

COMMUNICATIONS PORTFOLIO COMMITTEE PRESENTATION

17 FEBRUARY 2015

PROGRESS REPORT: ESTABLISHMENT OF THE DEPARTMENT OF COMMUNICATIONS



MINISTRY
COMMUNICATIONS
REPUBLIC OF SOUTH AFRICA



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Introduction

- ❑ On 11 November 2014 the Department of Communications presented a status report on the establishment of the Department of Communications to the Portfolio Committee.
- ❑ That Report is attached to enable Honourable Members to trace what has happened since the last report.
- ❑ Today's Presentation seeks to focus on new developments around the establishment of the Department of Communication.

Recap on What was Reported in the Previous Meeting of 11 November 2014

- ❑ The establishment of the Department of Communication is taking place within the National Macro Organisation of the State Project led by the Director General in the Presidency and coordinated by the Department of Public Service and Administration.
- ❑ The Minister for Public Service and Administration approved a start-up organisational structure for the Department in September 2014 which incorporated the Government Communications and Information System with the following entities reporting to the Ministry:

Recap on What was Reported in the Previous Meeting of 11 November 2014

- Independent Communications Authority of South Africa (ICASA)
- Brand South Africa (Brand SA)
- South African Broadcasting Corporation (SABC)
- Media Development and Diversity Agency (MDDA)
- Films and Publications Board (FPB)
- The legislations that inform the work of the Department were indicated.
- Implementation progress was reported following the issuing of the determination by the MPSA

Recap on What was Reported in the Previous Meeting of 11 November 2014

- Report was made on the transfer of functions between the DOC and the Department of Telecommunications and Postal Services
- Report was also made on progress in the transfer of entities reporting to the Ministry
- The draft MTEF budget was outlined
- A report was also made on infrastructure, assets and ICT systems including labour relations, change management and communication
- The report also reflected on challenges that were being faced.

Transfer of Functions between the DOC and DTSP

- The Departments of Communications and Telecommunication and Postal Services met at a Ministerial level coordinated by the Presidency to address the transfer of legislative functions.
- These meetings culminated in the issuing of Proclamation 79 issued in the Government Gazette of 2 December 2014 transferring functions between the two Ministries as contained in the Independent Communications Authority Act, 13 of 2000 and the Electronic Communications Act, 36 of 2005.
- Subsequent to that the two Ministers signed a Memorandum of Understanding regarding the implementation of the Proclamation.

Signing of Performance Agreement with the President

- The Department plays a role in implementation of Outcome 14: Nation Building and Social Cohesion.
- It is expected to provide support to the Department of Sport and Recreation in improving the pride South Africans have in the national sporting teams. The target is achieving 66% by 2019.
- The Department has a role *in "Forging a new overarching identity"*. It needs to influence South Africans to be proud South Africans and it has to improve the target from 66% to 75% of South Africans reflecting pride to be South Africans.

Signing of Performance Agreement with the President

- The Department also has a role in improving identity based on self-description, from 52% to 60% target.
- The Department will also drive a broadcasting system that preserves, informs and reflects the cultural heritage of all South Africans with a view to achieving 70% content that reflects South Africans.
- The above targets forms part of the Performance Agreement of the Minister of Communications and the President signed towards the end of 2014.

Transfer of Entities to the Department

- Once the Department started functioning after the approval of its start-up organisational structure, it started a process of legally transferring the entities reporting to the Ministry.
- The SABC and ICASA have been reporting to the Ministry.
- Entities that were affected by the NMOS process included Brand SA, Films and Publications Board, MDDA and the GCIS.

South African Broadcasting Corporation

- The SABC reports to the Minister of Communications in terms of the Broadcasting Act.

Transfer of Entities to the Department

ICASA

- ICASA reports to the Minister of Communications in terms of the ICASA Act.
- As the ICASA Act also contains provisions pertaining to the DTPS, Proclamation 79 of 2014 clearly elaborated the functions of ICASA that are to be performed by the Minister of Communications and those by the Minister of Telecommunications and Postal Services.

