



# **PRESENTATION TO THE PORTFOLIO COMMITTEE ON TELECOMMUNICATIONS & POSTAL SERVICES**

**iNeSI Bill  
By**

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Date: 15 May 2018**



## Presentation Outline

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## Background

### ■ Concept introduction

- Mid-2015 : DTPS updated the Portfolio Committee on the iNeSI Concept
- March, Nov 2017 and March 2018: DTPS provided progress on the iNeSI Bill

### ■ Business Case Refined (2015-16)

- Draft business case and legislation
- Consultation with key departments completed

### ■ National ICT Integrated Policy released (2016)

- Calls for the implementation of iNeSI

### ■ Cabinet approval to introduce iNeSI Bill

- On 14 March 2018 Cabinet approved iNeSI Bill to be introduced in Parliament

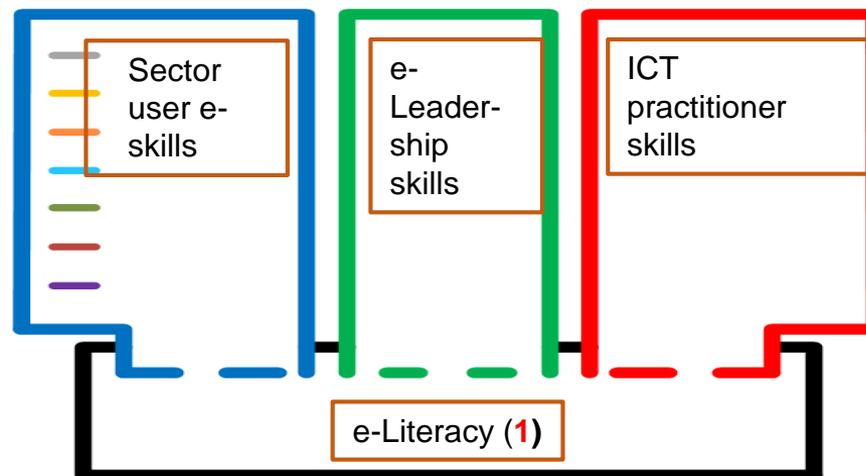


## Background

- NDP 2030: Improving equitable access to enhance ICT services require actions to stimulate demand by:
  - Improving e-literacy through basic and secondary schooling; tertiary, adult education and supplier training to support the production of multilingual, relevant and local content for public programming and information services whether education or entertainment, and develop online and mobile service and applications.
- This will increase demand for ICT services, as content and applications become increasingly relevant to the needs and interest of the wider community.
- For the sector to grow, it will require significant number of different skilled people to fill the range of specialised job opportunities created. The education system will need to prepare for this.
- ICT White Paper: recognised the need for a new skills dispensation to drive heightened innovation in the ICT sector.

Digital or e-Skills needed by various sectors are reflected in the framework below (both high and low-end):

## Context

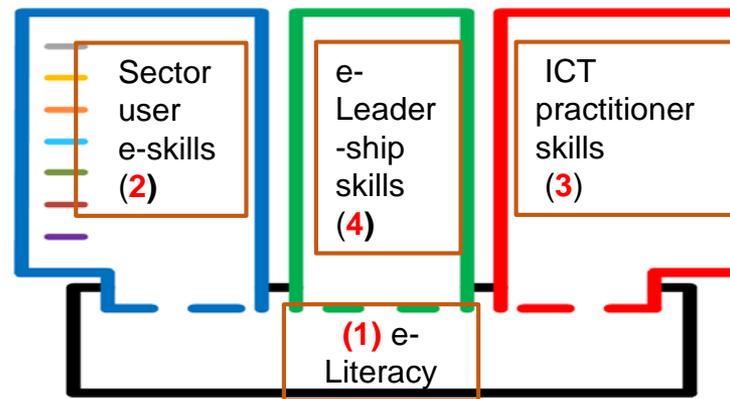


In line with the above framework, there is a need for the development of:

- Basic digital/e-literacy/media literacy competencies for the **general society (1)** to ensure their inclusion and active participation in all areas of everyday life and work where ICTs is increasingly becoming a precondition
- Specific/advanced skills for employability, self-employment and growth (e.g. SMMEs) **(1)**

