

**The Minister of Communications, Dr Ivy Matsepe-Casaburri's Budget Vote Speech,
National Assembly**

25 May 2006

Honourable Chairperson
Honourable Cabinet colleagues
Honourable Members
Captains of industry
Distinguished guests
Ladies and gentlemen

Today we celebrate Africa Day, a day that the Organisation of African Unity declared to symbolise a collective desire and commitment to rid our continent of all forms of exploitation and colonisation. That spirit inspired by great African leaders like President Kwame Nkrumah of Ghana, was to influence future generations of Africans. One of these was President Samora Machel of Mozambique, whose mysterious death on South African soil, twenty years ago, we also remember this year. Another is our own President Mbeki.

There are other significant events that mark important moments in our history, which give me inspiration as I deliver this year's Budget Vote Speech. These are: the 100th anniversary of the Bhabatha Rebellion and the Satyagraha in commemoration of the life of Mahatma Ghandhi, the historic march of the Women to the Union Buildings 50 years ago and the Soweto Uprising 30 years ago.

All these events are of immense significance. They provide us with an important framework within which to evaluate the work that we have done, and continue to do to sustain the benefits of our freedom, deepen our democracy and create a better future for the generations to come.

Today is also Cell C's "Take a Girl Child to Work" day. This programme continues to be one of the country's most creative and innovative community social investment programmes. It exposes girls to the workplace and its career possibilities. Our department is honoured to have been allocated a high school in Mamelodi whose name is in memory of one of the finest young men of our country, Stanza Bopape.

I wish to acknowledge Tidimalo Phethle and Portia Digangoane, learners from that school who are shadowing us today.

The vision of our department is to make South Africa a global leader in harnessing Information and Communications Technologies (ICTs) for socio-economic development. The social appropriation of ICTs by the majority of the marginalised in our society remains a critical challenge.

To meet this challenge, we have drawn lessons from two African proverbs: To propel a canoe forward fast, you need to paddle on both sides; and a fruit cannot appear on a branch unless the branch is part of the tree. This taught us to work with others and to balance the needs of the poor and marginalised with those of the industry as a whole.

Our theme last year was: "a river has to be filled by streams". Today we have to paddle our canoe on this full river.

In the spirit of Africa day our African Union (AU) Heads of State provided us with a vision, we have the passion and our officials have the drive. We are all able, willing and ready to succeed. What do we have to show for it?

Chairperson and Honourable Members

This speech will show that:

Government set five key focus areas to meet certain socio-economic development objectives by 2014. We are therefore anchoring our work within this government agenda. The ICT sector has a critical role to play in achieving the goal of at least six percent growth as stated in the Accelerated and Shared Growth Initiative for South Africa (AsgiSA). President, earlier in the year we announced that the AsgiSA initiative is aimed at removing impediments to economic growth. Investment in ICT broadband infrastructure is central to achieving the objectives.

With regard to achieving higher rates of investment in our economy, in my speech last year I indicated that I would be establishing a Digital Migration Working Group. I am happy to report that the Working Group was indeed formed and has been doing its work. We will receive a report soon. The Digital Migration Strategy is one of our priority areas of work that will be concluded later this year.

Work related to the frequency spectrum, including consultations within the Southern African Development Community (SADC) region, has advanced. Input thereon to the International Telecommunications Union (ITU) was on time. Our delegation is currently in Geneva at the Regional Radio Communications Conference deciding on these important matters. Following the

allocation of funds to Sentech for the digitisation of its signal distribution network, work has started to get us ready for the roll-out of digital ready infrastructure.

Last year, we also said that we would address the question of increasing affordable access to, and thus, use of broadband. As clearly shown by international experience, where adequate infrastructure exists, access to it is more affordable. Experience has also shown us that where adequate infrastructure is in abundance, this has been as a result of direct and deliberate government intervention, particularly so in developing countries.

We have prioritised the roll-out of broadband infrastructure in the country. In this regard there are three focus areas, namely, the information superhighway, wireless broadband and international communication network access.

As a country we have to ensure that the broadband back-bone is robust enough to meet our socio-economic development, business as well as the science and research needs of our country. Our work in this regard is continuing at a good pace in collaboration with the Department of Public Enterprises. Consistent with cabinet's declaration that ours is a developmental state we have decided to examine the contribution that the assets of State Owned Enterprises (SOEs) can make to achieve affordable broadband access in our country. A policy decision on this matter will be announced soon.

In addition to the broadband back-bone cable that links large business centres, there is a need for wireless broadband access especially to rural and remote areas. Wireless broadband networks are less costly to roll out as they do not require the digging of long trenches. It is for this reason that we have decided to invest in it. We will be strengthening the policy framework that encourages more players to consider investing in wireless broadband.

