**DEPARTMENT OF HOME AFFAIRS**

**NO. 442**            **19 MAY 2017**

## home affairs

Department:
Home Affairs
**REPUBLIC OF SOUTH AFRICA**

Private Bag X114, **PRETORIA**, 0001, 230 Johannes Ramokhoase Street, Pretoria

**19 MAY 2017**

## DISCUSSION PAPER ON THE REPOSITIONING OF THE DEPARTMENT OF HOME AFFAIRS

I, Hlengiwe Mkhize, Minister of Home Affairs, intend in terms of section 85 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) to publish the discussion document on the repositioning of the Department of Home Affairs (DHA) for public comments.

Interested persons and organisations are invited to submit any substantiated comments or representations by no later than 30 September 2017. Submissions may be sent to the DHA on the following address:

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**Mail:** The Director-General: Department of Home Affairs, Private bag X114, **Pretoria,** 0001

**Hand Deliver:** 230 Johannes Ramokhoase Street (Hallmark building), **Pretoria** CBD

For the attention: Dr John Carneson, Chief Director: Policy & Strategic Management

**Email:** Repositioning@dha.gov.za
(Please note that the email is limited to **5MB** attachments)

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PROF. HLENGIWE MKHIZE, MP
**MINISTER OF HOME AFFAIRS**

home affairs

Department:
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**REPUBLIC OF SOUTH AFRICA**

# Discussion Paper on the Repositioning of the Department of Home Affairs

# 19 May 2017

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## ACRONYMS

| | |
|---|---|
| **APP** | Advance Passenger Processing |
| **ALO** | Airline Liaison Officer |
| **BMA** | Border Management Authority |
| **COGTA** | Cooperative Governance and Traditional Affairs |
| **CS** | Correctional Services |
| **DDG** | Deputy Director General |
| **DHA** | Department of Home Affairs |
| **DIRCO** | Department of International Relations and Cooperation |
| **eMCS** | Enhanced Movement Control System |
| **FICA** | Financial Intelligence Centre Act |
| **GCIS** | Government Communication and Information system |
| **GPW** | Government Printing Works |
| **IT** | Information Technology |
| **JCPS** | Justice, Crime, Prevention and Security |
| **MCS** | Movement Control System |
| **MISS** | Minimum Information Security Standard |
| **NDP** | National Development Plan |
| **NIS** | National Identity System |
| **NPR** | National Population Register |
| **POPI** | Protection of Private Information |
| **RICA** | Regulation of Interception of Communications and Provision of Communication-Related Information Act |
| **RSA** | Republic of South Africa |
| **SADC** | South African Development Community |
| **SANDF** | South African National Defence Force |
| **SAPS** | South African Police Service |
| **SARS** | South African Revenue Service |
| **SITA** | State Information Technology Agency |
| **SSA** | State Security Agency |
| **UK** | United Kingdom |

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# Foreword by Minister

All South African citizens are dependent on the Department of Home Affairs (DHA) because of its sole mandate to secure and manage official identity and status. The DHA affirms our unique identity and our nationality; enables access to rights and services; and ensures that we can travel to other countries. These are rights that are precious to any citizen of a sovereign state, and especially so in our young democracy. Citizens of other states who want to visit or stay in South Africa are dependent on the DHA as it has the sole mandate to manage international migration. This includes, among other functions, authorising the exit and entry of all people through ports of entry.

As outlined in Chapter One, over the past ten years the DHA has gone through a robust transformation process, which included re-thinking its mandate and the critical role it must play in building a capable state. The mandate of the department is now clearly understood as the use of its identity and migration functions to empower citizens; to enable economic development and efficient government; and to secure our country. Our vision is of a department staffed by committed professionals who secure and manage trusted digital systems that enable every person access to efficient services and relevant information. This will make a decisive contribution to creating an environment supportive of radical economic transformation through inclusive development.

As set out in Chapter Two, the DHA requires anchor legislation that defines its mandate and role in a democratic, sovereign state that must confront deeply rooted challenges of social justice, economic development and efficient government. The public and stakeholders have until 30 September 2017 to comment on the initiatives, policies and strategies discussed in this document. This will inform the drafting of a White Paper that will be the policy basis for all future DHA legislation.

Chapter Three explains why the DHA must be positioned within the security system of the state. Firstly, the management of identity and international migration are crucial elements of national security in any state, particularly in a complex, dynamic world. Secondly, the data and systems of the department must be protected as they are essential for the effective and secure functioning of all sectors of society, public and private. If ID numbers cannot be trusted then all your accounts, qualifications, licences and contracts will be compromised. Thirdly, the DHA is the guardian of data that, if accurate, could greatly improve the effectiveness of planning by government and business. However, as currently positioned, the DHA does not have the capacity, systems, legislation or level of security required to enforce compliance and to secure its systems and its data sufficiently.

How the future DHA will operate, be organised and obtain sufficient funding is discussed in Chapters Four, Five and Six respectively. The DHA is building a trusted National Identity System, linked to an immigration system, which all people and institutions will interface with through multiple channels. The DHA aims to be the backbone of a digital economy and the nerve centre of a national security system that protects us all. Achieving this vision will require staff armed with appropriate skills and values; and developing partnerships across the state and across all social and economic sectors.

Repositioning the DHA as a modern, secure department will provide our nation with a powerful tool for rapid economic and social transformation, both in South Africa and in the region. Achieving this vision should be embraced by all citizens and residents as a critical and exciting national project that will improve all our lives.

# 1 OVERVIEW AND PROBLEM STATEMENT

## 1.1 The critical importance of identity and international migration

> There is nothing more personal or important to Busi Dlamini than her name. Yet when she wrote her name on a piece of paper and tried to use it to access her account at a bank, she was turned away.
>
> Tom Grootboom was offered a scholarship to study in London. He used his birth certificate to obtain an ID from the Department of Home Affairs (DHA) and later used the ID to obtain a passport.

These two stories tell us is that identity is not just a personal matter. In pre-industrial societies people lived in small, stable communities where your identity is constantly affirmed by those you grew up with. The world today is divided into over 200 states[1] and each one of them has a department responsible for keeping a register of citizens and affirming their identity. Without that function, they could not issue a passport that would be accepted by any other state. Nor could they efficiently collect taxes, deliver services or hold elections. People whose identity and civil status is unknown are most often the poor and marginalised. They will have very restricted access to rights and services.

The Constitution of the Republic of South Africa (Act No. 108 of 1996) states that:

- South Africa is one, sovereign, democratic state (1)

- There is a common South African citizenship (3.1)

- Every child has a right to a name and a nationality from birth (28.1.a)

From this, we can infer that every South African has a right to an official identity and citizenship, and that this identity and status has value because it is guaranteed by a sovereign state. The Vision Statement of the DHA reflects its importance as the guardian of all the identities of the citizens who collectively form our nation: *'A safe, secure South Africa where all of its people are proud of, and value, their identity and citizenship.'*

The relationship between your identity and your personal safety and security is clear. If your identity is compromised, you are immediately put at risk and will not be able to access most of the rights and services you take for granted. Your expectation is that this will not happen because the DHA has put systems in place to protect your identity. The expectation of the state and other citizens is that you will take care of your documents and report any identity theft or fraud.

