Independent Communications Authority of South Africa

STRATEGIC PLAN

for the fiscal years 2016-2020

ICASA

ANNUAL PERFORMANCE PLAN

for the fiscal year
2015-2016

Official sign-off

It is hereby certified that this Strategic Plan:

- was developed by the management and Council of ICASA;
- takes into account all the relevant policies, legislation and other mandates for which ICASA is responsible; and
- accurately reflects the strategic, outcome-oriented goals and objectives which ICASA will endeavour to achieve over the period 2016 to 2020.
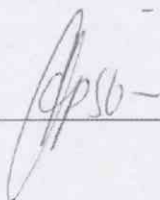
It is also hereby certified that this Annual Performance Plan:

- was developed by the management and Council of ICASA under the guidance of Council;
- was prepared in line with the current Strategic Plan of ICASA; and
- accurately reflects the performance targets which ICASA will endeavour to achieve, given the resources available in the budget for 2016 to 2020.

Furthermore, the performance information has been simplified and it is measurable, accurate and reliable with definitive timelines.
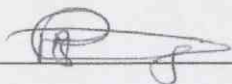
Clarinda Simpson   Signature: _____
Chief Financial Officer

Pakamile Pongwana   Signature: _____
Chief Executive Officer

Approved by:

Dr Stephen Mncube   Signature: _____
Chairperson

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Foreword by the Chairperson

The Independent Communications Authority of South Africa (ICASA/the Authority) is an institution of Government established pursuant to section 192 of the Constitution to support and promote democracy in South Africa. ICASA is specifically mandated to ensure fairness and diversity of views broadly representing the South African society through regulation of broadcasting, electronic communications and postal services.

In order to advance the founding values of the Constitution of promoting human dignity and equality, ICASA is guided by the Government's Medium-Term Strategic Framework (MTSF) 2014-2019 as a blueprint for public service delivery for addressing poverty, inequality and unemployment.

The MTSF is informed by the recommendations and action plans of the National Development Plan (NDP) that outlines the desired socio-economic growth and development targets that the country needs to achieve by 2030.

The Authority has a key role to play in promoting social development, particularly through promotion of universal service and access to broadband which is critical in addressing the health, educational and welfare needs of the country.
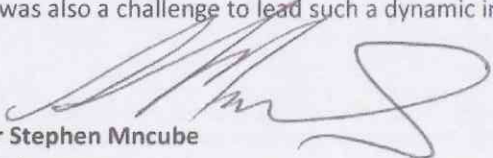
The country's three-tier broadcasting system of public, private and community services go a long way in providing a voice to all our communities in their cultural and linguistic diversity, and to promote social cohesion and nation building.

The Authority's priorities include reducing the costs of communications to both consumers and businesses in order to improve the international competitiveness of the country. The Authority intends to do this through reduction of key input costs as well as creating an effectively competitive market structure.

The Strategic Plan for the fiscal years 2016-2020 takes into account the aforementioned considerations. The Strategic Plan consolidates all priority activities and projects for the review period under the following strategic goals:

- **Promote competition** - through implementing measures to facilitate effectively-competitive markets in the sector;
- **Promote the Digital Agenda** - this entails creating an environment conducive to universal broadband provision and digital broadcasting services; and
- **Improve Stakeholder and Consumer Experience** - by facilitating an efficient operational environment to reduce regulatory burden, facilitate social cohesion and nation building and protecting audiences and consumers from harmful practices.

Let me conclude this foreword by saying that this is my last Strategic Plan as Chairperson of ICASA. Although the last five years at the helm of the Authority have been extremely fulfilling, I must add that it was also a challenge to lead such a dynamic institution in such a complex industry.

Dr Stephen Mncube
Chairperson
Independent Communications Authority of South Africa

Overview by the Chief Executive Officer

The five year Strategic Plan of the Authority is premised on government's national policy and legislation, and provides a blueprint for effective regulation of the ICT sector in order to support the needs of the economy. The plan articulates the vision of the Authority for the expansion and modernisation of the ICT sector in order to increase affordability and accessibility by all South Africans to communications services, particularly broadband services. It promotes the efficient use of scarce resources such as radio frequency spectrum, way-leaves and numbering resources to facilitate nationwide broadband penetration in accordance with South Africa Connect: Broadband Policy 2013.

The strategic business objectives of the Authority are informed by its constitutional and legislative mandate and institutional imperatives. These, in turn, are intertwined with the desired national outcomes for the ICT Sector and to the vision of the Authority; and are as follows:

- A competitive market structure which can facilitate lower communication costs;

- Country-wide availability of affordable broadband infrastructure enabled through implementation of the digital agenda (including assignment of High Demand Spectrum); and

- An agile institutional framework for effective regulation and enabling of the sector to meet stakeholder needs.

The Authority updates its five year Strategic Plan on an annual basis taking into consideration several inputs, such as a scan of important developments in the ICT sector, the migration from analogue to digital broadcasting, the increasing demand for broadband services and the consequent need for assignment of radio frequency spectrum, the ICT ecosystem and standardisation, as well as research and development needs on future trends. It is imperative that the Authority, as the Regulator, be responsive to all aspects of transformation of the ICT sector.

The market for electronic communications in South Africa has been fast expanding and is likely to continue at an exponential rate in the years ahead, driven by rapid growth in mobile telephony, broadband connectivity and the advent of digital broadcasting. With a network that is 99.9% digital and includes the latest in fixed-line, wireless and satellite communication; and with 80% coverage of digital broadcasting, the country has the most developed electronic communications network in Africa. South Africa, however, is lagging behind on both digital migration and deployment of fast, advanced broadband (LTE). We have the opportunity to create a buffer of progress on LTE and therefore, digital broadcasting. We need to ensure that in the long term, we are on par in standardisation work related

to next generation (5G) as consumer behaviour and new technologies are driving change in the market and the Authority needs to ensure that its work reflects and responds to these developments.

The promotion of competition is seen as a crucial element in achieving the goals of Outcome 6 of Government's 14 Priority Outcomes for the MTSF Period 2014-2019. Broadband Fast Internet has become a key tool for social and economic development, and needs to be prioritised, even in the world's poorest nations. The price of broadband in South Africa has dropped, with more affordable and faster fixed-line services and mobile data products. In order to facilitate *increased* access to broadband at fair prices, the Authority is conducting a review of all input costs that drive the retail prices that consumers pay to access the internet.

There is a need for rapid transformation of the broadcasting sector with digital migration opening possibilities for more public, commercial and community free-to-air and subscription broadcasting at national, provincial and community level. Furthermore, the availability of spectrum is key for the proliferation of wireless technologies to meet the country's economic and social needs in order to have efficient spectrum planning, allocation and assignment in accordance with international best practices, protocols and standards. The spectrum that will become available with the migration from analogue to digital broadcasting will be assigned to facilitate the universal roll-out of broadband networks and broadcasting services.

The Authority's principal duties are to further the interests of citizens in relation to communications matters. In line with its vision and mandated objectives, the Authority has identified three areas of focus to guide its activities over the MTEF period 2016 to 2020:

- **Promotion of effective competition in the ICT sector** – to provide an adequate, efficient, effective and equitable regulatory regime to resolve competition issues in the ICT sector having particular regard to its dynamic nature.
- **Promotion of the digital agenda for South Africa** – to promote a robust, responsive and appropriately regulated environment in which technologies compete and innovation is stimulated.
- **Improving stakeholder and consumer experience** - to have an ICT environment in which consumers enjoy efficient and reliable communications services that conform to international Quality of Service (QoS) standards.

The Authority's regulation-making process is underpinned by effective public consultation processes to ensure accountability. These processes are led by the operations cluster of ICASA and directed by Council.

The Authority has embarked on an organisational realignment process to ensure that it is optimally positioned to deliver on its mandate.

It is envisioned that the migration of the employees and full implementation of the realigned organisation structure will be finalised before end of quarter one of the 2015/2016 financial year.

The top four risks of the Authority are as follows:

1. Legal challenges to regulatory processes;
2. Policy uncertainty due to lack of coordination;
3. Inadequate funding for execution of the institution's mandate; and
4. Non-adherence to defined and documented operational processes.

The Authority intends to make a positive contribution to Government's programme of radical economic transformation by achieving the 2015-16 strategic targets. Therefore, in order to ensure achievement of the 2015-16 strategic objectives, the Authority will acquire the necessary resources (including human resources) and streamline its operational business processes. The Authority has commenced its transformation by adopting a 'CAN DO' attitude, and will follow through managed activities to achieve target deadlines and project timelines. Accountability and recognition will be incorporated into employee performance management contracts across the organisation.
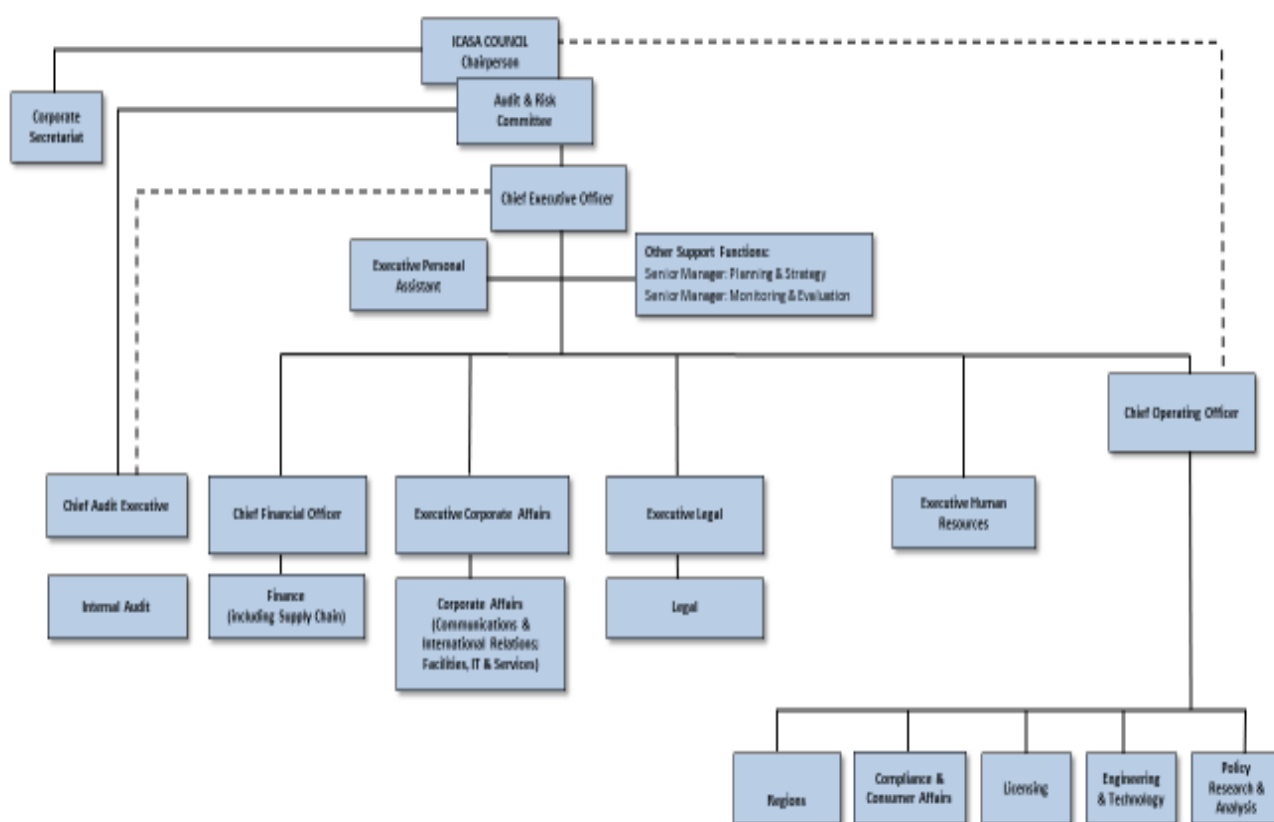
Pakamile Pongwana
Chief Executive Officer
Independent Communications Authority of South Africa

ICASA Structure

The current structure of the functional programmes has been redesigned to ensure appropriate human resource alignment to effectively deliver on the Authority's mandate.

ICASA STRUCTURE

Approved ICASA Executive Structure

Strategic overview

The Independent Communications Authority of South Africa (ICASA, the Authority) is established pursuant to Chapter Nine of the Constitution of the Republic of South Africa as well as the Independent Communications Authority of South Africa Act No. 13 of 2000 (as amended), which provides for the continued existence of the Authority.

1. Vision

To advance the building of a digital society.

2. Mission

To ensure that all South Africans have access to a wide range of high-quality communication services at affordable prices.

3. ICASA Values

Values are the essence from which companies extract inspiration when crafting strategies. These are concepts that are entrenched in the fabric of every organisation and by which they are judged. All ICASA's regulatory activities are centred on 5 core values which are innovation, collaboration, accountability, results-driven and stakeholder-centric.

Innovative
- Willingness and ability to generate viable, new approaches and solutions; and
- Finding different and better ways of applying best solutions to meet stakeholder needs.

Collaborative
- Eradicate "silos" by developing a conscious mind-set that aligns our work to organisational vision and strategy; and
- Create synergies internally to fast-track organisational performance.

Accountable
- Execution of daily work in a proactive manner; and
- Taking full responsibility for the work that we do in collaboration with others.

Results-Driven
- Achieving high quality results that are consistent with organisational standards; and
- Coaching and performance assessment against goals, as well as identifying areas of improvement (ensure that work does not "fall through the cracks").

Stakeholder-Centric
- Carrying out our duties with the stakeholder in mind. Stakeholders are central to what we do and we welcome their feedback for a consistent and effective partnership.