Digital or e-Skills needed by various sectors are reflected in the framework below:

## Context



In line with the above framework, there is a need for the development of:

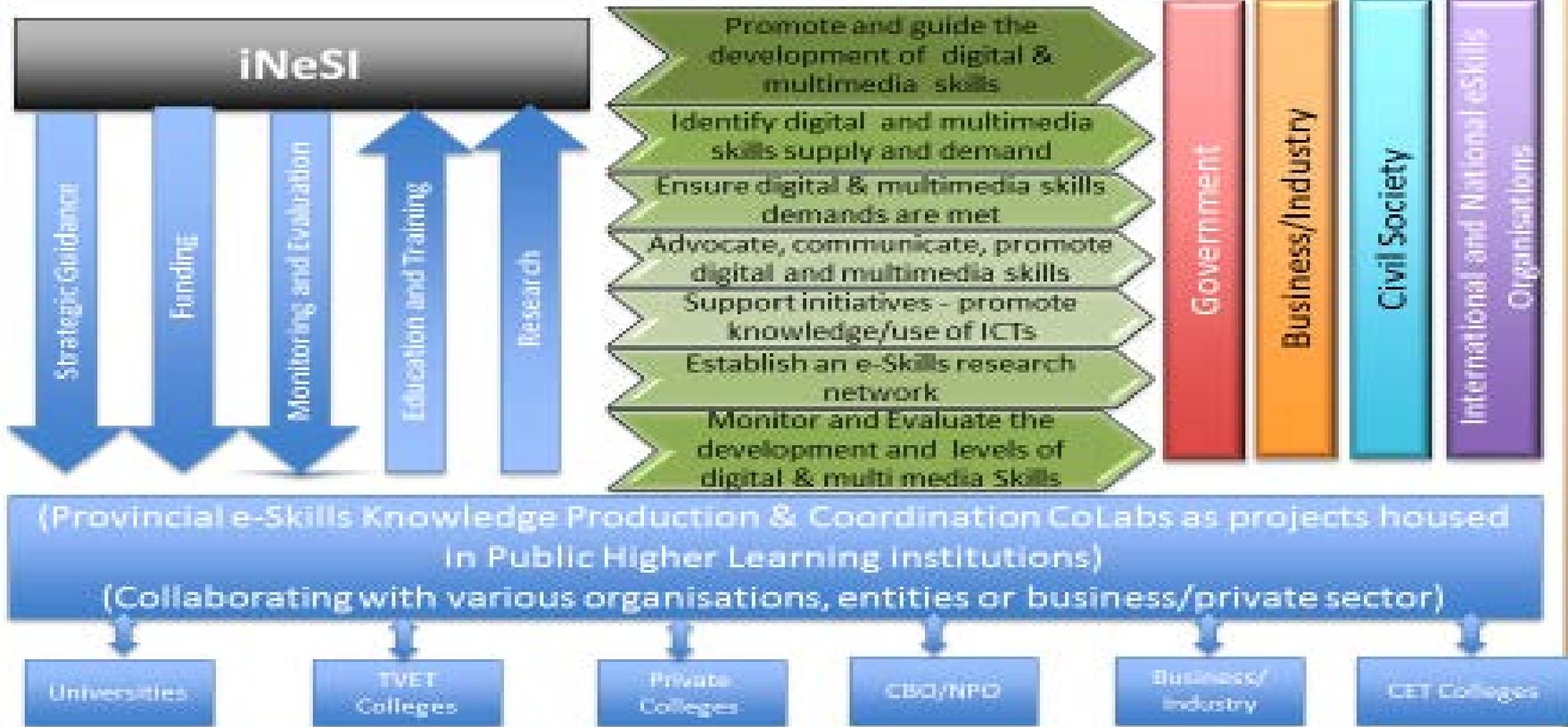
- Sector-specific e-skills (2) and practitioner skills (3) to contribute towards enhanced efficiencies to ensure these formal sectors remain competitive and innovative within an emerging South African information society and digital economy.
- e-Leadership skills (4) for managers, executives and entrepreneurs to ensure innovative repositioning of institutions/businesses and growth of new businesses (across sectors) to remain competitive in the information society and digital economy.