The management of identity is just as important for national security. This can be understood as the securing of our country against threats to its people, systems, institutions and capacity to provide for the nation. False identities are used by criminals and terrorists who not only harm individuals, but also the economy and job creation.

The civil registration function of the DHA involves the recording of any birth that takes place on our territory, the affirming of the nationality of the child, and changes in status such as marriage or death. These are mandatory functions and by law all people in South Africa must comply with regulations such as registering all births within 30 days. However, as it is currently positioned, the DHA does not have sufficient capacity to enforce these laws or protect its systems. The capacity of the state to protect and manage identity is thus weakened. Amongst other consequences, this creates security risks, resulting in higher levels of fraud and statistics that are less reliable.

The management of international migration is the second core function of the DHA. The challenges and policy issues are addressed systematically in the White Paper (2017) on International Migration[2]. The first key policy message in the White Paper is that international migration is essential for South Africa to thrive and grow. This applies to our citizens leaving the country and returning, as well as to the entry and exit of foreign nationals.

The second key message in the White Paper is that international migration must be managed securely and strategically in support of social, economic and cultural development. The only way to manage immigration securely is by assessing

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1   194 states are members of the United Nations. Others are not members or their status is disputed.
2   The White Paper is approved and will be published in 2017. The Green Paper is on the DHA website on the link: http://www.dha.gov.za/files/GreenPaper_on_InternationalMigration-%2022062016.pdf .

risk, and that is largely dependent on knowing the identity of all migrants. Without a reliable national identity system that incorporates a National Population Register, the capacity of a state to manage international migration is compromised.

In the sections that follow, the historical roots of the problems confronting the DHA are exposed. An account is then given of the programmes that have been initiated in response to these problems; the successes that have been achieved; and the constraints that are blocking further progress.

The journey that is described shows that much progress has been made.  In 2007, the average time from application to delivery of an unsecure green ID book was about 140 days with no reliable service standards. From 2009 over 90% of green IDs books were delivered within 45 days; and currently the Smart ID Card, which has won an international award for security, is typically delivered within a week and can be applied for online. From 2010, when the DHA played a vital part in delivering a secure FIFA world cup, the DHA has worked closely with the Justice, Crime Prevention and Security clusters of department (JCPS) and has demonstrated its value as an essential part of the security system of the state. A repositioned DHA will be able to complete its transformation journey and contribute decisively to achieving national development goals and to the nation feeling safe and being safe.

## 1.2    The situation under colonialism and apartheid: 1910 - 1993

When the first government of South Africa established the Department of the Interior in 1910, the real power lay in London. The Secretary for Home Affairs in London was responsible for national security and was in charge of the police, domestic intelligence, prisons, civil registration, immigration and the public service. As a Crown Colony, the primary purpose of the union government was to suppress the rights of the majority based on racial classification, and extract maximum value from the migrant labour system, which stretched across southern Africa.  A Department of the Interior was established as a colonial administrative department rather than an essential function of the state.

The primary purpose of the Department of the Interior was to perform general administrative services for the colony, such as official printing, the registration of newspapers, public holidays, elections, statistics and the management of asylums and scientific centres. The continuity of these functions is illustrated by the fact that official printing, elections and public holidays still fall under the Minister of Home Affairs. Newspaper registration became the Censorship Board under apartheid and after 1994, was transformed into the Film and Publications Board that until recently also fell under the Home Affairs Minister. This continuity shows how the apartheid regime adapted British colonial systems to service and strengthen the white minority, extend the system of racial and ethnic oppression and manage the migrant labour system.

It is important to understand what kind of administrative machinery the first democratic government of South Africa inherited in 1994. The Department of Home Affairs (DHA) under apartheid provided fewer than five million South Africans classified as white or European with the level of service received by citizens of a middle-income country. Approximately 33 million South Africans classified as coloured, Indian and African were subjected to an extreme form of colonialism known as apartheid, with laws and systems used to deny them citizenship and basic rights. Much of apartheid was based on Dutch and British colonial systems and laws. One law was the Masters and Servants Act, which protected employers while disregarding workers' rights and required absolute loyalty and obedience.[3]

Civil registration for South Africans classified as Indian, Coloured and [4]African was administered by eight separate departments, with Africans further divided according to ethnicity. Birth registration for Africans was not compulsory and in general, people in this racial group were considered units of cheap labour to be absorbed into a migrant labour system that stretched across southern Africa. The four supposedly independent "TVBC"[5] states were only recognised by the apartheid government so they could only issue passport for use by so-called white South Africa.  The "white" Department of Home Affairs, working closely with the government's security structures, thus issued international passports and regulated immigration to strengthen the population designated white and to deny passports and visas to opponents of the regime.

While from 1986, it was no longer compulsory in South Africa for Africans to carry passes, but the laws were not immediately repealed and the "homeland" system was strengthened. A mass of racially and ethnically based regulations and systems continued to perpetuate white rule and deny the majority of South Africans their basic human rights. The Home Affairs department that served those classified as white had a central computerised population register that continued to reflect

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3    The law was last used in the 1970s in a labour dispute. It then became part of other apartheid legislation.
4    The apartheid state used the terms Native, non-European and Bantu to deny Africans their dignity.
5    Transkei, Bophuthatswana, Venda and Ciskei. Another six states were "self-governing".

the system of racial classification. Departments for people classified as "bantu"[6], coloured and Indian used paper-based systems and local registers that were administered in ways that were notoriously complicated, callous, arbitrary and corrupt.

## 1.3 The development trajectory of Home Affairs: 1994–2017

In 1994, with the birth of a democratic South Africa, the priority was to deracialise the laws, unify the eight apartheid departments that had previously carried out civil registration and build the first truly National Population Register (NPR). Officials worked around the clock to create the first register of citizens. The first non-racial voters' role was based on this register and the country's first democratic election was held on 27 April 1994.

Over the next ten years, the priority was to provide the Home Affairs services previously reserved for 4.5 million citizens previously classified as white to all South African citizens. By the year 2000, the DHA had 170 regional and district offices, and a presence at 58 ports of entry, seven international airports and 56 consulates abroad. A major achievement was the building of a national system connecting the offices of the DHA to the National Population Register. However, given the deliberate underdevelopment of large areas of South Africa under apartheid, many rural and urban communities remained without Home Affairs offices. In 2005, the DHA launched its first fleet of 67 mobile offices[7] with satellite links that could visit such communities on a weekly or monthly basis.

