chief executive's overview

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Chief Executive Officer

It gives me great pleasure to present the Independent Communications Authority of South Africa's (ICASA) Annual Report for the year ending March 2005.

During the period under review, the ICASA executive management team has managed the organisation well in support of the Council. Despite successes in taking forward the mandate of ICASA, a number of challenges remained. The challenges identified include the following:

- Difficulty in attracting and retaining highly qualified staff
- Under-funding
- Inefficient and lengthy processes in key processes such as licensing, thereby undermining the credibility of the regulator

ICASA embarked on a number of initiatives aimed at addressing some of the challenges that continue to face the regulator. These initiatives centred around the following:

Performance Management

In an effort to build an organisation that is responsive, ICASA introduced an organisational performance management system. This initiative is a first step in building a performance driven organisation, and to also reward outstanding performance. A common performance management framework was designed and implemented across the whole organisation.

Job Grading and Salary Parity

One of the outcomes of the creation of ICASA out of a merger of IBA and SATRA was the discrepancies in staff salary levels. This not only created huge discontent among staff, but also led to a difficult relationship with the unions. During the year under review, a consultative and comprehensive job evaluation and grading process was undertaken to ensure parity in salary levels below senior management. A new salary structure was proposed and implemented. This marked an important achievement in our efforts to attract and retain skilled staff. A similar exercise will be undertaken for senior management as part of the organisational transformation process.

Funding Model

ICASA is a public entity wholly funded by government. ICASA continues to face significant funding constraints, which limit its ability to regulate the increasingly complex communications sector. International comparisons of regulatory authorities reveal that ICASA has one of the lowest budgets among a set of comparable regulators. The liberalisation of the South African communications sector with its rapidly increasing range of services and number of players provides new challenges for ICASA. In making a case to meet these challenges, ICASA proposed to government a funding model that would provide ICASA with the necessary resources to take on these challenges on a sustainable basis. The recommendation was made as part of the drafting of the forthcoming amendment to the ICASA Act.

FUTURE STRATEGIC CHALLENGES

After five years of its existence, ICASA is yet again at a crossroads. Changes in the legislative environment, new roles and responsibilities and imperatives for more affordable communications services have put ICASA under pressure to transform. ICASA has embarked on a comprehensive strategy to transform the organisation, primarily in response to the legislative changes in the communications sector. Both the Convergence legislation and the amendment to the ICASA Act will affect ICASA's operations. The strategic formulation process is aimed at giving effect to ICASA's vision which is to be an **effective**, **continually relevant** and **credible** regulator of the South African Communications sector.

The term *continually relevant* speaks to the rapid changes in the communications industry – the convergence of technology and services, the further liberalisation of the market that has brought in new services such as voice over Internet protocol (VOIP), the increase in the number of players and therefore competition – all of which would require ICASA to respond rapidly to these changes and to the needs of the sector.

ICASA will have to keep up with these changes in order to fulfil its regulatory mandate and to provide a predictable and suitable regulatory framework for the converged environment. In the migration from the current to the converged environment, ICASA must maintain its role as a transparent and *credible* regulator.

This will be necessary to ensure continued stability in the sector, and to create an environment conducive to both local and foreign investment, economic growth and job creation.

Our strategy rests on three drivers of value by which we will exceed the expectations of our stakeholders and customers, and maximise ICASA's impact on the growth of the communications sector. The three drivers of value are:

- In-depth understanding and effective regulation of the communications sector. In order to be a knowledgeable and proactive regulator of the communications sector, ICASA will develop policies that promote investment growth in the communications sector, protect vulnerable communities and groups, and drive the improvement of services to under-served communities and groups.

- Functional effectiveness. ICASA will meet its stakeholder objectives by satisfying the needs of its customers of putting into effect appropriate regulation, providing transparent and responsive processes that address the needs of the sector it serves and providing relevant information needs.

- World-class execution of all its functions. The new organisational strategy is based on the drive to bring about efficiencies to the internal functioning of the organisation – at both the administrative and Council levels. This calls for building the organisational management capabilities necessary for additional mandates that will be brought about by the new legislation.

ORGANISATIONAL POSITIONING TO MEET FUTURE CHALLENGES

Due to the changed legislative environment, ICASA will have to:

- Review and adopt an organisational strategy in support of the legislative imperatives
- Develop new policies and regulations in line with the legislation
- Amend and repeal policies and regulations in conflict with the legislation
- Reissue all licences in terms of the new categories specified by the legislation
- Restructure the organisation in line with the legislative imperatives

Executive management has committed itself to become a responsive, learning organisation that is relevant to our stakeholders and customers. We will do so by aligning resources with strategic priorities, building organisational capability by attracting top talent and improving leadership and management competencies, and instilling a culture of performance. To ensure that the strategy is implemented successfully, a number of key interventions have been identified: key of which will be implementing an organisational structure that supports the strategy, cascading the strategic plan into operational plans, and reviewing progress regularly using a balanced score card.

ACKNOWLEDGEMENTS

As a statutory body implementing a public mandate, ICASA aligns itself with national vision and priorities. In this regard, I would like to express my sincere gratitude to the Parliamentary Portfolio Committee on Communications for the oversight role it continues to play. I would also like to thank the Ministry of Communications, including the Department under the leadership of the Director-General for their support during this reporting period.

I wish to thank the ICASA Council for leading and guiding the executive management team on strategic issues. Most of all I would like to extend my personal gratitude to ICASA's most valuable asset, ICASA staff and executive management. Your commitment to contributing to ICASA's mandate and therefore the national policy objectives is an inspiration to us all. I look forward to another exciting year in the movement of the organisation from its present position to a desirable but uncertain future position full of promises. Notwithstanding the fact that the organisation has never been to this future place, I am confident that the pathway that we have crafted is clear and concise to all of us.

ICASA Aids Awareness Day