## Context

- Necessary competencies for SMMEs (ICT and non ICT Sector) to grow and develop their enterprises through technology enablement (**1-4**) for enhanced sustainability and potential job creation through localisation and local content development (*innovation-based economy*).
- The iNeSI is an integration of the three (3) e-skills development related components of DTSP, namely National Electronic and Media Institute of South Africa (NEMISA), e-Skills Institute (e-SI) and the Institute for Space and Software Applications (ISSA).
- The purpose of iNeSI will act as a catalyst for a new e-skills in SA working in partnership with other role players within and outside government to drive the aspirations of the NDP, SA Connect and ICT White Paper for social appropriation of ICT for local benefit and the meaningful use and operational capability at the consumer level.



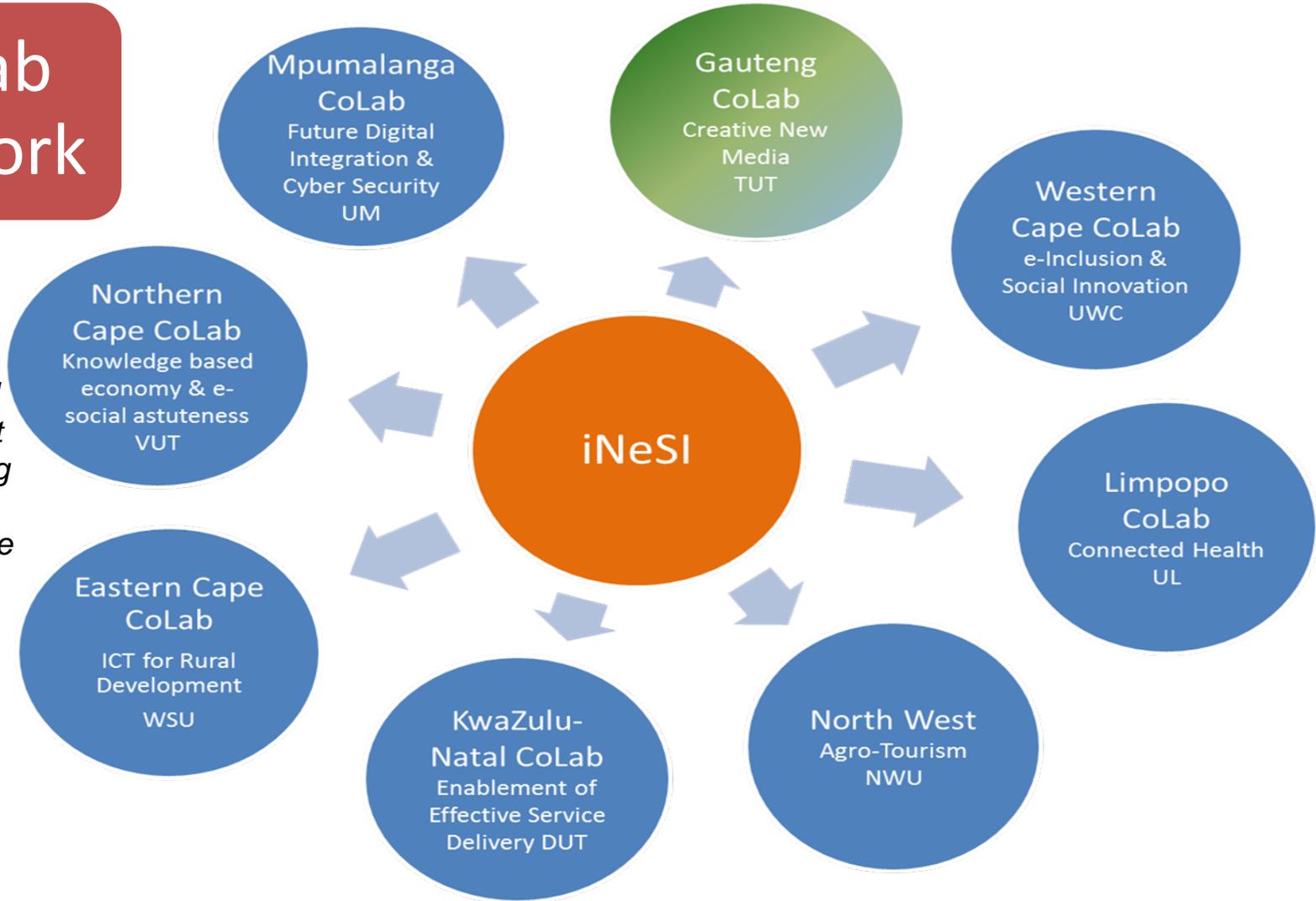
# The iNeSI Model





# CoLab network

**iNeSI: A national catalytic collaborator, facilitator and change agent for developing e-skills capacity in the country**





Key  
Departments  
consulted

	Department	Issues	Agreement
1.	National Treasury	<ul style="list-style-type: none"> <li>▪ Funding</li> <li>▪ Consolidation of e-Skills components of the Department</li> </ul>	Concurrence on Business Case at Ministerial level.
2.	Department of Public Service & Administration	<ul style="list-style-type: none"> <li>▪ Transfer of Function and commitant resources</li> </ul>	Concurrence on Business Case at Ministerial level.
3.	Department of Higher Education & Training	<ul style="list-style-type: none"> <li>▪ Alignment to Acts relating to teaching and training</li> <li>▪ Co-funding (Skills Development Fund)</li> <li>▪ Respective roles and responsibilities re teaching and training</li> </ul>	Concurrence on Business Case at DG level.



## Establishment of iNeSI

### Section 2 of the Bill

- iNeSI:
  - Established as a juristic person
  - An integration of NEMISA; e-SI and ISSA
  - Governed by the PFMA and to be listed as a public entity

## Objects of iNeSI

### Section 3 of the Bill

- iNeSI established to:
  - act as a national catalytic collaborator, and a change agent for digital skills and multimedia development and organisational capacity in the country towards systematic change across all sectors for inclusion and competitiveness in the digital economy
