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THE INPUT OF THE MINISTER OF COMMUNICATIONS, DR IVY MATSEPE-CASABURRI, FOR THE PARLIAMENTARY MEDIA BRIEFING, 20 FEBRUARY 2003, PARLIAMENT, CAPE TOWN.

In August 2002 the Ministers of Economic and Employment Cluster outlined the challenges faced by South Africa and indicated the programmes to be put in place in addressing them. The overall thrust of these programmes is the eradication of poverty and improvement of quality of lives of our people.

At the centre of government initiatives lies economic growth and development. In advancing this objective the Department of Communications has embarked on development and implementation of appropriate Information and Communications and Technologies (ICT) policies and programmes in line with governance national priorities targeted at eradication of poverty and improvement of the quality of lives. The main areas of focus relate to the roll out of economic infrastructure, expansion of economic opportunities, human resources development, expansion of the services sector, management of regulatory environment and job creation.

#### TELECOMMUNICATIONS

The liberalisation of the telecommunications sector took another major stride as we moved closer to the introduction of the Second National Operator into the market in the post exclusivity period of Telkom.

We have since accepted the recommendation of the Independent Communications Authority (ICASA) to award a BEE 19% stake in the SNO to NEXUS Connection and thus making them partners with Transtel and Esitel as part of the process.

The outstanding 51% stake set aside for national and/or international strategic investor is still to be allocated after failure to get the required investors. As you would know by now that the bidding companies - Goldleaf and Optis were not recommended by ICASA for this equity stake, the view with which I concurred.

I have since outlined the process to award the 51% stake in the SNO by way of expression of interest to pre-qualify for a competitive negotiation and or one on one negotiation. To take the process forward an SNO Committee has been established under the chairpersonship of Pakamile Pongwana, Deputy Director-General of Telecommunications in my department.

An invitation to express interest will be issued in due course so that the introduction of competition is brought to speedy finality. Although we would have wanted to have a new competitor sooner, global economic factors beyond our control dictated otherwise. However with a current gradual recovery of the telecomms market we hope to get a positive response.

#### E-COMMERCE

South Africa has joined the developed world in creating the policy framework for entering the world of e-commerce after the President signed the Electronic Transactions Act into law in July 2002 and came into effect promulgation on 30 August 2002.

The first step in this process has been the appointment of an independent selection panel consisting of the following five persons:

Mr. Mike Lawrie: Current administrator of the .za Country Code Top Level Domain.

Mr. Ryk Meiring: An attorney specialising in intellectual property law.

Dr Sebiletso Mokone Matabane: Currently serving as the Chief Executive Officer of Sentech.

Ms Zodwa Manase: Current chairperson of the State Information Technology Agency (SITA) and a qualified Chartered Accountant.

Mr. Sello Matsabu: Currently director of the Information, Communications and Space Technologies business unit at the CSIR.

A call for nominations was sent out to the public, through various media, towards the end of October 2002. The closing date for the nominations was the 29th November 2002. This closing date was subsequently extended to the 15th of December 2002, after certain considerations by the selection panel. On the 21st of November 2002, a selection panel was appointed and subsequently introduced to the public.

In response to the public notices for nominations of the board of directors, the panel received eighty (80) nominations from various stakeholders.

#### UNDERSERVICE AREA LICENCES

In line with our objective of attaining universal access we have issued the invitation to apply for telecommunications licences in the ten (10) identified underservice areas. Two of such areas have been identified per province in the following provinces: Limpopo, KZN, North West, Eastern Cape and Free State. The closing date of application is 30 April 2003.

This initiative will open opportunities for SMMEs to enter into the ICT business sector at a much wider scale and in the process create job opportunities much to the benefit of the rural communities.

#### 112 EMERGENCY SERVICES

The establishment of the 112 emergency centre is under way. Building of the premises is due to be completed shortly, after which installation of the technical equipment will commence. AST was appointed to develop and install the 112 Centre.

In terms of the roll out plan, the process will entail technical Solution development in a Lab, cabling and installation of equipment conducting of acceptance test procedures, hand-over of 112 centre to Department, product training for call centre agents April, live testing of system, and launch of the centre.

#### TELKOM

In the telecommunication sector our policies find concrete expression, in the main, in the programmes and projects implemented by Telkom and Sentech. Such are key initiatives related to infrastructure development, skills development, Black Economic Empowerment, technological innovations/ development and social development.

Telkom's infrastructure base has grown rapidly since 1998. New access lines have been installed, expanding the network, particularly in under serviced and rural areas. To support an expanded network, Telkom has installed new exchange units, ports, optical fibre and transmission

circuits. Telkom's network serves some 5 million customers including a major payphone and prepaid network.

Telkom's network expansion has connected 2,699 villages for the very first time. It has reached 20,577 new priority customers, including schools, clinics, and hospitals in the five years of exclusivity.

Telkom had installed 132,990 new payphones as at 31 March 2002. The prepaid network, established towards the end of 1999, connects 707,881 customers up to 31 March 2002. It was one of the world's first wire line prepaid systems.

