



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

Portfolio Committee on Communications

2018/19FY Annual Performance Plan

Rubben Mohlaloga – Chairperson
Willington Ngwepe - CEO

18th April 2018



Presentation Outline



PART A: MATTERS RAISED BY THE COMMITTEE

PART B: UPDATE ON MATTERS RAISED BY THE AG

PART C: STRATEGIC OVERVIEW

PART D: PROGRAMMES AND SUB-PROGRAMMES

PART E: MTEF BUDGET

PART F: PROGRAMME BUDGET FOR 2018/19FY

PART G: FUNDING CONSTRAINTS

PART H: STRATEGIC RISKS

Annexure 1: Detailed Annual Performance Plan



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

Part A

Matters previously raised by the Committee



Moratorium on community broadcasting services



On 22 September 2015, the Authority issued a moratorium in respect of applications for class community sound broadcasting service licences and for associated radio frequency spectrum licences. The moratorium was necessitated by:

- A scarcity of analogue radio frequencies;
- The review of the Licensing Processes and Procedures Regulations to include a requirement for the Authority to process registrations for class community broadcasting licences in two intervals per year; and
- The need to develop a new regulatory framework to facilitate a sustainable community broadcasting sector.



Moratorium on community broadcasting services (2)



The Authority has made progress towards the lifting of the moratorium:

- The review of the Licensing Processes and Procedures Regulations was concluded in March 2016. The Regulations require that the Authority process registrations for class community broadcasting licences on a biannual basis
- The review of the regulatory framework for community broadcasting services licences commenced during the 2016/17FY. In March 2018, the Authority published Draft Regulations for Community Broadcasting Services (Radio and Television). This document is presently out for public comment. The final regulations will be issued in the current 2018-19FY

The moratorium will be reviewed upon the finalisation of the aforementioned process.



Chronology of events and status update

- ❑ **29 Nov 2017** - Authority received complaint from DA MP against Multichoice on its relationship with ANN 7 / SABC. The allegation was that there are suspicions of illegality in the said relationships (N.B. ICASA had to consider the complaint and also seek external legal advice as to the process to follow to deal with the matter)
- ❑ **26 Jan 2018** – ICASA sent letter to DA requesting clarity on certain aspects of its complaint letter. DA responded on 29 Jan 2018).
- ❑ **02 Feb 2018** – ICASA sent letter sent to Multichoice requesting its response to the complaint. Multichoice sought and was granted an extension to 28 Feb 2018.
- ❑ **28 Feb 2018** - Multichoice responded essentially objecting to the process and arguing that the complaint is flawed. Notwithstanding the objection, Multichoice offered to allow ICASA to view the contracts / documentation in question at their premises.



Chronology of events and status update

- ❑ **16 March 2018** – ICASA responded to Multichoice stating that the offer is unacceptable and stating that ICASA is entitled in law to undertake the process it is undertaking.
- ❑ **29 March 2018** - Multichoice wrote letter to request a meeting with Council.
- ❑ **29 March 2018** – ICASA received a letter (from an unrelated party) regarding Multichoice / Naspers ‘undue influence on encryption policy in order to protect its dominance’. The issues raised in the letter overlap with some of the issues raised in the complaint.

ICASA is currently considering both of the letters it received on 29 March 2018 in order to determine how to proceed with the matter



Licensing Process for Free to Air Television Broadcasting Services



Chronology of events and status update

- ❑ A Composite Invitation To Apply for an Individual Commercial Free To Air Television Broadcasting Service And Radio Frequency Spectrum Licence For Mux 3 Frequencies was issued on 28 February 2017.
- ❑ The Authority convened workshops in all 9 provinces between 29 May 2017 and 8 June 2017 to help prospective applicants better understand the ITA and provide an opportunity for them to seek further clarity from the Authority
- ❑ The closing date of the ITA was 16 November 2017 and the Authority received 5 applications, but one was disqualified for non payment of application fee. All received applications (4) are available for inspection by any interested parties at the Authority's library and on the website.



Licensing Process for Free to Air Television Broadcasting Services (2)



Chronology of events and status update

- ❑ A notice inviting public comment on the received applications was published 13 March 2018. The closing date for receipt of written representations is 16 April 2018. Applicants have until 17 May 2018 to respond to the written representations.
- ❑ All written representations and responses will be made available in the Authority's library and on the website (except where confidentiality is requested and granted)
- ❑ The Authority will hold public hearings with respect to the received applications by 30 September 2018
- ❑ A final decision on the licensing process is expected by 31 March 2019



Vacancy rate as of 31 March 2018 is 5.9%

□ 3 Positions - awaiting assessments

Title	Division	Grade	vacancy	Status
Manager Broadcasting Compliance	Compliance & Consumer Affairs	D2	1	Candidate to be assessed
Corporate Secretary	Secretariat & Council	D5	1	Candidate to be assessed
Manager: Access to ICT Services	Policy Research & Analysis	D2	1	Candidate to be assessed



□ 11 Positions under recruitment

Title	Division	Grade	vacancy	Status
PA to Chairperson	Secretariat & Council	C1	1	Interviews scheduled
Specialist: Network Systems	Engineering & Technology	D1	1	Interviews scheduled
Internal Auditor	Internal Audit	D1	1	Interviews scheduled
Regulatory & Legislative Drafting Specialist (12 months contract)	Legal, Risk & CCC	D1	1	Interviews scheduled
PA to Cllr	Secretariat & Council	C1	1	Placement memo is being finalised
Market Analyst	Policy Research & Analysis	C4	1	Placement memo is being finalised
Postal Officer - North West	Regions	C1	1	Position is being advertised
Licensing Officer - North West	Regions	B4	1	Position is being advertised
Technical Officer - North West	Regions	C3	2	Positions are being advertised
Manager Internal Audit	Internal Audit	D4	1	Screening of CVs



