

## Independent Communications Authority of South Africa

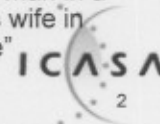
- Presentation to the Portfolio  
Committee -

13 March 2006



## Change

- Change in the communication sector is like a snowball rolling down a hill, the further the hill gets, the bigger it gets and the faster it gets.
- Change is happening so fast and having such wide impact it prompted one CEO in the sector to state:
  - *"planning in this business is like target-shooting from a Ferrari going 200 miles per hour."*
- Change means changing paradigms and mindsets
  - A cartoon being circulated via e-mail recently shows a man in a comfortable chair looking at a mobile and yelling to his wife in the next room "Answer the TV, I'm watching the phone"

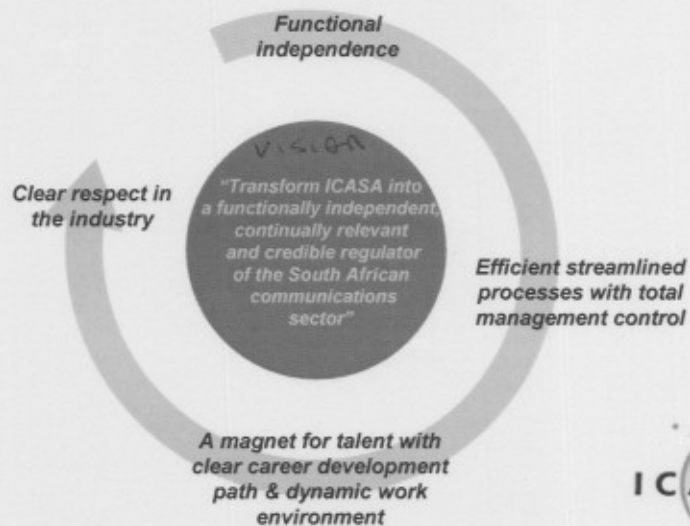


## Roadmap

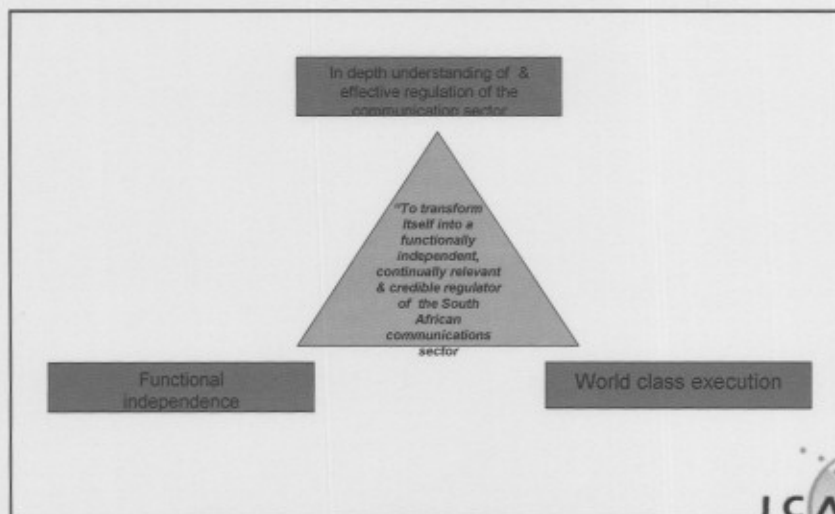
- ICASA Strategy Development
- ICASA Value Drivers
- ICASA Goals
- Strategic Objectives
- Review and Outlook
  - Telecommunications
  - Broadcasting
  - Engineering and Technology
  - Law, Communications, Consumer Protection and Council Support
- Budget
- Government's Programme of Action
- Conclusion



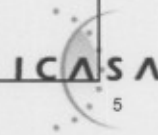
## ICASA Strategy Development "The Journey"