To meet service targets has required a major modernisation programme of the analogue network. There has been significant increase in the number of digital exchange units from 3,019 units in March 1998 to 4, 083 in March 2002. Telkom's network is now 99.8% digitised.

The Company has quicker installation times, faster repair times and lowered fault rates.

Average installation time for commercial customers shows that Telkom is installing lines in 5 days for the year ending 31 March 2002. Average installation time for corporate customers is 3 days for the same period. The average installation time during 2002 for residential customers is 8 days, and has improved 56% from 18 days the previous year.

Also during 2002 an average 99.8% of residential customers have their lines installed in 120 days and 95% in under 28 days. (120 days and 28 days are measures used in Telkom's licence targets).

The company has improved the repair rates and during 2002 repaired 94% of residential faults in 48 hours, compared to 65% in 1998. It also cleared 96% of business faults in 48 hours, exceeding the licence target of 86%. Due to the high level of cable and copper theft we have seen an increase in the residential fault rate per 1,000 lines from 518 in 2001 to 528 in 2002. The business fault rates per 1 000 lines improved by 5% from 279 in 2001 to 265 in 2002. Commercial and corporate repair times average 23 and 15 hours respectively.

On average 95% of coin operated payphones were accessible to customers throughout the year 2002 and 98% of card operated payphones were useable, compared with 88% and 95% respectively in 1998.

Telkom uses the latest technologies to meet bandwidth needs including Integrated Services Digital Network (ISDN), Asynchronous Transfer Mode, (ATM), Asynchronous Digital Subscriber line (ADSL) and Dense Wave Division and Multi Plex (DWDM).

Multiplexing (DWDM) that allows higher speed and higher capacity transmissions. This technology provides a sound platform from which to support Internet Protocol. Telkom commissioned the first DWDM system on a fibre ring in July 2000. It is now deployed on all major inter-city routes.

Telkom has actively recruited to meet new skills needs and to keep ahead of the pace of change in the telecommunications industry. However, where possible the company has encouraged skills transfers, moving staff within the business. Since 2000 a total of 3,310 employees were transferred to outsourced entities.

Telkom committed to a major training programme in 1997 and has spent R2.4 billion on training over the past five years. Telkom employees got 3.3 million days of training over the five years as a result of this programme and Telkom's Centre for Learning sponsored 29,398 annual tuition plans for the same five years. On average Telkom, employees have each received 12.7 days training per annum, and over half of it was technical training.

Gender imbalances in the workforce are also being addressed through female recruitment and promotion where possible. The percentage of female staff in the workforce has improved significantly since 1 April 1997.

Telkom has actively ploughed back benefits to redress social imbalances experienced by the historical disadvantaged groups. Not only has Telkom provided extensive support of educational, job creation and childcare projects through Telkom Foundation, but it has also provided scholarships, student loans, and postgraduate support through Telkom's Center for Learning (CFL) and Centres of Excellence (COE). Thintana, Telkom's Strategic Equity partner has also managed its own extensive social investment programme.

Over the past two years Telkom Foundation has spent R40 million on educational, job creation and childcare projects. Telkom's Strategic Equity Partner, Thintana, has also spent significant amounts on educational and social causes, including R30 million on the Thintana Project for national student finance aid over four years.

Telkom has provided 2,455 annual scholarships to students at University and 1,412 annual scholarships to students at Technikons. Telkom's COEs have sponsored 35 students in postgraduate studies in 2001, of which 13 were non-AA students.

Telkom also follows policies to actively support BEE companies and broader economic empowerment, which includes women and disabled people. In 2002, total BEE spend was 49% of procurement spend, or R4.6bn. Spend with significant BEE companies increased from R598 million in 1998 to R2.7 billion in 2002. Of the total BEE spent in 2002, 41.8% was with black companies.

Telkom's BEE programme also provided training to 273 BEE companies and created 196 new jobs in 2001. This is in addition to other job creation initiatives within Telkom's Social Plan agreed to by organised labour, which have seen 1,084 sustainable jobs created through awarding of contracts worth R41million up to 31 March 2001.

## SENTECH

Sentech received its Multimedia and International Gateway licences on 7 May 2003. Sentech has started the phased rollout of its Multimedia Network and will be offering a select number of products from the end of February 2003. The Multimedia Business will be launched at the end of June 2003.

Sentech's International Gateway is operational and the company has signed its first customer, namely one of the South African mobile operators. Commercial agreements with other operators are to be concluded in due course. The international gateway infrastructure is being expanded in anticipation of increased voice traffic.

Sentech is also a co-sponsor of the ISSETT SETA bus with the expressed aim of introducing technology to people in the rural areas around the country.

Sentech, for the second year running would be the anchor sponsor of the ICT Career Convention. The inaugural ICT Career Convention was launched in Soweto in 2002 and in 2003 is scheduled to take place in Polokwane on 6 March.

