PRESENTATION TO THE SELECT COMMITTEE ON COMMUNICATIONS AND PUBLIC ENTERPRISES

STRATEGIC PLAN (2014 – 2019) AND
ANNUAL PERFORMANCE PLAN (2014/15)

23 JULY 2014
It must be acknowledged that the Department is in a process of transformation following the President’s announcement of the establishment of the Department of Telecommunications and Postal Services (DTPS).

Engagements in this regard, led by the Presidency, are currently underway. Following the signing of the Proclamation which has taken place, the DTPS will now amend the Strategic Plan and APP accordingly to reflect such changes which would also deal with emerging priorities including e-Government.

The revised Strategic Plan and APP will then be tabled in Parliament and shared with the Committee.
Vision, Mission & Mandate

South Africa as a global leader in the development and use of Information and Communication Technologies for socio-economic development

Building an inclusive information society through a sustainable world class information and communication technologies environment

To create a vibrant ICT Sector that ensures that all South Africans have access to affordable and accessible ICT services in order to advance socio-economic development goals, support the African Agenda and contribute to building a better world

A global leader in the development and use of Information and Communication Technologies for socio-economic development
In developing its Strategic Plan and APP, the Department undertook extensive analysis of the current state of the ICT Sector with specific reference to emerging trends, identifiable strengths and weaknesses as well specific opportunities that can be leveraged upon and threats that must be mitigated.

The above-mentioned ICT Sector analysis coupled with direction from the NDP, the MTSF and the SoNA informed the identification and the prioritisation of the Annual Targets over the MTEF period.

Overview of the Presentation:
- Alignment with MTSF, NDP and SoNA
- Strategic Priorities for 2014/15
- Alignment of SOC priorities with those of the Department
- Strategic Risks
- Financial information for 2014/15
- Annexure A: Strategic Goals, Objectives and 2014/15 Targets
• Multiple strategic planning workshops were held with senior management and relevant stakeholders.

• State Owned Companies (SOCs) were involved in the planning from the inception so as to ensure alignment and integration of priorities.

• Plans aligned to the Framework for Strategic Plans and APPs developed by National Treasury as prescribed for National Departments in terms of:
  o Measurability of targets (quantifiable where possible)
  o Performance indicators (aligned to objectives)
  o Time frames (2014/15 Targets unpacked into measurable quarterly targets)

• Drafts Plans were submitted to National Treasury, DPME and AG for consideration and feedback, which was affected where applicable.

• DoC will submit quarterly performance reports against its APP to the Executive Authority, National Treasury and DPME.
The APP takes into consideration the short to medium-term focus areas stemming from the NDP, the MTSF and the SoNA. Therefore specific interventions have been prioritised for the 2014/15 financial year taking into consideration available resources and identified risks.

<table>
<thead>
<tr>
<th>NDP Focus area</th>
<th>MTSF Focus area</th>
<th>2014/15 APP Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>“SA needs to develop a more comprehensive and integrated e-Strategy”</td>
<td>“National e-strategy to facilitate the growth of all related sectors…”</td>
<td>National e-Strategy gazetted</td>
</tr>
<tr>
<td>NDP Focus area</td>
<td>MTSF Focus area</td>
<td>2014/15 APP Targets</td>
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<tr>
<td>“there should be 100% broadband penetration”</td>
<td>“Extend broadband penetration – 100%”</td>
<td>Digital readiness strategy implemented focusing on regulation, policy and legislation.</td>
</tr>
<tr>
<td>“Make high-speed broadband internet universally available…”</td>
<td>“..set out a strategy for universal internet access”</td>
<td>Digital development strategy implemented focusing on the development and approval of the implementation plan.</td>
</tr>
<tr>
<td>-</td>
<td>“Spectrum allocation should accompany set obligations to overcome historical inequalities…”</td>
<td>Digital future strategy implemented focusing on defining the roadmap.</td>
</tr>
<tr>
<td>-</td>
<td>“Internet Strategy developed and implemented to support the advancement of digital opportunities in line with SA Connect”</td>
<td>Digital opportunity strategy implemented focusing on innovation, entrepreneurship, R&amp;D and skills development.</td>
</tr>
<tr>
<td>NDP Focus area</td>
<td>MTSF Focus area</td>
<td>2014/15 Targets</td>
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<tr>
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<tr>
<td>“Fast track local loop unbundling”</td>
<td>“Develop a strategy for the local loop to ensure that quality improves, costs are reduced…”</td>
<td>Phase 2 of Cost to Communicate PoA implemented with regards to 4 identified interventions aimed at price reduction, quality and expansion of services.</td>
</tr>
<tr>
<td>“SA should regain its position as the leader in the quality and cost of ICTS”</td>
<td>“Maintain or improve ITU ranking in the top 50 internationally”</td>
<td>Improve S.A’s International ranking (ITU-D and WEF IT)</td>
</tr>
<tr>
<td>“outline demand stimulation interventions to promote ICT diffusion such as e-literacy programme, ICT skills and institutional capacity building strategies”</td>
<td>“Promote e-literacy”</td>
<td>e-Strategy and Internet strategy developed and implemented to support the advancement of digital opportunities in line with SA Connect.</td>
</tr>
<tr>
<td>-</td>
<td>Corporatisation of Postbank</td>
<td>Corporatisation of the Postbank facilitated and coordinated</td>
</tr>
</tbody>
</table>
### 2014 SONA