❑ 24 Positions frozen until September 2018: cost cutting measures

Title	Division	Grade	vacancy	Status
Strategy & Planning Specialist	Office of the CEO	D3	1	Position is frozen
Desktop Support Technician	Corporate Services	C2	1	Position is frozen
Applications Developer	Corporate Services	C3	1	Position is frozen
Integration Analyst	Corporate Services	C3	1	Position is frozen
Senior Systems Administrator	Corporate Services	C4	1	Position is frozen
Specialist: Type Approval Frameworks & Numbering Standards	Engineering & Technology	D1	1	Position is frozen
GM: Engineering and Technology	Engineering & Technology	E2	1	Position is frozen
Accounts Payable Officer	Finance	B4	1	Position is frozen
Fixed & Staff Debtors Accountant	Finance	C2	1	Position is frozen
Supervisor: Debtors	Finance	C4	1	Position is frozen
Inventory Controller	Finance	B3	1	Position is frozen
Supervisor: Bids & Contracts	Finance	C4	1	Position is frozen
Bid Administrator	Finance	C3	1	Position is frozen



❑ 24 Positions frozen until September 2018: cost cutting measures

Title	Division	Grade	vacancy	Status
Talent Sourcing Officer	Human Resources	C3	1	Position is frozen
Human Resources Business Partner	Human Resources	C4	1	Position is frozen
Cost Analyst	Policy Research & Analysis	C4	1	Position is frozen
Manager Cyber Security	Policy Research & Analysis	D2	1	Position is frozen
Chief Operations Officer	Office of the COO	E2	1	Position is frozen
Regional Manager - Northern Cape	Regions	D2	1	Position is frozen
Liaison Officer - Northern Cape	Regions	C2	1	Position is frozen
Postal Officer - Northern Cape	Regions	C1	1	Position is frozen
Licensing Officer - Northern Cape	Regions	B4	1	Position is frozen
Technical Officer - Northern Capre	Regions	C3	2	Position is frozen



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

PART B

**Matters raised by the AG
and progress in
implementing the Audit
Action Plan**



Measures to address AG Findings



The CEO has implemented adequate controls to ensure thorough review of the indicators as set out in the strategic plan and annual performance plan to ensure compliance with the Framework for Programme Performance Information.

Regular training and workshops have been scheduled for all members of management and SCM staff on SCM requirements, applicable laws and regulations including Instruction Notes and Circulars issued by National Treasury.

Updated the SCM Policy, as well as Subsistence and Travel Policy to comply with current National Treasury regulations and circulars.

Divisional heads are held to a high quality assurance at Programme level (Divisions) to ensure that reporting is consistent with the plan. Internal Audit performing a more stringent and proactive quality assurance of performance information.

Timeous payment of suppliers is now part of the Finance APP. In addition, divisional heads are held accountable for timeous acceptance and or review of deliverables to facilitate ease of the payment process.



Progress Status on AG Findings



Division	Findings affecting the Financial Statements rated as "Critical"		Findings not affecting the Financial Statements rated as "High"		Total
	Resolved	Unresolved	Resolved	Unresolved	
Finance	1	1	13	2	17
SCM	11	0	2	0	13
Office of the CEO	0	3	0	3	6
Risk, Legal and CCC	0	0	1	0	1
Corporate Affairs IT	0	0	5	1	6
Human Resources CBARS	0	0	2	2	4
Finance VIP	0	0	3	0	3
Total	12	4	20	8	50



Projected dates to address the outstanding AG Findings



Ref No	Unresolved findings	Impact financial statements	Projected date to address the findings			
			31 May 2018	30 Jun 2018	30 Oct 2018	31 Mar 2019
1	Invoices not paid within 30 days	Yes				X
2	Objectives, performance indicators and targets are not consistent between planning and reporting documents	Yes			X	
3	Not all performance indicators are well defined and verifiable	Yes				X
4	Not all performance targets meet the SMART criteria	Yes				X
5	Control weakness in the approvals of expenditure	No	X			



Projected dates to address the outstanding AG Findings (2)



Ref No	Unresolved findings	Impact financial statements	Projected date to address the findings			
			31 May 2018	30 Jun 2018	30 Oct 2018	31 Mar 2019
6	Weakness in custody of disposed assets	No	X			
7	There are no standard operating procedures for performance indicators	No			X	
8	No adequate quality assurance process of performance information	No	X			
9	Not all targets were measured reliable	No				X
10	Activities of the CBARS database administrator not monitored and reviewed	No	X			18



Projected date to address the outstanding AG Findings (3)



Ref No	Unresolved findings	Impact financial statements	Projected date to address the findings			
			31 May 2018	30 Jun 2018	30 Oct 2018	31 Mar 2019
11	Activities of the Active Directory system administrators were not monitored and reviewed	No	X			
12	Ineffective management of changes on CBARS system	No			X	



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

Part C

Strategic Overview



Delivery Environment

❑ Cost to communicate

- focused regulatory interventions to promote competition (and lower prices)
- OTT versus traditional services (voice, SMS, broadcasting)
- changes in consumption patterns & operating and models in the sector

❑ Technological developments

- 4G is rapidly superseding 3G and 2G
- 5G on the horizon ... impacting entire ICT sector value chain
- Internet of Things (increase in device to device communication)
- these technological developments means there is need for more radio frequency spectrum (for coverage, capacity and speed)



Delivery Environment...

