

Telecoms sector offers more potential than any other

By Cameron McKenzie MP – DA Shadow Deputy Minister of Communications and Telecommunications

It's delightful to stand in a single chamber today that is as it should be, where all the different organs of the old, split-up departments of communications and telecommunications and postal services are represented under one roof, debating as one.

Even President Cyril Ramaphosa didn't wait for any kind of sunrise - new dawns or old - when taking office in the 5th Parliament before quickly joining the two departments back together again - if only in name and under a single minister and congratulations on your reappointment Minister.

I'm also delighted to see the committee's recommendation on this move – albeit after the fact.

Is there anyone in this house who thought splitting the department in the first place was a good idea? Put up your hands! Anyone? Didn't think so.

Because what a monumental waste of effort, money and time that was. Fruitless and wasteful indeed.

South Africa's telecommunications sector probably offers more potential than any other to grow the economy of the future and create jobs for knowledge workers with skills. Given the vast differences between telecommunications in apartheid, with its absolute Telkom monopoly and total government control, today's communications sector's democratic-era framework makes it arguably the most liberalised.

Yet this sector which should be free, isn't free.

It should be creating thousands more jobs, upskilling more youngsters, growing technical careers, developing small business and contributing massively to the coffers of the state. Instead, it finds itself completely constrained by a lack of spectrum.

You can't see it, touch it or feel it, but spectrum is all around us, it's infinite and indescribably valuable – billions upon billions of Rands worth.

Now, there are companies that want to pay for and use this spectrum for mobile network development and rollout.

And then there's the government that acts as the custodian of this spectrum on behalf of the people of South Africa and for their benefit that has dragged its heels for more than five years in releasing spectrum for lease or term sale.

Effectively, government has imprisoned spectrum for purely political ends. So determined was this government to keep this prisoner locked up, it took ICASA to court to stop an auction!

Minister, if you're holding a sector to ransom by delaying the release of high demand spectrum, be fair and tell them what the ransom is! At least then they can consider buying their freedom.

Let ICASA hold an auction, pitch it high, attach conditions relating to other priorities around universal access or enterprise development. Use the revenue raised from the auctions for other government priorities.

But you can't continue to do nothing.

If you do, as government has done for years now, you are wasting billions that could have been spent on health, education or housing for those who desperately need it.

And let's be honest. You only have to look at who is sniffing around the formation of the WOAN to know much of the delay in allocating spectrum lay in connecting a few rent seekers to spectrum through the WOAN – yes, we see you.

And that delay is proving to be very expensive indeed.

If you'd allocated that spectrum to Telkom, government has a share; Vodacom, government has a warehoused share; or any other South African tax-paying company with the capital to deploy networks, Treasury and the ratings agencies would be a lot happier with our nation's finances because those billions in revenue and taxes would have flowed in for AT LEAST the last five years.

And we could sure use it to keep the lights on – if there's no power, there's no point.

For South Africa's sake, Minister, take note of the committee's recommendation and release the spectrum without delay! It is a national, infinite resource; set it free.

And don't bog it down with onerous conditions; the benefits of quick spectrum allocation far outweigh the disadvantages of backbreaking auction conditions aimed at achieving a goal – like SMME or empowerment– because this will merely hold us back even more.

Let ICASA make spectrum available now - and to those companies with the massive capital outlay needed to immediately deploy high quality, reliable and ubiquitous networks, including 5G that we need to take full advantage of, yes, the 4th IR.

It's obviously going to take a little more time for ICASA to do its work as there's an auction to be planned and conducted, but the sooner it starts, the sooner the economy can grow.

But the process starts with the Minister who has been sitting on her hands for almost a year now. Issue your directive, make it simple and clear, and let ICASA do its job.

As the great WEB du Bois wrote (admittedly of his America but it might as well be us): “Here is the magnificent climate; here is the fruitful earth under the beauty of the southern sun; and here, if anywhere on earth, is the need for the thinker, the worker, and the dreamer.”

After SONA, there’s no doubt who the dreamer is with bullet trains and connected cities; that’s government led by the President. For the innovative thinkers and the actual workers, you need look no further than the Western Cape, whose DA government has done more to connect its public infrastructure and roll out universal access than any other province in the country. It gives its citizens access to networks and data that create opportunity for all and help recruit and train the skilled workers necessary to get the job done.

And the rest of the country needs to catch up. Is the President’s bullet train just a bullet? Is the new dawn simply the light at the end of the tunnel, because an example from SITA’s annual performance plan might answer this question.

One of their strategic objectives is for “100% of SA connect sites connected at bandwidths of 10 Mbps as per the government order”.

While this bullet-train government is connecting our people at 10 MBPS, Vodacom is set to roll out 5G networks at speeds of up to 20 Gigabytes!

Who would you rather trust with your connected future – a tried and tested private sector with a track record of delivery; or a government that sits on its hands and watches from the sidelines, making encouraging sounds that signify nothing.

Telkom, MTN, Vodacom, Rain, Liquid, Cell C – these and more are all creating jobs, building enterprises, paying taxes, employing people, earning foreign currency, rolling out world class networks – with a tried and tested track record in a post-apartheid era in a new sector relatively untouched by our racial past.

I have seen what the private sector can do; I hold it in my hands, I use its networks. Vodacom has demonstrated Africa’s first live, 5G data session on a commercially ready 5G mobile phone and network at this year’s Vodacom Durban July.

So do you reward them? Do you say “go and do more – and here’s the environment to make it easier for you”? Do you give them the tools? Spectrum, for example, so it’s cheaper to deploy and maintain networks in order to bring down the cost to communicate? No, you don’t.

And while government dithers, the private sector delivers.

MTN says Dubai will host its new company, GlobalConnect, because the city is a technological hub that connects Africa and the Middle East with the rest of the world.

We know why the Guptas chose Dubai to hide half our national treasury. The question is why a South African company chose that country too?

South Africa should be that technological hub and there's precious little evidence in this budget vote speech to suggest that we're even close to that destination – a future where automation will take over 41% of current jobs in the economy, while 35% of skills considered valuable today will have changed completely.

That is the future we should be preparing for – and frankly, we're nowhere near ready for it, because while you're STILL talking the 4t Industrial Revolution, while government is holding commissions and more talk shops, while we're still holding on to spectrum, and while the President talks nonsense about Huawei and 5G – the world is moving ahead.

It's time to stop talking, start acting, release the spectrum to the private sector, and get this sector moving again, because if you get left behind, you'll never catch up. And at 10MBPS, you're going backwards.

I thank you.