“Postbank will be supported so that it can play a leading role in the expansion of banking services to the poor and working class”

“Postbank will be supported so that it can play a leading role in the expansion of banking services to the poor and working class”

“We will expand, modernise and increase the affordability of information and communications infrastructure and electronic communication services, including broadband and digital broadcasting”

“Cabinet adopted South Africa Connect, our Broadband Policy and Strategy, in December last year to take this mission forward”

### 2014/15 Targets

- **Facilitate and coordinate the corporatisation of Postbank**
  - **Postbank corporatization (SAPO)**
    - Obtaining approval to establish the Bank in terms of Sect. 12 of Banks Act.
    - Fit and proper assessment of the identified Postbank Board members, in terms of the Banks Act.
    - Implementation of the SAPO & Postbank turnaround plan

- Implementation of SA Connect
- Development of Internet Strategy
- Implementation of the BDM Programme
- Implementation of the Cost to Communicate PoA
- Development of e-Strategy

The Annual Performance Plan further unpacks Year 1 (2014/15) into quarterly targets which can be found in the detailed plan. Such targets are implemented across the following 5 Programmes within the Department:

- Programme 1: Administration
- Programme 2: ICT International Affairs
- Programme 3: Policy, Research and Capacity Development
- Programme 4: Enterprise Development and SOC Oversight
- Programme 5: ICT Infrastructure Support
Based on the above-mentioned alignment with the NDP, the MTSF, the SoNA and in line with available resources, the following have been identified within the APP as strategic high-impact priorities:

- ICT Policy Review
- Broadband
- Internet Strategy
- National e-Strategy
- Cost to Communicate
- Broadcasting Digital Migration
- ICT Research (SA International ranking)
- SAPO Turn-around Plan
- Postbank

Subsequent slides detail the above-mentioned strategic priorities coupled with an analysis of the environment. However, the complete schedule of Strategic Goals, Objectives and 2014/15 Targets are located at the end of the presentation as Annexure A.
Over the past years, the ICT landscape has changed dramatically and the Internet is now a major medium of communication. Mobile technology, broadband, digital television, smartphones, the cloud, tablets, and new media technology have serious implications for policies and legislation that were written prior to these developments, and need to be adequately reflected in current policy and legislation. Further disruptive technological changes are on the horizon and these must also be considered in developing flexible policies that respond to technological changes. However, since the democratisation of South Africa, there have been three White Papers and one Green Paper produced and it has been more than 15 years since these policies were reviewed.

Therefore, the ICT Policy review is focused on promoting access to ICT services, while looking at new approaches that are necessary to ensure that ICT policies and frameworks are relevant to the changing environment and to individual, community and society’s social, economic, cultural, and development needs.

In the last FY, the ICT Policy Review Panel was appointed and the National Integrated ICT Policy Green Paper was developed and approved by Cabinet after which it underwent extensive stakeholder consultation.