4. ICASA Leadership Brand

ICASA values are supported by leadership competencies that leaders at ICASA should embody. ICASA leadership should be visionary, strategic, and resilient; should coach and mentor; and should have organisational awareness.
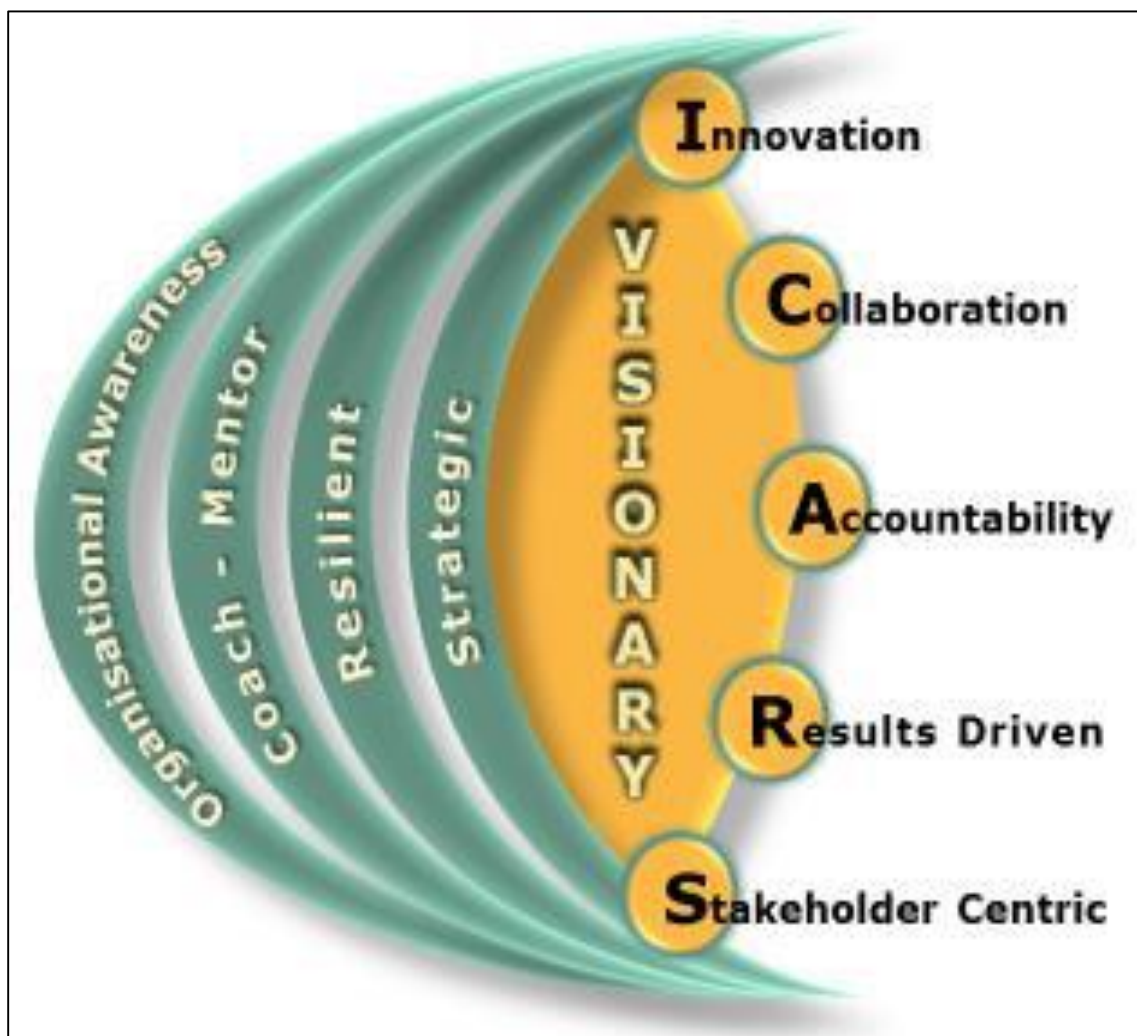
Figure 1: ICASA Value

The ICASA developed a leadership brand, which follows the path of the organisational logo and branding colours. Leadership competencies are interlinked with organisational values on the edges to depict their support of the ICASA Vision for the future. "Visionary" is at the centre to emphasise the "visionary" disposition that an ICASA leader should have towards building a sustainable communications authority. The Authority defines the characteristics of its new leadership brand below:

A visionary leader is one who:

- ensures alignment with the organisation's vision and values;
- describes the vision and values in compelling terms to promote enthusiasm and commitment;
- eliminates or restructures activities that do not support the future success of the organisation;
- builds organisational systems to deliver results and makes change happen; and
- positions the organisation to deal with broad, emerging trends and issues.

A strategic leader is one who:

- maintains a broad, strategic perspective whilst identifying and focusing on crucial detail;
- demonstrates a broad and rich understanding of the dynamic relationships, viewpoints and agendas, both acknowledged and implicit, of key players and stakeholders in their own areas of expertise;
- develops strategies to deal with multi-dimensional issues (e.g. national, bilateral, multilateral, and multi-sectorial); and
- strategically provides new information or data to key decision-makers or stakeholders to influence their understanding and decision-making process.

A resilient leader is one who:

- operates with integrity, engenders trust, makes bold decisions with high levels of social and emotional intelligence;
- remains energised and focused in the face of ambiguity, change or strenuous demands;
- creates a work environment in which wellness and balance are valued;
- through own behavior, creates an environment of high energy, enthusiasm and optimism, despite high demands or difficult workloads; and
- recognises and shows appreciation for the demands placed on employees.

A coach-mentor is a leader who:

- motivates, engages and communicates with employees;
- mentors employees to promote their learning;
- identifies high potential individuals and provides them with targeted opportunities for growth; and
- sets clear expectations about investments in developing employees, and ensures that *post mortem*s are conducted to identify and facilitate the application of lessons learned.

An organisationally-aware leader is one who:

- demonstrates a broad and in-depth understanding of the political, social, and economic contexts in which the organisation operates;
- achieves 'win/win' solutions based on an understanding of the issues, climate and culture in own as well as other organisations; and
- uses understanding of political, cultural and social contexts to optimally position the organisation and/or address long-term issues critical to the organisation's success.

5. Legislative and other mandates

ICASA's mandate is spelt out in the Independent Communications Authority of South Africa Act, 2000 (as amended); Electronic Communications Act, 2005 (as amended); and Postal Services Act, 1998 for the regulation of electronic communications, broadcasting and the postal sectors in the public interest.

The legislation also empowers ICASA to grant licences, monitor licensee compliance with licence terms and conditions, develop regulations for the three sectors, plan and manage the radio frequency spectrum and protect consumers of these services.

5.1 Constitutional mandate

The Constitution of the Republic of South Africa
- The Constitution of the Republic of South Africa (RSA) mandates Parliament "*to establish an independent regulatory institution which is required to provide for the regulation of broadcasting in the public interest and to ensure fairness and a diversity of views broadly representing South African society*" (S 192).
- Parliament has deemed it fit to add the regulation of electronic communications, postal services and electronic transactions to the mandate of ICASA as the regulatory institution established pursuant to section 192;
- ICASA is a licensing body, a regulator and a quasi-judicial body because it licenses, regulates, adjudicates and issues sanctions (S 34); and
- ICASA is also an organ of state, bound by the Bill of Rights (S 8).

5.2 Legislative mandate

The Broadcasting Act 4 of 1999
- The Act makes provision for the Minister to develop broadcasting policy that contributes to democracy, development of society, gender equality, nation building, provision of education and strengthening the spiritual and moral fibre of society; and
- The Act also provides for the charter of the South African public broadcaster.

The Independent Communications Authority of South Africa Act 13 of 2000, as amended
- The primary objective of this Act is to establish an independent regulatory authority to regulate broadcasting in the public interest as required by section 192 of the Constitution. The Act established ICASA and regulator shall be independent and impartial (S3);
- The Act provides for the regulation of electronic communications and postal matters in the public interest (S2); and
- Allows ICASA to conclude concurrent jurisdiction agreements with any regulator in respect of areas of regulatory overlaps (S 4(3A) (b)).

The Electronic Communications Act, No 36 of 2005 (ECA), as amended
- The substantive functions of ICASA pertain to issuing licences and regulating the broadcasting, electronic communications and postal services in South Africa;
- ICASA has concurrent regulatory oversight / jurisdiction with the Competition Commission on competition matters (Chapter 10 of the ECA as well as section 4B(8)(b) of the ICASA Act);
- ICASA also has concurrent regulatory oversight with the National Consumer Commission on matters relating to consumer protection (section 4(3A) of the ICASA Act read together with the Consumer Protection Act No. 68 of 2008).

The Competition Act 89 of 1998
- The Competition Commission and Competition Tribunal play a complementary role or co-jurisdiction role with ICASA on competition matters within the electronic communications environment (S82(1));
- The Competition Commission holds *ex post* jurisdiction over competition matters; and
- ICASA holds *ex ante* jurisdiction over competition-related matters.

The Promotion of Administration Justice Act, No 3 of 2000 (PAJA)
- PAJA binds both ICASA and the Complaints and Compliance Committee (CCC) in the exercise of their functions.

The Postal Services Act, No 124 of 1998
- The Postal Services Act requires the Authority to license and monitor the South African Post Office (SAPO) in relation to the achievement of customer care standards and the provision of universal service obligations, including the roll-out of street addresses and the provision of retail postal services in under-serviced areas.

6. Policy Mandate

6.1 Universal Broadband Provision

The then Minister of Communications released the National Broadband Policy on 13 July 2010, with the aim being *"to ensure universal access to Broadband by 2019 by ensuring that South Africans are able to access Broadband either individually, or as a household, subscribe to a broadband service, or are able to access broadband services directly or indirectly at a private or public access point."*[1] This was followed by an updated policy, the South Africa Connect Broadband Policy, on 6 December 2013. The current Broadband Policy places greater demands on the Authority to promote broadband access, including a data transmission rate (speed) of 5 Mbit/s by 2016.

The Authority's responsibilities in achieving this objective are to ensure that broadband is made available to all citizens by:

- creating an enabling environment for broadband growth through promoting infrastructure and services competition in the broadband market;
- promoting infrastructure-sharing between electronic communications networks as well as facilitating easy access to way-leave and rights of way; and
- developing a radio frequency spectrum strategy for fixed wireless and mobile broadband access.

The Authority intends to achieve these outcomes through the execution of regulatory programmes that encompass the following areas:

- Measures to promote competition in broadband markets;
- Rigorous enforcement of the interconnection (IC) and facilities-leasing (FL) regulations;
- Measures to promote infrastructure-sharing between electronic communications network licensees as well as greater co-operation between municipalities and ECNS licensees with regard to way-leaves to extend the 'network of networks' to its fullest possible extent;
- Development of a ten year allocation and assignment strategy for radio frequency spectrum suitable for fixed wireless and mobile broadband;
- Measures to facilitate sharing and leasing of radio frequency spectrum to maximise the efficient use of the spectrum for broadband;
- Building a common understanding as to the scope and scale of the broadband network of networks in South Africa, through research and network audits during the ten year period; and
- Engaging with stakeholders and the National Electricity Regulator of South Africa (NERSA) with regard to facilitating the availability of electricity to power the broadband network of networks as it expands throughout the country.

6.2 Department of Communications

The Department of Communications (DoC) policy framework is embedded within and aligned with broader Government priorities and policy, as promulgated, for example, in the NDP, MTSF, the New Growth Plan and, most recently, Government's fourteen (14) Key Outcomes. The Authority believes its strategic objectives will contribute directly to the DoC's Outcomes as identified in the Minister's Performance Agreement, relating specifically to Outcome 12, namely providing an efficient, effective and development–oriented public service, and Outcome 14 which is to provide a diverse, socially-cohesive society with a common national identity.

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[1] Government Gazette No. 33377, page 10

Outcome 12: providing an efficient, effective and development–oriented public service.

Outcome 12 contemplates that information technology is an important tool for providing service delivery. It can be used to make services more accessible, reduce the cost of accessing services, streamline administrative processes and improve turnaround times, thus strengthening accountability and responsiveness. It is the aim of Government to identify those areas of IT that have the greatest potential to improve access to services.

Outcome 14: providing a diverse, socially cohesive society with a common national identity.

Outcome 14 contemplates that sharing of common space across race and class will be enabled through instituting community dialogues. This will be promoted by the narrative that facilitates healing, social cohesion, nation building, dialogue and trust. This will require that the use of currently marginalised languages be increased. Furthermore, the broadcast media, especially the national broadcaster, will be encouraged to air programmes that popularise narratives and visions of a non-sexist, non-racial, equal and democratic South Africa. The Authority will promote social cohesion through the licensing of regional and local broadcast media and promotion of the broadcast of local content.

6.3 The Department of Telecommunications and Postal Services policy framework

The Department of Telecommunications and Postal Services' (DTPS) policy framework is embedded within and aligned to broader government priorities and policy, as promulgated, for example, in the NDP, MTSF, the New Growth Plan and, most recently, Government's fourteen (14) Key Outcomes. The Authority believes that its strategic objectives will contribute directly to the DTPS Outcomes as identified in the Minister's Performance Agreement, relating specifically to **Outcome 6, namely an efficient, competitive and responsive economic infrastructure network.** In particular, Chapter 4 of the NDP Vision 2030 highlights the following trajectory points and five sub-outcomes for the MTSF:

- The need for regulation to facilitate improvements in infrastructure funding and investment;
- Reliable generation, transmission and distribution of energy: electricity, liquid fuels, coal, and gas;
- Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of our logistics and transport infrastructure: ports - logistics hubs, road, rail and public transport infrastructure and systems;
- Maintenance and supply availability of our bulk water resources infrastructure: dams and inter-basin transfers, bulk water and wastewater; and
- Expansion, modernisation, access and affordability of our information and communications infrastructure and electronic communication services including broadband, and digital broadcasting.

Sub-outcome 5: Expansion, modernisation, access and affordability of our information and communications infrastructure ensured.

