



MINISTRY: COMMUNICATIONS  
REPUBLIC OF SOUTH AFRICA

Office of the Minister Hon: Dina Pule, MP

Address by the Honourable Minister of Communications, Ms Dina Pule on the occasion of the Budget Vote Speech, 21 May

## Connecting SA

Honourable Chairperson,

Honourable Members of the House,

Honourable Deputy Minister, Ms Stella  
Ndabeni-Abrahams

Chairperson and Members of the Portfolio  
Committee on Communications

Chairperson and Members of the Select and  
Labour Committee,

Chairpersons and CEOs of our State-Owned Enterprises,

ICT industry leaders,

Ladies and Gentlemen,

My fellow South Africans,

Good morning to everyone.

It would be amiss of me to begin without paying tribute to a great South African. Let us take a moment of silence to honour the memory of SABC presenter Vuyo Mbuli. There are few South Africans whose lives he has not touched with his positivity, professionalism and passion for his craft.

His untimely passing is a reminder that we have many wonderful gems within our state institutions whose presence we take for granted. Let us remember him and many others who make our country the truly great nation it is. Thank you.

Honourable Members,

Over 200 years ago the Industrial Revolution changed the way people lived and worked. Today we find ourselves in the midst of an ICT Revolution that is similarly changing the very fabric of our society. The way we work, communicate and live has radically changed in the last two decades.

This transformation of our society, our economy and even our political life requires that we rise to these new challenges. I am pleased to say that the Department of Communications is leading the way and is geared for the future.

Ladies and gentlemen,

It is opportune that we account to our citizens and outline our developmental plans in May, the same month that saw South Africa's first democratic leader, former President Nelson Mandela take office. We wish Tata Madiba well during this time.

During the month of May we also acknowledge the role the workers have played in the struggle to achieve a better life for all in our country. I am glad to note that our union representatives have joined us in the gallery today.

We celebrated this year's World Telecommunications Day in collaboration with the Department of Transport, at a successful event held in Richards Bay on 17 May 2013. This year's theme was "ICTs and improving road safety". My message to you is, "Don't text while driving."

In his State of the Nation Address President Jacob Zuma stated that “As South Africans, we should continue to have one primary goal - to make our country a truly great and prosperous nation.”

Our vision of building a South Africa in which all South Africans have access and skills to ICT services is essential to this goal of building a prosperous nation.

The theme for this year’s budget vote is **“Connecting South Africans”**

In line with this theme, we are focusing on improving the ICT skills base of South Africans, especially our youth.

Yesterday, I launched the combined new institution which brings together the Institute for Satellite and Software applications, the former eSkills Institute and Nemisa as one body. I am happy with the progress made towards the establishment of this new ICT training institution.

Our forward thinking government policy has created an environment in which both business and people in the ICT sector have been able to thrive. However, the 21st century brings new challenges and we are entrusted with ensuring that our people are able to prosper through ICTs in this modern and ever-changing era.

## **Outcomes of policy interventions and the push for a review**

Over the past 19 years, this government has worked very hard to reverse the triple challenges of poverty, unemployment, inequality.

Today, many South Africans have access to postal services within reasonable distances from their homes. In the 12 months to March 2013, the South African Post Office opened 50 new post offices.



Most of these are in rural areas such as Kayedwa in Bushbuckridge in Mpumalanga, Nywarha in Idutywa in the Eastern Cape, Emoyeni in Dannhauser in KwaZulu-Natal, Spoegsrivier in Kammiesberg in the Northern Cape, Vahlavi in the Greater Giyani region in Limpopo and Ruitersbos in Mossel Bay in the Western Cape.

These new postal branches have been complemented by rolling out mobile branches to ensure that many more South Africans have access to these key services.

Post offices have become key service delivery centres offering South Africans a convenient place to accept and deliver cash-on-delivery items, a very important service in rural communities where some people shop from catalogues. More than a million South Africans walk through the doors of post offices near where they live to access their social grants.

Post offices now also offer services that enable South Africans to renew their vehicle registration and pay their municipal accounts and television licences. In the last financial year the SA Post Office was responsible for allocating 1,2 million addresses, mainly to those in rural areas

Over the past four years, we have installed 104 low power transmitters which ensured that 1.5 million more people enjoy their basic human right of access to information, after many years of living on the margins of society. Of these transmitters, 18 were rolled out in the 2012/2013 financial year. The SABC now reaches 94% of South Africans.

Honourable Members,

The Department's Strategic Plan prioritises the ICT Policy Review, broadband and digital migration.