Transfer of Brand South Africa

- on 17 September 2014, Minister of Public Service and Administration issued a letter of determination to transfer Brand SA to the DOC.

Transfer of Entities to the Department

Transfer of the Films and Publications Board from Home Affairs

- The Minister of Home Affairs was responsible for the Films and Publications Board.
- A submission was prepared and approved by the Minister of Home Affairs releasing the Board to be transferred to the Department of Communications.
- There was no need to prepare a request for determination for its transfer.

Transfer of Entities to the Department

Transfer of the Media Development and Diversity Agency

- The MDDA moved to the Department of Communications together with the GCIS.
- The MDDA reports directly to the Minister.

Re-establishment of the GCIS and the Reconstitution of the DOC

- In November 2014 the President directed that the GCIS be re-established and separated from the Department of Communications.
- It would become a department headed by a Director General reporting to the Minister of Communications.
- The re-establishment of GCIS *ipso facto* meant that the DOC would also need to be re-established as it was initially formed out of the functions of GCIS, which were now going back to GCIS.

Re-establishment of the GCIS and the Reconstitution of the DOC

- In December 2014 the President issued Proclamation 79 of 2014 which allocated responsibilities over sections of the Independent Communications Authority of South Africa Act No.13 of 2000 and the Electronic Communications Act No. 36 of 2005 between the Minister of Communications and the Minister of Telecommunications and Postal Services.
- This Proclamation firmly clarified which functions were to be performed where between the two departments and this guided the discussions between the two departments in identifying functions, staff and concomitant resources that were to be transferred from the Department of Telecommunications to the Department of Communications.

Re-establishment of the GCIS and the Reconstitution of the DOC

- The officials of the Departments of Communications and Telecommunications and Postal Services created the work-streams dealing with (a) Organisational scoping and staff audit, (b) Finance and budgets, (c) Infrastructure and assets, including ICT, and (e) Legal and policy matters.
- Through these work-streams, functions, staff, budgets and assets were identified for transfer to the Department of Communications.

Development of the Strategic Plan

- A draft Strategic Plan for the Department of Communications was developed after engagement and consultation of relevant officials in the Ministry and the entities reporting to the Minister. The Strategic Plan builds on the high level strategic plan which was presented to the Portfolio Committee last year.
- A strategic planning session was held on 11 December 2014 where the plan was consolidated and adopted.
- A strategic planning session was held with all the entities reporting to the Ministry on 6 February 2015 to ensure alignment between the Department and its entities.

Development of a Detailed Organisational Structure

- The Strategic Plan served as a basis for the development of a detailed organisational Structure. This Structure formed part of the joint submission to the Minister of Public Service and Administration.
- The MPSA has concurred with the structure with few recommendations that need to be incorporated.
- A revised structure incorporating the MPSA's recommendations has been prepared and submitted to MPSA for final concurrence.

Preparation of a Joint Submission on the Transfer of Functions, Staff and Resources – DOC and DTPS

- A joint submission between the Department of Communications and the Department of Telecommunications and Postal Services was prepared for signature by the two Ministers at the end of January 2015.
- The submission was then submitted to the Minister of Public Service and Administration to issue a determination on the transfer of functions, staff and resources from the DTPS to the DOC, and to concur with the revised detailed Organisational Structure of the DOC.
- The MPSA issued the determination on the re-establishment of the DOC on 4 February 2015.

Preparation of a Joint Submission on the Transfer of Functions, Staff and Resources – DOC and DTSP

- A separate submission was signed by the Minister of Communications to the Minister of Public Service and Administration requesting a determination on the transfer of functions, staff and resources from the DOC to the GCIS.
- The MPSA issued the determination on the re-establishment of the GCIS on 4 February 2015.

Development of the Budget Structure and Input to the Estimates of National Expenditure

- The Department has been collaborating with the National Treasury in preparing the Budget Structure for the Department of Communications.
- The Department has worked with National Treasury in finalising the MTEF Budget of the Department of Communications, which is reflected in the next Slide.
- The Department has also made inputs to the Estimates of National Revenue Chapter on Communications.