Strategic Integrated Projects (SIP) 15 focuses on expanding access to communication technology. It commits to providing for broadband coverage to all households by 2020 by establishing core Points of Presence (POPs) in district municipalities, extending Infraco fibre networks across provinces, linking districts, establishing POPs and fibre connectivity at local level, and further penetration of the network into deep rural areas. Part of digital access for all South Africans includes TV migration nationally from analogue to digital broadcasting.

Evidence suggests that affordable internet access is best achieved through effectively-regulated, competitive markets, complemented by targeted state intervention, as provided in SIP 15.

According to sub-outcome 5, the following policy issues require attention:

- Adjust market structures and remove legal constraints to enable full competition in services;
- Develop a strategy for the local loop to ensure that quality improves, costs are reduced and fixed-line coverage is expanded to meet demand for high-speed telecommunications;
- Ensure that regulatory agencies have the resources to encourage market entry and fair competition, as well as address market failure;
- Implement a service and technology-neutral licensing regime to allow for flexible use of resources, especially for spectrum that is urgently needed for next generation services;
- Make spectrum available on a 'use it or lose it' basis to encourage efficient use, drive down costs and stimulate innovation;
- Spectrum allocation should accompany set obligations to overcome historical inequalities in the ICT sector. However, these obligations should not delay the competitive allocation of this resource;
- Ensure access to low-cost, high-speed international bandwidth with open-access policies;
- Facilitate the development of high-bandwidth backbone networks;
- Assess state-owned enterprises and municipal performance in ICT provision and decide on the future role and configuration of the state's family of ICT enterprises (Broadband InfraCo, Sentech and Telkom). Examine the market's ability to sustain infrastructure competition and whether the benefits of this outweigh the problems of duplication of facilities in a resource-constrained environment; and
- Identify alternatives to infrastructure competition through structural separation of the national backbone from the services offered by Telkom to create a common carrier that offers open access to service competitors. Similarly, encourage or prescribe sharing of expensive trenching infrastructure by creating common rights of way for competing operators to lay dedicated lines.

Output 1: Outcome 6: An efficient, competitive and responsive economic infrastructure network.

The DTPS has been mandated to review the current industry structure to ensure that the principle of separating policy, operations and regulations is constantly driven through:

- developing new policy frameworks / strategies / plans for ICT, including an assessment of the role of state ICT infrastructure agencies and interventions;
- expanding access to communication technology by ensuring implementation of the Broadband Plan to ensure 100% coverage by 2020;
- developing a strategy for the local loop to ensure that quality improves, costs are reduced and fixed-line coverage is expanded to meet demand for high-speed telecommunications; and
- a cost-to-communicate programme of action being implemented, monitored and reviewed.

7. Situational analysis

7.1 Current situational analysis

South Africa is poised on a knife-edge: is the digital divide between citizens, as well as South Africa and the rest of the world going to worsen and impact our international competitiveness and ability to create employment in the broader economy or can we act and implement decisive steps to foster greater access to and widespread adoption of ICT services across South Africa?

South Africa did not improve its position in the Global Information Technology Report[2] for 2014, remaining the 70th most prepared out of 144 countries in the Networked Readiness Index, defined as the "*propensity [ability and likelihood] for countries to exploit the opportunities offered by information and communications technology*". This is far below South Africa's contribution to the world economy, whereby South Africa's economy is the 33rd largest in the world according to the World Bank.[3] However, it is an indication of South Africa's global competitiveness, whereby the country is ranked 56th out of 144.[4]

The Government has set the building blocks in place to overcome the existing digital divide and improve South Africa's infrastructure with the finalisation of the national Broadband Policy – South Africa Connect.

The Authority's Strategic Plan and its activities during the 2016 - 2020 period aim to facilitate the achievement of the South Africa Broadband Policy and Vision 2020 of "Broadband for All' by creating conditions that will support the ever-increasing consumer demand for low cost, high-speed access to broadband services with concomitant supply-side measures.

Before outlining the specific goals of ICASA, it is important to outline the sphere and scope of ICASA's influence and power over the ICT sector. The consumption of communications services can be broken down into 4 distinctly different components, each unique, but all four necessary for consumers to enjoy service.

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[2] Compiled on an annual basis by the World Economic Forum.
[3] South Africa was ranked 28th in 2012.
[4] Global Competitiveness Index (http://www.weforum.org/reports/global-competitiveness-report-2014-2015)

These components or layers are outlined below:

- Layer 1 - End-user applications/software: applications and software represents the tools which end-users actually use and include word processing, graphics and spreadsheets, as well as the proliferation of applications now available in the mobile environment. The growth of machine-to-machine communications will drive new interfaces between machines with no human interface.
- Layer 2 - Customer Premises Equipment (CPE): Customer premises equipment/devices are a critical component in the ICT sector as they both support the use of end-user applications and provide the connection point for access to networks. A CPE may be broadly defined as that device that connects the end-user to the network and is capable of transmitting and receiving signals.
- Layer 3 - Access: the access layer is that 'last mile' of network that connects the CPE to the network (excluding any in-building wiring). This 'last mile' consists of any technology that can connect a CPE to the network that conveys electronic communications signals.
- Layer 4: Infrastructure: the infrastructure layer refers to any and all electronic communications facilities that support the achievement of 'last mile' access.

ICASA's role is primarily in Layer 3 and 4[5], where ICASA is mandated to introduce regulations that foster:
- universal service (section 2(c) of the ECA and section 2(a) of the Postal Services Act);
- efficient use of spectrum (section 2(e) of ECA);
- promotion of competition (section 2(f) of ECA);
- promotion of broad-based, black economic empowerment (section 2(h) of the ECA);
- protection of consumer interests with regard to the price, quality and variety of electronic communication services (section 2(n) of the ECA); and
- the assurance that broadcasting services will cater for a diverse range of interests and represent the interests of South Africans (sections 2(s) to (x)).

The financial viability of the ICT sector is of paramount importance to the Authority if any of the above goals are to be achieved. In electronic communications, traditionally, the majority of revenue was generated from the provision of infrastructure and access services. The introduction of the internet and the arrival of 'Over The Top' players (Whatsapp, Skype, etc.), has leveraged a structural change away from revenues being concentrated in Layers 3 & 4 towards Layer 1.

Broadcasters face increased competition from non-traditional services in the form of Video on Demand, internet streaming and IPTV, all made possible with the ubiquitous nature of the internet. Postal services are also facing significant pressures with a growing shift towards electronic methods of communicating, putting severe pressure on the cost of universal access to postal services.

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[5] ICASA does type approve equipment at the Layer 2 level. However, this is done for international harmonisations responsibilities.

There are certain key deliverables worth noting as being vital to successfully removing the Digital Divide between South Africans as well as improving South Africa's international competitiveness. These are:

- Licensing of the sweet-spot spectrum for mobile broadband services, the so-called high demand spectrum band of 800 MHz and 2.6 GHz. The licensing of these bands will come with obligations to provide broadband services in under-serviced areas as well as key state institutions such as schools, hospitals and police stations;

- Assisting broadcasters and Sentech to move from analogue to digital broadcasting and make more spectrum available for broadband services, whilst also creating an opportunity for more than 100 television channels to be broadcast. This increase in the availability of television channels will create a demand for locally-produced content as well as create an opportunity for more South Africans to participate in producing broadcasting content, particularly at a regional level; and

- Lower the Cost–to-Communicate by removing barriers to competition and promoting transparent retail pricing. This programme contemplates introducing increased levels of service-based competition through mandatory cost-based access for MVNO operators and cost-based roaming services. The programme also includes the potential for the regulation of prices for the sharing of ICT infrastructure and access to the 'last mile' of connectivity to consumers.

The Authority's Medium Term Expenditure Framework (MTEF) budget submission is aimed at addressing the challenges posed by the digital divide and the converging technologies in the communications sector, reducing the cost of doing business, enhancing the productive capacity of the economy, creating employment, investing in human capital development and improving the capacity and effectiveness of the State to deliver services to its citizens.

Whilst the Authority's strategic goals remain based on the key Government priorities, it is unlikely to achieve all the strategic objectives in the future, if its funding allocation is not increased. The Authority needs to attract more funding in order to fulfil its statutory and constitutional mandate, acquire the requisite human capital to meet all its objectives, assure its financial viability and promote good governance and risk management within the institution. It is noted that the same risks as in previous years will exist unless adequate financial and technical resources are made available to achieve the full mandate of ICASA.

7.2 Risk Analysis

The local and global macro-economic environment has played a significant role in the strategic direction of many entities. The ICT sector is not immune to the national and global risks associated with political, economic, social, technological, environmental and legislative factors. The implications of these factors are significant enough to warrant special attention.

The ICT sector is dynamic and therefore requires that the Authority continuously assess, review and improve its regulatory targets to address the demands and needs of the industry. Key challenges are being faced by all stakeholders in the South African ICT ecosystem. Many of them are systemic factors that are not within the span and control of any one player, whether public, private or the community.

Figure 2 provides a list of indicators derived from a PESTEL analysis that are pertinent to ICASA. These indicators below are the basis on which the strategic objectives are crafted:

Political	Economic	Social	Technology	Environmental	Legal
• DOC & DTPS • Labour disputes (e.g. SAPO) • Framework for managing relations with other regulators (e.g. Competition Commission, National Consumer Commission etc.)	• ICT Contribution to GDP • Cost to communicate • Digital Readiness • Market consolidation	• E-Services • Universal service and access obligations for provision of connectivity to public institutions • Use of ICTs to promote social cohesion	• LTE • Convergence • Internet of things • Cloud Computing • 5G by 2020 led by METIS group	• Analogue TV (and other equipment) dumping or recycling • Carbon Emission • Management of EMF risks	• Information Security • Legal challenges to regulatory processes • New laws impacting ICASA operations (e.g. POPI) • Internet Governance

Figure 2: PESTEL Indicators

8. Context of the Performance Environment

The South African ICT market dynamics, policy and regulatory trends as well as technological innovations continue to influence and shape the Authority's execution of its mandate and implementation of its Strategic Plan. The ICT sector is in a state of flux characterised by the following:

Market consolidation

The ongoing processes relating to *inter alia* the proposed transactions between Vodacom (Pty) Ltd and Neotel (Pty) Ltd, MTN (Pty) Ltd and Telkom SA SOC Ltd (Telkom), Telkom and Business Connexion Group Limited (BCG) will have a significant impact on the market. The Authority will, in consultation with the Competition Commission, carefully consider these proposed transactions in accordance with its legislative mandate.

The need to accelerate digital migration

The Authority is committed to supporting the migration in line with the ITU deadline for the switching-off of analogue broadcasting signal by 17 June 2015 to facilitate the allocation of radio frequency spectrum in both MUX 1 and 2. The Authority is ready, upon finalisation of the requisite policy processes, to initiate the regulatory processes for the assignment of 'broadband' spectrum.

Review of ICT sector policy

The Authority is mindful of policy proposals emanating from current policy review processes by the DoC (in respect of the Broadcast Policy Review) and DTPS (in respect of the National Integrated ICT Policy Review). Though the policy discussions regarding the function and structure of the Authority are nuanced, the Authority is acutely aware of the need to improve its performance and has, to this end, undergone substantial internal reorganisation to improve its ability to deliver. The new structure is outlined in the strategic plan. The new structure will result in integration and co-ordination of the Authority's regulatory activities based on an evidence-based and project-orientated approach.

Net Neutrality

As the demand for internet services continues to grow, so too will the commercial incentives to implement traffic management techniques. Whilst traffic management may be justified under certain conditions, the Authority's role is to ensure that consumers are not prejudiced and that quality of service standards are adhered to. The Authority will continuously monitor developments in this regard to assess whether there is a need for regulatory intervention.

Technological evolution

The capability for high-speed internet to offer a continuously growing array of innovative services presents new revenue streams for, as well as competition against, existing and established business models. This technologically-driven convergence is putting pressure on the traditional mode of regulation, classically illustrated by the state of the postal services sector. For example, e-mail and electronic communications such as online shopping is putting substantial pressure on the continued viability of the traditional post office, whilst the various forms of e-money already available make

innovation an even greater imperative. In addition, the increased take up of e-services requires that authorities implement adequate safeguards to ensure cyber security across the entire e-commerce value chain.

International agenda

The major event on the international calendar in the 2015/2016 financial year is WRC-15 which will deal with matters pertaining to additional spectrum allocations to the mobile service on a primary basis and identification of additional frequency bands for International Mobile Telecommunications (IMT) to facilitate the development of terrestrial mobile broadband. The Authority will play its part under the auspices of team South Africa as co-ordinated by the Ministry.

Furthermore, the ITU is leading global initiatives for finding ways and means to make more spectrum available. To this end, the ITU has initiated the 'Mobile and Wireless Communications Enablers for the Twenty-twenty Information Society' project (METIS). METIS is focused on the totality of the 5G ecosystem from 2020 and beyond covering amongst others: direct Device-to-Device Communication (D2D); Machine to Machine Communication (M2M); Moving Networks (MN); Ultra-Dense Networks (UDN); and Ultra-Reliable Communication (URC). The Authority intends to participate in the processes of the development of standards and concepts in METIS and will support the establishment of a South African Chapter / Forum on 5G.

The Authority will take the above, as well as other trends, into account in fulfilling its mandate, implementing Strategic Plan and executing the Annual Performance Plan. The Authority is cognisant of the grave need for collaborations with other state entities, research institutions, international / regional organisations and industry stakeholders in order to achieve the objectives for the sector.

Furthermore, in reviewing the performance of the Authority for the last financial year, it was noted that the number and complexity of its predetermined objectives continue to exceed the organisation's financial and human resource capabilities. The Authority has assessed its previous performance against the set of predetermined objectives, its budget allocation, the demands of the industry as well as Government's stated objectives and imperatives.

As a result of the assessment, the predetermined objectives of the Authority have been revisited and, a number of key outputs and targets have been reduced to achievable levels for the 2015/16 financial year.