In line with the National Development Plan, the Department has embarked on a process to overhaul existing policies. We convened a successful policy colloquium that led to the establishment of the ICT Policy Review Panel. The composition of the ICT Policy Review Panel reflects the government's mantra of working together, we can do more.

Honourable chairperson,

We plan to deliver the White Paper on ICT Policy next year. On 25 April 2013 we launched the ICT Policy Framing Paper.

In December 2012, we launched the Strategic Integrated Project (SIP) 15, which is focused on increasing access to ICT services through the rollout of broadband infrastructure and Digital Terrestrial Television. There has been commendable progress in the work of SIP 15.

As Chairperson of SIP 15, I am finalising a project action plan which indicates targets for the connectivity of public facilities such schools, health centres, government offices, libraries and police stations.

Whilst we acknowledge the investment of the private sector, we further urge the sector to continue working with us, within the SIP, in expanding broadband infrastructure throughout the country.

Telkom remains integral to the State's broadband ambitions of modernizing and investing in its long distance backbone network.

## **Broadband**

Earlier this month, we closed the public consultation phase on the New Broadband Policy. We are preparing to take this policy to Cabinet in June 2013. The finalisation of this policy will pave the way for ICASA to licence the much sought after 2.6 Gigahertz and 800 Megahertz spectrum, including the extended digital dividend.

By doing this, we will be increasing network capacity, improving coverage, promoting competition and facilitating black economic empowerment.

Let me remind the house that our Radio Frequency Spectrum policy, adopted in 2010, encourages the efficient use of spectrum resources by employing technologies that use spectrum more efficiently.

## **Legislative programme**

In the course of the year, we shall be introducing four legislative amendments.

The Independent Communications Authority of South Africa (Icasa) Amendment Bill deals with the definition of broadband, empowers Icasa to enforce compliance and monitor radio frequency spectrum resources and postal regulation.

The Electronic Communications Amendment Bill seeks to enhance competition and private investment in the sector and ensure that there is effective regulation where market failure is apparent.

On postal regulation; we shall conclude the SA Post Office Amendment Bill this year. The Postbank Bill will also be introduced to align it to the Banks Act.



On DTT Honourable Chairperson,

We are happy to announce that the digital broadcasting network currently reaches more than 80 percent of the population. We have also finalised the subsidy plan for poor households supported by qualifying criteria. We are ready to implement the Set-Top Box (STB) manufacturing strategy which requires 30 percent local content as part of the electronic industry development.

Icasa has finalised the broadcasting regulations. I will shortly be releasing a notice in the Government Gazette setting the performance period for digital migration switch on.

In June 2013, we shall launch the STB compliance lab in partnership with the Department of Trade and Industry and the SA Bureau of Standards.

We have taken a decision to review the policy on the STB control system as one way of fast tracking the rollout of Digital Terrestrial Television (DTT) to make this system non-mandatory.

The DTT transmission network roll out target of 84% population coverage via terrestrial transmitters will be reached by December 2013. Sentech will also launch a Direct-To-Home satellite broadcasting service later this year.

This service will provide TV and radio coverage to the Square Kilometre Array and all other areas where there is no DTT signal.

With regards to DTT Awareness, we shall intensify the implementation of our communications campaigns to inform and educate the public about the need for DTT.

Honourable Chairperson

### **Cost to communicate**

We remain firm to our commitment of lowering the cost to communicate in pursuance of affordable prices for mobile, fixed and broadband services.

The lowering of the Mobile Termination Rates from R1.25 a minute in 2010 to R0.40 from March this year represents a significant milestone in reducing the cost to communicate.

I intend to issue a policy directive to ICASA on transparent pricing of services such as SMS, Voice, and Data, to ensure market pricing transparency for the benefit of our consumers. This policy measure will also ensure that competition is strengthened in the telecommunications market.

## **Broadcasting competition**

As part of our efforts to increase competition in the broadcasting area, I intend issuing a policy directive in the second quarter of 2013/2014, to Icasa to issue a regulation on market definition for wholesale access to premium TV content to address market competition.

In the midst of redefining our broadcasting landscape, 2013 marks the 20th anniversary of community broadcasting. The Department will embark on numerous activities to celebrate this milestone in bringing services to the people.

The Honourable Deputy Minister will give more details on what we plan to do to enhance and strengthen Community Broadcasting.

Honourable Chairperson,

Having a stable and capable leadership team that has integrity is crucial in our endeavour to improve the service delivery goals of our department and our portfolio of State-Owned Companies (SoCs). A stable leadership is crucial to achieving good corporate governance and accountability.