In the 2014/15 FY, the Department will take the process forward by developing and publishing the draft White Paper on National Integrated ICT Policy.
Over the last five years mobile broadband rapidly became the primary form of broadband access. Despite this take-off in mobile broadband South Africa’s broadband penetration is poor compared to that of other lower-middle-income countries.

To confirm the above, as per the 2011 SA Census, 89% of the 14,5 million households in the country have access to mobile phones while only 35% of households have access to the internet and only 15% have access to a landline phone. Furthermore, PC Internet connectivity penetration has grown rather slowly, from 0% in 1993 to only 7.4% in 2012. This can be contributed to the cheaper tariffs of mobile vs fixed internet.

In terms of Cyber security, for malware and phishing, South Africa is highly exposed to cybersecurity threats. 31% of all cyber attacks are targeted at small businesses, as SMMEs are less prepared to handle cyber risks.

Therefore, in addressing the above trends, the Department in the last FY, revised the National Broadband Policy, referred to as “SA Connect”, which was approved by Cabinet in December 2013. SA Connect also contains the National Broadband Strategy and Plan. Furthermore, the Broadband Council was established in terms of the ECA.
Following the approval of SA Connect, going forward in the 2014/15 FY, the Department will:

• Implement the Digital readiness strategy focusing on regulation, policy and legislation.
  o Implementation plan
  o PMO
  o Study on rationalisation of relevant ICT SOCs
  o Rapid deployment policy
  o Feasibility study on Wholesale Open Access Network Options
  o Cybersecurity Hub
  o Policy directive on spectrum for Broadband

• Implement the Digital development strategy focusing on the development and approval of the implementation plan.
Following the approval of SA Connect, going forward in the 2014/15 FY, the Department will:

• Implement the Digital future strategy focusing on defining the roadmap
• Implement Digital opportunity strategy focusing on innovation, entrepreneurship, R&D and skills development
• Develop and implement Internet Strategy to support the advancement of digital opportunities in line with SA Connect
• Focus will also be on development and implementation of an Internet Strategy.

In the current financial year, R 20 million has been allocated for the finalisation of the first phase broadband plan. By end of this month, the business case will be finalised that seeks funding to connect 580 clinics; 4 444 schools; 182 police stations, and 572 other government offices, within the medium term, across Provinces.
The World Summit on the Information Society (WSIS), held in Geneva 2003 and Tunis 2005, in which South Africa participated, urged countries to develop National Strategies in order to guide the building of an inclusive Information Society. In view of this, the Department developed the 5-year Information Society and Development Plan, which was approved by Cabinet in 2007 and is up for review. Key achievements in the implementation of the ISAD Plan include the Broadband policy, the DST Research and Development Programme, measurement of the Information Society through the e-Barometer, e-Connectivity interventions, development and implementation of strategies focused specifically on mainstreaming of women, children, youth and persons with disabilities, amongst others.

The National Development Plan stipulates that as a country we have to develop a comprehensive and integrated e-strategy that reflects the cross-cutting nature of ICTS. Focus will also be on the development and implementation of an Internet Strategy aimed at increasing uptake, usage, access and awareness of the Internet.

In the 2013/14 financial year, the Department finalised the e-Strategy Framework and going forward, in 2014/15 the Department will take this work forward by developing and gazetting the National e-Strategy.
Despite several interventions aimed at reducing the cost to communicate, it remains relatively high. So much so that SA’s mobile and fixed data prices are much higher when compared to other African countries. SA’s cost remains high compared to global decline in ITU’s ICT price basket resulting in SA’s declined from 70th in 2009 to 98th in 2011.

Over and above voice calls, out-of-bundle rates are excessively high especially for data services and there is no time validity on data bundles – both pre-paid and post-paid, as well as no notification to customers for out-of-bundle data usage.