By 2006, the poor quality of services and high levels of corruption at the DHA were having a negative impact on the lives of citizens, and in particular the poor. Identity documents (IDs) were necessary to access services – from renewing a licence, to getting married or opening an account. Yet the average turnaround time was 140 days, with many applications taking even longer. Passports could take three months or longer to be delivered. South African identity and travel documents were increasingly regarded as a risk internationally because identity and citizenship documents could easily be acquired fraudulently.

### Strategic responses to the challenges: 2006–2017

The first response of the Minister of Home Affairs, with the support of Cabinet, was to request the intervention of a team drawn from the Public Service Commission, the National Treasury and the Department of Public Service and Administration (the Support Intervention Team). The team's summary report, presented to Parliament in early 2007, called for the Home Affairs department to take drastic action to address deep-seated problems of leadership, management, systems, technology, organisation and corruption.

### 1.3.0.1 The Turnaround Programme: 2007–2009

The second strategic initiative, in response to the Support Intervention Team's report, was to launch a large-scale Turnaround Programme in 2007 with four major goals: improve management, change staff culture to a client-centred approach, transform key business processes, and gain public trust and confidence by delivering key services consistently.

By the end of 2009, all four goals had been achieved to a significant degree, with most IDs delivered consistently within 45 days and passports within a six weeks of an applications being received. Security, efficiency and the client experience were improved through operations management, combined with staff training, the use of technology and the upgrading of offices. Surveys commissioned by the Government Communication and Information System (GCIS) and by the DHA have indicated that the improvement in services was most appreciated by the poor and marginalised. They often do not have money for public transport or child minders and cannot afford to leave scarce employment.

The use of SMS notifications and establishing a call centre reduced queues, as 40% of visitors to DHA offices had been going to make enquiries. At a macro level, this meant millions of saved hours, which people could use more productively. The Turnaround Programme also impacted the organisation, with improved management, structures and administration. Skills such as project management, operations management and business process development were transferred from the consultants to a number of officials.

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6  A racially loaded term for Africans that replaced the use of "natives" in apartheid laws and institutions.
7  In 2007, additional mobile offices were procured, bringing the current total to 117.

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### 1.3.0.2    The 2010 Soccer World Cup and National Population Registration campaign

In 2010, two strategic initiatives were launched that in different ways built on the Turnaround Programme and took the transformation of the DHA to another level. The first initiative was the active participation and leadership shown by the DHA in meeting certain FIFA World Cup guarantees. The development and implementation of an enhanced movement control system (eMCS) was the most critical. This was achieved through a team led by the DHA that included the South African Revenue Service and other departments.

Another important outcome of meeting 2010 World Cup guarantees was better integration with the Justice, Crime Prevention and Security (JCPS) cluster of departments. A third outcome were the steps taken to actively manage migration risks away from the borders of the Republic of South Africa (RSA). In 2009, an Advance Passenger Processing (APP) system was put in place to obtain information from airlines on passengers before they board a plane to the RSA. For the period of the World Cup in 2010, airline liaison officers (ALOs) were stationed in strategic airports abroad and they proved effective in screening travellers for risks. The use of ALOs was later discontinued due to budget constraints but the APP was retained and its use by airlines flying into the RSA has been made compulsory in the Immigration Amendment Act of 2011. The approach and systems introduced over this period have since helped to make South Africa a premier venue for international events, thus creating jobs, bringing in foreign currency and boosting tourism.

The second strategic initiative in 2010 was the National Population Registration campaign launched by the President with three main objectives: firstly, to ensure that all births are registered within 30 days as required by law, as early birth registration is the only way to ensure the integrity of a population register; secondly, to register the birth of citizens who had remained invisible in terms of the NPR so they can access rights and services; and thirdly, to ensure all 16-year-olds apply for IDs so their biometrics can be captured and their identity protected.

The NPR campaign had a large impact on several levels. While the campaign is ongoing, in the first two years the identity and citizenship of over a million people across all age groups were confirmed when their births were recorded. These people could finally access certain services and rights, including the right to vote, and more accurate statistics were available to the government for planning for the population's needs.

> At a policy level, the NPR campaign resulted in an important shift in understanding the mandate of the DHA from primarily being the provider of services to primarily being the guardian of a secure National Population Register and the identities and status of citizens.

At the level of the organisation and its position within the state and civil society[8], the NPR campaign brought about another important shift. A larger number of DHA officials were mobilised and the campaign was taken to every community in every municipality. Since late registration of birth was often fraudulent, the NPR campaign aimed to put an end to this process, and several hundred local committees were established to verify the identity of people in such cases. Stakeholder forums were set up under municipal structures with the participation of local organisations and departments, such as Health, Education and Social Development. Unlike the Turnaround Programme, there were no consultants involved and the staff who had gained skills could extend them, with some being promoted into more senior positions.

### 1.3.0.3    The Modernisation Programme: from 2012

The goal of the Modernisation Programme (or Modernisation) is to build a Home Affairs that has completely replaced its legacy systems with an automated, secure environment managed strategically and securely by professionals. The operating model will incorporate an integrated digital platform that has at its heart a National Identity System (NIS) linked to the Movement Control System (MCS) and other immigration systems.

The current systems are not integrated and many processes are partly paper-based. Only citizens, permanent residents and refugees are registered on the National Population Register (NPR). Changes to identity and status that are made in the immigration system should automatically reflect in the NPR and vice versa, but currently this happens through lengthy manually controlled processes that are not reliable or secure. The NPR was designed in the 1980s and a typical problem is that separate searches have to be conducted for records of males and females. Biometric and biographical data are stored on a mixture of paper and digital records that are not sufficiently reliable.

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8    Civil society can be defined as consisting of all those who have a claim on the state.

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The new National Identity System (NIS) will store the official identity, and civil and immigration status of every person who is a citizen (wherever they reside), who is on our territory, who is processed at a port of entry or who applies to enter South Africa. Biometric data will be used to secure and affirm identity, together with biographical data and records of official transactions. The primary objective is to know the identity, and civil and immigration status of all citizens and people on our territory with a high degree of accuracy and completeness. All other systems within the DHA, as well as many systems across government and society, will depend on the integrity of this data to confirm identity through interfaces with the NIS.

The Modernisation Programme consists of multiple projects: short-, medium- and long-term. In 2017, there will be at least 16 projects underway. Elements that are being rolled out include the Smart ID Card, fully digital ID and passport processes, online applications and a partnership with banks, capture of biometrics at ports of entry, an automated system for asylum seekers to make appointments, and upgrades to the movement control and biometric systems.

### 1.3.0.4 The Moetapele Programme: from 2015

In Tswana, *moetapele* means a leader. In parallel to the Modernisation Programme, the Moetapele Programme was launched in May 2015 to challenge DHA officials to initiate improvements in managing processes and in service delivery. Through improving the lives of clients, they must demonstrate that they embody the values of the department by being:

- People-centred and caring

- Patriotic

- Professional, with integrity

- Corruption-free and ethical

- Efficient and innovative.