Guided by this desire to improve accountability, we have embarked on a partnership with the Auditor-General to achieve a clean audit by the Department and its SoCs by 2014.

To strengthen the leadership capability within the Department, we have appointed critical skills that will improve our ability to deliver quality services to our fellow South Africans.

Our efforts are evidenced by the halving of the vacancy rate from 24 percent in 2012 to 12.5 percent.

## **SOCs**

Honourable Chairperson,

In 2013 we shall transfer R1.5 billion or 76 percent of our budget to SoCs in our portfolio. The social return on the State's investment has been largely positive.

The stability of executive leadership that we introduced in our SoCs has helped solidify the turnaround of these entities.

Our proudest achievement in the oversight of SoCs is being able to ensure greater alignment of SoCs' strategic goals to the Department's priorities.



## **SABC**

The public broadcaster has accelerated the repayment of its government-guaranteed loan while continuing to bring events of national importance to the homes of all South Africans. The SABC plans to pay the outstanding balance of R222 million within four months.

The SABC can immediately migrate the three existing channels to the DTT platform and launch additional channels in due course.

We are concerned about governance arrangements at the SABC. In this regard I will be consulting with the Portfolio Committee on Communications to explore an urgent review and amendment to the Broadcasting Act.

## **Sentech**

I am happy to report to this house that Sentech is in a healthy state, not only in terms of service delivery imperatives but also financially. This can be attributed to the turnaround efforts that we have put in place since 2009.

## **USAASA**

The Universal Service and Access Agency of South Africa is back on its feet following a series of governance challenges that led to the appointment of a new board. We have brought about stability at the agency and it is now focused on delivering on its mandate.

In the previous financial year, USAASA connected 55 ICT centres and revamped another 80 centres.

## **SA Post Office**

The illegal strike at the SA Post Office disrupted the lives of many South Africans. Many did not receive their letters and parcels for a long time. Others could not access their municipal bills, invoices and educational material. We take this opportunity to unreservedly apologise to all South Africans.

Let me hasten to assure South Africans that we have learnt valuable lessons from this unfortunate experience. We are putting systems in place to ensure that we never go down this road again.

Over the course of the year, the SA Post Office finalised the installation coupon distribution system that will ensure that deserving South Africans receive the State-sponsored STBs.

This financial year the SA Post Office has committed to building 20 new branches, 25 retail postal agencies and deploying five mobile post offices to serve rural and remote locations.

## **Icasa**

We are closely monitoring Icasa to ensure that it is able to perform its key role as a regulator. Part of this exercise will include strengthening governance measures and making sure that the regulator is able to effectively collect and account for revenues due.

## **Job creation**

We continue to monitor sector-wide job creation in line with the National Development Plan. The ICT sector has created more than 37 000 jobs since 2010.

It also contributes an estimated 8 percent to the national economy.

Honourable Members,

The International branch of the Department continues to be the primary vehicle through which we pursue Government's priority of contributing to a better South Africa and contributing to a better and safer Africa in a better world.

Our leadership role has been well recognised internationally. For the first time South Africa was elected to the Council of Administration of the Universal Postal Union (UPU) and now chairs its Future Strategy Committee.

We were also re-elected to the Postal Operations Council that deals with the operational, economic and commercial aspects of the postal business.

South Africa also made an important contribution to the Addressing the World Ministerial debate. This led to Ministers adopting the White Paper in support of the UPU's global declaration to prioritise the development of addressing infrastructure.

South Africa has contributed significantly to the work of the UPU on the development of National Address Systems.



Our use of Global Positioning Systems (GPS) to allocate addresses to people in rural and undeveloped areas proved critical to this.

Honourable Chairperson,

The Department is fully focused on consolidating the transformation of the ICT sector while extending ICT services to all South Africans. We rely on the hard work of the Department's executive leadership and the entire Team DoC to deliver on our mandate.

## **Thanks and appreciation**

Deputy Minister, my heartfelt appreciation goes to you my sister. Thank you for your support throughout the year.

To the Chairperson and Members of the Portfolio Committee on Communications, thank you for your guidance and input.

To the Chairpersons and CEOs of the public entities reporting to the Department and leaders of the ICT industry who have once again demonstrated their patriotism by tirelessly working with us, I thank you profusely for your time and efforts.

Allow me to thank Team DoC for the work they have done. As I encourage you to pat yourselves on the back, be reminded that our task is not complete. We need to achieve the goals and targets that we set for ourselves, some of which are outlined in this speech.

I invite Honourable Members to approve the Budget Vote No. 27 of the Department of Communications.

Thank you.