  - collaborate with relevant Post-School Education and Training Institutions, offering digital skills and multimedia programmes to maximise the use of existing infrastructure and resources and to work towards a pro-active response to the digital skills and multimedia and capacity demands required within the digital economy
  - Encourage and promote an innovative research network focusing on digital skills and multimedia with links to public and private university networks locally and internationally.



## Functions of iNeSI

### Section 4 of the Bill

- ❑ The iNeSI must:
  - promote and guide the development of digital skills and multimedia in the country;
  - identify the digital skills and multimedia demands and supply needs in the country in collaboration with government, business, education and training;
  - regularly monitor and advise government, business and relevant bodies on digital and multimedia literacy levels;
  - work with the relevant government departments, institutions, entities, organisations and business to ensure that education and training institutions respond to the demands and ICT in the country;
  - raise awareness and promote the meaningful and responsible use and knowledge of ICT;



## Functions of iNeSI Section 4 of the Bill

- ❑ The iNeSI must:
  - support initiatives that promote the increased use and knowledge of ICT;
  - collaborate with relevant public and private post-school education and training institutions, organisations and entities offering ICT programmes to avoid duplication, fill gaps and maximise the use of resources
  - facilitate research and innovative networks
  - monitor and evaluate the development and level of digital skills and multimedia capabilities in the country.



## Functions of iNeSI

### Section 4 of the Bill

- ❑ In order to perform its functions contemplated above and in order to achieve its objects, the iNeSI may:
  - promote the Digital Skills Framework and a Training and Development Model;
  - collaborate with local and international stakeholders to enhance employment and enterprise development opportunities of digital skills and multimedia trainees; and
  - promote digital skills and multimedia teaching, learning, research, innovation, monitoring and evaluation of ICT information, skills and knowledge.