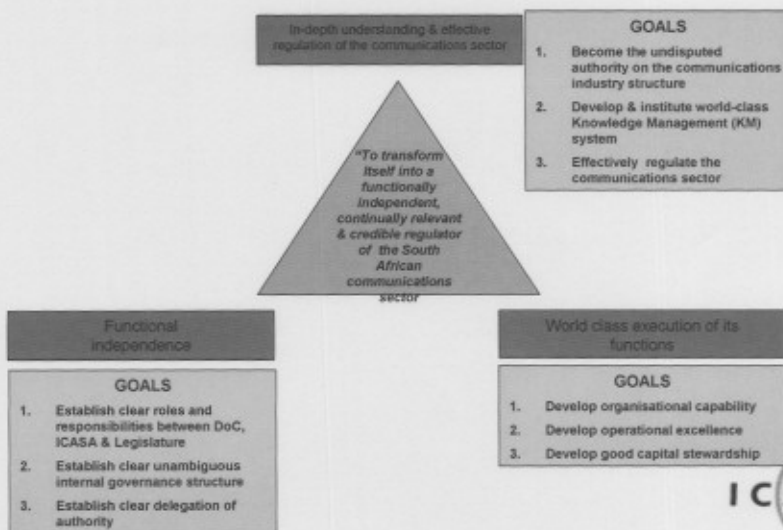
## The ICASA Value Drivers



The ICASA Value Drivers



## The ICASA Goals



## Key Market Issues – 2006 and beyond

- Further liberalisation of the telecommunications market consistent with September 2004 policy announcements include:
  - Technology driven convergence of the broadcasting & telecommunications sectors
  - VOIP
  - VANS & PTNS licensing
  - Self provision of infrastructure
- Second Network Operator (SNO) has been licensed
- R60 billion telecommunications sector still growing
- Promulgation of Electronic Communications Bill
- Growth in media adspend R17billion
- Broadcasting sector consolidation in view of market conditions
- 2010 World Cup
- Digital Migration



## Strategic Objectives

ICASA's strategic objectives are informed by government's policy directives as well as legislative imperatives:

- Promoting affordable delivery of services and universal access
- Encouraging investment in the communications sector within a stable and regulatory regime
- Encouraging the development of a competitive and effective communications sector
- Promoting and facilitating convergence of telecommunications, broadcasting and information technology



## Strategic Objectives (2)

- Fostering the development of public, commercial and community broadcasting services that are responsive to the needs of the people
- Promoting the provision of a diverse range of sound and television broadcasting services on a national, regional and local basis
- Bridging the Digital Divide
- Implementation of the ICASA Amendment Bill and the Electronic Communication Bill (ECB) once promulgated



## Telecommunication Services



## Major Deliverables for 2006/07

- Undertake Market Intelligence to achieve improved knowledge that would enhance effective sector regulation.
- Conduct market study in order to determine the various market within the communication sector.
- Conversion of licences in accordance with the Electronic Communications Act.
- Review all regulations pertaining to the licence categories in accordance with the requirements of the Electronic Communications Act.
- Review Interconnection and Facilities leasing guidelines to ensure reasonable access to facilities and wholesale services at fair prices.
- Preparation for implementation of Mobile COA/CAM regulations to ensure better understanding of operators' businesses, informed regulatory decisions and reasonable prices for customers.



## Major Deliverables for 2006/07

- Undertake an enquiry into policy considerations for people with disabilities to ensure they have reasonable access to telecommunications services
- Issue licences to 14 under-serviced areas and thereby improve Universal Service and Access in those areas. Process applications for the 3<sup>rd</sup> and final phase of USALs which will have total 27 areas licensed.
- Promulgation of numbering plan and implementation of Numbering Database.



## Broadcasting Services



## Major Deliverables for 2006/2007

- Revision of licensing policies and the issuing of associated regulations in accordance with the Electronic Communications Bill (ECB), once promulgated.
- Reviewing the Commercial Free-to-air television policy and introducing competition and new players in Commercial Free-to-air Satellite Broadcasting.
- Introducing competition by licensing new players in the subscription broadcasting arena.
- Introducing competition by licensing new players in the secondary commercial sound broadcasting markets.
- Introducing new players in the community televisions sector by issuing an ITA for Community Television.