## BROADCASTING

The process to democratise South African airwaves received a major impetus when the broadcasting Amendment Legislation was processed through the parliamentary system starting with public

hearings in September and subsequent tabling in the National Assembly in October and in the NCOP in November. The substance of this legislation is to address major challenges that confronted our broadcasting dispensation. Some of the key challenges addressed are:

- \* An equal access to TV broadcasting in indigenous languages
- \* Lack of appropriate content in programme
- \* Poor standards of news reporting
- \* Exercising freedom of expression in line with the constitution
- \* Lack of policies to guide editorial, programming, and language

The Bill was passed by two houses of Parliament and referred to the State President for signing into law; the president has since signed this into law on the 4 January 2003.

This year we will be seized with the major task of implementing this legislation, which requires that we play our role in ensuring that the law is translated into concrete deliverable programmes. The SABC and ICASA will have to play an important role in effecting some of the key provisions of the law. On our part we will be executing the following responsibilities:

- \* Facilitating the conversion of SABC into a public company
- \* Facilitating the rollout of the regional television services
- \* Finalise the legislative process that will provide the repeal of the North West Broadcasting Corporation Act
- \* Development of regulations relating to the collection television licence fees

The implementation of the Broadcasting Amendment Act will result in a better definition of public and commercial broadcasting services and the matching of these policies to our expectations. For the first time and during this year the SABC will allow for public input in the development and finalisation of its policies. The public input will shape such policies as the news editorial policy, programming policy, local content policy, educational policy, universal service and access policy, language policy and the religious policy.

The Corporation, in implementing this new law, will also be required this year to apply to the Authority for the licensing of regional services that will broadcast in the South African languages that are presently marginalised in our broadcasting system.

It will be a busy year for the Independent Communications Authority with respect to broadcasting activities. At the start of the 2003/2004

financial year the Authority will conduct a process to re-license and design appropriate licensing conditions for the Public and Commercial Services of the SABC. This process will help translate both the provisions of the law and the SABC policies into practice.

Later during the year ICASA will conduct a process to ensure that all broadcasting entities that are currently offering services without licenses are brought within the regulatory purview in order to ensure adequate representation of South African programmes and needs.

## CHALLENGES OF CONVERGENCE

The developments in the ICT sector are moving with high speed in terms technological innovations leading to the blurring of dichotomies which traditionally characterise the sector. These developments are more glaring with the merging of technologies in the area of devices such as telephony, television and personal computing. This is a global phenomenon we cannot ignore lest we remain on the periphery of modern civilisation.

In response to this challenge we will be embarking upon a process to develop the policy framework to facilitate convergence of technologies in the ICT environment. Before the policy is developed my department will be convening a national colloquium to share ideas and experiences that would inform the policy options to be chosen. This Indaba will take place before the end of March 2003 and thus pave the way for the policy to be processed through parliament.

## SABC

In the broadcasting sector the SABC plays a central role in the implementation of policies and programmes as part of its public mandate. Over the past year the SABC has made giant strides towards achieving universal access as reflected by the fact that from 83% a year ago, the reach of SABC1 has expanded to cover 89% of the country; the SABC2 footprint now extends to 91%, up from 85% last year; and SABC3, is at 77%.

The SABC has made good progress towards achieving the critical goal of universal access to all its services via terrestrial broadcasting networks. Although satellite transmission has gone some way towards alleviating the lack of electronic media services in areas where broadcasting transmission is extremely difficult and costly.

The primary objective for the SABC in 2003 is to finalise the corporitisation process. In the process of corporitisation, the



broadcaster is working closely with the Department of Communications to address all the matters that have yet to be settled, with the aim of ensuring that conversion proceeds smoothly and is accomplished soon.

Critical for the SABC this year, is the completion of its editorial policy development process; once the Board has approved drafts, these will be made available for public comment. This entire process is expected to be completed by end June.

The Board has already approved draft policies in regard to the SABC's public broadcasting service values, principles and editorial codes, general programming policies and news editorial policies. These are expected to be made available for public comment during the month of March. The conclusion of this process will see the SABC's role as a public broadcaster defined in more detail, clarifying how it will contribute to our Constitutional and broadcasting goals, and providing a basis for evaluating its performance.

Another important objective for the SABC is to comply with the local content targets for its broadcasting services, which are set by ICASA. This effort will go a long way in promoting local talent and stimulating the South African television production industry

The SABC will continue to increase the local content on all its radio and television services, towards achieving the new - increased - targets set by ICASA, which come into effect in August 2003. An important part of this project is to increase services in the indigenous languages. To this end, further news bulletins and current affairs programmes are planned for this year, particularly in the marginalised languages.

In the regulatory sphere, SABC's broadcasting licences for its radio and television services are due for amendment applications this year. In respect of the renewal of its television licenses, the SABC's applications have already been submitted to the licensing authority ICASA. However, it is our understanding that ICASA will focus in particular on the licenses amendment process.

## REPOSITIONING THE POST OFFICE

Government's commitment to effective social service delivery requires extensive infrastructure, and this is where the Post Office can be strategically repositioned to play a key role. In order for this to happen government needs to reconsider its current Post Office Policy

within the context of initiatives such as ISRDS and e-government strategies. Consultation on this matter, with other government departments, SAPO and the Social Cluster of Directors General is ongoing.