## Functions of iNeSI Section 4 of the Bill

- ❑ The iNeSI must:
  - comply with the NQF Act, 2008 (Act No. 67 of 2008), the Higher Education Act, 1997 (Act No. 101 of 1997), the Continuing Education and Training Act, 2006 (Act No. 16 of 2006), and the Skills Development Act, 1998 (Act No. 97 of 1998), supporting such education and training or steering education and training to be provided or conducted; and
  - interact and foster collaboration with the Minister responsible for higher education and training.

CoLab  
collaboration  
Section 5 of the  
Bill

- The iNeSI must consult Post-School Education and Training Institutions to establish CoLabs.
- The iNeSI must enter into agreements with Post-School Education and Training Institutions production and coordination CoLabs and must agree on appropriate terms and conditions for collaboration with each one of these institutions.
- The CoLabs must—
  - be accessible to all stakeholders;
  - provide feedback to the iNeSI to assist in developing the digital skills and multimedia policy;
  - promote and undertake research and innovation;
  - provide research capacity to postgraduate students;
  - initiate and implement projects; and
  - establish ICT networks across Post-School Education and Training Institutions, other government organisations, civil society and the business sector.



## CoLab collaboration Section 5 of the Bill

- Subject to the NQF Act the CoLabs may, in collaboration with the appropriate Quality Council and the SAQA, develop accredited short courses, including but not limited to courses about internet, cyber security, online safety programmes and usage of ICT in order to address gaps in the knowledge base of citizens and in particular the target groups.

Corporate  
governance  
Section 6 of the  
Bill

## Establishment and appointment of Board of iNeSI

(cont.)

- Before appointing the members of the Board, the Minister must—
  - publish a notice in the *Gazette* and at least one national newspaper, with due regard to the Use of Official Languages Act, 2012 (Act No. 12 of 2012), calling upon members of the public to nominate persons contemplated herein; and
  - appoint an independent panel which must compile a shortlist of not more than 20 persons from the nominees.

## Corporate governance

### Section 6 of the Bill

## Establishment and appointment of Board of iNeSI

(cont.)

- If the Minister receives no nominations or an insufficient number of nominations within the period specified in the notice, the Minister may, after consultation with the panel, either re-advertise or in any other transparent manner, appoint the required number of qualified persons.
- The members of the Board contemplated herein are appointed by the Minister on the grounds of their knowledge and experience in ICT academia, research, ICT innovation, ICT management, law, digital skills and multimedia, intellectual property and commercialisation thereof and business skills which, when considered collectively, should enable them to achieve the objects of the iNeSI.
- Where, upon invoking the processes outlined above, candidates possessing the required expertise and socio-economic profiles are not found, the Minister may direct that an alternative process of procuring these skills be initiated.
- The Board has fiduciary duties and must hold the executives accountable for the day-to-day management of the affairs of the iNeSI.



Corporate  
governance  
Section 7 of the  
Bill

### Term of office of members of Board of iNeSI

- Members of the Board hold office for a period of three years and are eligible for re-appointment on expiry of their term.
- A member may not serve for more than two terms.
- Despite the above, the Minister may, after consultation with the Board, extend the term of office of any or all the members of the Board for a period of not more than six months or until a new Board has been appointed, whichever comes first

## Disqualification of Board member and removal from office

### Corporate governance Section 8 of the Bill

- A person may not be appointed or continue as a member of the Board if such person is—
  - (a) declared by a competent court to be mentally ill, as defined in the Mental Health Care Act, 2002 (Act No. 17 of 2002);
  - (b) convicted of an offence and sentenced to imprisonment without the option of a fine, or in the case of fraud, to a fine or imprisonment;
  - (c) elected as a member of the National Assembly, a provincial legislature or the council of a municipality, or is appointed as a delegate to the National Council of Provinces by a provincial legislature;
  - (d) not a South African citizen or ceases to be a South African citizen;
  - (e) removed from a position of trust by a competent court of law; or
  - (f) an unrehabilitated insolvent.

## Corporate governance

### Section 9 & 10 of the Bill

#### Disclosure of interest

- A member of the Board must upon appointment, disclose to the Minister annually by way of a written statement any interest, including all financial interest, which could reasonably compromise the Board in the performance of its functions.
- A member of the Board may not vote or in any manner be present during or participate in the proceedings at any meeting of the Board if, in relation to any matter before the Board, he or she may have an interest which precludes him or her from performing his or her functions as a member of the Board in a fair, unbiased and proper manner.