Managers in approximately 400 frontline offices of the DHA were the first group to receive training on the use of tools such as operations management and the quality management of areas like client information and signage, client flow, business processes and management practices.

Of these approximately 400 frontline offices, by March 2017, a total of 179 have fully digital processes for applying for and receiving IDs and passports. Thirty-eight digitised offices have managers and staff who have been equipped with new skills and tools, and the training is being extended to other offices. The overall goal of the programme is to provide clients with an excellent service experience. Strategic objectives include building a cadre of leaders and managers that is client-centred and professional, and establishing and maintaining consistent quality standards.

### 1.3.1.5 The Repositioning Programme: from 2015

By 2015 it was clear that the DHA might improve services incrementally, but as currently positioned it would not be able to deliver against its constitutional mandate effectively, or complete, protect or maintain the systems it is building.

Repositioning the department requires founding legislation that defines and protects the DHA's mandate, as well as much higher levels of security, a fully functioning digital platform, adequate funding and officials with appropriate skills. The term repositioning was used because the mandate of the department would not change although it was evident that, for historical reasons, it is widely misunderstood by South Africans. In particular, the importance of the functions of the DHA as a key element of economic development and national security is not sufficiently understood.

After initial research conducted in 2015, a report was given to Cabinet that outlined the problem and put forward a proposal for a Business Case to be developed. This was approved in March 2015 and a project was initiated to implement the decision. An immediate measure agreed on was that the DHA would be formally integrated into the Justice, Crime Prevention and Security (JCPS) cluster. Given the nature of its mandate and functions, the DHA had already been an active participant in the JPCS structures and programmes for more than a decade.

On 2ˢᵗ March 2017, Cabinet made the following announcement:

> On 1st March 17 Cabinet approved the proposed measures set out in the Business Case to reposition the Department of Home Affairs. The Department must be positioned within the security system of the state so that it contributes to national security and is able to protect its people, systems and data. This will better enable the department to deliver against its full mandate as a critical enabler of inclusive economic development, national security, effective service delivery and efficient administration.

The full implementation of the repositioning of the DHA will require the coordination and completion of the strategic initiatives outlined in this chapter.  This should be considered by all sectors of society as a national programme to build a strategic resource for the development and security of the nation.

## 1.4   The problem statement and the challenge

<u>The problem</u>

- Despite improvements made through transformation programmes, the DHA remains constrained by a legacy of legislation, funding, security, systems and capacity that is not aligned with the needs of a sovereign, democratic state.

- As currently positioned the DHA cannot deliver against its full mandate as a critical enabler of inclusive development, national security, effective service delivery and efficient administration.

<u>The challenge</u>

- To deliver against its full mandate, the DHA must be repositioned through:

    o    Founding legislation, that defines the mandate and purpose of the department.

    o    Modernising all of its systems and processes

    o    Appropriate operating, organisational and funding models

    o    Securing the department and locating it within the security system of the state.

The Repositioning Programme was initiated to respond to the challenge outlined above.   In each of the chapters that follow, a specific area of repositioning is addressed.  The main challenge in that area is identified; a situation analysis is provided; and a way forward is indicated.  The public and stakeholders are invited to make substantiated comments on any aspect of the Discussion Paper.  All inputs will be considered when drafting the White Paper, which once approved by Cabinet will provide a policy platform for future DHA legislation and a framework to guide strategy and operations.

## 2.1 Situational analysis

**The policy challenge**

- The Department of Home Affairs (DHA) cannot deliver against its full mandate, which is to manage identity and international migration effectively to empower citizens and to be a critical enabler of economic development, national security and efficient government.

- The reason for this is that the DHA is functioning with a legacy of staffing, security, systems and funding that is not aligned with its mandate in a sovereign, democratic state.

- **A policy framework is needed that provides a clear understanding of the mandate and importance of the DHA and guides the drafting of enabling legislation.**

## 2.2 Background

The DHA was not established through an act of parliament, and it does have an overall policy framework set out in a White Paper and enabled by a Home Affairs Act, such as the Correctional Services Act, 1998 (Act No. 111 of 1998). Only one of the Acts it administers had a White Paper that provides an extensive policy framework – the 1999 White Paper on International Migration that has been replaced by the 2017 White Paper[9].  This lack of attention to policy is further evidence that the DHA has been positioned on the periphery of the state, as a routine administrative department that is not strategic.

One consequence of this situation is that the full mandate and importance of the DHA is not generally understood and agreed on. The specific gaps in policy and legislation have also had a negative impact on the country and on people's lives.  With regard to immigration, after the 2008 attacks on foreign nationals and South African migrants, Cabinet responded with the decision that a complete review of immigration policy was needed. A policy Directorate was established and after an extensive process of research, as well as internal and external consultation, a new Green Paper on International Migration was published in June 2016 and a new White Paper will be published in 2017.

Regarding civil registration, as detailed in Chapter One, from 2010 a large effort has been made to establish a credible National Population Register. The DHA arrived at a clear understanding that its most critical mandate was to be the guardian of the unique identities and civil status of the citizens who constitute the nation.  This led to the reformulation of its vision as: *"A safe, secure South Africa where all of its people are proud of, and value, their identity and citizenship."*

To achieve this vision, the DHA initiated the transformation projects that are outlined in Chapter One.  There are five underlying principles that were used to define the mandate of the DHA.  These principles evolved during a process of reflection, experience, research and engagement, which included national and international partners.

A. **Identity and migration are fundamental aspects of human society and history.** Neither the state nor society in general can function if individual identities are not known – and not only because they are the basis of all contracts and many critical systems. The need to migrate is equally fundamental. All societies have been formed by people who have moved to find security and resources. Movement of people and the related flow of ideas, technology and other elements of culture, have been and still are essential to human development.

B. **The DHA is responsible for functions that support core constitutional principles.** Only Home Affairs has the legal authority to affirm a citizen's official identity and status, and to allow anyone to enter or leave South

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9    The 2017 White Paper on International Migration has been approved and is being prepared for publication.

Africa. The management of identity, the affirmation of citizenship and international migration are connected to the founding provisions that underpin the Constitution. Therefore, identity must be managed within the framework of the Constitution, and the human rights of both citizens and other nationals must be respected and protected (sections 10, 14 and 28 of the Constitution). If there is no nation, populated by citizens as defined by law, then logically there can be no sovereign state. If South Africa loses its sovereignty, then everything else is lost, since decisions will be made elsewhere, as in the colonial era. Democracy is a form of contract between government and the governed that depends on the identity and citizenship of voters being verified.