❑ Postal Sector

- a significant decline in mail volumes
- government digitising SAPO (embracing new technologies and product diversification)
- mandate for universal services and access (loss of USO subsidy)

❑ Broadcasting Sector

- vibrant sector comprising public, commercial and community sound and television broadcasters
- digital migration by June 2019
- moratorium on community broadcasting service licences to be lifted during 2018-19FY
- almost all Individual Sound Commercial Broadcasting Services Licences due for renewal during
- Pending policy review (Digital Sound Broadcasting policy and regulatory framework)



Governance Structure

- full complement of Council since December 2017
- no new governance committees have been established

Operational Structure

- no changes to the organisational structure since 2014 realignment. However, structural validation currently underway
- there was a slight increase in employee numbers from **357** at the beginning of 2017-18FY to **359** at the beginning of 2018-19FY
- the increase in employee numbers reduced vacancy rate from **8.4%** at the beginning of 2017-18FY to a desirable **6.2%** at the beginning of 2018-19FY. A target of **5%** is set for 2019/20



Race Gender	Actual %		% of Staff		EAP%2017		VARIANCE BETWEEN EAP AND ACTUAL		Change from 2017 to 2018 Financial Year End
	2017	2018	2017	2018	2017	2018	2017	2018	
African Female	137	136	38.27%	38.6%	34.00%	34%	4.3%	4.6%	▼
African Male	136	132	37.99%	37.5%	40.70%	41%	-2.7%	-3.5%	▼
Coloured Female	9	10	2.51%	2.8%	5.80%	6%	-3.3%	-3.2%	▲
Coloured Male	18	17	5.03%	4.8%	5.80%	6%	-0.8%	-1.2%	▼
Indian Female	6	6	1.68%	1.7%	1.30%	1%	0.4%	0.7%	▬
Indian Male	10	10	2.79%	2.8%	1.90%	2%	0.9%	0.8%	▬
White Female	11	11	3.07%	3.1%	4.90%	5%	-1.8%	-1.9%	▬
White Male	22	22	6.15%	6.3%	6.40%	6%	-0.3%	0.3%	▲
Foreign National	8	8	2.23%	2.3%					
Total	358	352							

Employment Equity: comparison between 31 March 2017 and 31 March 2018



Race Gender	2016					2017			
	Total Graduates	Hired in ICASA	Resigned	Contract Expired	Remaining Graduates	Total Graduates	Hired in ICASA	Resigned	Remaining Graduates
African Female	4	0	4	0	0	12	1	2	9
African Male	4	3	1	0	0	5	0	2	3
Coloured Female	2	1	1	0	0	1	1	0	0
Coloured Male	1	1	0	0	0	0	0	0	0
Indian Female	0	0	0	0	0	0	0	0	0
Indian Male	1	0	0	1	0	0	0	0	0
White Female	1	0	1	0	0	0	0	0	0
White Male	0	0	0	0	0	0	0	0	0
Foreign National	1	0	1	0	0	0	0	0	0
Total	14	5	8	1	0	18	2	4	12

HR Graduate Development as at 31 March 2018

- The program started on 1 April 2016 with initial intake of 14 graduates
- It is a 2 year program during which graduates:
 - are exposed to the ICASA operations (core mandate and support functions)
 - can apply for permanent placements in ICASA (and outside)
- 2018 intake will commence by 1 June 2018



- ❑ The Authority's legislative mandates have not changed. As such the Authority continues to contribute to government's policy mandates:
 - National Development Plan 2030
 - Government Priority Outcomes
 - National Infrastructure Plan 2012
 - Government's Inclusive Growth Plan
 - Broadcasting Digital Migration Policy
 - SA Connect, 2013
 - Integrated ICT White Paper, 2016

- ❑ However, legislative and policy amendments have been proposed which will impact the Authority's role going forward:
 - Electronic Communications Amendment Bill 2017
 - Postal Services Amendment Bill 2017
 - ICT Sector SMME Development Strategy 2017
 - National e-Government Strategy and Roadmap



Strategic Outcome Orientated Goals

SOOG 1: To facilitate *investment in and access to broadband infrastructure* for sustainable socio-economic development

SOOG 2: To *promote competition and facilitate access to a broad range of communication services at an affordable cost*

SOOG 3: To promote respect, *social integration, inclusivity and nation building* through the regulation of broadcasting services

No Changes to 5-Year Areas of Focus

SOOG 4: To establish and position ICASA as an *independent and credible regulator that inspires the confidence of consumers and other stakeholders*

SOOG 5: To enhance ICASA's capacity to fulfil its mandate through professionalism and *improved organisational performance*



Strategic Objectives

- Build a strong corporate image
- Improve organisational performance
- Access to broadband spectrum
- Promotion of effective competition and reduction of communication costs
- Foster creation of common national identity
- Protect the rights of consumers
- Foster regulatory framework for the use of dynamic and opportunistic spectrum
- Promote the delivery of quality of services to consumers and other stakeholders