#### Remuneration of members of Board of iNeSI

- Members of the Board receive such remuneration and allowances as the Minister, with the concurrence of the Minister of Finance, may determine.



## Corporate governance

### Section 11 of the Bill

#### Meetings of Board of iNeSI

- The chairperson must preside at a meeting of the Board.
- If the chairperson and the deputy chairperson are not present at a meeting of the Board, the members of the Board present at that meeting must elect from amongst themselves a member to preside at such a meeting.
- The Board must meet at least four times a year at such time and place as the Board may determine.
- The Board may determine the procedure for its meetings.

## Corporate governance

### Section 11 of the Bill

#### Meetings of Board of iNeSI (cont.)

- The chairperson—
  - (a) may convene a special meeting of the Board; and
  - (b) must, within 14 days of receipt of a written request signed by at least two thirds of the members of the Board to convene a special meeting, convene such a special meeting.
  
- A quorum for a meeting of the Board is two thirds of the members eligible to vote at that meeting.
  
- A decision of the Board must be taken by resolution of the majority of board members present at a meeting of the Board, and, in the event of an equality of votes, the person presiding at the meeting has a casting vote in addition to his or her deliberative vote.

## Corporate governance

### Section 12 of the Bill

#### Dissolution of Board of iNeSI

- The Minister may dissolve the Board if—
  - (a) the Board is unable to perform its duties in terms of this Act or on the grounds of mismanagement; and
  - (b) there is a breakdown in the relationship amongst the members of the Board, which renders the continued effective functioning of the Board impossible.
- In exercising his or her powers in terms of this section, the Minister must comply with the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000).
- Within 21 days of the dissolution of the Board, the Minister must appoint an interim Board, consisting of a minimum of three persons, to assume the responsibilities of the Board, until a new Board is constituted in accordance with the procedure as contemplated.



## Corporate governance

### Section 12 of the Bill

#### Dissolution of Board of iNeSI (cont.)

- A new Board must be constituted within 180 days of the dissolution of the previous Board.
- Any person who was a member of the Board that was dissolved in terms of this section, may be reappointed to a new Board.
- The Minister must, within 30 days of the dissolution of the Board, submit a report to the National Assembly, setting out the reasons for the dissolution of the Board.

## Human Resources matters

### Section 13 of the Bill

#### Appointment of Chief Executive Officer and Chief Financial Officer

- The Board must, with the approval of the Minister, appoint a CEO and CFO to ensure that the iNeSI meets its objects.
- The Board must invite applications for the posts of CEO and CFO by publishing advertisements in the media.
- A person appointed as CEO and CFO must—
  - (a) have the qualifications or experience relevant to the functions of the iNeSI;
  - (b) not be disqualified as contemplated above;
  - (c) receive such remuneration and allowances as the Board, with the concurrence of the Minister, may determine; and
  - (d) have such pension and other employment benefits as are consistent with those paid in the public sector.

## Human Resources matters

### Section 14 of the Bill

#### Termination of employment of CEO and CFO

- The Board must, with the approval of the Minister and subject to compliance with the Labour Relations Act, 1995 (Act No. 66 of 1995), terminate the employment of the chief executive officer and CFO for—
  - (a) misconduct, which includes any act or failure to act as prescribed;  
or
  - (b) failing to perform the duties connected with that office diligently.
- The Board may suspend the services of the CEO or CFO pending the finding of any misconduct proceedings against him or her, during which period the CEO or CFO is also suspended as an executive member of the Board.
- The CEO or CFO must vacate the office if he or she becomes disqualified from membership of the Board.



Human  
Resources  
matters  
Section 15 of  
the Bill

### Acting chief executive officer and chief financial officer

- The Board may, in writing, appoint any senior employee of the iNeS to act as CEO or CFO when the holder of that office—
  - (a) is temporarily unable to perform the duties connected with that office;
  - (b) has been suspended from office; or
  - (c) has vacated or has been removed from that office and a new CEO or CFO, as the case may be, has not yet been appointed.
- An acting CEO or CFO may exercise all the powers and must perform all the duties of the CEO or CFO, as the case may be.