C.  **The DHA is a key element of national security, and must be located and protected within the security system of the state.** All people within the borders of our republic have a basic human right to safety and security. As the custodian of identity and manager of international migration, the DHA plays a critical role in the national security system. The departments designated as security services in the Constitution must work closely with the DHA or they cannot protect the integrity of our state or society. The justice system, the police, army and intelligence depend on the systems of the DHA, as do agencies such as the South African Revenue Service (SARS) and financial regulatory bodies. The security of the systems of all organs of state, as well as trade unions, churches and banks depend on the integrity of the NPR. If your identity is stolen, then your finances and many other aspects of your life are immediately put at risk. You will be denied access to many rights and services until the DHA is able to affirm your identity.

The DHA needs to operate in a highly secure environment because its data and systems are crucial national assets, provided they are secure. The same data and systems are under constant threat because of high value to criminals, terrorists and other states. The security of the systems of the DHA must be the responsibility of the whole of government and of all citizens.

D.  **The DHA is a critical enabler of empowered citizens, economic development and a capable state.** Citizens are empowered by access to rights, services and information. Economies develop because businesses of all kinds are enabled by a capable state that creates and sustains an appropriate environment. The active involvement of all citizens in a radically restructured economy is a policy imperative in South Africa for economic, social and political reasons. A repositioned DHA can use the same modern identity and international migration systems to enable and integrate both outcomes. In a globalised, digital economy, this will become a strategic imperative for all countries. The state must be able to respond to a rapid industrial revolution with digital platforms such as Uber and Airbnb disrupting whole industries. A secure identity system could provide a digital platform that enables the state and private sectors to modernise and enables the creation of millions of connected small businesses.

There are other strategic reasons why South Africa urgently needs to build a more capable state.  Development requires stability and security; it must be noted that the impact of global warming on the environments human security is contributing to wars and mass migration. The future of South Africa depends on every state in the region building the capabilities required for cooperation and integration. A repositioned DHA can play a key role in this process.

E.  **The DHA as an organisation must have the capabilities required to enforce mandatory legislation; secure and manage its systems; and be strategic, professional and committed to service.** Given the nature of its functions, policy imperatives and operating environment, the DHA requires world-class systems and a professional staff that is security-conscious, patriotic and committed to humbly improving the lives of all the people it serves. The operating environment of the DHA includes four major aspects: the internal environment (the back office), where the data systems and specialist units reside; the interface with the public (the front office), with multiple channels and professional support provided; the developmental and commercial environment, where the interface is with institutions and sectors, including international; and the security environment, where risks and threats are managed.  All units and individuals must have a common departmental identity, share the same values and meet common standards.

The capacity of the DHA cannot be viewed separately from government and national capacity, strategies and programmes. No single department or cluster of departments has the capacity to protect South Africa from cyber threats, or roll out a digital strategy. Only an integrated state with strong partnerships can be a capable state.

## 2.3  Possible implications of the policy framework for legislation

Anchor legislation based on a White Paper for Repositioning the Department of Home Affairs will be required. The DHA ACT[10] will, among other matters, set out the mandate and purpose of the DHA; define its conditions of service; and specify the mandatory powers and obligations of the DHA, other departments, non-government institutions and the public. The role of the DHA, in being the sole custodian of official identity and civil status, must be strengthened. The only legally recognised procedure to be used in official transactions must be affirming of identity and civil status by the DHA using the Smart ID Card or approved digital systems.

Operational needs and positioning the DHA within the security system of the state may require the "DHA ACT" to specify how the DHA should relate to departments on which the DHA currently depends. Examples are the Public Service Act, under which all DHA officials currently fall; the State Information Technology Agency (SITA), through which the DHA is obliged to procure network services, and the role played by the Department of Public Works in providing accommodation.

The fully inclusive National Identity System (NIS) will be at the centre of a digital platform that will interface with all sectors of the state and the economy. The DHA ACT will have to specify how the NIS will relate to existing policy frameworks and legislation administered by other departments. This will certainly apply to the Cybercrimes and Cybersecurity Bill that is currently being processed through Parliament, and the Protection of Personal Information Act (POPI, 2013). It may also apply to many departments that regulate services provided to the public. The underlying principle is that the legislation must seek to protect and empower citizens though improving access to rights, efficient services and information, including their right to dignity and privacy.

It is unlikely that the National Treasury will be able to provide the repositioned DHA with a sufficient increase in funding. However, the value of the digital data and systems of a repositioned DHA will be immense, without compromising the right of citizens to privacy. The principle of a department not making a profit from providing a public service must also be observed. However, the cost of maintaining a modern DHA will be large and it will be necessary to cross-subsidise those who have least resources by offering specialist and premier services to the commercial sector and other parties that can afford them. Also, a mechanism will be needed for recovering costs from government departments who use dedicated interfaces with DHA systems. The DHA ACT might have to make provision for these factors in terms of intellectual property, good governance and other considerations.

As the DHA ACT will be designed to frame and guide future legislation, sufficient provision should be made for structural changes, such as establishing advisory bodies and entities that will require their own Acts. In the short- to medium-term, no such development is envisaged, besides founding a college that can provide the kind of training that will be required by the Act under conditions of service. Nobody can foresee the results of the ongoing technology-driven industrial revolution, but the DHA will have pivotal role to play in a digital economy.

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10  This may not be the official name of the Act; and it is used here for convenience.

# 3   SECURITY

## 3.1   Situational analysis

<u>The security challenge</u>

- If the DHA is not placed in a position to secure itself fully, including its data and systems, the security of all other institutions and every person in South Africa are at risk of being compromised.

- A secure DHA will be a critical enabler of a developmental state and will play a key role in ensuring the safety of people and the integrity of all institutions, public or private.

- **As currently funded, operated and organised, and with outdated systems that are not integrated, the DHA cannot be secured and it cannot be effective as a key element of national security.**

## 3.2   The centrality of the DHA regarding national security

National security can be defined as the capability of a state to defend and provide for the nation and protect its sovereignty and the integrity of its social, economic and political institutions. The Constitution of the Republic of South Africa 198(a) states: *"National security must reflect the resolve of South Africans, as individuals and as a nation, to live as equals, to live in peace and harmony, to be free from fear and want and to seek a better life."*

The above principle points to broader aspects of national security, such as combatting crime, ensuring water and food security, and having the capacity to respond to disasters and emergencies. It also relates to the relationship between safety, security and development, which is a key element of the National Development Plan

The need for national and individual security is the highest priority for South Africa, alongside restructuring the economy and the eradication of poverty and inequality. As indicated in the National Development Plan, the two goals are linked: economic growth requires radical steps to ensure inclusion and a stable South Africa and region. The world in which these goals must be achieved is characterised by the impact of climate change, a rapid industrial revolution, and social and political instability. States have to be capable of dealing with manifestations such as wars, mass migration, cyber-attacks, pandemics and economic and environmental crises. Globalisation involves the rapid movement of people, goods, technology and information, and this has created large opportunities as well as serious threats, such as terrorism and a high level of transnational crime.