It is hoped that the matter will be taken to Cabinet at the beginning of the new financial year for it to take an in principle decision to recognise the ability SAPO has to become a financially sound organisation through which government can channel critical components of its social delivery programme.

#### NATIONAL ADDRESS SYSTEM (NAS)

To develop a national address system which will ensure that every citizen has an address is a national priority. In pursuance of this national objective a strategic document on the national address system has been developed. Desktop research was conducted on systems of other countries and we have since identified Finland, Canada, Lebanon and Scott County in Iowa in the US for benchmarking. All these initiatives would inform us in developing an enabling legislation for the national address system for our country. Legislation will be submitted to Parliament during the second term of the year.

#### ROLLOUT OF INFRASTRUCTURE

To rollout and implement the sustainable plan of the communications infrastructure and related services to rural communities and those from historically disadvantaged areas, DoC is collaborating with GCIS to establish Multi Purpose Community Centres (MPCCs) in line with the objectives of ISRDP/Urban Rural Strategy initiatives. Thirty-one (31) MPCCs have been launched thus far. The DOC's role in this strategic project is to provide communication infrastructure in the form of computer terminals connected to Internet, telephony as well as public Internet terminals.

The Department of Communications jointly with the South African Post Office (SAPO) launched five Citizen Post Offices (CPOs). These CPOs form part of 25 outlets that have been earmarked for opening across the country. In 2002 CPOs were launched in Thaba Nchu, Nongoma, Flagstaff and King Williamstown and the launch of the CPO in George is scheduled for the first part of April 2003.

The CPOs have been established to provide a dedicated, specially designed space inside an existing post offices, especially in the rural areas, where communities will have access to both traditional

communication services and new and emerging electronic communication services.

A phased approach has been adopted in the rollout of the CPOs. Seven pilot sites are earmarked for rollout before the end of this financial year. The rollout of the remaining 11 sites as identified will be done in the coming financial year.

Another joint venture between the Department of Communications and SAPO is the introduction of Public Internet Terminals (PiTs). PiTs are located in post offices and other access sites around the country and are intended to bring electronic communication services and Internet facilities to the public. The public can have access to issues such as government forms, government information, e-mail facilities, Internet browsing, education services, et cetera. We are considering other applications such as accessing the PiT's website and services from desktop computers at [www.pit.co.za](http://www.pit.co.za), sending an 'SMS' from the PiT to the cell-phone.

Intergovernmental projects are also in the pipeline where we will be working with the Department of Health on the project on Telemedicine. Community websites have been planned for and will be developed especially for the rural communities.

In the financial year 2001/2 hundred PITs were established countrywide. The first mobile PiT unit was launched during World Post Day on 9 October 2002 in King Williamstown. Each province will have a PiT truck and there will be one built for the President. We are planning to have 200 new design kiosks to be manufactured during this financial year.

#### **SOUTH AFRICAN POST OFFICE (SAPO)**

SAPO is playing a pivotal role in the development of infrastructure geared at bridging the digital and information divide between urban and rural SA. Key infrastructure projects relate to the provision of banking facilities for the unbankable masses, connecting the people through the expansion of addresses, and provision of services as the preferred authentication service provider in terms of ECT Act.

Postbank is being restructured so that it could become a focused savings bank targeting the poor and rural areas.. It provides banking products and render services to the lower end of the South African market, viz. people in the low-income bracket. The corporatisation of Postbank is also under consideration.

The expansion of addresses to previously under-serviced areas continues. This project ensures that every citizen of South Africa, irrespective of location in the country or economic status, has got an address. The Post Office is committed to providing every household in South Africa with a postal address. The Post Office delivers mail to 6,5 million addresses. Of these, 3,4 million are street addresses and 3 million are post boxes. The aim is to eventually install 5 million additional address boxes within the next few years.

In terms of the Electronic Communications and Transaction Act signed into law recently, the Post office has been chosen as the preferred authentication service provider, although not given exclusivity. The Post Office is continuously hard at work to develop strategies for it to operate efficiently and effectively in e-business. The ECT Act will be put into action during February 2003 through the payment of pensions in the North West Province. This will facilitate the payment of pensions through the use of biometrics that will not only make it a world first through the use home-grown technology, but also ensure safety and security of pensioners.

The Post Office has participated in the World Summit on Sustainable Development hosted by South Africa in Johannesburg from 26 August 2002 to 4 September 2002.

Besides the Post Office rendering a postal service to the delegates, great emphasis was placed on the linkage of the rural communities to an event of this magnitude which directly addressed the issues of importance to these peoples day-to-day living. The Summit's theme focused on "People, planet and prosperity" which encapsulates Sustainable Development through: economic development, social development; and environmental protection.

The Post Office issued a booklet of stamps in honour of Nelson Mandela, under the theme 'The many faces of Nelson Mandela'; to celebrate the many roles played by Nelson Mandela in South Africa. The Post Office also issued a set of stamps to commemorate Youth Day.

The Post Office played a role in the World Conference Against Racism held in Durban by issuing a series of stamps to commemorate this event. Commemorative envelopes were also issued along with the stamps.