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

Part D

Programmes and Sub-Programmes



Key Projects

- Increase ICASA's satisfaction rating from 30% to 40%
- Increase ICASA's national presence from 8 provincial offices to 9
- Increase integration of processes and systems from 70% to 80%
- Maintain revenue collection at 99%
- Increase payment of suppliers from 95% to 96% within 30 days
- Ensure HR compliance with SABPP Standards from 0% to 40%
- Review of the organisational structure by 2018/19
- Increase continuous monitoring of high risk processes from 3 to 4
- Maintain and improve the model for combined assurance by conducting 4 reports for the year
- Improve compliance maturity level of ICASA from level 1 to 2
- Maintain organisational risk maturity level at 2
- Increase percentage of cases assessed for adjudication at CCC from 65% to 70%
- Increase percentage of advice provided to Council Committees from 70% to 75%



Key Projects

- Complete Phase I of the licensing of High Demand (IMT) Spectrum
- Complete the licensing of a Free to Air Commercial Television Broadcasting Service
- Complete the licensing of 55% of MUX 3 Spectrum for Free to Air Broadcasting Services
- Complete the licensing of 45% of MUX 3 Spectrum for Subscription Broadcasting Services
- Finalise the development of a position paper on Equity Ownership and Historically Disadvantaged Persons
- Development of a new conformity assessment framework for equipment authorisations
- Process applications for renewal, amendment, transfer and change of control of licences
- Process applications for class broadcasting services, spectrum, type approval and numbering.



Key Projects

- Develop findings document on subscription broadcasting
- Provision of statistics
- Conduct a market review in terms of section 67(4) of the ECA (market identified in priority markets study)
- Conduct a Study on SAPO annual tariff increase
- Finalise the development of a Position Paper on unreserved postal services
- Review of 2014 Call Termination Regulations
- Develop regulations on community broadcasting
- Develop regulations on broadcasting of national elections
- Review of regulations on broadcasting of national sporting events
- Conduct a Study on the role of ICASA on Cybersecurity
- Conduct regulatory impact assessment studies



Key Projects

- Revision of the radio frequency spectrum migration plan
- Revision of IMT Roadmap
- Development of Radio Frequency Spectrum Assignment Plans
- Recommendations on SA's readiness for 5G
- Implementation of the TV Whitespaces Regulations
- Research on regulatory frameworks for dynamic and opportunistic spectrum management
- Development of Position on Digital Sound Broadcasting
- Increase monitoring of Quality of Service (and measurements) from 6 to 7 provinces (measured for both voice and data)



Key Projects

- Resolution of radio frequency interference cases
- Offer additional services in regional offices
- Conduct broadcasting compliance on a pre-determined list of community
- Conduct Code of Conduct compliance inspections
- Conduct high-site investigations
- Conduct type approval compliance inspections
- Test letters posted within agreed timelines
- Execute 4 NATJOINTS instructions
- Implement consumer education plans
- Process applications for preassigned radio frequency spectrum licences
- Process class ECS, ECNS and Unreserved Postal Services applications



Key Projects

- Compile a report by Consumer Advisory Panel on consumer protection matters
- Maintain consumer complaints resolution at 85%
- Monitor compliance by broadcasting licensees
- Monitor compliance by ECS/ECNS licensees
- Monitor compliance by the postal services licensees
- Decide on inter-licensees disputes within given timeframe
- Review interconnection and facilities leasing agreements within regulated timeframes



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

PART E

MTEF BUDGET



MTEF Budget Per Programme



Rand thousand	2015/16 Preliminary outcome	2016/17 Final budget	2017/18 Revised budget estimate	2018/19 Revised budget estimate	2019/20 Planning Budget Estimate	2020/21 Planning Budget Estimate	2021/22 Planning Budget Estimate
<u>Objective/Activity</u>							
Administration	234,371	246,726	254,233	274,994	282,812	298,367	316,131
Licensing	42,673	48,094	51,076	53,090	56,063	59 146	63,695
Engineering and technology	11,823	15,366	16,319	17,281	18,249	22,942	20,350
Policy Research & Analysis	15,412	15,844	16,826	17,819	18,817	26,873	20,984
Compliance and Consumer affairs	19,973	24,677	26,207	27,753	29,307	27,967	32,682
Regions	60,589	63,783	65,723	74 626	78,805	83,139	81,857
Total	384,841	414,490	430,384	465,563	484,053	518,434	535,699



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

PART F

PROGRAMME BUDGET



Rand thousand	Audited Outcomes		Revised Estimates	Medium-term Estimates			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Objective/Activity							
Administration	234,371	246,726	254,233	274,994	282,812	298,367	316,131
Total	234,371	246,726	254,233	274,994	282,812	298,367	316,131

KEY PROJECTS FOR THIS PROGRAMME:

- Head Office relocation (the Authority will only relocate during the 2018-19 financial year)
- Head Office tenant installation and automation (IT infrastructure and Furniture)
- Establishment of Northern Cape and North West regional office
- Procurement of vehicles for new regional offices



Rand thousand	Audited Outcomes		Revised Estimates	Medium-term Estimates			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<u>Objective/Activity</u>							
Licensing	42,673	48,094	51,076	53,090	56,063	59 146	63,695
Total	42,673	48,094	51,076	53,090	56,063	59 146	63,695

KEY PROJECTS FOR THIS PROGRAMME:

- Licensing of Broadband (IMT) spectrum
- Licensing of Commercial Free to Air television Broadcasting Services
- Position Paper on Equity Ownership
- Development of Conformity Assessment Framework



Rand thousand	Audited Outcomes		Revised Estimates	Medium-term Estimates			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<u>Objective/Activity</u>							
Engineering and Technology	11,823	15,366	16,319	17,281	18,249	22,942	20,350
Total	11,823	15,366	16,319	17,281	18,249	22,942	20,350