The Authority's medium-term business plan contains the detailed operational information and budgetary provisions to support its performance targets. The organisation is committed to its vision and value system and will ensure that the performance measures incorporate organisational and service excellence, institutional accountability and ongoing transformation. The achievement of this plan and the revised predetermined objectives, require an increased level of funding to enable the Authority to fully implement the realignment strategy of the organisation to position itself for effective strategic and operational delivery.

8.1 Recent Achievements

The Authority has delivered on a number of priorities that feature in the 2015-2019 Strategic Plan including the following:

Promotion of Competition
Licensing of Broadcasting Service Licensees
- Granted (but not issued) five conditional subscription broadcasting service licences;
- Secondary Markets – granted, but did not issue, 2 licences in the Free State and Eastern Cape;
- Primary Markets – granted and issued 1 licence in Gauteng and 1 licence in the Western Cape; and
- An additional licence was granted but not issued in Gauteng.

Cost to communicate
- Call Termination Rates (CTRs) – published final CTRs Regulations in September 2014;
- Completed annual review of prices for basic postal services and approved average price increase of 5% across reserved services; and
- Conducted a review of electronic communications retail tariffs (over 120 tariff notifications reviewed) to assess the impact of the reduction in wholesale voice CTRs and found that:
  - published retail tariffs have decreased by approximately 30% over the last three years; and
  - promotions provide lower retail tariffs.

Digital Agenda
- Issued authorisations and granted regulatory approvals to facilitate service provision and technological innovation.

Improvement in Stakeholder and Consumer Experience
- Revised and augmented regulations for consumer protection (i.e. the End User Subscriber Service Charter Regulations, and the Regulations on Code on People with Disabilities).
- Implemented a complaints-handling management system to reduce timeframes for resolution; and
- Launched the Disability Consultative Forum to advise the Authority on issues related to service provision for People with Disabilities.

8.2 Positioning the Organisation for Delivery

ICASA's organisational structure has been realigned to ensure that the Authority is appropriately structured to deliver on its mandate. The overall realigned structure for the organisation was approved by Council, with the implementation effective from 1 April 2015. Employees are currently being migrated from the old structure into the new structure, with revised and enhanced jobs that support ICASA's Strategic Outcome Oriented Goals. It is envisaged that by 31 March 2015, all ICASA employees would be migrated and absorbed into the new structure. A skills audit is also underway to assess and measure the current skills against the ideal skills that ICASA should have to perform optimally. Employee development is going to be the key focus throughout the strategic period (2016 – 2020) to ensure narrowing of the skills gap. Emphasis will also be placed on leadership development, to ensure that ICASA leaders are enabled to lead the change and model the right behaviours in driving organisational performance.

An improved and integrated performance management system will be embarked on in the financial year 2015/16, where concentration would be on the translation of ICASA's Strategic Goals into the

individual's goals, to ensure strategic alignment of ICASA's goals with individual performance. Figure 3 below illustrates the integrated performance management model as implemented across the organisation.

Figure 3: Integrated Performance Management Model
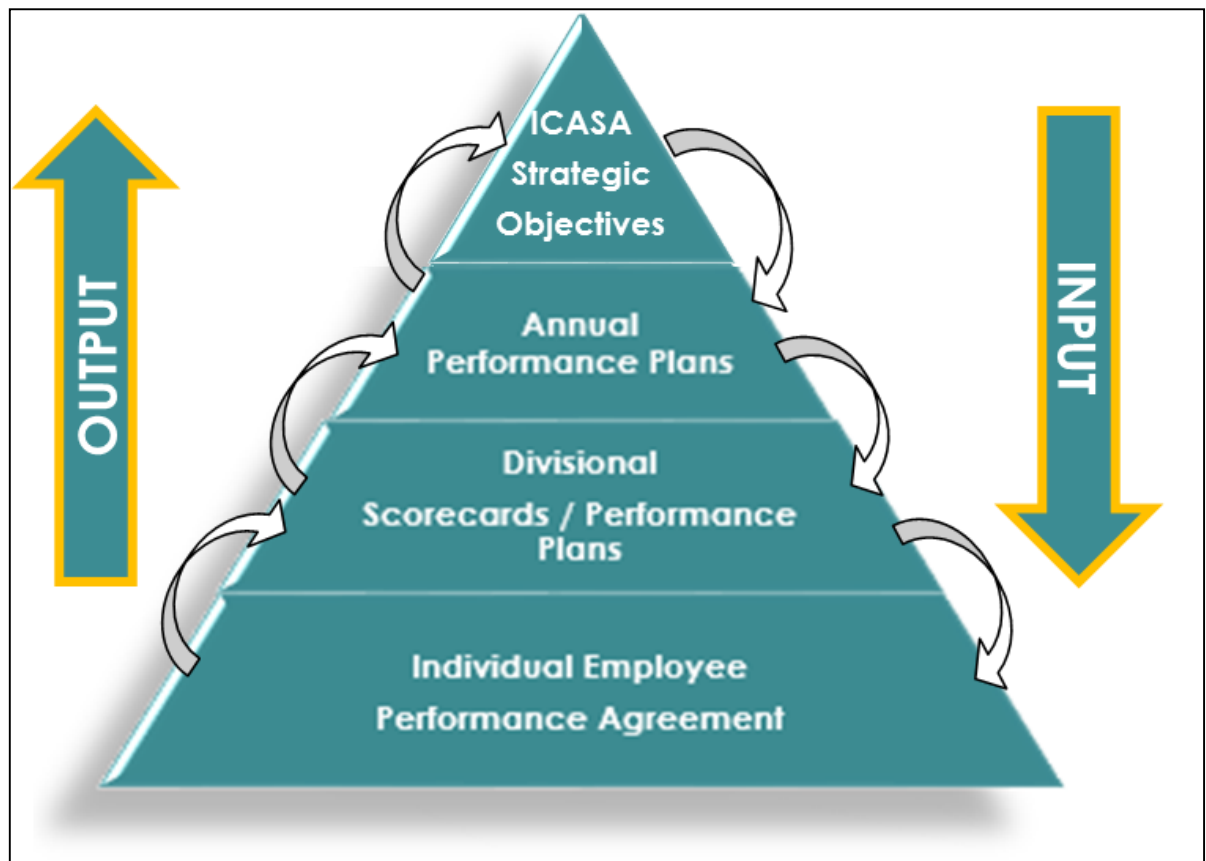
Gradually, the alignment and consistent focus on organisational values will assist in instilling a performance-oriented culture, with accountable and stakeholder-centric employees, thereby ensuring organisational success. Achieving organisational performance excellence involves changing the culture of the organisation, establishing new ways of doing business, a committed workforce and capable leadership. Although much has been planned for the financial year 2015/16, it should be noted that the results of a transformed and a fully-matured organisation can only be realised over time, and be fully embedded by 2018/19.

9. Strategic Planning Process

The Authority has updated its five year Strategic Plan. This annual update takes into consideration several inputs: a scan of important developments in the internal and external environment; an updated analysis of perceived strengths, weaknesses, opportunities and threats; and engagement with internal and external stakeholders. The update to the Strategic Plan is also influenced by the availability of funding, recommendations from institutional reviews and changes in leadership.

The following developments have impacted on the development of the Authority's strategy, goals and performance objectives for 2016-20 and beyond:

- The NDP, adopted in September 2012, remains the country's roadmap for the next 20 years and outlines national objectives in each specific sector. With reference to the ICT Sector, the NDP has been reinforced by the publication of the South Africa Connect Broadband Policy in December 2013;
- The MTSF 2014 – 2019 allocations were made to enable the Authority to participate in the integrated implementation of the NDP, especially when advancing the philosophy of a digital society; and
- In addressing Government's strategy for service delivery, the Authority has taken note of Outcome 6, which emphasises the need to increase broadband penetration and the digital terrestrial television infrastructure roll-out; Outcome 12, which emphasises accessibility to ICT services as well as the reduction in the cost of accessing services and Outcome 14, which emphasises access to a broadcast media, especially the national broadcaster, which airs programmes that popularise narratives and visions of a non-sexist, non-racial, equal and democratic South Africa.

The reformulation of the Authority's strategic priority programmes for 2016-2020 is as follows:

- Promote effective competition;
- Promote digital agenda; and
- Improve stakeholder and consumer experience.

Monitoring the implementation of the strategy makes provision for regular feedback on the progress of the implementation of the strategic and operational plans. Evaluating the achievement or non-achievement of predetermined objectives, targets and deliverables will provide management, decision-makers and other stakeholders with regular performance measurements. This information informs the Authority's progress and performance as reported in its Annual Report and, in turn, is used in the next planning cycle.

The Authority has a formal reporting framework with emphasis on quarterly progress-reporting against the strategic targets and quarterly deliverables committed to in the Annual Performance Plan (APP). Furthermore, it is important that programme project plans and operational plans which unpack targets into action steps and quarterly deliverables are closely monitored. This ensures a proactive approach to the monitoring and evaluation process, thus allowing for adherence to targets and mitigation of risks affecting performance. The Authority's in-year performance reports inform the Annual Report which provides an overall indication of the Authority's progress towards achieving the strategic objectives, outputs and targets set out in this Strategic Plan.

10.Institutional Arrangements

The Authority strives to be an efficient and highly-productive regulator that maximises benefit to stakeholders through effective systems and processes, utilisation of resources and a high organisational performance culture. Therefore, the Authority will:

- promote internal and external service quality standards;
- continue the ICASA-wide, capacity-building programme focusing on all ICASA staff. This entails implementing staff development plans, career growth initiatives and succession planning for senior staff members as well as introducing coaching skills programs for managers;
- implement a new financial model to ensure that core salaries are fully covered by the Parliamentary grant, hence reducing pressures on cash flow and providing security of permanent employment to highly-skilled staff;
- obtain support from the Ministry and National Treasury to address funding shortfalls for infrastructural support;
- increase the proportion of under-represented groups in the middle management echelons of the Authority; and
- promote a culture of valuing diversity in all its forms within the ICASA community.

11.Strategic outcome oriented goals of ICASA

The following ICASA's strategic outcomes oriented goals identify the areas of institutional performance that are critical to the achievement of its mandate.

Promote effective competition

1. Facilitate an effectively competitive ICT sector

Promote digital agenda

1. Create an environment conducive to universal broadband provision and digital broadcasting services

2. Support innovation for the future use of digital technologies

Improve Stakeholder and Consumer experience

1. Facilitate an efficient operational environment to reduce regulatory burden

2. Facilitate social cohesion and nation building

3. Protect audiences and consumers from harmful practices

Figure 4: 2016-2020 Goals

11.1 Promote effective competition

The promotion of competition has the twin goals of ensuring that new entrants and existing licensees have an equal opportunity to compete for subscribers and revenues, and that consumers have choice and fair and transparent prices.

The Authority's intent is to ensure that consumers have the opportunity to choose from a variety of service providers based on quality of service and easily comparable retail prices.

The Authority has three tools at its disposal to foster competition:

- Licence new entrants (e.g. licensing of new television broadcasters);
- Introduce pro-competitive terms and conditions (e.g. call termination regulations and other forms of wholesale access regulations); and
- Assign needed input resources to enable competitive provision of communications services.

The freedom and ability to deploy network infrastructure by individual players is a critical right to support the long-term sustainability of competition in the ICT sector. The Authority will, as soon as the policy framework is in place, as contemplated in terms section 21(1) of the ECA, develop the Rapid Deployment Regulations to facilitate the roll-out of broadband infrastructure.

The Authority has identified the following strategic objective as being critical to the facilitation of an effectively-competitive ICT sector:

SO 1	Facilitate an effectively competitive ICT sector
SOOG 1.1	Licence new entrants in the broadcasting services market
Objective statement	The Authority intends to licence viable additional Free-to-Air Commercial Television Broadcasting Services.
Baseline	Invitation to Apply published in August 2014.
Rationale	To promote diversity and choice in the commercial Free-to-Air television broadcasting sector.

Risk management

Risk: Possible delay in licensing additional Free-to-Air Television Broadcasting Services due to litigation by applicants or interested parties.

Mitigation: The Authority will mitigate the risk through strict adherence to proper processes and procedures in terms of any relevant legislation and regulations.

SO 1	Facilitate an effectively competitive ICT sector
SOOG 1.2	Define priority markets for regulatory intervention
Objective statement	The Authority will carry out a study to define the priority markets that require regulatory intervention.
Baseline	High Level Competition Inquiry of 2014 and Broadband Value Chain Study of 2014.
Rationale	To define the markets that are susceptible to *ex ante* regulation to ensure effective competitive markets based on quality of service, pricing, market share and diversity of services.

Risk management

Risk: Reluctance of licensees to provide relevant information.

Mitigation: The Authority will mitigate the risk through the use of standard licence terms and conditions to enforce compliance with information requests.

11.2   Promote the digital agenda

The demand for internet access and usage in South Africa (and globally) is growing exponentially, driven largely by the demand for mobile data. The Authority intends to support this growing demand for mobile data and broadband services by ensuring the release of additional radio frequency spectrum. The release of spectrum will support the objectives of the National Broadband Policy of ensuring that 90% of South Africans have access to internet speeds of a minimum of 5 Mbps, with 50% of the population having access to 100 Mbps by 2020.

Furthermore, the migration from analogue to the digital broadcasting environment fundamentally changes the need and type of regulation in the broadcasting environment. The Authority will protect South Africans' rights to access local content and public broadcasting content through local content regulations and, to the extent necessary, must-carry obligations.

The Authority has determined the following strategic objective as being critical to the promotion of the digital agenda:

SO 2.	Support innovation for the future use of digital technologies
Objective statement	The Authority intends to establish a South African Chapter of the 5G Forum to advance South Africa's interests at international standardisation and spectrum forums, including standardization for 5G.
Baseline	Type Approval Regulations 2013; IMT Roadmap 2014 and draft Radio Frequency Spectrum Assignment Plans 2014.
Rationale	To enable RSA to leapfrog from 3G and 4G/LTE to 5G and beyond.