The July Cabinet Lekgotla last year decided that Sentech is a strategic national asset, which has important infrastructure and expertise. I therefore hereby announce two policy decisions with respect to Sentech:

- * Sentech will form the core of our wireless broadband infrastructure network that our country will use to advance its socio-economic development goals
- * Sentech's wireless broadband infrastructure network will be expanded beyond the current footprint and enable it to carry voice to the end user in the provision of this service, thus giving full effect to its multimedia licence.

Accordingly we will be expediting the finalisation of discussions to find an appropriate funding model that takes into account the fact that Sentech provides and should continue to provide both public and commercial services.

Honourable members

Access to international communications networks accounts for a considerable amount of the cost to communicate. There are two policy decisions I wish to announce.

The first relates to the speed with which we will implement the Electronic Communications Act (ECA) in this regard. The second is about the guiding principles for our participation in the New Partnership for Africa's Development (NEPAD) led broadband network project.

In accordance with the spirit of Section 3(2) of the ECA we will ensure affordable access to international broadband infrastructure. I will be consulting shortly with Independent Communication Association of South Africa (ICASA) on my intention to issue a policy directive to the Authority regarding this matter.

This relates to the time frame within which ICASA will ensure that, amongst others:

- * all arrangements regarding access to, or use of, international cables and/or facilities do not unfairly exclude others
- * access to such cables and/or facilities is provided on a cost basis
- * access is duly regulated as access to essential facilities as provided for in section 43 of the new Act.

I hereby declare that as a matter of policy all holders of licences that will qualify to be converted into individual electronic licences will have the ability to self provide with respect to their international traffic within six months of the promulgation of the ECA.

In re-affirming our commitment to support the development of the African continent and her people, we decided to be part, and the co-initiators, of the NEPAD led initiative to build an affordable broadband network. We are working with 22 countries in southern and eastern Africa to build a terrestrial and sub-marine broadband network for our region.

This project is led by the NEPAD e-Africa Commission and involves in excess of 30 African companies. The Ministers of the participating countries will be meeting in Johannesburg in two weeks time, on the 6 to 7 June to consider the recommendations of our Directors-General and Permanent Secretaries.

In this regard, I have taken a policy decision to support the decisions of the latter's meeting regarding:

- * the application of open, non-discriminatory and affordable access to these networks
- * that cross-border terrestrial and submarine cable segments of these networks can be developed, owned, and maintained, as appropriate, by special purpose vehicles.

Chairperson

The objective of this important project, which encompasses both coastal and land-locked countries, is to support regional integration and our socio-economic objectives through providing affordable connectivity. We took the decision to participate in this project in spite of being told repeatedly that this was not commercially viable and it would not find investors. We found that investors are interested.

I would like to take this opportunity to thank the Industrial Development Corporation (IDC) for responding to the request to support the NEPAD e-Africa Commission with the development of the Special Purpose Vehicle (SPV) model when no one heeded its request.

This is indeed what our leaders envisioned when they adopted the NEPAD principle that we "should rely on Africa's resources and the resourcefulness of its people".

What an Africa day spirit.

Ningadinwa nangomso.

I have instructed the Director-General to invite all our mobile operators to participate in the aforementioned project should they so wish.

Honourable Members

As a country we need to consider innovative and bold ways of increasing the rate of broadband penetration. This would include examining principles of open and non-discriminatory access to essential ICT infrastructure at national level. In order to assist us, I have decided to establish a Broadband Advisory Council made up of African experts of international calibre.

This Council will be chaired by Dr Victor Lawrence from Ghana. It includes Dr Henry Chasia from Kenya; Ms Aissatou Dieng from Senegal and Mr Motlhatlhedhi Motlhatlhedhi from Botswana. The Council will be supported by a representative task team of South African experts to be announced soon. The Advisory Council will report to me with recommendations before the end of the year.

The creation of an enabling policy and regulatory environment is important for increasing competition in the ICT sector thus reducing the cost to communicate. This is essential to increasing the competitiveness of South Africa's economy.

In this regard we took a decision that we would issue special policy directives aimed at accelerating the reduction of these costs. Accordingly the department hosted two successful consultative colloquia with excellent participation by the different stakeholders in our sector. Their report contributed significantly to meeting our objective. I wish to take this opportunity to thank them. I thank my Deputy for ably championing this.

In accordance with the spirit of Section 3(2) of the ECA, and to ensure affordable open access, lower prices and wider choice of access to international ICT infrastructure, I will be consulting shortly with ICASA on my intention to issue a policy directive to the Authority regarding the time-frame within which it will enable all licences of electronic communications networks to interconnect with Telkom's last mile network. The department will also be consulting with Telkom on this matter.