DOC MTEF Budget Allocation

MTEF ALLOCATIONS: 2015/16 - 2017/18				ANNEXURE A
VOTE 03: COMMUNICATIONS				
	2015/16	2016/17	2017/18	
	R' 000	R' 000	R' 000	
2014 MTEF ALLOCATIONS	1 887 539	2 074 803	1 761 553	
• Departmental baseline	1 887 539	2 074 803	1 761 553	
NMOS ADJUSTMENTS	(544 146)	(657 150)	(270 380)	
• Incorporation of GCIS into DoC vote: After the abolishment of the GCIS vote, all of the GCIS functions and associated resources shifted from GCIS to DoC	430 761	456 352	481 486	
• Incorporation of Film and Publication Board (FPB) into DoC vote: Functions and baseline of FPB shifted from Home Affairs baseline to DoC	82 923	87 318	91 684	
• Incorporation of Brand South Africa (BSA) into DoC vote: Functions and baseline of BSA shifted from Presidency baseline to DoC	175 734	185 048	194 300	
• Establishment of new Telecommunications and Postal Services ministry: Functions of the newly established DoTPS and associated resources shifted from DoC to DoTPS	(1 233 564)	(1 385 868)	(1 037 850)	
BASELINE INCREASES	12 000	13 002	13 717	
• Additional allocations for Communications ministry	12 000	13 002	13 717	
BASELINE REDUCTIONS	(74 505)	(85 970)	(85 994)	
• Cabinet approved reductions: Goods and services (to be effected on GCIS allocation)	(6 453)	(12 844)	(14 149)	
• Cabinet approved reductions: Payments for capital assets (to be effected on GCIS allocation)	(62)	(129)	(142)	
• Cabinet approved reductions: Brand South Africa	(2 574)	(3 862)	-	
• Cabinet approved reductions: Film and Publication Board	(564)	(846)	-	
• South African Broadcasting Corporation: Digital migration project	(64 852)	(68 289)	(71 703)	
2015 MTEF ALLOCATIONS (to be included in 2015 ENE) ¹	1 280 888	1 344 685	1 418 896	
• Earmarked amounts ²				
Brand South Africa	173 160	181 186	194 300	
Film and Publication Board	82 359	86 472	91 684	
Media Development and Diversity Agency	22 615	23 814	25 005	
Independent Communications Authority of South Africa	393 619	414 481	435 205	
South African Broadcasting Corporation - Channel Africa	49 640	52 271	54 885	
South African Broadcasting Corporation - Public broadcaster	101 785	107 180	112 539	
South African Broadcasting Corporation - Community radio stations	9 804	10 324	10 840	
South African Broadcasting Corporation - Programme productions	11 698	12 318	12 934	
South African Broadcasting Corporation - Broadcasting digital migration	-	-	-	
• Specifically and exclusively appropriated ²				
Government Communication and Information System	365 476	381 435	402 040	

1. These allocations are subject to change, however, information submitted to the National Treasury should be based on this amount in the interim

2. May not be used for other purposes than those specified.

Filling of Vacant Posts

- The Department is currently operating with staff appointed in the Ministry including contracted staff that have been brought in to help establish the Department, perform oversight functions over entities reporting to the Minister and drive the Digital Migration project.
- There are Corporate Services posts that have been donated from GCIS and the other 27 posts that are being transferred with incumbent staff from the Department of Telecommunications and Postal Services.
- The Department has started a process of filling vacant posts and adverts are being prepared for funded vacant posts.

Conclusion

- The process of establishing the Department of Communications has been an involved process.
- We believe that we have done much in a short space of time.
- Completing the NMOS process, finalising the strategic plan, adopting an organisational structure and preparing the MTEF budget together with National Treasury has put us on a sound footing to can begin functioning as a fully fledged department in the coming financial year.
- The support and oversight role of the Portfolio Committee has ensured that we do not relent in driving this mammoth task.
- Our focus now is to move with speed to build the necessary capacity for the Department to function and to implement its plans.

Thank You



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