The programmes of government are designed to produce 12 outcomes. The concept of national security is embedded in Outcome 3: *All people in South Africa are and feel safe*. The Justice, Crime Prevention and Security (JCPS) cluster is responsible for Outcome 3. From March 2016, the DHA has been a full member of the cluster, along with the three security services mandated in the Constitution (SANDF, SAPS, SSA) and the justice system (prosecution, courts and correctional services).

In the programme of the JCPS, the DHA is given responsibility to build the capability of the state to manage identity, civil status and international migration. Without the DHA's active support and involvement, the three security services, the justice system, and the social and administration clusters cannot function effectively. In support of this goal, key targets the DHA must achieve in 2017- 2018 include[11]:

- System design and development for National Identity System finalised (phased approach)

- Biometrics at ports of entry rolled out in phased approach

- Key elements of Counter Corruption Strategy of DHA implemented in respect of prevention, detection, investigation and resolution

- Compliance with service standards set for enabling documents issued to foreigners

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11   These are selected targets from the Annual Performance Plan 2017/2018 posted on the website of the DHA. http://www.dha.gov.za/files/APP2017_18.pdf

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- Immigration and Refugee policy and legislation development concluded

- Border Management Authority (BMA) operational

- The DHA repositioned as a backbone of the security system of the RSA

The above list provides a concrete sense of the projects the DHA has initiated to improve both security and the delivery of services critical for development, such as the issuing of visas and border management. The aim is to develop immigration systems to achieve a single and integrated view of the traveller by 2019/2020. This will enable a risk-based approach to be followed where legitimate travellers are processed quickly; and risks are detected and dealt with effectively in partnership with relevant departments and international bodies.

## 3.3  Locating the DHA in the security system of the state

On 1 March 2017, Cabinet decided that the DHA must be located within the security system of the state. This extends beyond the JCPS cluster to all the organs of state and private institutions that must work together to provide everyone in South Africa with acceptable levels of safety and security.   Everything – money, vehicles, and businesses – links back to the identity of individuals, their civil status and in many cases, their transnational movements. The BMA, for example, is comprised of six core departments and agencies, with 11 other institutions - such as financial intelligence and regulatory entities - also being involved in the border environment.

A repositioned DHA with modern systems and a cadre of suitably qualified and trained professionals will be the nerve centre of the national security system. The department would operate within policy and legislative frameworks as prescribed in the Constitution of the Republic of South Africa under (198) Governing principles:

*(c )      National security must be pursued in compliance with the law, including international law.*

*(d )      National security is subject to the authority of Parliament and the national executive.*

The DHA is not yet organised, staffed and funded to be able to operate effectively in this environment or secure its systems and data. Worldwide, the concept of a national security system is based on the logical assumption that if any element becomes a security risk, then the entire system is compromised.  Ultimately, a Home Affairs department that cannot protect itself will create risks rather than manage risks effectively.

## 3.4  DHA security requirements

Any organisation that is a key element of a national security system must operate within a highly secure environment, whether or not it is in the security cluster. Specific requirements will vary, but there are general standards that must be met by acquiring capacity or support through appropriate departments or agencies. Some of these standards are legal requirements, such as meeting minimum information and physical security standards (MISS and MPSS) and the National Key Points Act. Other standards that must be established, achieved and maintained after a determining security requirement are:

A. **Legislative promulgation:** There is a need for legislation that will define the DHA as a key element of the security system and provide for all the requirements that will enable it to function as such, some of which are captured below.

B. **Vetting and recruitment practices strengthened:** Appropriate staff must be recruited against the values, skills and attitudes required to perform duties and be a security asset rather than a risk. Currently, the DHA conducts part of the vetting process and hands over the file to SSA for evaluation and issuance of clearance certificates. Ongoing vetting, re-vetting and lifestyle audits must become the norm and authorisation for the DHA to take more responsibility for vetting should be considered.

C. **Classification of DHA services as essential.**  The DHA is the first line of defence against threats, whether it is responding to a new pandemic, identifying criminals or reducing human smuggling and trafficking. Officials responsible for managing and operating the systems of the DHA  play a key role in national security.

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D. **Cadre formation:** It is essential that staff share the same patriotic, service-oriented and security-conscious outlook in terms of their responsibilities and purpose. Typically, this will require all recruits to undertake a residential course at a dedicated training college. Apart from the importance of sharing the same culture, there are situations, such as a cyber-attack, where command, control and a rapid response is required.

E. **Content of training:** The training will have to be relevant in term of the service-delivery and security challenges faced by the DHA and its clients. The SSA would have to design and deliver those courses that relate to their mandate, such as intelligence and counter-intelligence. The DHA is under constant threat by local and transnational syndicates because of the high value of its systems and products. Terrorists and other states have an interest in creating and exploiting vulnerabilities for the same reason. All courses will have to have an appropriate mix of theoretical and applied knowledge.

F. **Cyber-security:** This will require a layered approach, from general awareness and controls, to highly specialised units and control centres at a departmental level, linked to regional and national structures and systems. Security must be taken into account in the design, testing and piloting of systems, and there must be adequate disaster recovery, business continuity and redundancy. In this area, the DHA will have to have sufficient capacity, but can only be secured within a set of national, regional and global policies, legislation, controls and systems that will involve trusted partners. The DHA and its partners must have the research and design capacity to keep a step ahead of the rapid emergence of new technologies, risks and threats.

G. **Monitoring, analysis and reviews:** There must be adequate capacity in terms of specialist security staff that can provide these functions and liaise with relevant departments and agencies. A repositioned DHA would provide the security cluster with an early warning of events or trends that could pose a threat to the safety and security of citizens, borders or institutions.

H. **Prevention, detection and enforcement:** Without enforcement of mandatory laws, the systems and data on which the DHA and stakeholders rely will be compromised. International migration cannot be managed without the capacity to enforce immigration laws. The effective combatting of fraud, corruption and related crimes is also essential, with capacity in place to be a serious deterrent while creating a culture of zero-tolerance.

The NIS and linked immigration systems will depend for their routine security on business rules that are constantly monitored and adapted in response to intended and unintended risks. The back office and front office will both require operational intelligence staff, research and analysis units and business process experts.

The following chapter will give an indication of how the operational model is designed to be risk-based. The identity and immigration systems have different security environments, but as in the case of domestic and offshore threats, there will increasingly be an overlap as a result of globalisation and the digital revolution. In general, international migration is more complex and dynamic with rapid response required that is guided by intelligence and that that involve many parties. A key strategy worldwide is to keep risks offshore, but in a digital world, the focus must also be on maintaining the integrity of systems that may extend globally.