In order to give effect to this decision without delay, I hereby appoint Dr Tshilidzi Marwala to chair the Local Loop Unbundling Committee (LLUC) whose task will be to oversee the development and the implementation of our local loop unbundling process and to make appropriate recommendations. Dr Marwala was bestowed with the order of Mapungubwe for exceptional achievement in engineering science by the President.

Honourable Members

Open standards are important to foster a climate of convergence and technological diversity and to enable a diverse range of platforms and services that are affordable. It is Government policy that open standards in the electronic communications sector be encouraged.

In addition, and consistent with the spirit reflected in the object of the ECA, "to ensure the provision of a variety of quality electronic communications services at reasonable prices", it is also government policy to support the use of diverse technologies, particularly those that promote affordable access to ICTs.

I hereby announce my intention to issue a policy directive to ICASA to facilitate the deployment of Wideband - Code Division Multiple Access (W-CDMA) and other cost-effective technologies, taking into account, but not being limited by, the frequency spectrum requirements for broadcasting. In this regard priority should be accorded to the needs of the Under-Served Area Licences (USALs). This way we will indeed be paddling the canoe on both sides.

The four areas of activity that we have focused on as a contribution to broadening participation in the economy are job creation, Small Medium and Micro Enterprise (SMMEs) support, skills development and universal access to ICT infrastructure and services.

In advancing Universal Services our focus is on increasing the ICT footprint. In addition to the Under Served Area Licences, issued by ICASA, Digital Hubs are being rolled out by the Universal Service Agency in all provinces to complement these licences.

SMMEs have proven to be the biggest contributors to economic participation globally. Taking this into account, the department decided to prioritise the development of SMME ICT support to improve the effectiveness and efficiency of business operations of SMMEs.

MTN has embarked on an ICT and rural entrepreneurship programme, which is already being implemented in five provinces. It focuses on the use of ICTs by rural women. To date, eighteen centres have been set up and 500 rural women trained. They plan to establish fifty centres and train 1 500 women.

There are several BEE and job creation initiatives that companies in our sector are planning. Notably, Naspers will soon launch their most ambitious empowerment deal to date through MultiChoice's biggest empowerment deal to date in this sector. I trust that this deal will significantly increase the broad-based participation of black people in our media.

Vodacom on the other hand will, in support of AsgiSA and the Johannesburg CBD Renewal programme, establish a call centre in the Johannesburg city centre. This initiative will provide 1 000 jobs.

The department, in partnership with other stakeholders from public and private institutions, has initiated an ICT Skills Development Programme through Further Education and Training Colleges (FETs) aimed at increasing the number of South Africans with ICT skills. The programme is operational at Ekurhuleni in Gauteng, Umfolozi in Kwazulu-Natal, Orbit in North West and Capricorn in Limpopo. In collaboration with the Departments of Labour and Education, we plan to upscale it to two FETs per province by the end of 2007.

In addition, the South African Post Office is implementing just over one thousand learnerships that will contribute to the national effort of enhancing people's skills.

Telkom and Vodacom have continued and improved their programmes to assist in developing students in engineering and information technology, including design, and maintenance in order

to expand the skills at all levels. Nemisa has also redefined its training strategy to prepare students for a new converged environment, which embraces the whole ICT sector.

We thank them for this commitment.

Access to information plays a crucial role in creating conditions for meaningful participation of people in society. I wish to take this opportunity to acknowledge the tenth anniversary of Highway Africa and the critical role it has played in this regard, under the guidance of Prof Guy Berger.

Honourable Members

A priority of Government is improving the capacity of the State to deliver on its mandate. In this regard we are strengthening ICASA through the allocation of additional financial as well as human resources with the imminent increase in the number of councillors.

The ECA will open up the sector by creating a vista of innovative opportunities for entrepreneurs to enter into the market place. The competition landscape will be such that there will no longer be any distinctions between different types of operators. There will also be no distinction between voice, video and data. Multiple services will be delivered on common platforms. This age of digitisation will be leveraged to provide competitive services economically, efficiently and effectively. This will result in value for money to consumers and customers.

To this end the Authority is already rolling up its sleeves to embark on programmes to issue new licences for electronic communications networks and electronic communication services.

We now have a better alignment of State Owned Enterprises (SOE) strategies with government objectives. In addition we have also developed a strategy for improving our collaboration with stakeholders in the sector.

Our challenge is to ensure that ICTs are embraced at all levels of government as a critical tool for socio-economic development. In this regard the department will soon be launching the Intergovernmental Relations Forum on ICTs with the provincial governments. This structure will facilitate a coordinated development of an inclusive Information Society in our country.