KEY PROJECTS FOR THIS PROGRAMME:

- Revision of IMT roadmap
- Development of Radio Frequency Spectrum Assignment plan
- Research on dynamic and opportunistic spectrum management plan
- Development of Geo-location database for the implementation of Television (TV) White Spaces
- Procurement of Quality (QoS) of Service monitoring equipment



Rand thousand	Audited Outcomes		Revised Estimates	Medium-term Estimates			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<u>Objective/Activity</u>							
Policy Research & Analysis	15,412	15,844	16,826	17,819	18,817	26,873	20,984
Total	15,412	15,844	16,826	17,819	18,817	26,873	20,984

KEY PROJECTS FOR THIS PROGRAMME:

- Market review of unreserved Postal Services
- Findings document on subscription broadcasting services
- Regulations on broadcasting of national sporting events
- Regulations on broadcasting of National Elections
- Market review for market/s identified from priority markets study



Budget Per Programme 2018-19 Compliance & Consumer Affairs



Rand thousand	Audited Outcomes		Revised Estimates	Medium-term Estimates			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<u>Objective/Activity</u>							
Compliance and Consumer affairs	19,973	24,677	26,207	27,753	29,307	27,967	32,682
Total	19,973	24,677	26,207	27,753	29,307	27,967	32,682

KEY PROJECTS FOR THIS PROGRAMME:

- Consumer Protection and awareness campaigns
- Consumer Advisory Panel Launch



Budget Per Programme 2018-19 Regions



Rand thousand	Audited Outcomes		Revised Estimates	Medium-term Estimates			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<u>Objective/Activity</u>							
Regions	60,589	63,783	65,723	74 626	78,805	83,139	81,857
Total	60,589	63,783	65,723	74 626	78,805	83,139	81,857

KEY PROJECTS FOR THIS PROGRAMME:

- Recapitalization of regional offices – Quality of Service
- Outreach and Awareness campaigns



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

PART G

FUNDING CONSTRAINTS &

BUDGET REDUCTIONS



MTEF budget reductions & funding constraints



Funding Requirements

R thousand	Medium-term estimate		
	2018/19	2019/20	2020/21
Revenue			
Initial Allocation	455,345	480,845	507,291
Revised Allocation	(443,961)	(461,241)	(486,609)
Net Movement	11,384	19,604	20,682

A total amount of **R124 734 391.49** was surrendered to National Revenue Fund as required by National Treasury Instruction note 6 of 2017/18. Included in this transfer was **R61 997 549** which was allocated to cover relocation cost and **R36 661 798.00** which was allocated to ICASA as a Start-up Fund. These budget cuts left the Authority with a huge budget deficit which will have a negative impact on the implementation of the Mandate.

The Authority is reviewing the 2018-19FY APP with a view to motivating for amendments to remove projects that could be unfunded.



Impact of reduced MTEF baseline allocations



	2018/19	2019/20	2020/21
<i>Appropriated grants from DoC</i>	443.961	461.241	486.609
<i>Growth in R' 000</i>	13.578	17.28	25.368
<i>Growth in per%</i>	3.2%	3.9%	5.5%
Cost of employment in per%	12.2%	7.5%	7.6%
- cost of living adjustment	5.5%	5.5%	5.6%
- performance related increase	2.0%	2%	2%
- full staff complement	4.7%		
Cost of goods and services growth per%	-10.6%	-5.9%	-6.0%
Total OPEX - growth per%	1.6%	1.6%	1.6%



Impact of reduced MTEF baseline allocations (2)



Due to the challenges indicated above, the Authority will not be able to afford the following over the MTEF period:

1. Operational Costs

- Regional Office Relocation and Tenant installation cost

2. Equipment and Projects

- Procurement of critical equipment required for:
 - Procurement of NATJOINTS Test Equipment
 - Procurement of Quality of Services (QoS) Equipment
 - Elections Monitoring Equipment
 - SKA project



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

PART H

STRATEGIC RISKS



Non-compliance

(Financial Controls)
(Planning and M & E)

Litigation

Corporate image

Independence

(Funding Constraints)
(external influence)