Those organisations (public or private) that have services or data required by the DHA for security purposes, should have to sign formal agreements with the DHA within a framework established via the DHA's anchor legislation (the DHA ACT). A repositioned DHA will have systems and data on which many institutions will depend to meet their own security needs and standards. The same legal framework (that is, the DHA ACT) will have to guide the drawing up of contracts, and specify in which circumstances this would be mandatory. A separate policy and regulatory framework might have to apply in the case of organisations within the security system of the state. In all instances, however, the underlying principle should be that enforceable legislation is the norm, rather than agreements that carry no legal consequences. Given the very large number of institutions that will be interconnected, an efficient arbitration, dispute and enforcement mechanism might be necessary.

# 4  OPERATIONAL MODEL

## 4.1  Situational analysis

> The operational challenge
>
> • The DHA has the largest client base of any department: all citizens in the Republic and abroad; nationals of other countries who apply to visit or stay in the country and those who live among us; as well as all South African institutions and those of other countries or multinational bodies that require DHA services. The current operating model, even if well-funded, cannot consistently deliver acceptable standards of access, and the kind of services expected, to any of these clients.
>
> • The current operational model is designed for routine administrative processes that require low levels of security and low-level technology. Given global dynamics and the risks and threats confronting us, a model is needed that can adequately secure the DHA and enable it to contribute to ensuring that the nation is safe, secure and provided for.
>
> • **Our nation and the state that serves it urgently need the DHA to have an operating model that will enable the efficient, secure and strategic management of identity and international migration. The DHA, in turn, will be a critical enabler of security, economic development and the empowerment of all citizens.**

## 4.2  The current operational model: Civic Services

Basic civic services, delivered at approximately 400 frontline offices, are mostly registering births, marriages and deaths, and issuing identity and travel documents. Almost all the offices are leased and vary greatly in quality, level of security and quality of staffing.  The poor and marginalised often must travel long distances to access services; all citizens are compelled to use DHA services several times over their lifetimes and often far more frequently. By comparison, clinics, schools and police stations are purpose-built and are more accessible, but the DHA has been classified and funded as a routine administrative department and not as a strategic department that delivers key services.

All standard civic services require connections to the National Population Register, situated in the national back office. About 50% of offices have introduced fully digital processing of Smart ID Cards and new highly secure passports. The DHA must currently use several different network providers, making the system unreliable and impossible to monitor at local office level. This often results in long queues of people waiting to access modern digital services. Many of the remaining offices cannot be connected to suitable IT infrastructure, yet for security and service delivery reasons, all offices must be digitised.

Colonialism and its extreme form, apartheid, left a legacy of millions of broken families and many citizens with inaccurate records or no civil registration records. Citizens without these problems, who can access one of the better DHA offices and apply for standard services, generally have a good experience. However, if their documents are not in order, or they want a service that requires paper records to be checked or immigration systems to be accessed, then the procedure can take months. A combination of problems rooted in the outdated operating model can combine to turn a routine request into a nightmarish process with serious risks. The DHA has not received significant funding to archive or secure paper records, or to digitise them, and finding a document can be a major challenge. Systems are partly manual and not integrated, creating many possibilities for mistakes and fraud. The staff profile is skewed towards the lower ranks, with 60% having only matric or lower qualifications, and there are far too few managers and supervisors. Officials who cannot resolve problems give excuses or tell clients to come back. The situation encourages bribery and extortion.

## 4.3  The current operational model: Immigration Services

The immigration operating environment is dynamic and complex, and involves domestic, border and international elements. It requires integrated systems and professionals making decisions based on reliable information and intelligence[12]

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12  Intelligence is information which has been collected, processed and assessed within a given context to meet specific needs.

provided by the security sand related services. Risks and threats can have an immediate impact on the safety of citizens, as well as the integrity and stability of a country. Immigration that is efficiently and strategically managed can be a powerful enabler of domestic and regional development.

Until recently, with the release of the Green Paper on International Migration, the importance of immigration has been even less well understood than civic services. This is reflected in a lack of resources being available. Less than 15% of DHA staff work in immigration services and its operating budget is less than a billion rand, although it is responsible for 72 ports of entry, over 30 consulates, the visa and permitting system, managing asylum seekers and refugees, deportations and domestic enforcement of immigration laws. There are more police stationed at OR Tambo International Airport than immigration inspectors available to serve the whole of South Africa.

The current operating and funding model is based on an administrative approach, with lower-level officials trained to engage with people and documents in compliance with checklists and standard procedures. The few supervisors and managers focus mainly on trying to maintain levels of efficiency. Training covers policy, legislation and security. Potentially useful information is generated by several systems – and yet there are no professional analysts or security specialists. The situation is compounded by systems that are partly paper-based and outdated. There is lack of integration with the NPR systems managed by civic services, and across immigration systems such as movement control and the system to register and process asylum seekers and refugees.

As serious, is the situation where adjudication of some types of visas and permits is done in our foreign missions. There is no adequate network in place to transmit documents to the adjudication centre in South Africa. The cost of stationing an official in a mission is high and DHA officials are present in about 25% of missions with trained Department of International Relations and Cooperation (DIRCO) staff processing applications at the other missions. The level of DHA staff in missions is generally low because of budget limitations and much of the administrative work is done by locally hired staff.

The lack of investment in managing immigration comes at a large cost to South Africa. Levels of corruption and fraud are high and there is serious exposure to transnational crime. Just a few high-profile foreign criminals based in South Africa can result in costs to the state and society that are greater than the annual operating budget of immigration. The overall loss to the economy is much higher. Factors are inefficiencies impacting on trade, investment and gaps in critical skills; foreign migrants without legal documentation accessing services; and the high cost of social unrest. Gaps in policy relating to asylum seekers and irregular labour flows have been particularly costly. These gaps are the result of a DHA operating model and related budget that only allow few professional posts to be established and minimal research and policy development to be carried out.

Without sufficient resources to develop policy and strategy, and enforce immigration laws, there can be little effective management of international migration. There is greater risk to both migrants and citizens, and higher levels of human rights abuse where immigration systems are not managed securely and efficiently.

## 4.4   The future operating model of the DHA

As outlined in Chapter One, over the past ten years, the DHA has initiated several large-scale transformation initiatives. These have resulted in major advances in organisational culture, management, systems, services and public confidence. However, the most important result has been a better understanding of the full mandate of the DHA and a vision of what it must become to deliver against that mandate. It has become clear that the vision can only be realised by repositioning the DHA as a critical national resource at the centre of a capable state. To achieve the vision of a secure, modern department operated by professionals, it is necessary to completely replace the legacy operating, organisational and funding models that have been blocking development.

## 4.5   Five policy-related imperatives that informed the design of the operating model

1.   The model must enable the DHA to deliver mandatory services efficiently to all citizens and other clients, and to enforce that mandate.

2.   The model must enable the DHA to be secure and to operate effectively as a key element of the security system that ensures the nation is safe, secure and provided for.

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3.  The model must give the DHA the capability to manage identity and international migration in the interest of the empowerment of citizens, inclusive economic development and effective government.