Going forward in the 2014/15 FY, the Department will:
- **Implement Phase 2 of Cost to communicate programme of action with regards to the 4 identified interventions aimed at price reduction, quality and expansion of services**
  - Issue Policy directive on Pricing Transparency
  - Issue Policy directive on Premium Content
  - Conduct Study on National Roaming to address high cost of communications
  - Conduct a Benchmarking study on mobile data pricing
Two factors will change the broadcast environment substantially. One is the migration to a digital system from an analogue one. The other factor is the Internet, which has begun to affect the traditional broadcasting industry. Although relatively few people in South Africa watch video over the Internet, traditional boundaries between content on the Internet and broadcast content are eroding. Digital migration and convergence both offer many avenues for our country to use the developed capacity to meet our country’s needs.

The Department does acknowledge the challenges surrounding the BDM programme.

In the 2014/15 FY, the Department will focus on coordinating the implementation of the BDM programme with specific reference to STB distribution and the establishment of a National BDM call centre.

Furthermore, the Department will prioritise the implementation of BDM public awareness programmes through identified platforms in all Provinces.
The Department’s ICT Research Programme is largely aimed at improving the dwindling position of SA’s International ranking with specific reference to the Networked Readiness Index 2013 (NRI) issued by the World Economic Forum as well as the ICT Development Index by the ITU.

The Department’s ICT Research initiatives will therefore focus on relevant research to inform interventions with regards to the key ICT Drivers in terms of Readiness and Usage so as to achieve the desired socio-economic impacts.
Within the broader theme of universal service and access, the Postbank will lead the expansion of access to banking services to the majority of citizens, mainly in rural South Africa. This entails specific focus on the provision of banking services to the previously unbanked and it is also anticipated that this will enhance the social grants payout system. Although there are 17 registered banks in South Africa, the four major banks represent 84% of total banking assets (R3,506bn). This makes for a highly concentrated industry.

Postbank currently operates as a savings bank, and in comparison to the major banks fares quite poorly. According to the Banking Association of South Africa, 22.5 million people (67% of adults) in South Africa are ‘banked’. It should be noted that many people have more than one bank account and have dormant accounts. Postbank has just over 6 million customers, however, once a fully-fledged bank, Postbank will be well positioned to offer transactional products such as loans or overdraft facilities. The successful implementation of the SAPO turn-around plan is crucial to the optimal roll-out of the Postbank.
In its 2012/2013 Annual Report, SAPO reported that deposits increased by 5.5% to R4.492bn in the year and investments by 6% to R6.226bn. Customer accounts increased to R7.3 million from R6.9 million.

Once corporatised and fully licensed, the Postbank will be able to offer a variety of financial services, especially to the lower income markets and rural communities that are not catered for by the traditional banks.

In the 2013/14 FY, the Department developed the Postbank Amendment Bill and introduced it to Parliament. It was thereafter assented to by the President.

In the 2014/15 FY, the Department will focus on facilitating and coordinating the corporatisation of Postbank – with specific reference to the registration of the Postbank Company to become a fully-fledged bank.
SAPO has rolled-out postal addresses to over 11 million households and more than 70% of these addresses are in the rural or peri-urban areas and about 4 million Post Office Addresses Boxes, across Provinces. The address system is an important link for emergency services, financial inclusion, and delivery of government’s basic services.

In order to comply with International guidelines and to further provide guidelines to all stakeholders which includes the establishment of a database of addresses, the Department will in the 2014/15 FY, develop a National Address System Policy.
The Department has developed and commenced with implementation of an Action Plan, to deliver on the recommendations contained in the Budgetary Review and Recommendations Report issued by the Portfolio Committee in 2013 as well as the more recently developed Legacy Report. The Action Plan also includes interventions that must be implemented by the respective SOCs.

The implementation of the Action Plan is periodically monitored and evaluated as the recommendations stemming from these Reports play an important role in guiding the Department and its SOCs with regards to key projects as well as significant governance issues from an oversight perspective.

Furthermore such recommendations as well as the commitments made in the Budget Vote Speeches have also been taken into consideration during the finalisation of the APP.
Considering the BRRR, the Legacy Report and the BVS (2)

The Department has adopted the following Integrated Framework addressing the key areas of Leadership & Governance, Processes & Systems as well People and Resources. This will in turn assist in the addressing the recommendations found in the BRRR.
Strategic Alignment with SOCs

- In an effort to ensure integrated and aligned planning, SOCs were invited to participate in the Department’s planning process, while relevant DoC officials from core Branches participated in the strategic planning workshops of each SOC.