## Human Resources matters

### Section 16 of the Bill

#### Employees of iNeSI

- The CEO must, on such terms and conditions as the Board may determine, appoint employees of the iNeSI or receive on secondment such persons as are necessary to enable the iNeSI to perform its functions.
- The iNeSI must pay the employees of the iNeSI such remuneration, allowances, subsidies and other benefits as are consistent with that paid in the public sector.
- The CEO is responsible for the administrative control, organisation and discipline of the employees of the iNeSI and for ensuring compliance with applicable labour legislation.



## Funding

### Section 17 of the Bill

#### Funding of iNeSI

- The funds of the iNeSI consist of—
  - (a) money appropriated by Parliament;
  - (b) revenue, including interest derived from its investments; and
  - (c) donations and contributions.
- Subject to this section, all income and property and all the proceeds of the iNeSI must be applied exclusively to the promotion of the objects of the iNeSI.
- The iNeSI may, subject to the approval of the Minister and in terms of the PFMA Act, invest any of its funds not immediately required.



## Reporting

### Section 18 of the Bill

#### Annual Reports

- The CFO must annually submit, within 90 days after the end of the financial year, a report on its activities, advice and recommendations to the Board.
- The Board must report to the Minister on the activities of the iNeSI when required to do so by the Minister.
- The financial management of the iNeSI and the submission of financial statements and annual reports must comply with the provisions of the PFMA Act.
- The Minister must table the above-mentioned report in Parliament.

## Compliance and Regulations

### Section 19 & 20 of the Bill

#### Compliance with Public Finance Management Act

- The INeSI is required to comply with the provisions of the PFMA Act applicable to national public entities.
- For the purpose of the Public Finance Management Act—
  - (a) the Board is the accounting authority as contemplated in section 49(2)(a) of the PFMA Act;
  - (b) the Minister is the executive authority as contemplated in section 52 of the PFMA Act; and
  - (c) any delegation of the Board’s responsibilities in terms of the PFMA Act must be in accordance with section 56 of that Act.

#### Regulations

- The Minister may make regulations with regard to—
  - (a) any matter that may or must be prescribed in terms of this Act; and
  - (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.



## Transitional arrangement

### Section 21 of the Bill

- The functions and concomitant resources from NEMISA, e-SI and ISSA will be transferred to the iNeSI immediately after the commencement of this Act and in accordance with the Labour Relations Act, 1995 (Act No. 66 of 1995), and any applicable collective bargaining agreement with organised labour.
- The remuneration and other terms and conditions of service of a person transferred in terms of the above may not be less favourable than the remuneration, terms and conditions applicable to that person immediately before his or her transfer and he or she remains entitled to all rights, benefits, including pension benefits, and privileges to which he or she was entitled immediately before such transfer.
- A person transferred to the iNeSI in terms of the above-mentioned remains subject to any decisions, proceedings, rulings and directions applicable to that person immediately before his or her transfer to the extent that they remain applicable.
- Any proceedings against such person which were pending immediately before his or her transfer must be disposed of as if that person had not been transferred.



## Transitional arrangement

### Section 21 of the Bill

- For the purposes of the Income Tax Act, 1962 (Act No. 58 of 1962), no change of employer must be regarded as having taken place when the above-mentioned person takes up employment at the iNeSI.
- A person who was appointed as CEO or CFO of NEMISA immediately before this Act comes into operation, is CEO or CFO for a term expiring on the date that such appointment would have expired had this Act not come into operation.
- Any members of the NEMISA board who, immediately prior to the commencement of this Act, were members of that board, must be deemed to have been appointed members of the iNeSI Board for the remainder of the period for which each member was appointed as a board member under the NEMISA.
- All policies, procedures and processes governing NEMISA prior to the commencement of this Act, are deemed to have been prescribed in terms of this Act and are binding on the iNeSI until amended or substituted in terms of this Act.



telecommunications  
& postal services

Department:  
Telecommunications and Postal Services  
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# Thank you