

1.7 CHAIRPERSON'S FOREWORD



This year marks twenty years of sector-specific regulation for the South African broadcasting and telecommunications sector. South Africa was one of the first countries to follow the International Telecommunications Union advisory to establish sector-specific, national regulatory agencies. The advisory was opportune for South Africa, as the country was navigating to a new democratic dispensation - a process in which the Authority played an important role in relation to the coverage of party political activities. The rationale for the advisory was to assist member countries to introduce competition to erstwhile monopoly markets, and to introduce independent regulatory authorities to the burgeoning information and communication technologies.

Postal regulation was later added to the responsibilities of the Authority almost a decade later.

Looking back, I can safely say that South Africa has made considerable strides in introducing competition and diversifying ownership in the broadcasting and telecommunications sectors. However the question at the heart of the Authority's role is how effective is competition in these sectors?

It is against this background that the Authority reviewed its strategy at the end of the 2013/14 financial year, to make sure that it addressed the effectiveness of competition in the sector. This intervention was also meant to address a matter of emphasis raised by the Auditor General, that Authority needs to improve its performance and deliverables in relation to its commitments, as outlined in the Strategy and Annual Performance Plan.

The reviewed strategy, to improve the Authority's performance, is anchored on four key areas, namely:

- Reducing the Cost to Communicate;
- Licensing High Demand Spectrum;
- High-level Inquiry into Competition; and
- Digital Terrestrial Television.

These four programs have an important bearing on the promotion competition in the broadcasting and electronic communications sector, and opening up opportunities for historically-disadvantaged people, as well as small and emerging entrepreneurs, to enter the ICT industry.

The four priority programs also complement each other. The enhancement of competition in the electronic communications sector, for example, has potential spin-offs for consumers in terms of quality of service, affordability, universal service and access to voice and data services.

The introduction of competition to the subscription television market features prominently on the Authority's radar. There is an urgency to define and regulate premium content in order to enable competition and diversity in the subscription television market.

Whilst digital migration promises a plethora of new, terrestrial television services at both national, provincial and local levels, on the other hand, the Authority views the determination of the cost of digital terrestrial signal transmission as a priority.

In March 2014, the Authority published new Call Termination Rates as part of the overall strategy to reduce costs to communicate. However, but the introduction of the new rates have been put on hold in order to allow judicial review processes to run their course on this matter. To date, the Authority has reduced wholesale interconnection costs between networks from R0.89 to R0.40, over a three-year period, between March 2010 and March 2013.

I would err if I left out the regulation of postal services. The South African Post Office promises to be the delivery arm for universal service and access, including broadband and financial services, to millions of our people in all areas of the country. Courier services in the non-reserved sector also play an important role in the country's economy.

It is important for the Authority to play an enabling and supportive role to all operators in the postal, broadcasting and electronic sectors, to ensure that the developmental needs of the country are met.

The Authority's supporting role for the country's democratic system was, once again, demonstrated with the promulgation of the Election Broadcasting Regulations for the May 2014 General Elections. Much like the role it played during the watershed 1994 transition to democracy, the Authority drew the involvement and participation of all political parties into its processes.

When hundreds of world media organisations descended on our shores for the state memorial and funeral service of former President Mandela, the Authority was on call around the clock to issue radio frequency spectrum licences for satellite news gathering equipment to enable the broadcasting of these historic national events across the world. In addition, lines of communications were secured for thousands of dignitaries, including Heads of State. It is this meticulous provision of support to events of national and international stature that attracted the Brazilian national regulatory agency Anatel (Agencia Nacional de Telecomunicações) to conduct a study visit four years ago regarding their hosting of the FIFA World Cup tournament.

The same could be said about sister regulatory agencies across the continent when they come to visit not only the Authority, but South African signal distribution, broadcasting and electronic

communications operators as well. Indeed, the Authority plays an important role in the regulatory sphere of the Southern African Development Community, and has also visited fellow African countries such as Tanzania and Kenya in the past on fact-finding missions.

At the operational level, the Council's intervention to temporarily assume operational responsibilities, by having regulatory divisions report directly to Council, has borne fruit. For the second consecutive year, the Authority has received a clean audit for the management of its finances. All operational responsibilities have since been returned to the Chief Executive Officer.

I take this opportunity to welcome Mr Pakamile Pongwana, the Chief Executive Officer of ICASA, and promise to provide him with the necessary support he needs to execute his duties. This same commitment applies to all Councillors, executive management and employees of the Authority.

The year 2014 is also a time for leadership change for the sector. Just a few months ago, the industry and the sector welcomed the appointment of Ministers Faith Muthambi and Dr Siyabonga Cwele to the Departments of Communications and Telecommunications and Postal Services respectively. Minister Muthambi is responsible for administering the ICASA Act and is the appointing authority for the regulator.

The parliamentary overseeing role is conducted by two new committees led respectively by Chairpersons Ms Joyce Moropa-Moloi - the Portfolio Committee on Communications, and Ms Mmamoloko Kubayi - Telecommunications and Postal Services (TPS). I have already attended some of the public hearings of the joint committee and have expressed the Authority's support and co-operation.

Finally, on behalf of the Authority, I am extremely grateful to the services rendered by Councillors William Currie, Joseph Lebooa, Miki Ndhlovu and William Stucke during their four-year term of office, and wish them well.

Dr Stephen Mncube
Chairperson