In addition the Post Office issued a stamp to commemorate the launch of the African Union. The official launch of the stamp was held in Durban on 1 July 2002, where framed sets of this stamp were handed

to President Thabo Mbeki (in absentia) and Deputy President Jacob Zuma.

The 21st Ordinary Session of the PAPU Administrative Council was held in Durban in June 2002. Apart from participating in the Council sessions as a member of PAPU, the Post Office also hosted a farewell banquet for Council Members on 13 June 2002. The Post Office also issued a set of stamps in honour of the occasion, framed sets of which were presented by Andile Ngcaba, Director-general of the Department of Communications to the Secretary-General of Papu and the Deputy Director-General of the International Bureau of Papu. The Chief Executive Officer of the South African Post Office was elected to the Strategic Board of Papu.

The Post Office developed an educational tool in collaboration with READ Educational Trust. This project focuses on:

- \* Establishing links between the South African Post Office and communities;
- \* Increasing awareness, knowledge and community perception of the company;
- \* Positioning the company positively in the communities it serves;
- \* Promoting the use of the Post Office's products and services; and
- \* Building the image of the company.

So far, the project has covered 900 schools with a total of 4 000 learning books having been distributed.

The Post Office introduced a bursary scheme for full-time study. This scheme targets needy students who did well in their matriculation examinations and cannot afford to further their education. The bursary is awarded to students in two categories: children or dependants of Post Office employees and needy students from anywhere in South Africa even if the parents/guardians do not work for the Post Office. The bursary is awarded for the studying in the faculties of IT, Finance, Engineering, Law and Medicine.

The Post Office has made significant progress in terms of the amount of business outsourced to black economic empowerment companies. The percentage of business given to BEE companies has raised from 6.8 per cent to 37.8 per cent, which represents just over R182 million. Tremendous strides have been made by the Post Office in the implementation of the employment equity as evidenced by the representativity in its Executive Committee. When the current CEO took over, there were 14 whites and 2 blacks in the Executive

Committee (then known as the Management Board). Currently there are 14 Blacks and two whites. Four of the EXCO members are women.

The Post Office's third-party services were also expanded and now includes big clients such as Edgars, Metropolitan, Eskom, et cetera. The payment of motor vehicle licences is also another third-party transaction that can be done through the Post Office (but only in KwaZulu-Natal).

The Post Office embarked on an aggressive marketing campaign to address both the efficiencies and focus areas not often spoken about in the public. This saw the launch of the "Where's George" advertisement to address the correct addressing of mail, the Secure Mail advertisement to address the efficiency within the Post Office systems and procedures and the Security advertisement that drove the message of "open mail, go to jail" and zero tolerance to fraud and corruption home real hard, both internally and externally.

The Post Office has adopted an attitude of zero tolerance towards crime. Corrupt employees are dealt with irrespective of their position in the company. From April 2002 up to December 2002, 277 employees were dismissed for postal crimes, 13 of these were managers. Currently 10 managers and 72 non-managerial employees are on suspension for postal crime. From April 2002, 59 persons (including members of the public) were arrested for postal crime.

The close working relationship between Security and Investigation Services in the Post Office and SAPS, Scorpions and National Intelligence Services has made a positive impact in the fight against postal crime.

Both an Employee satisfaction and customer satisfaction surveys were conducted for the first time. The Employee Satisfaction Survey was conducted to enquire into the satisfaction levels of employees across the organisation. The sampling process was based on voluntary participation and the overall response rate was 33,6%.

The Customer Satisfaction Survey's objective was to measure the levels of customer satisfaction.

23 000 interviews were conducted, both face-to-face and telephonic and was done across all Business Units having direct contact with external customers.

Various issues were identified through these surveys and will be incorporated into the next year's strategic objectives.

In 2003 the main focus of SAPO will be:

- \* The restructuring to improve the effectiveness, efficiency and financial performance
- \* Diversifying to create new revenues from new markets and products
- \* Working to improve relationships with postal customers and raise quality of service.
- \* Putting infrastructure and systems to implement the Electronic Transactions and Communications Act in line with the provision that SAPO is the preferred authentication authority.
- \* Gearing the company to deliver services that meet the developmental needs of the country using its extensive infrastructure.
- \* Restructuring the Postbank to meet the needs of millions of unbanked people in this country.

The main focus areas under restructuring theme are:

- \* Shared Services - This entails the merging of common business functions e.g. HR across all subsidiaries and corporate. The efficiencies and cost savings are achieved by removing the duplication within the Business function.
- \* Decentralisation of Parcel sorting - The South African Post Office has many sorting centres focusing on the same thing. Some centres are under-utilised and by combining these centres the South African Post Office can greatly improve its efficiency and save costs.
- \* Dealing with the challenge of developing an appropriate skills pool within SAPO to meet the challenges of the e-environment. Traditional posts, as we know it are declining because of the new communication technologies. SAPO has to gear its human resources for this purpose and where possible re-skill people to meet this challenge. Discussions are underway with organised labour to deal with this issue.