Policy
Uncertainty

Change
management failure



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

ANNEXURE 1

DETAILED APP INFORMATION



Sub-Strategic Objective	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1.1.1 To complete licensing processes for broadband (IMT) spectrum			25% (Publication of the invitation to Apply (ITA) for the first phase of International Mobile Telecommunications (IMT) licensing process)	50% (Decision of Council on the first phase of IMT licensing process)	75% (Publication of a notice on the second phase of IMT licensing process)	100% (Decision of Council on the second phase of IMT licensing process)	
2.1.1 To finalise licensing process for Commercial free to air television (FTA) broadcasting services		Decision of Council on the 2014/15 FTA television broadcasting service licensing process	25% (Publication of ITA for licensing of FTA Television Broadcasting Services)	50% (Publication of the Notice regarding applications for FTA Television Broadcasting Service Licence)	100% (Decision of the Council on the licensing of FTA television broadcasting services)		
2.1.2 To complete licensing process for 55% of Multiplexer 3 (MUX 3) spectrum capacity			25% (Publication of the ITA for licensing 55% of MUX 3 spectrum capacity for FTA television broadcasting services)	50% (Publication of the notice regarding applications for 55% of MUX 3 spectrum capacity for FTA television broadcasting services)	100% (Decision of Council on the licensing of 55% of MUX 3 spectrum capacity for FTA television broadcasting services)		
2.1.3 To complete licensing process for 45% of Multiplexer 3 (MUX 3) spectrum capacity				50% (Publication of the ITA for licensing 45% of MUX 3 spectrum capacity for subscription television broadcasting services)	100% (Decision of Council on the licensing of 45% of MUX 3 spectrum capacity for subscription television broadcasting services)		
3.1.1 To Complete licensing process for digital community television broadcasting services on MUX 1						25% (Publication of the ITA for licensing of digital community television broadcasting services on MUX 1)	50% (Publication of the notice regarding applications for digital community television broadcasting services on MUX 1)
3.1.2 Finalise process for developing a position paper on Equity Ownership by Historically Disadvantaged Groups			25%(Published Discussion Document on Equity Ownership by Historically Disadvantaged Groups)	50%(Public Hearings on representations submitted in response to the Discussion Document on Equity Ownership by Historically Disadvantaged Groups)	100% (Publication of position paper on Equity Ownership by Historically Disadvantaged Groups)		
5.2.1 Complete process for the development of a conformity assessment framework for equipment authorisations			Regulatory Position Paper on the Equipment Type Approval Exemption		50% (Stakeholder consultation on conformity assessment framework for equipment authorisations)	100% (Conformity assessment framework for equipment authorisations developed)	
5.2.3 Process class broadcasting service licence registrations, renewals, amendments and, transfers within 30 days		81%	92%	92%	93%	93%	
5.2.3.1 Process broadcasting channel Authorisations within 60 working days		81%	92%	92%	93%	93%	
5.2.4 Process type approval applications within 30 working days		15%	50%	50%	51%	52%	
5.2.5 Process numbering applications within 20 working days		98%	96%	96%	97%	98%	
5.2.6 Process individual licence amendment, renewals, transfer and change of control applications within 180 working days		100%	92%	92%	93%	93%	
5.2.7 Process radio frequency spectrum licence applications within 60 working days		97%	83%	83%	84%	84%	

Programme 2 Quarterly Targets



Programme Performance Indicator	Reporting Period	Annual Target 2018/19	Quarterly Targets				
			Q1	Q2	Q3	Q4	
1.1.1	Percentage of the process for licensing of broadband (IMT) spectrum completed	Annually	75% (Publication of a notice on the second phase of the IMT licensing process)	60% (review of the analysis of spectrum available to be licensed for IMT)	65%(Draft notice on second phase of the IMT licensing process presented to Council)	70%(Final notice on second phase of the IMT licensing process approved by Council for publication)	75% (Publication of a notice on the second phase of the IMT licensing process)
2.1.1	Percentage of the process for licensing of commercial free to air television broadcasting services completed	Annually	100% (Decision of the Council on the licensing of FTA television broadcasting services)	60%(Pre-Hearing Analysis Report)	75% (Public Hearings on representations submitted in response to the notice regarding applications for FTA Television Broadcasting Service Licences)	85%(Post Hearing Analysis Report)	100% (Decision of the Council on the licensing of FTA television broadcasting services)
2.1.2	Percentage of the process for licensing of 55% of multiplex 3 (MUX 3) spectrum capacity for free to air (FTA) television broadcasting services completed	Annually	100% (Decision of Council on the licensing of 55% of MUX 3 spectrum capacity for FTA television broadcasting services)	60%(Pre-Hearing Analysis Report)	75% (Public Hearings on representations submitted in response to the notice regarding applications for FTA Television Broadcasting Service Licences)	85%(Post Hearing Analysis Report)	100% (Decision of Council on the licensing of 55% of MUX 3 spectrum capacity for FTA television broadcasting services)
2.1.3	Percentage of the process for licensing of 45% of Multiplex 3 (MUX 3) spectrum capacity for subscription television broadcasting services completed	Annually	100% (Decision of Council on the licensing of 45% MUX 3 spectrum capacity for subscription television broadcasting services)	60% (Publication of the Notice regarding applications for 45% of MUX 3 spectrum capacity for subscription television broadcasting services)	70% (Decision of Council on prequalification stage of the licensing of 45% of MUX 3 spectrum capacity for subscription television broadcasting services)	80% (Outcome on Sealed Bid Analysis)	100% (Decision of Council on the licensing of 45% MUX 3 spectrum capacity for subscription television broadcasting services)
3.1.1	Percentage of the process for licensing of digital community television broadcasting services on MUX 1 completed	Annually	25% (Publication of the ITA for licensing of digital community television broadcasting services on MUX 1)	N/A	12.5% (Draft ITA for the licensing of digital community television broadcasting services on MUX 1)	20% (Draft ITA for the licensing of digital community television broadcasting services on MUX 1) vetted and submitted to Council)	25% (Publication of the ITA for licensing of digital community television broadcasting services on MUX 1)
3.1.2	Percentage of the process to develop a position on Equity Ownership by Historically Disadvantaged Groups completed	Annually	100% (Publication of a position on Equity Ownership by Historically Disadvantaged Groups)	60%(Post Hearing Analysis Report)	75%(Draft position on Equity Ownership by Historically Disadvantaged Groups approved by council Committee)	85%(Draft position on Equity Ownership by Historically Disadvantaged Groups vetted and submitted to Council)	100% (Publication of a position on Equity Ownership by Historically Disadvantaged Groups)
5.2.1	Percentage of the process to develop a conformity assessment framework for equipment authorisations completed	Annually	50% (stakeholder consultation on conformity assessment framework for equipment authorisation)		25%(Draft conformity assessment framework for equipment authorisation approved by Council)	37.5%(Draft conformity assessment framework for equipment authorisation published for comments)	50% (stakeholder consultation on conformity assessment framework for equipment authorisation).
5.2.3	Percentage of processed class broadcasting service licence applications renewals and amendments, transfers within 30 working days						
5.2.3.1	Percentage of broadcasting channel Authorisations processed within 60 working days	Quarterly	93%	93%	93%	93%	93%
5.2.4	Percentage of type approval applications processed within 30 working days	Quarterly	51%	51%	51%	51%	51%
5.2.5	Percentage of numbering applications processed within 20 working days	Quarterly	97%	97%	97%	97%	97%
5.2.6	Percentage of individual licence amendment, Renewal, transfer and change of control applications processed within 180 working days	Quarterly	93%	93%	93%	93%	93%
5.2.7	Percentage of radio frequency spectrum licence applications processed within 60 working days	Quarterly	84%	84%	84%	84%	84%