The youth also have a role to play in improving the capacity of the State to deliver. I am happy to announce the e-cadre pilot programme launched by South African Post Office (SAPO) this week. The pilot aims to utilise Information Technology (IT) graduates who have faced challenges in gaining employment, to play a facilitative role as volunteers in educating the public, and where necessary SAPO staff, on the use of these technologies, using the outlets of the Post Office.

The capacity of our department has also improved. We have three new Deputy Directors-General (DDGs) Mr Harry Mathabathe, Dr Keith Shongwe and Dr Harold Wesso. I wish to welcome them most warmly as well as the new staff in the ministry and department.

I have no doubt that the Director General and COO is already feeling the impact of your presence.

I also take this opportunity to thank our former DDGs, Mr Pakamile Pongwana, Mr Joe Mjwara and Ms Phumele Ntombela-Nzimande.

At the centre of contributing to building a better world is our commitment to supporting the African agenda; strengthening South-South co-operation, reform of institutions of global governance, strengthening bilateral relations and following up on major summits and conferences.

This year, in honour of the 30th anniversary of June 16, National Youth Day, we will be launching the NEPAD e-Africa Youth programme. This initiative is aimed at engaging young people from different African countries in the development of the Information Society on our continent.

Amongst other programmes developed by the e-Africa Commission is the NEPAD e-schools project in which my department and the department of education are participating. This African project won the accolade of "Visionary of the Year" at the Intelligent Community Forum Awards Ceremony in New York in July 2005

Chairperson and Honourable Members

Our industry has also earned a lot of recognition

The Canadian-South African Animated and South African Broadcasting Corporation (SABC) commissioned series Magic Cellar won the highest award, the Platinum Remi Award at the World's largest video competition in Houston, Texas.

SAPo also made South Africa proud by winning the World Mail Award in the customer service category in Paris for its electronic bulk mail Delivery.

Sentech won the African ICT Achievers Award for the most innovative ICT Company in Africa.

The branch is beginning to bear fruit, but this so because its part of the tree.

The new year promises to be a very busy one. Amongst other things South Africa will host the 5th World Summit on Children in Broadcasting in 2007.

I am pleased to announce that in relation to the 2010 Federation International Football Association (FIFA) World Cup we are on track. My deputy will speak on this further. Our ICT sector are all pulling in the same direction and carrying the flag for South Africa in the technology space. Possibly the most exciting technical development recently is the current Multichoice DVB-H test (Digital Video Broadcasting-Handheld or digital television to your mobile phone) worked at in collaboration with SABC, Sentech and our cellular companies.

South Africa will be one of the few countries in the world where every game of the 2006 FIFA World Cup will be shown using DVB-H technology. South Africa together with Finland, Germany, Italy and France are all in the trial stage and this cutting edge technology has yet to be commercially launched anywhere in the world. South Africa is therefore showcasing the technologies of tomorrow today.

I hope developments like these have put paid to the doubts of those afro-pessimists who were suggesting that South Africa may not be ready in 2010. I am not only confident that we will meet the requirements for 2010; I suspect we may well exceed them.

Honourable Members

The Presidential International Advisory Council on the Information Society and Development (PIAC on ISAD) has been instrumental in keeping us abreast of international trends and advising us on best practice. I would like to thank them and hope that they will recognise their own contribution in our actions.

Some of their recommendations will be reflected in the National Information Society and Development (ISAD) Plan being prepared by the Presidential National Commission on the Information Society and Development (PNC on ISAD) for presentation to the Cabinet.

I wish to reiterate that the Department of Communications recognises its responsibilities in this emerging era and is committed to positioning South Africa and its people in a proactive way to meet the challenges of a globalising world.

I therefore ask you to pass this vote and allow us to take our country to even higher grounds.

I would like to thank the Portfolio and Select Committees of Parliament for the role that they have played in the development of the sector and their continued support as we put forth our documents within the Parliamentary process. This past year has been particularly interesting and challenging with the ECA and ICASA Amendment Bill. I would like to pay special tribute to the MEC of Social Development in Gauteng, our former and very able chairperson of the Portfolio

Committee on Communications, Mr Kgaogelo Lekgoro. We thank him and wish him well. To many others who have left us, we also say Siyabonga.

I also want to thank my Deputy Minister most sincerely for the manner in which we have co-operated to improve our department's responsiveness to the ICT needs of our society, in particular driving the process to reduce the cost to communicate and for championing legislation through Parliament.

To Ms Lyndall Shope-Mafole, the Director-General, I thank her sincerely; she has been a beacon of strength and courage, she has demonstrated strategic leadership, not only to the department, but to the sector as a whole and to the continent.

An organisation is only as strong and as powerful as its people. Rea leboha Team DoC.

Thank you

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