

c) Broadcasting services, regulatory review and DTT (new SOOG 2);

d) Optimisation of spectrum (new SOOG 3); and

e) Strengthening ICASA (enforcement and compliance) – capacity and legislative review (new SOOG 5).

Re-clustered 5 new SOOGs

Promote competition	Promote the digital agenda	Promote efficient use of spectrum resources	Protect consumers	Modernise ICASA
SOOG1 = old SOOG1,6&8	**SOOG2 =old SOOG2&5**	**SOOG3 = old SOOG3**	**SOOG4 = old SOOG4**	**SOOG5 = old SOOG7**
SO1.1 Remove bottlenecks to competition	**SO2.1** Facilitate nation-wide broadband penetration by 2020	**SO3.1** Establish innovate approaches to technology usage	**SO4.1** Promote consumer rights	**SO5.1** Improve operational processes and performance
SO1.2 Ensure South African retail prices of ICT services fairly reflect costs	**SO2.2** Promote the development of public, community and commercial broadcasting services in the context of digital migration	**SO3.2** Support the rapid uptake of new ICT technologies	**SO4.2** Ensure universal service and access	
SO1.3 Ensure effective HDI/BEE participation in the sector				

2014 STRATEGIC GOALS

DoC STRATEGIC GOAL 1
Competitiveness and economic growth of the ICT industry
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

DoC STRATEGIC GOAL 2
Accessibility, reliability and affordability of secured ICT Infrastructure
Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people

DoC STRATEGIC GOAL 3
Building of an Inclusive Information Society
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

DoC STRATEGIC GOAL 4
Performance of DoC and ICT State Owned Companies
Improve Departmental performance and enhance the role of ICT SOCs as the delivery arms of Government

DoC STRATEGIC GOAL 5
Contribution to the global ICT agenda
Contribute to the global ICT Agenda prioritising Africa's development

ICASA SOOG1
Promote competition

ICASA SOOG2
Promote the digital agenda

ICASA SOOG3
Promote efficient use of spectrum and numbering resources

ICASA SOOG4
Protect consumers

ICASA SOOG5
Modernise ICASA

- To ensure integration between the ICASA Programmes
- To reduce the scope of work and number of targets reported at high level
- Ensure that the scope of work and deliverables are managed within budget allocation where baseline reductions are required of 1% in 2013/14, 1% in 2014/15 and 1% in 2015/16
- Constraint related to technical competencies to deliver on the Authority's statutory obligations (80:20 principle)

2013-14 Strategic Deliverables

| SOOG | | Summary table of number of Objectives and Deliverable Activities | | | | | | | | | | | | |

2013-14	Strategic Objectives	Output Nos.	Key Outcome	Key Output	S M A R T PI	Risk & Mitigation	Baseline 2012/2013	Target 2013/2014	Activity 2013/2014	Target 2014/2015	Target 2015/2016	Target 2016/2017	Target 2017/2018
SOOG1	3	11	8	11	13	8	13	9	9	8	7	7	4
SOOG2	2	4	2	4	5	2	5	5	5	3	1	2	2
SOOG3	2	5	2	5	5	2	5	3	3	5	4	4	3
SOOG4	2	7	3	7	17	12	17	8	8	13	8	7	10
SOOG5	1	6	4	6	7	7	7	7	7	7	6	6	5
5	10	33	18	33	47	31	47	32	32	36	26	26	24
Reduction in deliverables		30%	35%	30%	24%	31%	18%	45%	45%	25%	28%	13%	