The main focus areas under the diversification theme are:

- \* Focusing on Courier, Express and Parcels market - This market will grow and volumes will not decline in the foreseeable future. Competition is usually strong in this market, however if the Postal Organisation can improve its ability to deliver at reasonable cost revenue potential will be enormous.
- \* Increasing its Banking/Financial services portfolio - With the declining mail volumes other areas of revenue generation are being focused on with the intention to increasing the percentage revenue of these services, thus becoming less dependant on mail income. Post Bank will launch more products relating to financial services and this will provide additional income to the South African Post Office.

\* Electronic enabled services - With the growth of the Internet and services related to that the Postal Organisations are diversifying into these areas to complement their current strengths and generate income from these "new" services. The ECT act provides us the platform to provide services on behalf of government and business and generate income by charging for these services.

## THE POSTAL REGULATOR

The Postal Regulator commenced with its mandate in the year 2000. It has set out a three-year circle of tasks to be completed in relation to establishing the regulatory tools for the postal sector.

The process to develop Postal Services Regulations has been completed. The regulations are currently under my consideration and will be gazetted in due course. Once this is done, registration of postal operators will commence.

For the past three annual strategic review sessions, the Regulator has developed activities in the form of project intended to establish regulatory tools. This is the final year of a three-year business plan developed then and the Regulator is hoping that by the end of this year, the following challenges will have been attended to and completed:

- \* Gazetting of the Postal Service Regulations
- \* Registration of postal operators
- \* Gazetting of the monitoring tools
- \* Gazetting of a tariffs formula for the regulated sector
- \* Establishing a Rollout Auditor

The year 2003 is earmarked for the gazetting of regulations and this will lead to an invitation as per Section 21 of the Act 1998.

The regulatory instruments refer to the instruments used to create a regulatory framework such as the Competition Guidelines and the Code of Practice. Currently, the draft documents have been developed and will be publicised for postal stakeholders comments, subject to the approval of the Minister.

In the year 2003, the Regulator will be conducting workshop/s with industry role players on the regulatory instruments developed. Once there is an acceptance or buy-in by stakeholders, the documents will be gazetted.

The aim of these documents is to promote harmony and competition in the postal sector as per section 2 of the Act of 1998.



A tariffs formula has been developed for the regulated postal sector as set out in clause 5.3.1 of the license. This formula is supposed to form part of the Regulations Chapter IV as a guideline to review SAPO's tariffs. It is a tool that would inform the affordability of postal services and the profitability of SAPO. The Postal Regulator will finalise the formula by end of this year.

The following key appointments will be made to facilitate the efficiency of the institution:

- \* Rollout auditor to monitor the address rollout
- \* Independent monitor to monitor the quality of postal services rendered by the postal service operator
- \* Postal inspectors

The year 2003 has been earmarked for the Regulator to develop a concept document in relation to the committee that will focus on the dispute resolution mechanism and consumer affairs in line with the international practice.

#### SATELLITE COMMUNICATIONS PROJECT

The use of satellite technology, as a solution to the digital divide that presently characterises the skewed global provision of information and communications technology services, is no longer a contested matter. South Africa is no exception as it has both worlds - one with ICT infrastructure and the other with less or no means of information and communications services.

In 1999 the DoC and the DTI commissioned a study to establish the need, demand and/or feasibility of a dedicated domestic satellite to serve the national and regional communications market. The study was conducted by the CSIR and a report was submitted to the two departments last year.

To take the process forward, last year DoC invited research proposals to investigate the options of acquiring and operating a communications satellite dedicated to the domestic market. The outcome of the research would be strategic business scenarios that would assist the Government to address the policy and strategy of acquiring satellite transponder capacity to serve the needs of the South African ICT sector. The tender was awarded to a consortium comprising Z-Coms (a South African BEE entity) and Comsys of the United Kingdom. The outcome of the study is expected in two months time.

## SATELLITE APPLICATIONS

DoC is collaborating with DTI and DST in addressing various issues with the aim of positioning us as a country to better execute Our functions in respect of satellite applications in areas such as remote sensing, positioning and navigation, space weather services and satellite communications.

In 2002 we concluded a co-operation agreement with Ionospheric Prediction. Services (IPS) of Australia, which specialises in radio propagation and space weather services. Radio propagation and space weather services play an important role in maintaining the quality of operations of telecommunications, broadcasting, geophysical prospecting et cetera.

Following this agreement three DoC employees have already undergone training in Australia to equip them with skills to build and operate ground stations for radio propagation and space weather services.

In order to meet the international commitments and responsibilities of the Republic concerning the utilisation of space and satellite applications and to advance the interests of the Republic and the continent, we continue to participate in a number of international fora such as the International Telecommunications Union, International Telecommunications Satellite Organisation, the International Mobile Satellite Organisation and the UN Committee on Peaceful Uses of Outer Space.

This year we will embark on a campaign to encourage and solicit the active involvement of ICT operators and other players in satellite applications and other space related activities. The campaign will also raise awareness and educate the public about the benefits of Satellite Applications.