## Major Deliverables for 2006/2007

- Inquiry into Adult Content to facilitate a strategy to regulate adult content to protect minors, and co-ordinate with the FPB with whom ICASA shares jurisdiction in this area.
- Development of policy on Children's and Women's programming to ensure that these sectors of public interest are being met in terms of entertainment and educational programming.
- 5<sup>th</sup> World Summit on Media for Children, preparations underway.
- Maintenance of regulations, relationships with stakeholders and facilitating public awareness of policy and regulations.



## Engineering and Technology Services





## Major Deliverables for 2006/2007

- Completion of LS Software Integration
  - Spectrum Management and Planning Tool
- Review equipment specifications
  - Introduction of new standards in conjunction StanSA
- Annual Publication of Terrestrial BC frequency plan
- Spectrum licensing/fees
- Satellite licensing framework



## Major Deliverables for 2006/2007

- Radio Frequency Spectrum Audit
  - Update of licence records in order to license new entrants. Frequency Spectrum audits of Major Operators.
- Planning of Digital Broadcasting Bands
  - Develop and effective Broadcasting plan that gradually introduce digital broadcasting and protect the existing and planned services in the band.
  - SA contribution submitted to the ITU via DoC. Attendance of ITU migration meetings planned for. SATFA and Annual Broadcasting Frequency Plan will be reviewed



## Major Deliverables for 2006/2007

- Migration of 3G frequency spectrum band
  - Clear band for licenced SNO and Mobile operators
- Completion 800 MHz sharing study
  - Possible introduction of CDMA technology
  - Notice of intent for sharing has been published.
- Alignment of SATFA with Convergence Act
- 5.8 GHz Enquiry to be published
- SKA (Square Kilometre Array) Project
  - ICASA do terrestrial interference surveys for the SKA bid



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## Law, Communications, Consumer Protection And Council Support



## Major Deliverables for 2006/2007

- Support Council to ensure compliant decisions to minimize litigation.
- Defend decisions from legal challenge.
- Support regulation making processes to implement all policies and projects, and the Electronic Communications Bill and ICASA Amendment Bill, to ensure certainty of the regulatory framework.
- Intensify marketing and branding of ICASA.
- Manage information by creating interactive content on the website; increasing stakeholder liaison and attending media and public enquiries.



## Major Deliverables for 2006/2007

- Intensify outreach programmes with road shows; community workshops; partnerships with consumer bodies; consumer committees and dedicated ICASA consumer days to increase public awareness on telecommunications services, the rights of consumers and the implications of the Electronic Communications Bill on consumers.
- Ensure compliance with the codes of conduct by operators, including the code on the service needs of people with disabilities
- Translate all information material into all official languages.



## Major Deliverables for 2006/2007

- Identify major consumer issues to institute public processes and;
- conduct consumer research.
- Benchmark ICASA activities with international best practices through international and regional participation.



## Consumer Protection

- Ensure consumers are educated on their rights
- Ensure that consumers are educated on lodging complaints
- Ensure complaints procedures is simplified even further
- Ensure that outreach programmes focus on the youth, women and nodal points



## Approved Budget 2005/2006

ICASA  
BUDGET 01 APRIL 2005 – 31MARCH 2006

2005/06 Grant	144, 489, 000	- Note 1
2005/06 Interest received	<u>12, 500, 000</u>	- Note 2
Total Expected Revenue	<u>156, 989, 000</u>	