2012-13

SOOG1-8	12	40	20	40	55	37	45	46	46	39	30	24	
SOOG7	1	7	6	7	7	8	12	12	12	9	6	6	
8	13	47	26	47	62	45	57	58	58	48	36	30	0

2012-13 Internal v External

by SOOG	2012/2013 Strategic Objectives	2012/2013 Key Outcomes	2012/2013 Key Outputs	2012/2013 Targets	Q1 Quarterly Deliverables	NOT Achieved	% NOT Achieved	Q2 Quarterly Deliverables	NOT Achieved	% NOT Achieved	Q3 Quarterly Deliverables	NOT Achieved	% NOT Achieved	2012/2013 Targets	NOT Achieved	% NOT Achieved
APP Summary table of Strategic Targets and Deliverables														OUTLOOK (Forecast)		
SOOG1	1	1	1	1	1	1	100%	1	1	100%	1	1	100%	1	0	0%
SOOG2	2	2	7	5	5	1	20%	4	2	50%	4	4	100%	5	4	80%
SOOG3	3	3	5	4	4	2	50%	3	2	67%	3	2	67%	4	1	25%
SOOG4	2	3	6	5	5	2	40%	5	3	60%	5	4	80%	5	1	20%
SOOG5	1	2	2	2	2	0	0%	2	1	50%	2	2	100%	2	1	50%
SOOG6	1	1	7	6	6	2	33%	6	3	50%	6	3	50%	6	2	33%
SOOG7	1	5	7	12	12	10	83%	10	10	100%	10	9	90%	12	11	92%
SOOG8	2	5	7	8	8	2	25%	7	7	100%	7	7	100%	8	5	63%
TOTAL	13	22	42	43	43	20	47%	38	29	76%	38	32	84%	43	25	58%
Internal reasons						12	60%		17	59%		21	66%		14	56%
External reasons						8	40%		12	41%		11	34%		11	44%

2012-13 Internal v External

	2012/2013 Strategic Objectives	2012/2013 Key Outcomes	2012/2013 Key Outputs	2012/2013 Targets	Q1 Quarterly Deliverables	Q1 NOT Achieved	Q1 % NOT Achieved	Q2 Quarterly Deliverables	Q2 NOT Achieved	Q2 % NOT Achieved	Q3 Quarterly Deliverables	Q3 NOT Achieved	Q3 % NOT Achieved	2012/2013 Targets	NOT Achieved	% NOT Achieved
by SOOG	APP Summary table of Strategic Targets and Deliverables													OUTLOOK (Forecast)		
SOOG1	1	1	1	1	1	1	100%	1	1	100%	1	1	100%	1	0	0%
SOOG2	2	2	7	5	5	1	20%	4	2	50%	4	4	100%	5	4	80%
SOOG3	3	3	5	4	4	2	50%	3	2	67%	3	2	67%	4	1	25%
SOOG4	2	3	6	5	5	2	40%	5	3	60%	5	4	80%	5	1	20%
SOOG5	1	2	2	2	2	0	0%	2	1	50%	2	2	100%	2	1	50%
SOOG6	1	1	7	6	6	2	33%	6	3	50%	6	3	50%	6	2	33%
SOOG7	removal of SOOG 7															
SOOG8	2	5	7	8	8	2	25%	7	7	100%	7	7	100%	8	5	63%
TOTAL	12	17	35	31	31	10	32%	28	19	68%	28	23	82%	31	14	45%
Internal reasons	excluding SOOG 7					2	20%		7	37%		12	52%		3	21%
External reasons						8	80%		12	63%		11	48%		11	79%
Previous	13	22	42	43	43	20	47%	38	29	76%	38	32	84%	43	25	58%
Internal reasons	including SOOG 7					12	60%		17	59%		21	66%		14	56%
External reasons						8	40%		12	41%		11	34%		11	44%

5 Strategic Goals and Objectives

SOOG 1

Promote competition
- Remove bottlenecks to competition
- Ensure South African retail prices of ICT services fairly reflect costs
- Ensure effective HDI/BEE participation in the sector

SOOG 2

Promote the digital agenda
- Facilitate nation-wide broadband penetration by 2020
- Promote the development of public, community and commercial broadcasting services in the context of digital migration

SOOG 3

Promote efficient use of spectrum resources
- Establish innovate approaches to technology usage
- Support the rapid uptake of new ICT technologies

SOOG 4

Protect consumers
- Promote consumer rights
- Ensure universal service and access