Risk management

Risk: Lack of strategic and co-ordinated focus on key international trends that impact South Africa.

Mitigation: Identification and implementation of a national plan in co-ordination with policy ministries.

11.3   Improve stakeholder and consumer experience

The protection of consumers from harmful practices is at the core of the Authority's mandate. The Authority intends to proactively prevent and/or eradicate any harmful practices that put consumers at a disadvantage in the consumption of communications services. This will include specific focus on any complaints consumers may have, as well as measuring the quality of service and experience of consumers.

The Authority intends to adopt a multi-pronged approach to adequately meet the needs of consumers and other stakeholders. The Authority will establish collaborations and partnerships with other key regulatory agencies with overlapping mandates and/or whose input is critical to the Authority's ability to deliver on its mandate. These agencies include the Competition Authorities, the National Consumer Commission, the Films and Publications Board, the Media Development and Diversity Agency amongst others.

The Authority intends to improve its services to licensees by introducing on-line application systems for radio frequency and numbering applications.

Most importantly, the Authority will not be able to deliver on its mandate without the buy-in and performance of its most critical stakeholders - its staff. In order to create an environment to support a high-performance culture, the Authority is implementing an organisational realignment which seeks to address matters relating to talent management and retention as well as the development of initiatives to create a culture of learning and development at ICASA.

The implementation of the newly-approved organisational structure together with the development and implementation of Core Operational Processes and Procedures will enable the Authority to deliver consistently on its mandate. The Authority will focus on full implementation of the realigned structure together with associated operational processes and procedures during the 2015/2016 financial year.

The Authority is also aware of the inherent reputational risk to its image, i.e. lack of goodwill and a generally negative image. To combat this issue, a comprehensive stakeholder communications strategy will be developed.

The Authority remains hamstrung in its ability to achieve its mandate by the inadequate funding made available through the Government funding mechanisms. The Authority has requested that the DoC consider a dual funding model (State funding coupled with a retention of a portion of licence fees) to overcome the shortfall on its funding.

In light of the above, the Authority has determined the following strategic objectives as being critical to improving stakeholder and consumer experience:

SO 3.1	**Facilitate an efficient operations environment to reduce regulatory burden**
SOOG 3.1.1	Efficient system for spectrum assignment
Objective statement	Implement an efficient spectrum management system by 31 March 2015
Baseline	Inadequate / absence of a spectrum management system
Rationale	To improve turnaround times for the processing of spectrum applications (for spectrum not classified as high demand), type approvals and associated authorisations

Risk management

Risk: Inadequate implementation (or non-implementation) of the spectrum management system.
Mitigation: Adherence to supply-chain management processes.

SO 3.1	**Facilitate an efficient operations environment to reduce regulatory burden**
SOOG 3.1.2	Provision (procurement) of goods and services timely within the National Treasury Regulations ensuring limited non-compliance
Objective statement	Recommendation on optimal funding model Integrated reporting framework
Baseline	Unqualified audit report
Rationale	To ensure adherence to National Treasury regulations, SCM and PFMA requirements in the procurement of goods and services

Risk management

Risk: Non-compliance with the PFMA, Treasury Regulations
Mitigation: Comprehensive demand plan, budget and comprehensive terms of reference that are confined to the requirements of the PFMA

SO 3.2.	**Facilitate social cohesion and nation building**
SOOG 3.2.1	Ensuring universal service and access
Objective statement	Provide recommendations to the Minister on SAPO Exclusivity Period
Baseline	Discussion document on the review of the SAPO exclusivity period
Rationale	Ensure universal provision of and access to postal services

Risk management

Risk: Legal challenge by licensed postal operators.
Mitigation: Adherence to legislative processes and procedures.

SO 3.2.	**Facilitate social cohesion and nation building**
SOOG 3.2.2	Regulatory framework that supports community broadcasters.
Objective statement	Produce a report on recommendations for regulatory interventions
Baseline	Existing Community Broadcasting Framework
Rationale	Provide a sustainable regulatory framework for community broadcasting services

Risk management

Risk: Lack of information on operational community broadcasters.
Mitigation: Engagement with various community broadcaster representative bodies.

SO 3.2.	**Facilitate social cohesion and nation building**
SOOG 3.2.3	Equitable treatment of political parties by broadcasters
Objective statement	Revised regulations governing broadcasting for municipal elections
Baseline	Compliance Reports for 2011 Municipal Elections
Rationale	Ensure free and fair broadcasting coverage of municipal elections

Risk management

Risk: Legal challenge by unreserved postal sector.
Mitigation: Adherence to legislative processes and procedures.

3.3	**Protect audiences and consumers from harmful practices**
SO 3.3.1	Produce an annual report quality pf experience by broadcasting and postal users
Objective statement	Reports on quality of experience by end-users
Baseline	Reports on licensee's Quality of Service for 2014/2015
Rationale	To improve quality of service experienced by end-users

Risk management

Risk: Lack of co-operation from targeted sample groups.
Mitigation: Broader engagement with consumer groups on ICASA's mandate.

12. Functional Programmes of ICASA

The Authority's operating budget is allocated across the following six (6) Executive Committee Group functions.

12.1   Chief Executive Officer

The Chief Executive Officer (CEO) oversees the smooth running of ICASA. The CEO's management team consists of five executive groups, headed by the:

- Chief Operations Officer (head of the Regulatory Groups);
- Chief Financial Officer;
- Executive: Legal, Risk and CCC;
- Executive: Human Resources;
- Executive: Corporate Affairs; and
- Chief Audit Executive.

Each group is outlined below.

12.2   Regulatory Group

The Regulatory Group is responsible for fulfilling the Authority's regulatory mandate as provided for in terms of the applicable laws. The Group comprises five (5) functions. The Chief Operations Officer is responsible for ensuring strategic alignment and co-ordination of all the regulatory projects and activities across the different regulatory functions in order to deliver on the mandate of the Authority.

12.2.1 Licensing

Purpose

The Licensing Unit is responsible for:
- the issue, renewal, amendment, transfer and revocation of Broadcasting Services, Electronic Communications Services (ECS), Electronic Communications Network Service (ECNS) and postal services licences, as well as authorising licence exemptions;
- granting, authorising, renewal, amendment, transfer and revocation of spectrum licences; and
- administration and management of numbering resources and equipment type approval.

The Licensing Unit will focus on the following strategic activity during 2015/6:

- Licensing of viable additional Free-to-Air Commercial Television Broadcasting Service.

In addition, the Unit will also focus on the following operational activities during 2015/6:

- Licensing of viable additional Commercial Sound Broadcasting Service in the Secondary Market;
- Licensing spectrum capacity in multiplex 3 for subscription and Free-to-Air television broadcasting;
- 90% of numbering applications approved within 21 days;
- 100% of non-preassigned spectrum licences processed within 30 working days;
- 100% of applications for authorisation certificates and type approval for line equipment processed within 15 days;
- 100% of the individual licences amended and/or transferred within 180 days;
- 100% of licences exemptions and channel authorisations registered within 30 days;

- Publication of code of conduct for premium rated services;
- Publication of the machine-related services migration plan; and
- Publication of the revised Numbering Plan regulations to introduce toll-free calls and harmonised short codes.

12.2.2 Compliance and Consumer Affairs (CCA)

Purpose

The CCA Unit comprises of two sub-units which purposes are as follows:

- **Consumer Affairs**: this business unit focuses on the protection of consumers in general, as well as the protection of the needs of Persons with Disabilities in particular. It is also responsible for the effective resolution of all consumer complaints; and
- **Compliance**: this business unit is responsible for ensuring and enforcing compliance with applicable sector legislation and regulations in order to ensure the achievement of ICASA's mandate.

In many cases, the only interaction between ICASA and consumers as well as ICASA and its licensees is in the management of consumer complaints and compliance matters. There are many cases where consumer concerns and regulatory compliance overlap[6]. In order to address this, the Authority has consolidated its previously separate consumer and compliance functions. The Consumer Unit is responsible for ensuring that the interests of consumers are protected and complaints are resolved speedily. This includes a specific focus on engagement and protection of the needs of Persons with Disabilities. The Compliance Unit is dedicated to ensuring compliance with legislation and regulations, including, for example, BBBEE compliance, payment of licence fees, etc. Collectively, the two units carry out enforcement actions as and when necessary.

The CCA Unit will also focus on the following operational activities during 2015/6:

- Publish HDI/BBBEE Regulations for broadcasting services, ECS licences and ECNS licences in the Government Gazette;
- Resolution of 75% of consumer complaints within 30 working days of receipt;
- Resolution of 75% of audience complaints within 60 working days of receipt (where no public consultation is required);
- Publication of Quality of Experience report for broadcasting and postal services;
- Publication of Consumer Advisory Panel regulations;
- Strategy report to support People with Disabilities;
- Publication of USO requirements for provision of internet connectivity to public health institutions;
- Report on Compliance of ECS/ECNS licensees;
- Report on Compliance of Broadcasting Service Licensees; and
- Report on Compliance of postal service licensees.

12.2.3 Engineering & Technology (E&T)

Purpose

The Engineering and Technology Unit supports the Authority's objective of promoting the digital agenda (for both broadcasting and other forms of radio communication). The Engineering and Technology Unit is responsible for:

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[6] For example between a consumer complaint and compliance with the End User Subscriber Charter.

- promoting efficient and effective use of radio frequency spectrum, including:
  - developing frequency band plans, which include frequency migration plans, especially for broadband use; and
  - promoting the effectiveness and speed of frequency assignment (mostly for frequency licensing, especially for broadband);
- contributing to the provision of cheaper broadband services to end-users by encouraging the sharing of facilities between providers of broadband services;
- providing geographical maps, for use by the public and potential investors in telecommunication networks, on the availability of broadband connectivity; and
- monitoring frequency spectrum use on a sampled basis country-wide as part of planning the future use of spectrum, especially spectrum for broadband.

The E&T Unit will focus on the following strategic activity during 2015/6:

- Establishment of a South African Chapter on the 5G Forum to advance RSA's interests in the international standardisation and spectrum forums, particularly with regard to standardisation for 5G; and
- Complete the installation of an advanced spectrum management system in ICASA Head Office.

The E&T Unit will also focus on the following operational activities during 2015/6:

- Publish framework on use of TV whitespace spectrum;
- Development of National and Regional Positions and proposals for WRC-15; and
- Publication of broadband coverage maps.

12.2.4 Policy Research & Analysis (PRA)

Purpose

The purpose of PRA is to carry out research and development of regulatory measures to support the social goals of inclusivity as well as fair competition. The PRA unit consists of three sub-units, which purpose is as follows:

- Social Policy: this business unit focuses on universal service; broadcasting content regulation; consumer satisfaction and the new area of internet governance;
- Market Regulation: this business unit is responsible for carrying out market research and analysis on the ICT sector, providing reports and input on regulations to stimulate fair competition in the ICT sector; and
- Sector Forecasting: this business unit is a new function within ICASA and is responsible for collecting and collating relevant statistics and developing forecasts in respect of ICT sector growth as well as its contribution to the South African economy.

The PRA Unit will focus on the following strategic activity during 2015/6:

- A study to define the priority markets that require regulatory intervention.

The PRA Unit will also focus on the following operational activities during 2015/6:

- Publication of quarterly reports on retail tariff analysis on ICASA's website;
- Publication of tariffs for reserved postal services;
- Regulation of Call Termination Rates to approximate the cost of provision of services;
- Publication of a findings document on the state of competition in the broadcasting subscription market;

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- Publication of a market assessment report on trends in investment, employment, revenues, subscribers, services and market concentration;
- Submission of recommendations to the Minister on SAPO Exclusivity Period;
- Publication of revised regulations governing broadcasting for municipal elections; and
- Conducting research on a viable Community Broadcasting Regulatory and Licensing framework.

12.2.5 Regions

Purpose

The mandate of the Authority's Regional Offices Unit is to enable unimpeded provision of electronic communications, broadcasting and postal services across all provinces in South Africa. The Unit's mandate is to eliminate or reduce radio frequency spectrum interference experienced by authorised users (ECA section 30(3) and (4)); inspect possession of radio apparatus (ECA section 32(1)) and provide effective and localised processes for the handling and resolution of complaints.

Objectives

- Execute enforcement including the seizure of radio apparatus of operators who have not renewed radio spectrum licences;
- Execute investigations of operators who have not complied with licence conditions as stated in ECS and ECNS licences;
- Execute the Authority's mandate regarding safety and security operations at national events/situations as co-ordinated by the National Joint Operational Centre (NATJOC) on behalf of the Justice Crime Prevention & Security (JCPS) Cluster of Government;
- Issuing of pre-assigned applications and renewal of spectrum licensing;
- Issuing of assigned spectrum licences;
- Type approval investigations relating to radio equipment;
- Spectrum licence usage determination (previously known as Spectrum audits);
- Reserved and unreserved postal investigations;
- Conduct consumer education and awareness initiatives;
- Conduct compliance assessment of community broadcasters (TV and radio);
- Process applications for service and network class licences and unreserved postal licences;
- Execute investigations at high sites to ensure that radio apparatus installed complies with licence and type approval conditions; and
- Resolve or mitigate instances of harmful radio frequency interference cases reported to the Authority.

The Regions will also focus on the following operational activities during 2015/6:

- Approval of 90% of pre-assigned spectrum within 15 working days;
- Processing of 100% of authorisation certificates for radio frequency equipment within 15 days;
- Consideration of class licence amendment and transfer applications within 180 days; and
- Consideration of class licence registrations and unreserved postal service certificates within 30 days of receipt of the applications.

12.3 Finance

Purpose

The mandate of the Finance business unit is to implement financial procedures and policies, financial controls and to manage financial resources and procurement in line with the Public Finance Management Act (PFMA) and other relevant legislation.