- All SOCs were requested to submit their draft Corporate and final Strategic Plans to the Department on 31 January 2014 for analysis.

- A joint planning workshop was held on 21 February 2014 to ensure alignment and synergy in terms of SOC priorities with those of the Department, based on the respective mandates of each SOC.

- Further discussions of Corporate/Strategic Plans took place between DoC officials and executive management of SOCs in April and May 2014 followed by Bilateral meetings between Minister and Boards of SOCs.

- Final Corporate and Strategic Plans with DoC inputs were submitted by SOCs in June 2014.

In an attempt to brief the Committee on significant SOC projects, the Department will just highlight key priorities of each SOC in the following slides.
SAPO 2014/15 Priorities

- Postbank corporatization
  - Obtaining approval to establish the Bank in terms of Sect. 12 of Banks Act.
  - Fit and proper assessment of the identified Postbank Board members, in terms of the Banks Act.

- Broadcasting Digital Migration (responsible for distribution of Set-Top Boxes to needy households)
  - Approval and sign-off of SAPO business rules and IT system development specifications.
  - Approval of Qualification Criteria and SAPO Rules by the Department.

- Finalize the review of the strategic turnaround plan
- Attain financial sustainability while delivering on government social mandate
- Provide a secure, efficient & integrated infrastructure for consistent & seamless delivery service
- USO: Provide innovative, affordable and relevant services to meet customer needs in the areas of mail, logistics and retail
The SABC commits to increase audience share to 53% and 67% for TV and radio respectively.

The SABC’s commitment on broadband is to deliver and avail digital multimedia content of 51% for TV and 69% for radio.

SABC commits to utilize appropriate technology and infrastructure in support of Digital Migration (DTT).

SABC plans to strengthen good corporate governance. Having paid off the Government guarantee, the SABC plans to grow revenue to R8 billion for 2014/15.
Sentech 2014/15 Priorities

- SENTECH will apply ‘best-in-class’ technology solutions to ensure efficient and effective signal distribution
- Sentech will strengthen good corporate governance.

Financial Performance
- Forecasted Revenue amounting to R977 million for 2014/15FY
- Operating expenses of R803 million.
- Gross Profit of R173.7 million.
- Under-performing businesses are VSAT and SW and are dragging down overall profitability - the board to take urgent steps to turnaround under-performing businesses.
5 million needy households will be subsidized with Set-Top-Boxes.
2 Municipalities in under-serviced areas will be provided with internet.
10 public schools and 5 schools of People with Disabilities in under-serviced areas will be connected to with internet.
Broadband backbone infrastructure will be rolled out to 2 Municipalities in under-serviced areas.

Financial information:
USAF has been allocated funding of R290 million for the 2014/15 FY.
Funds will be utilized for internet connectivity and broadband roll out.
Additional funding of R120 million allocated in the 2014/15 FY for DTT.
Unspent funds of R240 million for DTT in the 2013/14 FY to be rolled over to the 2014/15 in order to subsidize the 5 million needy households.
Finalize NEMISA, ISSA and e-Skills merger
Review the national e-Skills curriculum competency framework
Train 1000 ICT practitioners;
Make online courses available to students
Host a research colloquium
Host a national e-Skills summit.
Formalise partnerships with leading universities, international companies, donor funding in order to deliver on the National e-Skills Plan of Action of South Africa
ICASA 2014/15 Priorities

- Promote Competition by awarding free-to-air broadcast service licenses in line with the number of DTT channels.
- Report on the necessity for pro-competitive regulation in the provision of subscription broadcasting television services.
- Publish draft regulations specifying the cost to be charged by Sentech for Digital Signal Transmission for television service.
- Promote the digital agenda by publishing and considering ITAs for licensing of International Mobile Telephony (IMT) spectrum in a 2.6 GHz and 800/700 MHz.
- Develop infrastructure sharing regulations and define the input markets for the provision of retail broadband services.
- Finalise regulations that introduce LLU.
- Promote consumer rights through developing and publishing of metering and billing accuracy regulations.
- Improve the operational system by aligning the organizational structure to the respective operational needs.
.zaDNA 2014/15 Priorities