SOOG 5

Modernise ICASA
- Improve operational processes and performance

SOOG 1 - Promote competition

Custodian	Output Number	Key Outcome	Key Output	Target 2013/2014
		1.1. STRATEGIC OBJECTIVE	**Remove bottlenecks to competition**	
Licensing & Compliance	1	Increase competition by promoting diversity and choice of broadcasting services	Licensing of additional **commercial broadcasting services** by 31 March 2014	Issuance of 5 additional licences for **subscription broadcasting services and Individual ECNS licences for Self-provisioning** to successful applicants by 31 March 2014.
				Issuance of 3 additional Licences for **additional commercial sound services to successful applicants in Secondary Markets** (Northern Cape, Free State and Eastern Cape) by 31 March 2014
				Issuance of 6 additional Licences for **additional commercial sound services to successful applicants in Primary Markets** (Gauteng, Cape Town and Durban) on Medium Wave (MW) Frequencies by 31 March 2014.
	2		Licensing of additional **free-to-air television broadcasting** services by 31 March 2016.	No Strategic Activity
Markets & Competition - Analysis	3	Improved levels of competition in the ICT sector	Rate Card for DTT services based on the approved cost model for Sentech	Approved report on outcomes of public consultation on the Sentech Cost Model
Markets and Competition - Numbering	4		Revised number portability framework that promotes porting of all numbers	No Strategic Activity
	5	Development of pro-competitive remedies and implementation thereof	Development of pro-competitive remedies and implementation thereof	Approved Accounting Separation Regulations for licensees designated with Significant Market Power
		1.2. STRATEGIC OBJECTIVE	**Ensure South African retail prices of ICT services fairly reflect costs**	
Markets & Competition - Numbering	1	Ensure that retail price of reserved postal services is affordable to all citizens	Updated Postal price control and accounting separation regulations for postal services	No Strategic Activity
	2		Approved reserved postal fees and charges	Gazetted Publication of 2014/2015 reserved postal fees and charges
Markets & Competition - Analysis	3	Fair prices for voice services	Call Termination Market Review	**Gazetted** Revised Call Termination Regulations
	4	Fair prices for ECS/ECNS services, accessible by all South Africans by 2016	Imposition of pro-competitive regulations to remove monopoly barriers	**Gazetted** Discussion document defining identified markets and licensees with Significant Market Power across the Value Chain
		1.3. STRATEGIC OBJECTIVE	**Ensure effective HDI/BEE participation in the sector**	
Licensing & Compliance	1	Align the BEE equity ownership of Individual Broadcasting, ECS and ECNS with relevant legislation and ICT Charter	Issuance of amended licences to reflect HDI/BEE equity ownership by 31 March 2017	Publish report in Government Gazette on HDI/BEE equity ownership audit, based on data collected through Compliance Procedure Manual by 31 March 2014

Strategic Plan Targets – SOOG 2

SOOG 2 Promote the broadband agenda

Custodian	Output Number	Key Outcome	Key Output	Target 2013/2014
	2.1.	**STRATEGIC OBJECTIVE**	**Facilitate nation-wide broadband penetration by 2020**	
Engineering & Technology	1	Support development of Broadband nationwide in line with Vision 2020	Frequency migration strategy/plan - Phase 1	Frequency Migration Strategy - Phase 1 implemented in line with2012/13 Frequency Migration Regulations by 31 of March 2014
	2		Roadmap for all of International Mobile Telephony (IMT) spectrum	Approved Roadmap for all of IMT spectrum published by 31 March 2014
	3		Proposal on Frequency Migration Strategy - Phase 2	Proposal on Frequency Migration Strategy - Phase 2 completed by 31 March 2014
	4		Licensing Framework available International Mobile Telephony (IMT) spectrum	Approved Licensing framework for available IMT by 31 March 2014
Markets & Competition - Analysis	5		Open-access model of wholesale network infrastructure (Local Loop Unbundling)	Approved Final Regulations on Local Loop Unbundling (LLU) by 31 March 2014
	2.2.	**STRATEGIC OBJECTIVE**	**Promote the development of public, community and commercial broadcasting services in the context of digital migration**	
Markets & Competition - PDRD	1	Availability of choice & diversity in broadcasting services	Broadcasting regulatory framework to support the digital era	Approved Regulations governing broadcasting for Political Elections
				Report and recommendations on Local Content Regulations presented to Council for approval