Objectives

- Improve financial systems;
- Improve financial processes, procedures, policies and compliance;
- Improve financial reporting;
- Improve revenue collection;
- Improve participation of HDI in the Authority's procurement processes;
- Obtain support from the Ministry and National Treasury to address funding shortfalls for infrastructural support; and
- Improve the supply chain management processes to ensure that it is transparent, effective, efficient, competitive and fair.

12.4   Human Resources

Purpose

The Human Resources business unit is a strategic, business-solutions enabler through the effective deployment of human capital, with the responsibility to ensure that the organisation is able to achieve its vision, mission and strategic goals through the optimum deployment of its human resources.

Objectives

It is the Human Resources Management's responsibility to ensure that the Authority has the ability to plan for its required resources, recruit the best talent for the right positions at the right time, continuously develop that talent to maintain the required levels of competence, create a conducive working environment that enables employee engagement in a high-performance culture.

To achieve this, the business unit's objectives are as follows:

- Organisational design to ensure that the development of the execution structures are aligned with the mandate of ICASA, pertaining to the levels of reporting, work content and competency levels;
- Talent sourcing based on the business priorities of the annual human resources plan to ensure adequate capacity;
- Talent development to address competency gaps, to ensure the correct depth of competence for the required outputs at all levels of the organisation;
- Build effective leadership capability;
- Talent retention strategies to put in place programmes of action inclusive of career paths, succession planning, reward and recognition practices to prevent loss of critical skills ensuring that there is business continuity pertaining to talent;
- Ensure sound labour relations between the Authority and its employees, through clearly articulated HR policies; and
- Provide value-add and consistent HR service delivery to all employees.

The Human Resources strategy includes the restructuring of ICASA's internal reporting lines to ensure improved delivery to stakeholders, as well as high-quality regulation-making.

12.5   Legal, Risk and CCC

The function of this group is to provide legal services, risk management and support for the CCC.

12.5.1 Legal

Purpose

This function ensures that all legal instruments, (including but not limited to) legislation, regulations, agreements, contracts, opinions, advice and memoranda, are legally sound and beyond reproach when published or promulgated, entered into and concluded.

The Legal business unit's mandate is to provide effective and efficient legal services to safeguard the Authority's interests.

Objectives

The objectives of this function include:

- Provision of technical and administrative support to the CCC in its adjudicatory functions;
- Proactively monitoring parliamentary legislative processes that may impact on the statutory mandate of ICASA;
- Drafting comments, inputs, proposals and written submissions on amendment bills and bills published by DTPS, DoC and other Government departments;
- Drafting, vetting and scrutinising subordinate legislation, namely, regulations and government notices published in the Government Gazette;
- Drafting, vetting and scrutinising all agreements and memoranda entered into and concluded between the Authority and other national and international regulatory agencies or bodies; and
- Dealing with litigation instituted against and for the Authority that is before the High Court, Supreme Court of Appeal, Constitutional Court and other institutions.

12.5.2 Risk Management

Purpose

The essence of this function is to promote good governance by ensuring that both strategic and operational risks are identified, monitored and mitigated.

Objectives

The performance outcomes for this function are to:

- co-ordinate an enterprise-wide risk management strategy through the implementation of a Risk and Compliance Management Strategy, Policy and Plan;
- co-ordinate Business Continuity and Disaster Recovery Plans; and
- co-ordinate the Fraud Prevention Plan.

12.5.3 Complaints and Compliance Committee

Purpose

The function of the Complaints and Compliance Committee is to investigate, and if appropriate, make findings on:

- all matters referred to it by the Authority;
- complaints received by it;
- allegations of non-compliance with the ICASA Act, or the underlying statutes received by it; and
- make any recommendation to the Authority necessary or incidental to the performance of the functions of the Authority in terms of the ICASA Act or the underlying statutes, or achieving the objects of the ICASA Act and the underlying statutes.

12.6   Corporate Affairs

The Corporate Affairs Group comprises the following functions:

12.6.1 Communications and International Relations

Purpose

The mandate of the Communications and International Relations function is to provide corporate communications support to the Authority and to co-ordinate the Authority's international relations program and activities.

Objectives

- Develop and implement a strategic framework to improve South Africa's international input to global regulatory forums; and
- Develop and implement a programme for ongoing engagement with the general public, consumers, licensees and operators, the media and other stakeholders.

12.6.2 Facilities and Administration

Purpose

The mandate of Facilities Management is to provide support to the Authority's regulatory programmes, by promoting the highest regard for the safety and security of all its stakeholders, and for the protection and preservation of property, assets and the working environment.

Objectives

The overall objectives of Facilities Management include the following:

- Ensure that the Authority's records management uses effective and efficient knowledge-management systems;
- To have strategically-positioned properties for ICASA offices nationally and provincially, at cost effective rates;
- To constantly improve the provision of professional facilities, fleet and support services; and
- To ensure adequate safety and security measures (including OHS) are in place throughout all the Authority's office locations.

A core operational function is the library and records management unit, responsible for the overall management of ICASA information and records in line with relevant legislation. It provides documents and records management support to regulatory divisions and promotes information-sharing of public regulatory documentation with stakeholders.

12.6.3 Information Technology Services

Purpose

The mandate of the Information Technology (IT) Services business unit is to provide technology infrastructure, continuous access and security, technical support and maintenance of internal systems.

In addition, the development and sourcing of business applications and solutions will enable the programmes to perform at their highest potential in order to achieve the Authority's strategic goals and objectives.

Objectives

The performance targets of the IT Services function include the introduction of the latest technical architecture and key systems to reduce potential failures and security risks. It also leverages information technology performance benefits across the organisation. IT Services is also responsible for the implementation of new systems including:

- The replacement of the spectrum management system to improve efficiency in the licensing and allocation of radio frequency spectrum;
- The implementation of a Human Resources information management system to better manage the internal resources including on boarding, skills development and performance management; and
- The implementation of a Customer Relationship Management (CRM) system for the online processing of new applications, amendments and compliance reporting for ECS/ECNS, broadcasting and postal licenses.

12.7   Internal Audit

Purpose

The Audit and Risk Committee is responsible for ensuring that the ICASA's Internal Audit function is independent and has the necessary resources, standing and authority within the Authority to enable it to discharge its duties. Furthermore, the Audit and Risk Committee oversees co-operation between the Internal and External Auditors, and serves as a link between the Council on these functions. The Annual Audit Plan was approved by the Audit and Risk Committee and the Internal Audit Division performs audits that are risk-based.

Objectives

The Chief Audit Executive has direct access to the Audit and Risk Committee, primarily through its Chairperson. The Audit and Risk Committee receives and deals with any concerns or complaints, whether from within or external to the Authority, relating to the accounting practice and internal audit of the Authority, the content or auditing of the ICASA's Financial Statements, the internal financial controls of the Authority and related matters.

The mandate of Internal Audit is to promote good governance through ensuring that all strategic and operational risks identified by management are effectively monitored and mitigated to enable the Authority to achieve its strategic objectives. Internal Audit is responsible for providing assurance regarding internal control, risk management and governance processes. This is in collaboration with external assurance providers. The Internal Audit function reports centrally, with the responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of ICASA's operations. The Chief Audit Executive is responsible for reporting the findings of Internal Audit work, against the agreed Internal Audit Plan, to top management and the Audit and Risk Committee on a regular basis.

The Division has established a tracking matrix with monthly updates on the implementation of the action plans agreed upon. An issues log tracking dashboard was created to follow-up on all audit findings including the Attorney General's Office's management letter points from the previous financial period.

An external quality assurance review was performed during 2012; however, the report was only finalised in March 2014. The peer review team stated that Internal Audits partially conforms to the International Standards for the Professional Practice of Internal Auditing. The Internal Audit Division plans to have a Quality Assurance Review done by 2015/2016 to ensure that the Division obtains a "generally conforms" opinion rating by the assessors.

13. Annual Performance Plan

Whereas the Strategic Plan identifies strategically-important, outcome-orientated goals and objectives against which the Authority's medium-term results can be measured and evaluated, the Annual Performance Plan (APP) identifies the performance indicators and targets that the Authority aims to achieve in the upcoming budget year.

The Authority's strategic outcome-orientated goals and objectives are to be achieved through key outcomes and outputs, resulting from the planned targets and activities over the next five (5) years. This is the product of a thorough business planning process within the Authority, which takes into account both internal and external environments and their impact on the mandate of ICASA. The process determines what is deliverable at an operational level and highlights the strategic elements to evaluate and update the Authority's Strategic Plan. The five (5) year Strategic Plan, (annexure A), is supported by the Authority's APP, (annexure B), with strategic targets over the MTEF period.

The 2015-16 APP details the specific performance targets that the Authority will aim at to achieve in the budget year and the next two years of the MTEF in pursuit of strategic, outcome-oriented goals and objectives set out in its Strategic Plan. It presents the Authority's programme performance indicators together with targets for the medium-term and also forms the basis for an organisational, performance-management tool that is used to determine performance information through periodic monitoring and evaluation of planned deliverables. This APP also unpacks the 2015-16 budget year strategic targets and activities into quarterly action steps and deliverables.

14. Financial commentary

The Authority derives its revenue mainly from grants received from the DTPS in the form of quarterly tranches, whilst it collects licence fees on behalf of National Treasury and pays them over to the DTPS and the Universal Service and Access Agency of South Africa (USAASA).

The Authority's December actual expenditure excluding infrastructural costs was R258 890 960 against the budgeted amount of R285 193 984, this showed a lower spending of R26 303 024 (9%), and is indicative of the normal spending pattern, wherein actual expenditure moves in line with budget. It must be noted that mid-year reprioritisation review has afforded the Authority an opportunity to utilise current year to date savings towards critical needs. The full year forecast total expenditure against baseline allocation of R371 221 000 is anticipated to be R412 536 000. The overspending will be funded from the surplus funds. This excludes further infrastructural costs relating to ring-fenced projects for the prior years of R72 000 000, which funding is part of the cash reserves. Furthermore it must be noted that R10 000 000 accrued interest brings total revenue to R386 221 000 for the 2014/15 financial year.

14.1 Current expenditure

The Authority spent its allocations over the previous three years and it is expected that the current year's allocation will also be spent particularly on the operational side, achieving expenditure of 95% in 2011/12, 96.3% in 2012/13 and 86.3% in 2013/14. It must be noted further that the moratorium passed during late 2012 has led to a reduction in staff costs and the cost containment measures from 2013 embarked upon earlier by the Authority also contributed positively.

On the infrastructure side, where *ring-fenced projects* are concerned, there has been a steady improvement year-on-year of 40.9% in 2013/14 and a 189.4% forecast in 2014/15. These are mainly driven by the acquisition of broadcasting monitoring equipment and hi-sites refurbishments. On the other hand for *normal capex* there was an overwhelming improvement of 278.2% on 2013/14 and 11.8% in 2014/15.

14.2 Economic classification trends

Compensation of employees:

In the past three years, the Authority managed to keep these costs below 60%, 59.2% in 2011/12, 56.6% in 2012/13 and 60.0% in 2013/14. The projection for 2014/15 is 65.5%; 64.4% for 2015/16 and 63.0% for 2016/17.   This reduction trend is driven by the realignment and the migration plan due to take place during the current MTEF period.

Goods and services:

With efforts and endeavors to contain costs, the Authority managed to reduce these costs significantly; this category of costs as a percentage of the baseline allocation for the past three years was as follows: 2011-12 - 37.6%, 2012/13 - 36.0%, and 2013/14 - 28.3%. Over the MTEF period the steady trend for spending is expected to be around 36%.

Normal projects:

 Allow the Authority to fulfil its mandate and deliver on its strategic plan. Spending patterns are as follows: In 2011-12 - 3.4%, 2012-13 - 3.7% and 2013-14 - 6.1%. For the current year 2014-15, spending is expected to be 9.7%. Over the MTEF period spending is projected to be maintained at 10%.

Ring-fenced projects:

This has been driven by special funding related to both infrastructure (capital projects) and non-infrastructure (opex projects) to ensure the Authority delivers in all areas of its mandate. The spending began from 2012-13 at 5.2%, followed by 6.2% in 2013-14 and for 2014-15 it is expected to increase to 19.7%. It must be noted that no funding has been made available over the MTEF period whilst delays at executing some key projects were driven by lack of locally-produced equipment.

In order for the Authority to meet its statutory obligations, the financial resource allocation outlook for the medium term with efforts and endeavors at containing costs.

ICASA Economic Classification Report

R 000	Actual 2011/12	Actual 2012/13	Actual 2013/14	Forecast 2014/15	MTEF 2015/16	MTEF 2016/17	MTEF 2017/18	Outer years beyond MTEF 2018/19	Outer years beyond MTEF 2019/20
Grants from DoC (excl. deferred income)	313,378	342,385	390,661	376,221	393,619	414,481	435,205	456,965	479,814
i) Compensation of employees	185,432	193,648	202,621	246,296	253,685	261,295	274,360	288,078	302,482
ii) Goods and services	117,683	123,164	110,510	129,896	141,006	148,056	155,459	163,232	171,394
iii) Normal projects	10,751	12,762	23,711	36,344	35,000	45,000	45,000	45,000	48,800
iv) Total ring-fenced projects:		17,772	25,047	72,498	-	-	13,000	-	-
- Ring-fenced: Opex costs	-	4,450	2,569	-	-	-	-	-	-
- Ring-fenced:Capex costs	-	13,322	22,478	72,498	-	-	13,000	-	-
v) Total normal capital assets	9,560	1,182	4,471	5,000	5,000	5,000	5,000	5,000	862
				(b)			(C)		
Total expenditure	323,426	348,529	366,360	490,034	434,691	459,352	492,819	501,310	523,538
Surplus/(Deficit) excluding interest received	(10,048)	(6,144)	24,301	(113,813)	(41,072)	(44,871)	(57,614)	(44,345)	(43,724)
add: Interest received and other income	5,165	6,237	13,038	10,000	10,000	10,500	11,000	11,500	11,900
add back: Depreciation	9,008	12,612	14,383	15,157	18,000	18,500	18,000	18,500	18,500
Total Surplus/(Deficit) excluding depreciation	4,124	12,705	51,723	(88,656)	(13,072)	(15,871)	(28,614)	(14,345)	(13,324)
Cash reserves including deferred grants	37,357	120,562	210,545	121,889	108,817	92,946	64,332	49,987	36,662
Deferred grants (unspent funds for special proje	-	63,412	93,309	13,000	13,000	13,000	-	-	-
Cash reserves excluding deferred grants	37,357	57,149	117,235	108,888	95,817	79,946	64,332	49,987	36,662

Footnote

ICASA start-up funds of R36.7m is been maintained to the initial balance despite funding a shortfall by using cash reserves for both MTEF period (2015/16 to 2017/18) and outer years MTEF period (2018/19 to 2019/20).