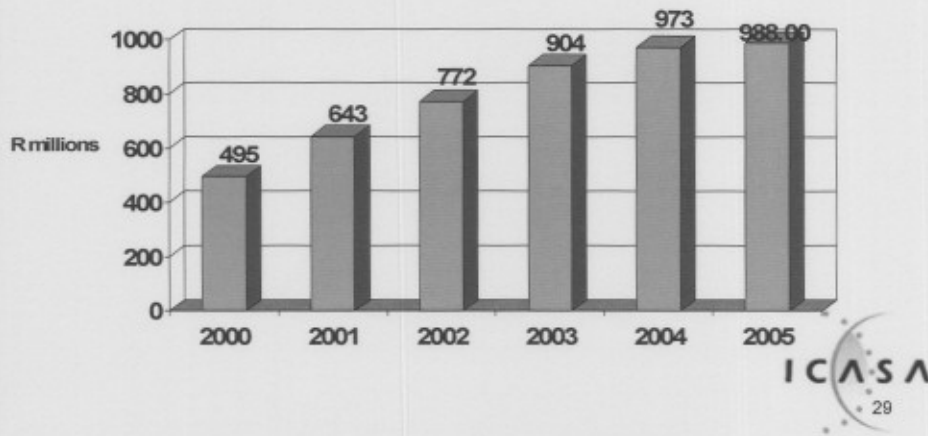
### Notes

1. Budget approved per DOC letter dated 14/01/2004, as published in the Estimates of National expenditure 2005. Further, this has been confirmed in a separate meeting with the DOC on 23 January 2006
2. Interest received of R 12.5 million is granted in terms of National Treasury letter dated 26 May 2005, with reference to National Treasury Circular dated 12 July 2004, relating to "Retention of Surplus Funds", which deals specifically with 1. "Interest Earned" and "year-end Surpluses"
3. These "SURPLUSES" refer to operational surpluses and not "CAPITAL ROLLOVER".





## Licensing Revenue Trends



## Programme of Action

Reducing the Cost to Communicate, increased competition and greater diversity

- Introducing competition by licensing new players in the subscription broadcasting arena.
- Reviewing the Commercial Free-to-air television policy and introducing competition and new players in Commercial Free-to-air Satellite Broadcasting.
- Licensing under-served areas.
- Ensure a legally sound regulatory framework to support policy.
- Ensure consumers are educated on their rights and to lodge complaints.



- Revision of licensing policies and the issuing of new regulations in accordance with the ETR regulatory constraints on communications infrastructure tariffs.



### Building South African identity

Africa's cultural and developmental goals.  
the ETR with whom ICASA shares jurisdiction in this area.





## Programme of Action

### Supporting Cooperatives and Modern ICT's in development nodes

- Proactive licensing of community sound broadcasting licensees in the nodal points.
- Promoting South African and other programming quotas requirements to stimulate the local independent production sector (SMMEs) in South Africa
- Encourage ownership of licences by HDI's particularly women, youth and people with disabilities under the USAL project.

### Skills and Education

- Youth programmes to inform public on opportunities in sector and through licence applications.

### BEE Charters and Codes of Good Practice

- Educate consumers
- Enforce compliance with codes



## Programme of Action

### Implement Outcomes of International Conferences:

- Action decisions of International and regional organisations
- Participate and contribute to regional regulatory drafting through committees
- Participate in hosting World Summit on Children
- Implementation of ITU plans of action.



## Programme of Action

### Promote Equity and Development

- Promote Human Resource Development in the Broadcasting Industry by setting targets in the form of license conditions for licensees to meet.
- Taking cognisance of governments broad based black empowerment objectives when licensing new entrants



## Conclusion

- Revision of licensing policies and the issuing of associated regulations in accordance with the Electronic Communications (ECA), once promulgated.  
Implementation of new Convergence legislation
- Planning of Digital Broadcasting Bands
- SKA (Square Kilometre Array) Project
  - ICASA do terrestrial interference surveys for the SKA bid
- Support regulation making processes to implement all policies and projects, and the Electronic Communications Bill and ICASA Amendment Bill, to ensure certainty of the regulatory framework.