SOOG 3 Promote efficient use of spectrum resources

Custodian	Output Number	Key Outcome	Key Output	Target 2013/2014
	3.1.	**STRATEGIC OBJECTIVE**	**Establish innovative approaches to technology usage**	
Engineering & Technology	1	Diffusion of innovative technologies	Strategic Outcome of study groups to influence World Radiocommunication Conference 2015 (WRC-15) decision	Consideration and discussion of prepared contribution papers to WRC-15 study groups by 31 March 2014
	2		Harmonised spectrum plans to achieve economies of scale in terms of service and technologies by 31 March 2014	Recommendations to ITU and regional fora dealing with IMT, digital migration and cognitive radio and standardisation considered and discussed by 31 March 2014
	3		Opportunistic spectrum model	Final Model on opportunistic spectrum management and IMT occupancy measurements and recommendations presented to Council by 31 March 2014
	4		Framework for the use of "white space" and cognitive radio technologies published by 31 March 2015	No Strategic Activity
	3.2.	**STRATEGIC OBJECTIVE**	**Support the rapid uptake of new ICT technologies**	
Engineering & Technology	1	Uptake of New technologies and innovation	Revised Type Approval Framework	No Strategic Activity

SOOG 4 Protect Consumers

Custodian	Output Number	Key Outcome	Key Output	Target 2013/2014
	4.1.	**STRATEGIC OBJECTIVE**	**Promote consumer rights**	
Consumer Affairs	1	Regulatory regime to support consumer rights	Developed and implement consumer protection strategy	Consumer Protection Strategy approved by Council for publishing before 31 March 2014
	2		Revised End-User and Subscriber Service Charter	Development of Billing regulations
	3		Revised Code on People with Disabilities	Development of Broadband service regulations.
Markets & Competition - Numbering	4		Consumer-friendly framework for number utilisation	Approved final regulations on framework for toll-free numbers by 31 March 2014
	4.2.	**STRATEGIC OBJECTIVE**	**Ensure universal service and access**	
Markets & Competition - Postal	1	Bridging the Digital Divide	Recommendation to the Minister on SAPO exclusivity period	Publish discussion document by 31 March 2014 on achievement of targets per licence conditions
Consumer Affairs	2		Roll-out of ICT infrastructure in Eastern Cape, Kwa-Zulu Natal and Limpopo.	3 x Community lekgotla initiatives in Eastern Cape, Kwa-Zulu Natal and Limpopo.

SOOG 5 Modernise ICASA

Custodian	Output Number	Key Outcome	Key Output	Target 2013/2014
	5.1.	**STRATEGIC OBJECTIVE**	**Improved operational processes and performance**	
Information Technology	1	Improved efficiency and effectiveness by the implementation of integrated systems and processes	Improved management of Spectrum	Core modules of new Spectrum Management System implemented
Human Resources	2	Improved governance with a fit for purpose organisational structure	Completed review and implementation of new organisational structure by 31 March 2014	Approved organisational re-alignment roadmap with clear milestones developed
Communications & International Relations	3	Improved domestic and international stakeholder engagement to align with ICASA/National objectives	Implement ICASA **Media Communications Strategy** by 31 March 2014	Implement approved Media Engagement Plans in accordance with the ICASA Media Communications Strategy
	4		Implement ICASA **Stakeholder Strategy** by 31 March 2014	Develop and Implement approved ICASA Stakeholder Strategy by 31 March 2014
	5		Implement ICASA **International Relations Strategy** by 2016	Phase 1 implementation of the approved 2013/14 ICASA International Relations Strategy Framework
Compliance, Risk and Audit	6	Establish a culture of Risk Management	Enterprise Risk Management (ERM) plan fully implemented	Approved Risk Registers, reviewed and monitored quarterly
Legal and CCC	7	Restructure of Legal services and the Complaints and Compliance Committee (CCC)	Establishment of an administratively independent Complaints and Compliance Committee (CCC)	Appointments to approved framework for an administratively independent CCC, separate from ICASA Legal services by 31 March 2014

SOOG 1: Promote competition

- **Risk:** Litigation by the industry challenging the outcome of regulatory processes.
- **Mitigation**: Adherence to proper processes and procedures in terms of the Act and existing regulations.

- **Risk:** Inconsistencies of the application of the HDI/BEE due to an incomplete National Framework on Employment Equity.
- **Mitigation:** Develop a Memorandum of Understanding with the DTI to coordinate the BEE framework for the ICT sector.

SOOG 2: Promote the digital agenda

- Risk: National Spectrum Policy vacuum.

- Mitigation: The Authority will mitigate this risk through increased dialogue with the Minister.