In 2014/15 forecast, the Authority has planned to spent over R70m from the unspent ring-fenced projects coming from both 2012/13 and 2013/14. Will further in 2017/18 use the remaining R13m for relocation costs t

Stats: Expenditure as % of revenue

i) Compensation of employees	59.2%	56.6%	51.9%	65.5%	64.4%	63.0%	63.0%	63.0%	63.0%
ii) Goods and services	37.6%	36.0%	28.3%	34.5%	35.8%	35.7%	35.7%	35.7%	35.7%
iii) Normal projects	3.4%	3.7%	6.1%	9.7%	8.9%	10.9%	10.3%	9.8%	10.2%
iv) Total ring-fenced projects:	0.0%	5.2%	6.4%	19.3%	0.0%	0.0%	8.4%	0.0%	0.0%
v) Capital assets	3.1%	0.3%	1.1%	1.3%	1.3%	0.0%	0.0%	0.0%	0.0%

Stats: Yr on Yr%

i) DoC grants	7.7%	23.0%	14.1%	-3.7%	4.6%	5.3%	5.0%	5.0%	5.0%
ii) Compensation of employees	9.6%	4.4%	4.6%	21.6%	3.0%	3.0%	5.0%	5.0%	5.0%
iii) Goods and services	2.6%	4.7%	-10.3%	17.5%	8.6%	5.0%	5.0%	5.0%	5.0%
iv) Normal projects	-56.1%	18.7%	85.8%	53.3%	-3.7%	28.6%	0.0%	0.0%	8.4%
v) Total ring-fenced projects:	0%	0%	40.9%	189.4%	-100.0%	0.0%	0.0%	0.0%	0.0%
vi) Capital assets	-57.4%	-87.6%	278.2%	11.8%	0.0%	0.0%	0.0%	0.0%	-82.8%
Total Expenditure	-2.2%	7.8%	5.1%	33.8%	-11.3%	5.7%	7.3%	1.7%	4.4%

The Authority reviews its budget allocation annually and ensures that funding is allocated directly to those core areas that support government objectives and initiatives. This allocation for the MTEF is as follows:

Layers	Divisions	Forecast 2014/15	MTEF 2015/16	2016/17	2017/18	Outer years beyond MTEF 2018/19	2019/20
OPEX per programme							
Operations		**158,743**	**167,975**	**173,575**	**182,254**	**191,367**	**200,935**
	Engineering & Technology	42,350	44,433	45,917	48,213	50,624	53,155
	Policy Research & Analysis (PRA)	21,807	22,880	23,644	24,826	26,068	27,371
	Licensing	27,491	28,842	29,806	31,296	32,861	34,504
	Compliance, Enforcement & Consumer (CEC)	15,870	16,651	17,207	18,067	18,971	19,919
	Regions	49,725	52,170	53,801	56,491	59,316	62,282
	Operations direct support (COO)	1,500	3,000	3,200	3,360	3,528	3,704
Support		**217,449**	**228,142**	**235,764**	**247,552**	**259,930**	**272,926**
	CEO	6,192	6,497	6,714	7,050	7,402	7,772
	Corporate Affairs (Facilities, IT and Communications)	82,058	86,093	88,969	93,418	98,089	102,993
	Finance	53,135	55,747	57,610	60,490	63,515	66,691
	Human capital management	27,907	29,280	30,258	31,771	33,359	35,027
	Legal, Risk and Compliance	19,763	20,734	21,427	22,498	23,623	24,805
	Internal Audit	4,857	5,096	5,266	5,529	5,806	6,096
	Council	23,537	24,695	25,520	26,796	28,135	29,542
	Grand Total	**376,192**	**396,117**	**409,339**	**429,806**	**451,297**	**473,862**

Normal projects and ring-fenced additional funding allocated

The Authority succeeded in bidding for additional funding to support its operations. The nature of the bids was both Infrastructure (Capital projects) and Non-Infrastructure (Opex projects). The tables below provide a breakdown of the total allocations over the MTEF period;

Layers	Divisions	Forecast 2014/15	MTEF 2015/16	2016/17	2017/18	Outer years beyond MTEF 2018/19	2019/20
Normal Projects per programme							
Operations		**34,386**	**29,169**	**34,200**	**34,200**	**34,200**	**39,500**
	Engineering & Technology	6,250	5,300	7,500	7,500	7,500	8,500
	Policy Research & Analysis (PRA)	7,000	5,899	7,200	7,200	7,200	8,500
	Licensing	11,138	10,000	10,000	10,000	10,000	12,000
	Compliance, Enforcement & Consumer (CEC)	7,854	6,500	8,000	8,000	8,000	9,000
	Regions	2,144	1,470	1,500	1,500	1,500	1,500
	Operations direct support (COO)	-	-	-	-	-	-
Support		**1,958**	**5,831**	**10,800**	**10,800**	**10,800**	**9,300**
	CEO	-	-	-	-	-	-
	Corporate Affairs (Facilities, IT and Communications)	-	2,300	6,000	6,000	6,000	4,500
	Finance	750	1,165	2,500	2,500	2,500	2,500
	Human capital management	1,208	2,366	2,300	2,300	2,300	2,300
	Legal, Risk and Compliance	-	-	-	-	-	-
	Internal Audit	-	-	-	-	-	-
	Council	-	-	-	-	-	-
	Grand Total	**36,344**	**35,000**	**45,000**	**45,000**	**45,000**	**48,800**

Ring-fenced Projects per programme						
Layers	**Divisions**	**Forecast**	**MTEF**			**Outer years beyond MTEF**	
		2014/15	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
Operations		**51,959**	-	-	-	-	-
	Engineering & Technology	31,000	-	-	-	-	-
	Policy Research & Analysis (PRA)	-	-	-	-	-	-
	Licensing	15,125	-	-	-	-	-
	Compliance, Enforcement & Consumer (CEC)	-	-	-	-	-	-
	Regions	5,835	-	-	-	-	-
	Operations direct support (COO)	-	-	-	-	-	-
Support		**20,539**	-	-	**13,000**	-	-
	CEO	-	-	-	-	-	-
	Corporate Affairs (Facilities, IT and Communications)	16,329	-	-	13,000	-	-
	Finance	-	-	-	-	-	-
	Human capital management	-	-	-	-	-	-
	Legal, Risk and Compliance	4,209	-	-	-	-	-
	Internal Audit	-	-	-	-	-	-
	Council	-	-	-	-	-	-
	Grand Total	**72,498**	**-**	**-**	**13,000**	**-**	**-**

The procurement of these capital items will enable the Authority to fulfil its mandate in respect of some of the areas where it has been unable to deliver effective and efficient performance.

Annexure A: Five year plan – Key Outcomes, Outputs and Targets

Custodian	Output Number	Key Outcome	Key Output	Performance Measure/Indicator	Baseline 2014/2015	Target 2015/16	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
SOOG 1		STRATEGIC OUTCOME ORIENTATED GOAL		Promote effective competition						
	1.1.	STRATEGIC OBJECTIVE		Facilitate an effectively competitive ICT sector						
Licensing	1.1.1	Sustainable and competitive television broadcasting sector in the digital era	Licensing of viable additional Free-to- Air Commercial Television Broadcasting Service	Additional Commercial Free-To-Air Television Broadcasting Service Licences issued to successful applicants	Invitation To Apply for Free-To-Air Television published in the Government Gazette	Award Commercial Free-To-Air Television Broadcasting Service Licences to successful applicants	No strategic activity.	No strategic activity.	No strategic activity.	No strategic activity.
Policy Research & Analysis	1.1.2	Facilitate effective competition in the ICT sector.	A study to define the priority markets that require regulatory intervention.	Identified markets susceptible to forward looking (ex ante) regulation through a on the Regulatory Impact Assessment (RIA)) study. Implementation of appropriate regulatory interventions, pursuant to conclusion of Regulatory Impact Assessment (RIA), to give effect to the RIA findings.	High Level Competition Inquiry of 2014 and Broadband Value Chain Study of 2014.	Findings Document on Markets susceptible t o ex ante regulation	Regulatory impact assessment and if appropriate, Inquiry into the identified markets susceptible regulation.	Regulatory Impact assessments on identified markets where necessary	Regulatory Impact assessments on identified markets where necessary	Regulatory Impact assessments on identified markets where necessary

Custodian	Output Number	Key Outcome	Key Output	Performance Measure/Indicator	Baseline 2014/2015	Target 2015/2016	Target 2016/2017	Target 2017/2018	Target 2018/2019	Target 2019/2020
SOOG 2		**STRATEGIC OUTCOME ORIENTATED GOAL**		**Promote the digital agenda**						
		STRATEGIC OBJECTIVE								
Engineering & Technology	2.1.	Support innovation for the future use of digital technologies.	Establishment of a South African Chapter on the 5G Forum to advance RSA's interests in the international standardisation and spectrum forums, particularly with respect to standardisation for 5G.	Align South Africa towards technological advancement and supporitng technological innovation for use of Future Technologies, Digital Broadcasting, Cognitive and Smart Radio Systems as well as Standards Developing Bodies.	Consolidated reports on the technological trends completed.	Establishment of a 5G Forum for RSA to coordinate contribution and participation at International and Regional fora dealing with IMT, 5G Future Technologies, Digital Broadcasting, Cognitive and Smart Radio Systems as well as Standards Developing Bodies	Harmonised spectrum plans and approaches to achieve economies of scale in terms of service and technology innovation and a SA Chapter on the 5G Forum established.	Participation in international fora to prepare plans for putting in place regulatory measures needed to implement 5G (e.g. for Direct Device-to-Device Communication, Massive Machine Communication, Moving Networks, Ultra-Dense Networks, and Ultra-Reliable Communication)	Implementation of regulatory measures known to be required for 5G, in line with the outcomes in the ITU METIS project,	Further Implementation of regulatory measures needed for 5G, in line with the outcomes of the ITU METIS project,

Custodian	Output Number	Key Outcome	Key Output	Performance Measure/Indicator	Baseline 2014/2015	Target 2015/2016	Target 2016/2017	Target 2017/2018	Target 2018/2019	Target 2019/2020
SOOG 3		**Improve Stakeholder and Consumer experience**								
	3.1	**Facilitate an efficient operational environment to reduce regulatory burden**								
Engineering & Technology	3.1.1	Efficient System for Spectrum Assignment.	New, operational spectrum management system.	Efficient spectrum assignment (licensing) and monitoring	Existing, out-of-date system for spectrum management.	Completed installation of advanced spectrum management system in ICASA Head Office.	Commissioning of ASMS in both Head and Provincial offices.	Post-implementation review of ASMS.	None.	None.
Finance	3.1.2	Provision (procurement) of goods and services timely within the rules of National Treasury with limited if any non-compliance	Recommendation on optimal funding model Integrated reporting framework	Effective automated financial systems in compliance with the Treasury Regulations and PFMA	Unqualified audit report	Unqualified audit Accurate and Complete performance information reporting Upgrades of the financial system	Unqualified audit Trial Integrated Reporting (IR) Accurate and Complete performance information reporting	Clean audit 1st year of full IR Funding model Accurate and Complete performance information reporting	Clean audit & IR improvement Accurate and Complete performance information reporting	Clean audit & IR improvement Accurate and Complete performance information reporting
	3.2	**Facilitate social cohesion and nation building**								
Policy, Research & Analysis	3.2.1	Ensuring universal service and access	Recommendations to the Minister on SAPO Exclusivity Period.	Universal service and access to postal services in the reserved postal area	Discussion document on the review of the SAPO exclusivity period.	Final recommendations to the Minister.	Assess impact of Universal Service in the Reserved postal area.	Assess impact of Universal Service in the Reserved postal area.	Assess impact of Universal Service in the Reserved postal area.	Review the universal service obligations in the reserved area.
PRA	3.2.2	Regulatory framework that supports community broadcasters	Recommendation report on necessary regulatory interventions.	Commercial viable community broadcasters. Reviewed licensing process tensuring alignment between issuing of broadcasting licenses and allocation of frequency spectrum. Frequency assignement linked to the licence asigned. Financial viable community broadcasting licencees.	Existing Community Broadcasting Framework.	Internal Research Report.	Publication of Discussion document for Community broadcasting	Publication of Community broadcasting regulations	Assess impact of the regulations	Assess impact of the regulations
PRA	3.2.3	Equitable treatment of political parties by broadcasters	Revised regulations governing broadcasting for municipal elections.	Access to equitable broadcasting services by political parties	Existing Municipal Elections Broadcasting Regulations	Publication of Final regulations	Assess impact of the regulations	Assess impact of the regulations	Assess impact of the regulations	Assess impact of the regulations
	3.3	STRATEGIC OBJECTIVE	**Protect consumers from harmful practices**							
CCA	3.3.1	Annual report on quality of experience by broadcasting and postal end users	Report on quality of experience of end-users	Consumer quality of experience	Quality of Experience study on electronic communication (2012/13)	Consumer quality of experience	No Activity	Quality of Experience report for broadcasting, electronic communications and postal services by 31 March 2016.	No Activity	No Activity