## HUMAN RESOURCES DEVELOPMENT

DoC is involved in the development of much needed ICT skills through advanced training provided at the Institute for Satellite and Software Applications (ISSA) and National Electronic Media Institute of SA (NEMISA). Added to this we have started a process in conjunction with other government departments to establish and Advance Institute for Information and Communication Technology (AIICT).

ISSA started operating in 1998 and has since spearheaded the entry of more than 200 high-level trained, black specialists in a diversity of fields such as Satellite Engineering, Software Engineering, Information Technology and related fields into the industry.

ISSA recruits BSc graduates from historically disadvantaged universities for its programmes. Preference is granted to females, applicants with rural background, as well as those with physical disabilities.

Through technology programme with Stellenbosch University that commenced in 1999, ISSA runs a Postgraduate Diploma in Engineering (PDE), as well as a Masters degree in Engineering Science (M Eng Sc) which bridges BSc graduates from historically disadvantaged backgrounds towards engineering professions in Telecommunications Engineering.

In 2002, this collaboration has produced 20 PDE graduates, 7 of whom have enrolled for the 2-year Masters degree. 2002 also saw 18 students graduate with Masters degrees in Engineering Science. In 2003, 15 students have enrolled for the PDE programme.

ISSA's collaboration with Carnegie Mellon University of the United States in 2002 saw 9 females complete their studies for a Masters degree in IT (Software Engineering). Run by the prestigious Carnegie Mellon University in the USA, some of the graduates of the programme have returned to establish the Software Evaluation Centre (SEC), which was chartered to be able to stop the acquisition of inferior software which did not meet the requirements specified, provide support for software evaluation, and provide recommendations for the acquisition of software. They are currently working at SEC on software standards and the validation and evaluation of software for the Department, the Post Office and other parastatals. Meantime, 11 others have commenced their training in the same course.

ISSA has successfully facilitated the conclusion of an agreement between the University of Stellenbosch and Carnegie Mellon University for the introduction in the 2003 academic year of an Honours Degree in Software Engineering, which will be presented jointly by the Computer Science faculty of the University of Stellenbosch and CMU. The first fourteen students have already been selected by ISSA to commence these studies during the 2003 academic year.

Through collaboration between the Department of Communications, Microsoft and Netscape training solutions providers, 2002 saw the

commencement of a Microsoft Certified Solutions Developer training programme at ISSA. 16 young science graduates were registered in this course in 2002.

ISSA also presents training towards specialised high-level qualifications in Cisco, Microsoft, Oracle and Unix Networking. In 2002, 50 students were registered in these courses. These have developed to become the core of the personnel constituting the backbone infrastructure for authentication in the Electronic Communications & Transactions (ECT) regime. These students were instrumental in maintaining ISSA's website, intranet, as well as in developing websites of their own.

ISSA graduates are assisted to form their own IT Networks and Software Engineering companies. Since 2002, more than 50 graduates have been assisted in this venture. The majority of whom are women.

A significant milestone in the short history of NEMISA was attaining accreditation of the Professional Diploma's in Radio and Television Programmes during 2002. This was followed up with the same achievement in respect of the Diploma in Creative Multimedia in 2003. These achievements display the in-roads made by our training department in respect of offering quality-assured, relevant training courses.

During the year in review about 45 producers from over 30 Community Radio stations were trained in production skills by NEMISA. On-site training was conducted at 5 provinces and producers were trained in the art of producing programmes for women, children, HIV Aids and the disabled. In addition to this NEMISA also conducted targeted training programmes in the form of 2-week short courses for the Community Radio sector. 35 stations benefited from this training intervention.

Towards the latter of 2002, NEMISA conducted a 3-month intensive course for a group of 26 Nigerian Radio and Television broadcasters. The course was a first of its nature delivered by a South African Institution to a delegation of experienced broadcasters on the continent. This training arrangement bodes well for future relations between our two countries. The Institute is presently exploring a similar training programme for representatives from a consortium of broadcasting stations based in Mozambique. In the coming financial year, NEMISA aims to increase our product and service offerings to broadcasters across the continent.

Presently there are 50 learners studying towards this qualification at the Institute. Of this group, 30 learners will be completing this programme in May 2003. The electives on this course, leading to specialisation, are in the areas of Animation, Information Design and Advertising. This will be the first group of learners that graduate from the Institute with this qualification. This is a historic moment for our Institute, in that it will be the first group of previously disadvantaged learners that will have attained this comprehensive qualification. This qualification enjoys a joint accreditation status by both the South African Council on Higher Education as well as accreditation by the Malaysia Multimedia University.

During the year under review language portals project was undertaken by NEMISA and 26 individuals from across the country were assigned the task of producing content in indigenous languages. Website development in these languages is nearing completion and plans are being made for the public launch of this historic human endeavour. This is the first project of its nature in South Africa and will have a fundamental effect on the manner in which media is consumed in the country.

The second graduation ceremony for the Institute will be held on the 04th July 2003. This ceremony will acknowledge the achievements of learners on Radio, Television and Multimedia Programmes. It is envisaged that a total of 65 learners will be graduating. This event is a key component of our calendar, and the event will be beamed to an audience in Malaysia as well. We will be honoured to host Professor Gauth Jasmon, head of the Malaysia Multimedia University and his delegation at this prestigious function.