- Risk: Incomplete Broadband Policy.

- Mitigation: The Authority will mitigate this risk through providing additional recommendations to the Minister.

- Risk: Uncoordinated municipal approach to rapid deployment of networks.

- Mitigation: Assist the DOC with the development of a rapid deployment framework.

- Risk: The Department of Communications has initiated an ICT Policy Review. Failure to complete these efforts effectively and speedily creates uncertainty of the roles and responsibilities to be played by all stakeholders.

- Mitigation: The Authority intends to provide input to the processes of the DoC as and when possible.

SOOG 3: Promote efficient use of spectrum and numbering resources

- **Risk:** Uncoordinated effort to manage the import of ICT devices.
- **Mitigation**: Set up MoUs with relevant institutions .

SOOG 4: Protect consumers

- **Risk:** Poor attendance by consumers to advocacy programmes.
- **Mitigation**: The risk will be mitigated by strengthening the relationship with external stakeholders.

SOOG 5: Modernise ICASA

- **Risk:** Uncertainty of roles and responsibilities of ICASA owing to the ECA and ICASA Amendment Bills.
- **Mitigation:** The Authority will participate in the public hearings and provide written commentary on proposed amendments to the legislation.

- Overall lack of Funding:
  - 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
- Delays in migration of terrestrial broadcasting from analogue to digital

Part 5 - Financial Performance

Clarinda Simpson
Chief Financial Officer

1. Economic Classification

2. Expenditure trends

3. Forecast Cash Reserves

4. Budget Approach & Allocation

5. Projects & Ring Fenced Funding

- In order for the Authority to meet its statutory obligations, the financial resource allocations for the medium term, in accordance with the MTEF allocation are as follows:

ICASA Economic Classification Report

R 000	Actual 2008/09	Actual 2009/10	Actual 2010/11	Actual 2011/12	Full Year Forecast 2012/13	Medium-term expenditure estimates		
						2013/14	2014/15	2015/16
Grants from DoC	247 272	269 607	290 923	313 378	*389 797*	390 661	376 221	393 619
i) Compensation of employees	133 317	159 040	169 116	185 432	196 544	220 645	217 406	232 624
ii) Goods and services	98 829	110 673	114 700	117 683	121 536	109 594	129 896	151 006
iii) Normal projects	23 491	15 215	24 517	10 751	9 563	32 635	15 544	18 201
iv) Total ring-fenced projects:					50 192	52 000	15 000	0
- Ring-fenced: Opex costs	0	0	0	0	4 153	0	0	0
- Ring-fenced:Capex costs	0	0	0	0	46 039	52 000	15 000	0
v) Total normal capital assets	20 232	22 783	22 437	9 560	2 700	0	18 287	11 800
Total expenditure	275 870	307 711	330 770	323 426	380 535	414 874	396 133	413 631
Surplus/(Deficit) excluding interest received	(28 598)	(38 104)	(39 847)	(10 048)	9 262	(24 213)	(19 912)	(20 012)
add: Interest received and other income	19 342	15 607	5 955	5 165	6 000	7 216	5 512	5 012
add back: Depreciation	11 440	(3 227)	15 260	9 008	12 500	16 997	14 400	15 000
Total Surplus/(Deficit) excluding depreciation	2 184	(25 724)	(18 632)	4 124	27 762	0	0	0
Cash reserves	61 714	55 426	34 177	37 357	65 119	28 394	25 555	25 555

Stats: % of revenue								
i) Compensation of employees	53.9%	59.0%	58.1%	59.2%	50.4%	56.5%	57.8%	59.1%
ii) Goods and services	40.0%	41.0%	39.4%	37.6%	31.2%	28.1%	34.5%	38.4%
iii) Normal projects	9.5%	5.6%	8.4%	3.4%	2.5%	8.4%	4.1%	4.6%
iv) Total ring-fenced projects:	0.0%	0.0%	0.0%	0.0%	12.9%	13.3%	4.0%	0.0%
v) Capital assets	8.2%	8.5%	7.7%	3.1%	0.7%	0.0%	4.9%	3.0%