Annexure B: Annual Performance Plan – Key Outcomes, Outputs, Targets and Deliverables

Custodian	Output Number	Key Outcome	Key Output	Performance Measure/Indicator	Baseline 2014/2015	Target 2015/16	Quarter 1 2015/16	Quarter 2 2015/16	Quarter 3 2015/16	Quarter 4 2015/16	Target 2016/17	Target 2017/18
	SOOG 1	**STRATEGIC OUTCOME ORIENTATED GOAL**		**Promote effective competition**								
	1.1.	**STRATEGIC OBJECTIVE**		**Facilitate an effectively competitive ICT sector**								
Licensing	1.1.1	Sustainable and competitive television broadcasting sector in the digital era	Licensing of viable additional Free-to- Air Commercial Television Broadcasting Service	Additional Commercial Free-To-Air Television Broadcasting Service Licences issued to successful applicants	Invitation To Apply for Free-To-Air Television published in the Government Gazette	Award Commercial Free-To-Air Television Broadcasting Service Licences to successful applicants	Feasiblity study report. Receipt and review of applications and analysis of confidentiality requests. Gazetting of applications for public comment.	Analysis of the applications, representations and responses.	Hold public Hearings and Deliberations.	Decisions and publication of the Reasons document in the Government Gazette.	No strategic activity.	No strategic activity.
Policy Research & Analysis	1.1.2	Facililate effective competition in the ICT sector.	A study to define the priority markets that require regulatory intervention.	Identified markets susceptible to forward looking (ex ante) regulation through a on the Regulatory Impact Assessment (RIA)) study. Implementation of appropriate regulatory interventions, pursuant to conclusion of Regulatory Impact Assessment (RIA), to give effect to the RIA findings.	High Level Competition Inquiry of 2014 and Broadband Value Chain Study of 2014.	Findings Document on Markets susceptible t o ex ante regulation	Internal position paper.	Publication of Discussion Document and Public Consultation.	Draft Findings Document.	Publication of Findings Document in Government Gazette.	Inquiry into the identified markets susceptible regulation	Regulatory Impact Assessments on identified markets and regulations where necessary

Custodian	Output Number	Key Outcome	Key Output	Performance Measure/Indicator	Baseline 2014/2015	Target 2015/2016	Deliverable Quarter 1 2015/16	Deliverable Quarter 2 2015/16	Deliverable Quarter 3 2015/16	Deliverable Quarter 4 2015/16	Target 2016/2017	Target 2017/2018
SOOG 2		**STRATEGIC OUTCOME ORIENTATED GOAL**		**Promote the digital agenda**								
		STRATEGIC OBJECTIVE										
Engineering & Technology	2.1.	Support innovation for the future use of digital technologies.	Establishment of a South African Chapter on the 5G Forum to advance RSA's interests in the international standardisation and spectrum forums, particularly with respect to standardisation for 5G.	Align South Africa towards technological advancement and supporitng technological innovation for use of Future Technologies, Digital Broadcasting, Cognitive and Smart Radio Systems as well as Standards Developing Bodies.	Consolidated reports on the technological trends completed.	Establishment of a 5G Forum for RSA to coordinate contribution and participation at International and Regional fora dealing with IMT, 5G Future Technologies, Digital Broadcasting, Cognitive and Smart Radio Systems as well as Standards Developing Bodies	Reports on Contributions to ITU and regional fora dealing with IMT, digital migration and cognitive radio and standardisation to inform policy and regulation making completed. Close liaison with 5G interest groups (including METIS) in order to establish interest and to conceptualise a plan for moving forward on SA 5G Chapter	Reports on Contributions to ITU and regional fora dealing with IMT, digital migration and cognitive radio and standardisation to inform policy and regulation making competed. Identification of potential participants in a SA 5G Chapter	Reports on Contributions to ITU and regional fora dealing with IMT, digital migration and cognitive radio and standardisation to inform policy and regulation making competed. Formal approaches and invitations to potential participants in a SA 5G Chapter	Consolidated reports with recommendations on the innovative technological trends completed and a SA 5G Chapter established.	Harmonised spectrum plans and approaches to achieve economies of scale in terms of service and technology innovation and a SA Chapter on the 5G Forum established.	Participation in international fora to prepare plans for putting in place regulatory measures needed to implement 5G (e.g. for Direct Device-to-Device Communication, Massive Machine Communication, Moving Networks, Ultra-Dense Networks, and Ultra-Reliable Communication)

Custodian	Output Number	Key Outcome	Key Output	Performance Measure/Indicator	Baseline 2014/2015	Target 2015/2016	Deliverable Quarter 1 2015/16	Deliverable Quarter 2 2015/16	Deliverable Quarter 3 2015/16	Deliverable Quarter 4 2015/16	Target 2016/2017	Target 2017/2018
SOOG 3		**Improve Stakeholder and Consumer experience**										
	3.1	**Facilitate an efficient operational environment to reduce regulatory burden**										
Engineering & Technology	3.1.1	Efficient System for Spectrum Assignment.	New, operational spectrum management system.	Efficient spectrum assignment (licensing) and monitoring	Existing, out-of-date system for spectrum management.	Completed installation of advanced spectrum management system in ICASA Head Office.	Complete procurement process of the ASMS	Initial implementation of the system	A certificate showing acceptance of the deliverables of the Advanced Spectrum Management System. Clean up of the the spectrum data.	Staff training on the use of the system	Commissioning of ASMS in both Head and Provincial offices.	Post-implementation review of ASMS.
Finance	3.1.2	Provision (procurement) of goods and services timely within the rules of National Treasury with limited if any non-compliance	Recommendation on optimal funding model Integrated reporting framework PFMA	Effective automated financial systems in compliance with the Treasury Regulations and PFMA	Unqualified audit report	Unqualified audit Accurate and Complete performance information reporting Upgrades of the financial system	Training on Policies and procedures – 1st 50% of staff Needs analysis of Upgrade of business unit requirements financial system	Training on Policies and procedures – 2nd 50% of staff Reconfiguration of Upgrade of business unit requirements financial system Reconfiguration of Upgrade of business unit requirements financial system	Post implementation review of training as well as Internal Audit assurance thereof Testing of Upgrade of business unit requirements financial system	Annual reporting, workshops on Integrated Reporting, marked reduction in non-compliance findings (linked to SC) Implementation of Upgrade of business unit requirements financial system	Unqualified audit Trial Integrated Reporting (IR) Accurate and Complete performance information reporting	Clean audit 1st year of full IR Funding model Accurate and Complete performance information reporting
	3.2	**Facilitate social cohesion and nation building**										
Policy, Research & Analysis	3.2.1	Ensuring universal service and access	Recommendations to the Minister on SAPO Exclusivity Period.	Universal service and access to postal services in the reserved postal area	Discussion document on the review of the SAPO exclusivity period.	Final recommendations to the Minister.	Publication of discussion document and consideration of submissions	Public hearings and Analysis of submissions	Impact assessment	Submission of final recommendations to the Minister	Assess impact of Universal Service in the Reserved postal area.	Assess impact of Universal Service in the Reserved postal area.
PRA	3.2.2	Regulatory framework that supports community broadcasters	Recommendation report on necessary regulatory interventions.	Commercial viable community broadcasters. Reviewed licensing process tensuring alignment between issuing of broadcasting licenses and allocation of frequency spectrum. Frequency assignemer linked to the licence assigned. Financial viable community broadcasting licencees.	Existing Community Broadcasting Framework.	Internal Research Report.	No activity	Internal report on existing regulatory framework for community broadcasters	Internal report on international benchmarking of community broadcasting regulatory frameworks	Internal Research report on necessary interventions to support community broadcasting	Publication of Discussion document for Community broadcasting	Publication of Community broadcasting regulations
PRA	3.2.3	Equitable treatment of political parties by broadcasters	Revised regulations governing broadcasting for municipal elections.	Access to equitable broadcasting services by political parties	Existing Municipal Elections Broadcasting Regulations	Publication of Final regulations	Internal Research report	Publication of draft regulations	Conduct workshop in different provinces on the draft regulations	Publication of final regulations	Assess impact of the regulations	Assess impact of the regulations
	3.3	**STRATEGIC OBJECTIVE**	**Protect consumers from harmful practices**									
CCA	3.3.1	Annual report on quality of experience by broadcasting and postal end users	Report on quality of experience of end-users	Consumer quality of experience	Quality of Experience study on electronic communication (2012/13)	Consumer quality of experience	Progress report on QoE surveys conducted nationally	Analysis report on completed QoE surveys	Draft final report	Published QoE report	No Activity	Quality of Experience report for broadcasting, electronic communications and postal services by 31 March 2016.

Annexure C: Council functions

The Council of the Independent Communications Authority of South Africa is governed by:
- the ICASA Act of 13 of 2000 as amended;
- the Broadcasting Act 4 of 1999;
- the Electronic Communications Act 36 of 2005 as amended;
- the Postal Services Act 124 of 1998;
- the Public Finance Management Act (PFMA) 1 of 1999; and
- the Promotion of Administrative Justice Act (PAJA) 3 of 2000.

In terms of Section 4 of the ICASA Act, Council is required to provide oversight of the services provided by the Authority. In terms of Section 14 of the same Act, Council may appoint staff to support its functions and, where necessary, experts to provide additional assistance and expertise.

In order to fulfil its role, Council has established governance and support committees, namely:
- The Remuneration and Human Resources Committee;
- The Audit and Risk Committee;
- The Information Technology Review Committee;
- The Communications Committee (internal communications strategy);
- The International Collaboration Committee (SADC, ITU, UPU);
- The Complaints and Compliance Committee; and
- The Alternative Dispute and Resolution Committee.

At least two Councillors are assigned to each of the above committees.

In addition, Sections 4(4)(b) and Section 4(4)(f) of the ICASA Act prohibits Council from delegating the development of regulations and licensing. Council has consequently delegated these functions as outlined in Table 1 and 2 below to illustrate how it fulfils this requirement whilst ensuring that it acts as a collective. The regulatory and licensing projects for 2014-15 have also been included and will be incorporated into the individual performance contracts of Councillors.

Table 1 Regulatory development processes	Role player
1. Conduct an inquiry	Subject experts
2. Complete findings document	Subject experts
3. Conduct independent research	Council
4. Approve draft document	Council
5. Publish findings document for public comment	Subject experts
6. Conduct public hearings	Council
7. Collate and analyse findings	Subject experts
8. Approve findings for publication	Council
9. Formulate draft regulations	Subject experts
10. Vet draft regulations	Legal
11. Approve draft regulations for publication	Council
12. Conduct public hearings	Council
13. Collate and analyse findings	Subject experts and Council
14. Develop final regulations	Subject experts and Council
15. Vet regulations	Legal
16. Approve regulations	Council

Table 2	
Licensing steps	**Role player**
1. Conduct an inquiry	Subject experts
2. Complete findings document	Subject experts
3. Conduct independent research	Council
4. Approve draft document	Council
5. Publish findings document for public comment	Subject experts
6. Conduct public hearings	Council
7. Collate and analyse findings	Subject experts and Council
8. Approve findings for publication	Council
9. Formulate draft ITA	Subject experts
10. Vet draft ITA	Legal
11. Approve draft ITA	Council
12. Conduct public hearings	Council
13. Collate and analyse findings	Subject experts and Council
14. Develop final ITA	Subject experts
15. Vet ITA	Legal
16. Approve ITA	Council
17. Publish ITA	Subject experts
18. Analyse submissions	Subject experts & Council
19. Draft reasons document	Legal, subject experts and Council
20. Approve reasons document	Council
21. Publish reasons document	Subject experts

Annexure D: Abbreviations and acronyms

APP – Annual Performance Plan
BBBEE – Broad-Based Black Economic Empowerment
CAP – Consumer Advisory Panel
CCC – Compliance and Complaints Committee
CEO – Chief Executive Officer
CFO – Chief Financial Officer
CRASA – Communications Regulatory Association of Southern Africa
CRM – Customer Relationship Management
DoC – Department of Communications
DTT – Digital Terrestrial Television
ECA – The Electronic Communications Act, No 36 of 2005
ECNS – Electronic Communications Network Service
ECS – Electronic Communications Service
FL – Facilities Leasing
FTA – Free-to-Air
GSM – Global System for Mobile Communications
HDI – Historically Disadvantaged Individual
IBA – Independent Broadcasting Authority
IC – Interconnectivity
ICT – Information and Communications Technology
ITR – International Telecommunication Regulation
I-ECNS – Individual Electronic Communications Network Service
IPC – IP Connect
ISP – Internet Service Provider
JCPS – Justice Crime Prevention & Security
IMT – International Mobile Telephony
IT – Information Technology
ITA – Invitation To Apply
ITU – International Telecommunications Union
MTEF – Medium-Term Expenditure Framework
MTR – Mobile Termination Rates
MTSF – Medium-Term Strategic Framework
NATJOC – National Joint Operational Centre
NERSA – National Electricity Regulator of South Africa
Opex – Operational Expenditure
PAJA – The Promotion of Administration Justice Act, No 3 of 2000
PFMA – Public Finance and Management Act
PPCC – Parliamentary Portfolio Committee on Communications
QoE – Quality of Experience
QoS – Quality of Service
RIA – Regulatory Impact Assessment
SAPO – South African Post Office
SATRA – South African Telecommunications Regulatory Authority
SO – Strategic Objective
SOOG – Strategic Outcome Orientated Goal
SWOT – Strengths, Weaknesses, Opportunities and Threats
USA – Universal Service Access
USAASA – Universal Service and Access Authority of South Africa
USAO – Universal Service and Access Obligations
VANS – Value-Added Network Service
WRC – World Radio-communication Conferences.