Sub-Strategic Objective	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
2.1.1	Development of a findings document on subscription broadcasting				1		
2.1.2	Production of statistical reports	1	1	1	1	1	1
2.1.3	Conduct a market review in terms of section 67(4) of the ECA			1	1	1	1
2.1.4	Conduct a study on SAPO annual tariff increase	1	1	1	1	1	1
2.1.5	Develop a position paper on unreserved postal services				1		
2.1.6	Conduct an analysis of SAPO Regulated Financial Statements			1	1	1	1
2.1.7	Review of the 2014 Call Termination Regulations		1	1	1		
3.1.1	Develop regulations on community broadcasting				1		
3.1.2	Develop regulations on broadcasting of national elections				1		
3.1.3	Review on the broadcasting of national sporting events regulations				1		
4.1.1	Produce tariff analysis reports	3	3	2	2	2	2
4.1.2	Conduct a study on the role of the Authority on cybersecurity				1	1	
4.3.1	Influence policy and legislation through advocacy		1	1	1	1	1
4.4.1	Conduct impact assessment studies			1	1	1	1



Programme Performance Indicator		Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
2.1.1	Percentage of findings document on subscription broadcasting completed	Quarterly	100%	25%	50%	75%	100%
2.1.2	Percentage of statistical report completed	Quarterly	100%	0%	25%	75%	100%
2.1.3	Percentage of the market review in terms of section 67(4) of the ECA	Quarterly	100%	0%	25%	50%	100%
2.1.4	Percentage of analysis report on SAPO annual tariff increase produced	Quarterly	100%	0%	0%	75%	100%
2.1.5	Percentage of position paper on unreserved postal services completed	Quarterly	100%	25%	50%	75%	100%
2.1.6	Percentage of analysis report on SAPO Regulated Financial Statements completed	Quarterly	100%	0%	0%	75%	100%
2.1.7	Percentage of review of the 2014 Call Termination Regulations completed	Quarterly	100%	25%	50%	100%	0%
3.1.1	Percentage of regulation on community broadcasting completed	Quarterly	100%	25%	50%	0%	100%
3.1.2	Percentage of regulation on broadcasting of national elections completed	Quarterly	100%	25%	50%	0%	100%
3.1.3	Percentage of the review of the broadcasting of national sporting events regulations completed	Quarterly	100%	25%	50%	75%	100%
4.1.1	Number of tariff analysis reports produced	Bi-Annually	2		1		1
4.1.2	Percentage of report on cybersecurity produced	Quarterly	100%	25%	50%	75%	100%
4.3.1	Number of comments on policy changes submitted	Quarterly	1				1
4.4.1	Percentage of impact assessment study conducted	Quarterly	100%	25%	50%	75%	100%



Sub-Strategic Objective		Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1.1.1	Revision of the Frequency Migration Plan		Frequency Migration plan 2013	Council approved National Frequency Plan 2017	50%	100%		
1.1.2	Revision of the International Mobile Telecommunications (IMT) roadmap		IMT Roadmap 2014 and Radio Frequency Spectrum Assignment Plans 2015	Council approved National Radio Frequency Plan 2017	30%	100%		
1.1.3	Radio Frequency Spectrum Assignment Plans (RFSAPs) produced		9	0	4	4	4	4
1.1.4	Reports with recommendations on South Africa's readiness for 5G produced			Approved Council submission on the 5G concept and motivation for a South African Forum	Report on establishment of South African 5G Forum	1	1	1
1.2.1	Research reports on regulatory frameworks for dynamic and opportunistic spectrum management produced		3	2	2	1	1	1
1.2.2	Regulatory frameworks on the use of TV Whitespace spectrum developed and implemented			1 draft TV Whitespace regulations	1 set of TV Whitespace regulations	A geolocation database for deployment of TV whitespaces technologies commissioned		
2.1.1	Documents on regulatory aspects of digital sound broadcasting for introducing the latter in South Africa produced		0	National Radio Frequency Plan 2013	National Radio Frequency Plan 2017	1 findings document		
4.1.1	Increasing monitoring of quality of service from 4 to 9 provinces per year and with monitoring extended to include data services in addition to voice services	4	4	4	6	7	9	9