Whilst every effort is being made to open up access to the media through the electronic media licensing processes, learners still encounter a major challenge in respect of securing positions within this sector. However, the personal resolve and tenacity of learners is an achievement in itself. Notwithstanding the harsh environment, all graduates from the Class of 2000 have successfully secured employment and are making a huge impact in their respective fields of study. NEMISA learners are involved in a diverse range of jobs across the media industry and include areas such as media monitoring, production, community-driven projects and the commercial sector.

Over a short period of time, NEMISA has been able to attract a highly competent and experienced academic staff.

Some milestones worth noting include the following:

- \* Accreditation of our Multimedia Programme in January 2003
- \* Launch of the NEMISA internal Radio Service that will serve to provide a platform for student work. The launch was held on the 07th February 2003.

In the year 2003-2005 the Institute will be focusing on the following areas:

- \* Offering of Studies at Masters Level (Radio, Television and Multimedia)
- \* Gradually reduce its reliance on the Malaysia Multimedia University in respect of specialised training programmes with the aim of building capacity to offer these courses internally.
- \* Positioning of the Institute in relation to the African continent
- \* Develop an internal production house that will serve as the Commercial wing of the Institute.
- \* Create a high quality fully animated African movie.
- \* Establish a Women in ICT Forum AT NEMISA, to support the achievements of our female learners

#### ADVANCED INSTITUTE FOR INFORMATION AND COMMUNICATIONS TECHNOLOGY (AIICT)

In his State of the Nation Address, on the 9TH February 2002, President Mr. Thabo Mbeki, announced the establishment of an ICT University. To translate this call into reality an Inter-ministerial Committee accounting to Cabinet was formed to drive the process

The process is the responsibility of an Inter-ministerial committee reporting to Cabinet. The Inter-ministerial committee comprises the Ministers of Communications, Education, Labour, Public Service and Administration, Science and Technology and Trade and Industry. The Minister of Communications chairs this committee. An Oversight Committee consisting of the following Directors-General: Communications, Education, Labour, Public Service and Administration, Science and Technology and Trade and Industry, as well as the President and CEO of the Council for Scientific and Industrial Research, reports to this ministerial sub-committee.

A management team approved by Cabinet is developing the concept document further. The management team is responsible for the development of the business plan and the establishment structures for the institution.

#### INTERNSHIP PROGRAMME

In 2001 the Department developed an internship programme with a view to give graduates exposure to ICT policies and regulatory issues. These are recruited from historically disadvantaged institutions. Fourteen interns completed training in 2001. Some have since joined DoC on contract while others found employment in other institutions and organisations.

In 2002 the Department recruited 23 interns and out of this number fifteen are women. This group will complete training next month. This year we are planning to recruit not less than thirty new interns

## INTERNATIONAL RELATIONS

To advance our international agenda in the advancement of ICT in Africa we participated in International fora such as ITU and PAPU. We hosted PAPU conference, which was held in Durban in 2002. Through our active participation in African Telecommunication Union we are able to shape the agenda geared at resolving ICT challenges in Africa. South Africa as a chair of the Ministerial Oversight Committee, charged with the responsibility of addressing these challenges, has a strategic position to advance ICT development on the continent.

Work is progressing on the preparation for the establishment of a fully-fledged NEPAD ICT Task Team, the e-Africa Commission. This Commission will be based at the Centre for Scientific and Industrial Research (CSIR) and its mandate is to formulate action programmes and projects to bridge the digital divide in Africa. This year will witness the launch of the e-Africa Commission and its ICT projects.

## INTERNATIONAL EVENTS

In June 2003 DoC will be leading South Africa's ICT industry delegation to participate in the World Radio Communication Conferences (WRC) due to take place in Geneva-Switzerland. The WRC is normally convened every three years to discuss, among other things, Radio Regulations and any matter associated with radio frequencies and the development of plans. These constitute an international treaty on radio communications covering the use of the radio-frequency spectrum by radio communication services.

South African ICT stakeholders will be attending the ITU TELECOM 2003 to be held in Switzerland from 12-18 October. This is a World Premier Event in ICTs to showcase cutting-edge technology and also bring together the most influential representatives of government,

regulators and the telecommunications industry for the exchange of ideas, knowledge and technology for the benefit of the global community.

Member states and Sector Members represent a wide range of organisations with an interest in telecommunications, including all major players in service provision, equipment manufacturing, network, and radio infrastructure design.

World Summit on Information Society (WSIS) will take place in two phases: phase one in Geneva-Switzerland from 10-12 December 2003 and the second in Tunis-Tunisia, 2005. DOC together with other government departments is leading a National Preparatory Committee consisting of the ICT industry, civil society and other non-profit organisations. The second preparatory meeting consisting of the above stakeholders will be held in Geneva-Switzerland from the 17-28 February 2003 to discuss possible themes and other issues relating to the build up to the Summit.

South Africa as a member of the bureau will facilitate substantive inputs and active participation of Women, the Youth, Workers, and Business during the Summits.

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