Stats: Year on Year %								
i) Compensation of employees	13.3%	19.3%	6.3%	9.6%	6.0%	12.3%	−1.5%	7.0%
ii) Goods and services	−17.1%	12.0%	3.6%	2.6%	3.3%	−9.8%	18.5%	16.3%
iii) Normal projects	35.6%	−35.2%	61.1%	−56.1%	−11.0%	241.3%	−52.4%	17.1%
iv) Total ring-fenced projects:	0%	0%	0%	0%	0%	3.6%	−71.2%	−100.0%
v) Capital assets	−39.1%	12.6%	−1.5%	−57.4%	79.8%	−100.0%	100.0%	−35.5%
Total Expenditure	−4.0%	11.5%	7.5%	−2.2%	17.7%	42.5%	65.0%	8.7%

- The Authority spent its allocations over the previous three years, thus 2009/10, 2010/11 and 2011/12
- For compensation of staff in these years, the Authority managed to keep costs to below 60% of the baseline allocations
- Whilst cost of goods and services as a percentage of baseline dropped from 41% to 38%, this is attributed to the cost cutting austerity measures applied
- For both projects and capital goods, the Authority adversely performed as both trends are downward

- Contributing to the unspent funds in the current year are delays with the acquisition of both postal and broadcast monitoring equipment. This amounts to a total amount of R25 million

- Furthermore, the acquisition of the spectrum management system and delayed initiation of projects relating to Information technology, Markets and competition, Licensing and compliance divisions have also contributed adversely to the under spending

- It is expected that the delayed spending patterns in the current year will be reversed mostly during the fourth quarter as most service providers would have delivered on capital goods and services or the Authority will have a contractual agreement in place resulting in a commitment at year end to ensure the Authority is in a position to retain unspent funds via roll over approval

It is anticipated that the unspent funds at year end will be attributed to the following:

Opening cash and cash equivalents into 2012/13	37 357
Closing cash and cash equivalents in 2012/13	65 119
Movement (increase in reserves)	**27 762**
Movement breakdown:	**27 762**
HO Relocation portion of unspent (initial allocation of R20mil)	12 762
Postal monitoring equipment - contract sign off anticipated towards end March 2013	15 000

- ICASA is committed to review its budget allocation and ensure that funding is allocated directly to those core areas that support government objectives and initiatives.

- This allocation has been done in the following manner:

OPEX per programme

Division	Actual	Actual	Actual	Actual	Full Year Forecast	Medium-term expenditure estimates		
R 000	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total OPEX >>	**232 146**	**255 827**	**283 334**	**303 116**	**318 080**	**330 239**	**347 302**	**383 630**
Programme 5: Consumer Affairs	10 909	10 710	7 863	8 832	13 477	13 993	14 716	16 255
Programme 2: Licensing and Compliance	14 540	16 070	16 099	18 802	22 354	23 209	24 408	26 961
Programme 3: Markets & Competition	15 488	14 684	14 130	15 412	17 880	18 340	19 287	21 305
Programme 4: Engineering and Technology	16 636	27 892	28 151	31 406	33 851	35 146	36 961	40 828
Programme 1: Governance and Administration:	174 573	186 470	217 091	228 664	230 518	239 553	251 930	278 282
Sub-prog: Regions	31 123	35 167	38 286	42 477	40 476	45 562	47 916	52 928
Sub-prog: Human Resources	13 103	14 968	18 054	22 365	13 745	14 284	15 022	16 593
Sub-prog: Admin	54 339	47 905	57 081	57 420	63 885	62 888	66 138	73 056
Sub-prog: Communication & Int'l Affairs	9 316	13 791	11 100	8 119	10 168	10 567	11 113	12 275
Sub-prog: Information Technology	10 989	12 259	12 322	12 818	15 351	15 952	16 777	18 532
Sub-prog: Finance	20 823	20 591	39 484	43 533	43 814	45 531	47 884	52 892
Sub-prog: Internal Audit	5 087	4 168	4 868	5 473	4 361	4 532	4 767	5 265
Sub-prog: Risk and Compliance	0	688	3 311	2 951	3 431	3 565	3 749	4 141
Sub-prog: Legal & CCC	9 520	14 859	12 572	10 778	10 866	11 291	11 875	13 117
Sub-prog: Council	16 138	17 120	16 350	15 921	16 385	17 028	17 907	19 781
Sub-prog: CEO	4 135	4 954	3 662	4 134	5 194	5 398	5 677	6 271
Sub-prog:Secretariat	0	0	0	2 676	2 842	2 953	3 106	3 431

- ICASA succeeded in bidding for additional funding to support its operations. The nature of the bids was both Infrastructure (Capital projects) and Non-Infrastructure (Opex projects)
- The tables below provide a breakdown of the total allocations over the MTEF period.