Programme Performance Indicator		Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
1.1.1	Percentage of Frequency Migration Plan revised	Quarterly	100%	25%	50%	75%	100%
1.1.2	Percentage of international Mobile Telecommunications Roadmap (IMT Roadmap) revised	Quarterly	100%	25%	50%	75%	100%
1.1.3	Number of Radio Frequency Spectrum Assignment Plans (RFSAPs) produced	Annually	4				4
1.1.4	Number of reports produced with recommendations on South Africa's readiness for 5G	Annually	1				1
1.2.1	Number of research reports on regulatory frameworks for dynamic and opportunistic spectrum management produced	Annually	1				1
1.2.2	Number of regulatory frameworks on the use of TV Whitespace spectrum produced	Annually	1				1
2.1.1	Number of documents on the use of digital sound broadcasting produced	Annually	1				1
4.1.1	Number of provinces monitored for quality of service extended to seven provinces, of which all seven will be monitored for voice and two of the seven will be monitored for voice and data	Quarterly	7	1	2	2	2



Programme 5 Annual Targets



Sub-Strategic Objective		Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
4.1.1	Resolve Radio Frequency interference cases	90%	100%	99.26%	94%	95%	96%	97%
4.1.2	Offer additional services in regional offices			3	1	1	1	
4.1.3	Conduct broadcasting compliance on a pre-determined list of community broadcasters				30%	40%	50%	60%
4.1.4	Conduct Code of Conduct compliance inspections			300 Code of conduct inspections	1	1	1	1
4.1.5	Conduct high-site investigations							1 Report on high-site investigations conducted
4.1.6	Conduct Type Approval compliance inspections	2415	1220	1748	1250	1 300	1 350	1 report on 2050 Type approval inspections conducted
4.1.7	Test letters posted within agreed timeline		1977	3200	2000	2050	3000	
4.1.8	NATJOINTS instructions executed	90% execution of relevant NATJOINTS instructions received	100% execution of relevant NATJOINTS instructions received	100% execution of relevant NATJOINTS instructions received	90%	92%	95%	97%
4.1.9	Implement consumer education plans			7% Increase in consumer awareness	4	4	4	4
4.1.9	Implement consumer education plans			7% Increase in consumer awareness	Develop and implement consumer education plan	Implement 80% of education campaigns through various platforms	Implement 85% of education campaigns through various platforms	Implement education 90% of campaigns through various platforms
5.2.1	Process pre-assigned Radio Frequency applications within 15 working days	90%	96.48%	92,5%	94%	95%	96%	97%
5.2.2	Process Class ECS/ECNS and unreserved postal license applications within 30 working days				60%	65%	70%	75%



	Programme Performance Indicator	Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
4.1.1	Percentage of reported Radio Frequency interference cases resolved or mitigated	Quarterly	95%	95%	95%	95%	95%
4.1.2	Number of additional services offered in the regional offices	Quarterly	1				1 additional service offered in the Regional Offices
4.1.3	Percentage of pre-determined list of broadcasting compliance inspections conducted	Quarterly	40%	10%	10%	10%	10%
4.1.4	Number of Code of Conduct compliance inspection reports	Annually	1 Report on Code of Conduct (ECS/ECNS) compliance inspections conducted				1 Report on Code of Conduct (ECS/ECNS) compliance inspections conducted
4.1.5	Number of high-site investigations conducted	Quarterly	1 300	260	390	390	260
4.1.6	Number of Type Approval compliance inspections conducted	Quarterly	2050	410	615	615	410
4.1.7	Percentage of test letters posted within agreed timeline	Quarterly	95%	95%	95%	95%	95%
4.1.8	Number of NATJOINTS instructions executed	Quarterly	4	1	1	1	1
4.1.9	Percentage of Consumer educations plans implemented	Quarterly	80%		30%	50%	80%
5.2.1	Percentage of pre-assigned Radio Frequency Spectrum Applications processed within 15 working days	Quarterly	95%	95%	95%	95%	95%
5.2.2	Percentage of Class ECS/ECNS and unreserved postal license applications processed within 30 working days	Quarterly	65%	65%	65%	65%	65%



Sub-Strategic Objective	Audited/Actual Performance			Estimated Performance 2017/18	Medium-Term Targets		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
4.1.1 Consumer Advisory Panel Report				1 CAP established	1	1	1
4.1.2 Resolve consumer complaints		91%	92%	85%	85%	85%	85%
4.2.1 Monitor compliance of broadcasters' coverage of 2019 national elections	1 (in respect of coverage of 2014 national elections)		1 (in respect of coverage of 2016 municipal elections)			1 (in respect of coverage of 2019 national elections)	
4.2.2 Monitor compliance by broadcasting licensees		64	69	50	60	65	70
4.2.3 Monitor compliance by ECS/ECNS licensees		55	94	50	60	65	70
4.2.4 Monitor compliance by postal licensees		1	1	1	1	1	1
4.2.5 Decide on inter-licensee disputes within given timeframe				60%	60%	60%	60%
4.2.6 Review interconnection and facilities leasing agreements within the regulated timeframes				80%	80%	80%	80%



Programme Performance Indicator		Reporting Period	Annual Target 2018/19	Quarterly Targets			
				Q1	Q2	Q3	Q4
4.1.1	Number of CAP Annual Reports considered	Annually	1				1
4.1.2	Percentage of consumer complaints resolved	Quarterly	85%	70%	70%	70%	85%
4.2.1	Number of compliance reports of broadcasters' coverage of 2019 National Elections	Annually					
4.2.2	Number of Broadcasting licensees monitored	Annually	60				60
4.2.3	Number of ECS/ECNS licensees monitored	Annually	60				60
4.2.4	Number of postal licensees monitored	Annually	1				1
4.2.5	Percentage of inter-license disputes decided on within given time frames	Annually	60%				60%
4.2.6	Percentage of interconnection and facilities leasing agreements reviewed within the regulated time frames	Quarterly	80%	80%	80%	80%	80%



THANK YOU