- Enhance regulatory mandate and improve access and quality of registry data.
- Implement namespace-wide operational standards and gradually deploy Domain Name System Security (DNSSec) in an effort to develop the Authority as the centre of operational excellence.
- Implement education & awareness, rollout marketing campaign.
- Implement a capacity building programme.
- Manage government’s Reserve Name List in order to have an inclusive domain name community.
- Support inclusive internet governance by developing & recommending clear policy positions.
- Participate in relevant Policy and Development fora such as ICANN & AfTLD.
The Department has identified several cross-cutting operational risks for which it has also identified relevant mitigating strategies. However the table below provides a summary of only the Strategic Project specific risks and the identified mitigating measures:

<table>
<thead>
<tr>
<th>Project/programme specific risks</th>
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</thead>
<tbody>
<tr>
<td><strong>Project/Programme</strong></td>
</tr>
</tbody>
</table>
| ICT Policy Review | Policy uncertainty and regulatory failure | • Ensure proactive and timely review and implementation of ICT policies to ensure alignment to current ICT needs and developments.  
• Implement robust external relations programme (intergovernmental relations, stakeholder relations, ICT Policy Colloquia, communications strategy and other structured platforms) linked to major deliverables of the ICT Policy review to ensure consensus with stakeholders on key policy proposals.  
• Conduct extensive research and sector analysis to inform policy making or direction. |
<table>
<thead>
<tr>
<th>Project/Programme</th>
<th>RISK</th>
<th>MITIGATION STRATEGY</th>
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</table>
| Broadcasting Digital Migration | Not meeting the 2015 Broadcast Digital Migration deadline. | • Engage National Treasury regarding additional funding for manufacturing and distribution of STBs and antennas, operationalisation of the call centre and providing robust BDM awareness.  
• Regularly monitor the impact of the service provider’s work and adherence to the Department’s expectations or deliverables as entailed in the service level agreement.  
• Enhance the functioning of the Multi-stakeholder communication sub-committee to ensure that all key elements of the project are discussed and recommendations are implemented.  
• Monitor industry coordination and collaboration to ensure timely implementation of project plans (SAPO, SABC, iKamva, SENTECH, ICASA, etc.). |
### Strategic Risks (3)

<table>
<thead>
<tr>
<th>Project/Programme</th>
<th>RISK</th>
<th>MITIGATION STRATEGY</th>
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</table>
| Broadband         | Inability to achieve universal service and affordable access to broadband by 2020 | • Fast track the appointment of skilled staff and source additional funding to strengthen implementation oversight.  
• Establishment of iKamva e-Skills Institute to respond to the demand stimulation skills for ICT opportunities and innovations.  
• Monitor industry coordination and collaboration to ensure timely implementation of project plans (Department of Education to fast track schools connectivity, ICASA to monitor and manage spectrum, etc.). |
### Strategic Risks (4)

#### Project/programme specific risks

<table>
<thead>
<tr>
<th>Project/ Programme</th>
<th>RISK</th>
<th>MITIGATION STRATEGY</th>
</tr>
</thead>
</table>
| State Owned Companies Oversight         | Inadequate alignment of strategies with Departmental imperatives and objectives  Ineffective oversight | • Redesign and realign SOCs to focus on implementation and coordination of ICT projects within set timeframes.  
• Implement joint DoC/SOC strategic planning alignment workshop(s), bilateral meetings between Minister and SOCs Executives to discuss corporate and strategic plans, etc.  
• Identify specific measures to strengthen governance practices  
• Conduct an independent corporate governance review and monitoring once every 3 years.  
• Capacitate the SOCs Oversight Branch to enhance SOCs governance and oversight. |

**Note:**
- DEPARTMENT: TELECOMMUNICATIONS & POSTAL SERVICES
- REPUBLIC OF SOUTH AFRICA
## Project/programme specific risks