Financial Performance & Funding 3

Normal projects per programme

Division	Actual	Actual	Actual	Actual	Full Year Forecast	Medium-term expenditure estimates		
R 000	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total normal projects >>	23 491	15 215	24 517	10 751	9 563	32 635	15 544	18 201
Programme 5: Consumer Affairs	5 849	3 110	5 022	2 028	251	6 961	3 563	4 311
Programme 2: Licensing and Compliance	3 956	4 119	3 441	3 660	800	6 705	2 442	2 831
Programme 3: Markets & Competition	9 375	4 311	1 809	2 328	2 533	10 098	1 284	1 489
Programme 4: Engineering and Technology	4 310	3 562	5 172	1 763	4 271	6 925	1 817	2 107
Programme 1: Governance and Administration:	0	113	9 072	972	1 708	1 946	6 437	7 463
Sub-prog: Regions	0	113	1 787	47	5	0	1 268	1 470
Sub-prog: Human Resources	0	0	2 876	441	608	1 346	2 041	2 366
Sub-prog: Admin	0	0	741	73	5	0	526	609
Sub-prog: Communication & Int'l Affairs	0	0	196	0		0	139	161
Sub-prog: Information Technology	0	0	2 056	353	490	0	1 459	1 692
Sub-prog: Finance	0	0	1 416	58	600	600	1 005	1 165

Ring-fenced projects per programme

Division	Actual	Actual	Actual	Actual	Full Year Forecast	Medium-term expenditure estimates		
R 000	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total ring-fenced projects >>	0	0	0	0	50 182	52 000	15 000	0
Programme 5: Consumer Affairs					6 593	0	0	0
Programme 2: Licensing and Compliance					25 000	25 000	0	0
Programme 4: Engineering and Technology					6 000	20 000	15 000	0
Programme 1: Governance and Administration:					12 589	7 000	0	0
Sub-prog: Admin					9 089	2 000	0	0
Sub-prog: Information Technology					3 500	5 000	0	0

Ring Fenced Budget per item

Infrastructure - Capital Projects R'000	2012-13	2013-14	2014-15	TOTAL
1. Broadcast Monitoring Equipment	15 000	15 000	-	**30 000**
2. Postal Monitoring Equipment	10 000	10 000	-	**20 000**
3. End-to-end automated spectrum management tool	6 000	10 000	-	**16 000**
4. ICASA Fleet (Vehicles for Monitoring & Compliance)	2 000	2 000	-	**4 000**
5. Handheld Spectrum Analysers	-	5 000	15 000	**20 000**
6. Test Equipment Upgrade	-	5 000	-	**5 000**
TOTAL	**R 33 000**	**R 47 000**	**R 15 000**	**R 95 000**

The procurement of these capital items will enable the Authority to fulfil its mandate in respect of some of the areas where it has been unable to deliver effective and efficient performance.

Operational Efficiency Projects R'000	2012-13	2013-14	2014-15	TOTAL
1) Relocation of Head Office	20 000	-	-	20 000
2) IT Master Systems Plan	5 000	5 000	-	10 000
3) Consumer Protection	5 000	-	-	5 000
4) Consumer Complaints Handling	2 000	-	-	2 000
TOTAL	**R 32 000**	**R 5 000**	**R 0**	**R 37 000**

Dr. Stephen Mncube

Chairperson

That the committee notes the progress reports on:
- Portfolio Committee Oversight Visit
- Audit Findings for 2012-2013
- Quarterly Performance Report for Q3

That the committee approves the:
- Strategic Plan for the fiscal years 2014-2018
- Annual Performance Plan for the fiscal year 2013-2014
- Budget Expenditure Estimate for the fiscal year 2013-2014

Thank you
Dankie
Re a leboha
Re a leboga
Siyabonga
Inkomu
Ro livhuwa
Enkosi

Questions ?