<table>
<thead>
<tr>
<th>Project/Programme</th>
<th>RISK</th>
<th>MITIGATION STRATEGY</th>
</tr>
</thead>
</table>
| ICT International Agenda and Trade | Declining influence in international fora on ICT. | • Implement the International Engagement Strategy, International Agreements, SA Foreign Policy and ICT Trade and Investment Strategy as well as DIRCO guideline manuals  
• Timely develop position papers for major engagement platforms (meetings, conferences, summits, etc.) and participate in intergovernmental and stakeholder meetings to track implementation of continental and international agreements.  
• Allocate adequate funding and recruit skilled and suitably qualified staff to maintain continental and international status in ICT. |
FINANCIAL INFORMATION

2014/15 FINANCIAL YEAR
## Allocation per Programme

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>R'000</th>
<th>BUDGET %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>216 399</td>
<td>14%</td>
</tr>
<tr>
<td>ICT International Affairs</td>
<td>36 817</td>
<td>2%</td>
</tr>
<tr>
<td>Policy Research and Capacity Dev</td>
<td>98 029</td>
<td>6%</td>
</tr>
<tr>
<td>Broadcasting, Com Reg &amp; Support</td>
<td>719 182</td>
<td>45%</td>
</tr>
<tr>
<td>Infrastructure Support</td>
<td>523 000</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 593 427</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

DEPARTMENT: TELECOMMUNICATIONS & POSTAL SERVICES
REPUBLIC OF SOUTH AFRICA
## Economic Classification

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<th>ITEM</th>
<th>R’000</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Current Payments</td>
<td>503 438</td>
<td>32%</td>
</tr>
<tr>
<td>Transfers &amp; Subsidies</td>
<td>1 084 520</td>
<td>68%</td>
</tr>
<tr>
<td>Payments for Capital Assets</td>
<td>5 469</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1 593 427</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Transfers and membership fees

<table>
<thead>
<tr>
<th>Details</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fees and International Organisations</td>
<td>16 425</td>
</tr>
<tr>
<td>ICASA: Operations</td>
<td>376 221</td>
</tr>
<tr>
<td>NEMISA</td>
<td>37 859</td>
</tr>
<tr>
<td>USAASA: Operations</td>
<td>65 376</td>
</tr>
<tr>
<td>USAF: Operations</td>
<td>49 988</td>
</tr>
<tr>
<td>.za Domain Name Authority</td>
<td>1 678</td>
</tr>
<tr>
<td>SABC</td>
<td>227 168</td>
</tr>
<tr>
<td>USAF: Set top box subsidies, antennae and installation costs</td>
<td>240 000</td>
</tr>
<tr>
<td>Sentech: Digitisation</td>
<td>69 805</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1 084 520</strong></td>
</tr>
</tbody>
</table>
ANNEXURE A:

STRATEGIC GOALS, OBJECTIVES AND 2014/15 TARGETS
STRATEGIC GOAL 1
Enable the maximisation of investment in the ICT sector and create new competitive business opportunities for the growth of the ICT industry for socio-economic development

STRATEGIC OBJECTIVE:
1.1 Inclusive economic growth through the development and implementation of ICT policies, legislations and strategies

2014/15 TARGETS
- Draft White Paper on National Integrated ICT Policy published
- National Address System Policy gazetted
- Community Broadcasting Growth Strategy developed and submitted to Cabinet
- ICT BBBEE Council established and operational
- National e-Strategy gazetted
STRATEGIC GOAL 1
Enable the maximisation of investment in the ICT sector and create new competitive business opportunities for the growth of the ICT industry for socio-economic development

STRATEGIC OBJECTIVE : 1.2
Increased economic growth and improvement in SA’s competitiveness and global rating through reducing the cost to communicate

2014/15 TARGETS
- Phase 2 of Cost to Communicate programme of action implemented with regards to the 4 identified interventions aimed at price reduction, quality and expansion of services
STRATEGIC OBJECTIVE: 2.1
Increased Broadband coverage and affordable access to government services for all households by 2020

2014/15 TARGETS
- Digital readiness strategy implemented focusing on regulation, policy and legislation
- Digital development strategy implemented focusing on the development and approval of the implementation plan
- Digital future strategy implemented focusing on defining the roadmap
- Digital opportunity strategy implemented focusing on innovation, entrepreneurship, R&D and skills development
- Revision of relevant regulatory / legislative matters facilitated to promote the adoption of e-Government services and development of e-Services platform monitored and evaluated

STRATEGIC GOAL 2
Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people
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STRATEGIC OBJECTIVE: 2.2
Migration from analogue to digital television to ensure national digital coverage

2014/15 TARGETS

- BDM Public Awareness programmes implemented through identified platforms in all Provinces
- Implementation of the BDM programme coordinated with specific reference to STB distribution and the establishment of a National BDM call centre
STRATEGIC GOAL 3
Accelerate the socio-economic development of South Africans through building an inclusive Information Society

STRATEGIC OBJECTIVE: 3.1
ICT industry development and SMME growth

2014/15 TARGETS
- Internet Strategy developed and implemented to support the advancement of digital opportunities in line with SA Connect
- Two baseline reports developed on the state of SMME development within the identified subsectors
STRATEGIC GOAL 3
Accelerate the socio-economic development of South Africans through building an inclusive Information Society

STRATEGIC OBJECTIVE:
3.2
ICT research and development to improve evidence based policy making for economic growth and global competitiveness

2014/15 TARGETS

- ICT Research Programme developed and implemented focusing on economic growth and global competitiveness
- Material and information on South Africa’s ICT Sector collated and digitised to promote local content
- Material and information on South Africa’s Military Heritage collated and digitised to promote local content
- ICT Information Management repository developed, maintained and updated
STRATEGIC GOAL 3
Accelerate the socio-economic development of South Africans through building an inclusive Information Society

STRATEGIC OBJECTIVE: 3.3
Inclusive information society through partnerships with business, civil society and the three spheres of government

2014/15 TARGETS

- WSIS Country report developed and WSIS action lines relevant to information ethics and infrastructure coordinated
- ICT Capacity development programme on Information Ethics implemented
- Gender, disability, youth and children matters mainstreamed into core DTPS, SOC and ICT Sector projects and programmes to promote digital inclusion and e-awareness
- Promotion of the ICT agenda across the three sphere of Government, industry and civil society
STRATEGIC GOAL 4
Improve Departmental performance and enhance the role of ICT SOCs as the delivery arms of Government

2014/15 TARGETS
- Submissions of entities facilitated, reviews and assessments of all mandatory legislative reports and plans undertaken and recommendation to the Executive Authority made within 30 days of receipt
- Corporatisation of Postbank facilitated and coordinated
STRATEGIC GOAL 4
Improve Departmental performance and enhance the role of ICT SOCs as the delivery arms of Government

STRATEGIC OBJECTIVE:
4.2
Efficient and effective DTPS through improved institutional support processes and mechanisms

2014/15 TARGETS

- Focused support systems developed and implemented aimed at achieving clean administration
  (Development of an internal Control Framework aim at addressing: Performance Management System
   {Performance Agreements, aligning PA’s with APP, HRM Policies}, SCM, financial management etc.)
STRATEGIC GOAL 5
Contribute to the global ICT Agenda prioritising Africa’s development

STRATEGIC OBJECTIVE: 5.1
South Africa’s active participation in multilateral, bilateral and other International Forums to advance the SA ICT Agenda

2014/15 TARGETS

- Three Africa ICT Infrastructure Programmes facilitated, implemented and monitored within relevant Forums (*DTT, Broadband and PIDA)
- RSA ICT position further advanced through increasing SA’s influence in ICT Multilateral Fora, facilitating strategic multilateral partnerships, contributing to international agreements and coordinating the implementation of decisions of major summits
- Relations with South-South countries reviewed and identified relationships further strengthened to promote the national ICT Agenda
STRATEGIC GOAL 5
Contribute to the global ICT Agenda prioritising Africa’s development

STRATEGIC OBJECTIVE: 5.2
Explore and exploit trade and investment opportunities for the ICT Sector in South Africa

2014/15 TARGETS
- Existing trade and investment opportunities reviewed and additional trade and investment programmes for ICT sector identified and implemented
THANK YOU