4.  The model must enable the DHA to connect to, and work with, the whole of government and its social, economic and international partners in managing identity and international migration.

5.  The model must enable the DHA to be relevant and responsive in the context of a globalised world and a continent that are undergoing rapid change: technological, economic, social, political and environmental.

## 4.6   Overview of the general operating model

All mandatory services (core services) will be delivered to citizens and foreign nationals through systems that are part of an integrated digital platform. All civic and immigration systems will connect to an inclusive National Identity System (NIS) that will form the backbone of the single DHA platform. The NIS will store the biometric, specified biographical details, and civil and international migration[13] status of all citizens and foreign nationals who have entered or left South Africa, or who have applied to enter. The NIS will be linked to the Movement Control System, to which all other immigration systems are linked, such as the visa and permitting system, and the asylum seeker and refugee management system.

A fundamental operating principle will be the distinction between the back office, where the systems are housed and clients are not engaged with, and the front office, where officials or trusted partners engage with clients face-to-face or by phone, email, letters or other means. A second operating principle is that all changes to data on the systems can only be implemented in the back office after an application has passed through risk-engines and quality checks. A third principle is that all exceptions must be actively managed by staff at appropriate levels for risk and to ensure that clients receive appropriate assistance.  This includes all applications processed by partners: protocols will be in place and systems continually monitored.

All applications will be made digitally, but they can be assisted or facilitated by approved officials or trusted partners. The contact centre will play a crucial role in this regard. This allows risks to be controlled while making use of multiple service channels, which will include a diminishing number of walk-in centres as other channels expand.

More complex or higher-risk cases will be dealt with through an appointment made with a more senior official or an intervention by a relevant specialist. Investment in world-class cyber-security by South Africa is not an option for many reasons. The systems of the DHA need to be rated as among the most strategic resources that require the highest levels of protection.

Technologically enabled core services will become embedded in society and increasingly taken for granted as legacy problems are resolved and compliance becomes part of our culture. Non-core services are those that are not mandatory in terms of the DHA's legislation but provide government departments and non-government institutions access to DHA systems or data through requests or dedicated interfaces. These are expanded on in Chapter Six which deals with economic growth and the funding model.

A key component of the operating model outlined above is the business rules that govern the software and the processes. In designing the business rules, systems and processes, there must be a strong policy and ethical imperative to be service-oriented and responsive to the rights and needs of citizens and other clients – especially those who are marginalised and vulnerable. Robust governance structures must be in place to monitor implementation, as well as systems and professionals that provide sound management information and relevant analyses.

Other professional units that are required to support operations are information technology specialists, systems analysts, research and development specialists, data managers and statisticians, and security operatives. Generating income from non-core services will require marketing specialists and account managers. The systems will be connected domestically, regionally and globally, and will require professionals to develop and manage these relationships.

The following chapter on the organisational model deals with capacity requirements in more depth, including the implications of being part of the state security system and functions that are specific to civic and to immigration services. Connections with the Border Management Authority (BMA) and Government Printing Works (GPW) are briefly discussed.

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13  This includes both emigration status (the countries South African citizens reside in, and details of dual citizenship), and the immigration status and nationality or nationalities of all foreign migrants.

## 4.7　Summing up what is being proposed

Elements of the future operating model are being built within the limitations imposed by operating within legacy systems, capacity and budgets. The strategy adopted is to initiate processes that have two, five- and ten-year horizons. Some processes will start later than others and some will run in parallel.

Within two years, the DHA staff must be fully involved, the policy and legislative framework in place, and short-term security, funding and network issues addressed. Within five years, the basic National Identity System and key DHA systems must be piloted and operational, acceptable security levels achieved, critical posts filled and the DHA able to operate effectively within the state security system. Within ten years, the DHA must be fully secure, highly professional, the backbone of the digital economy, the nerve centre of the security system, and world-class in terms of quality of services delivered locally, regionally and globally.

# 5　Organisational model

## 5.1　Situational analysis

The organisational challenge

- The current organisational model is not supportive of the full mandate of the DHA and the achievement of national goals.

- The current organisational model is not aligned to the operational model that the department is in the process of developing.

- The current organisational model does not enable the DHA to secure itself or to play an effective role as an essential part of the security system of the state.

- **The challenge going forward for the DHA and for the nation is to build a professional, modern and secure organisation that manages identity and international migration effectively.**

The focus of Chapter Four (Operational Model) was how the different parts of the DHA must work together to perform its mandated functions and deliver value to citizens and the nation. Chapter Five focuses on the factors that support the operational model by enabling the DHA to function effectively as an organisation. The key question to ask is how far the current and proposed organisation aligns with the mandate, functions and values of the DHA. In answering this question, the factors that must be considered include the organisation's environment, structure, culture and capacity.

## 5.2　High-level view of the DHA as an organisation

The DHA is functionally connected to two other organisations that report to the Minister of Home Affairs: the Government Printing Works, which produces secure documents for government, with the DHA being its largest client, and the Border Management Authority (BMA) that is in the process of being established. The Ports of Entry Chief Directorate will be formally integrated into the BMA, which will strengthen the management of international migration in the same way it will strengthen the core systems of SAPS, the SANDF, SARS, Health, Agriculture and other departments active in the border environment. The BMA is based on the principle of integrating all units at an operational level, while participating departments retain full control over policy and legislation. With Cabinet announcing in March 2016 that the DHA must be fully integrated into the security cluster, the DHA is now better positioned within the state to deliver against its mandate.

If the DHA can assure the security of its people, systems, data and infrastructure, and complete its modernisation programme, then it will be central in the rollout of e-government and will be a critical enabler of the digital economy. The value of the DHA depends largely on the security of its people, systems and data. Amid an unprecedented industrial

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revolution, countries that make this transition will attract the most investment. At the same time, efficient management of international migration will boost trade and tourism, close skills gaps and help open SADC to development. The DHA is already active in SADC structures, as well as bilateral and multilateral commissions and negotiations.

The largest single factor blocking the DHA from continuing its transformation trajectory is its legacy operational model and related organisational and funding models. The most critical factor, as always, is not technology but human organisation: individual officials working together to achieve a common purpose. Through statistics and comparative data, the section that follows shows how the DHA as currently positioned does not have the capacity to secure or maintain a modern department. However, despite this legacy, the officials of the DHA have repeatedly shown that they can develop and apply skills and knowledge to achieve astonishing results with minimal resources. Examples given in Chapter One include the 2010 World Cup, the Population Registration Campaign, the digitisation of key business processes, and the generally smooth operation of ports of entry at peak seasons.

To get to the next stage, however, a repositioned DHA requires the resources and partnerships to undertake multi-level transformation – changing the way the organisation and each official thinks and acts, how it views its roles and functions, what type of skills it employs, how it shares information with various stakeholders, and its mode of delivery of key services.

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## 5.3 The current organisational profile of the DHA

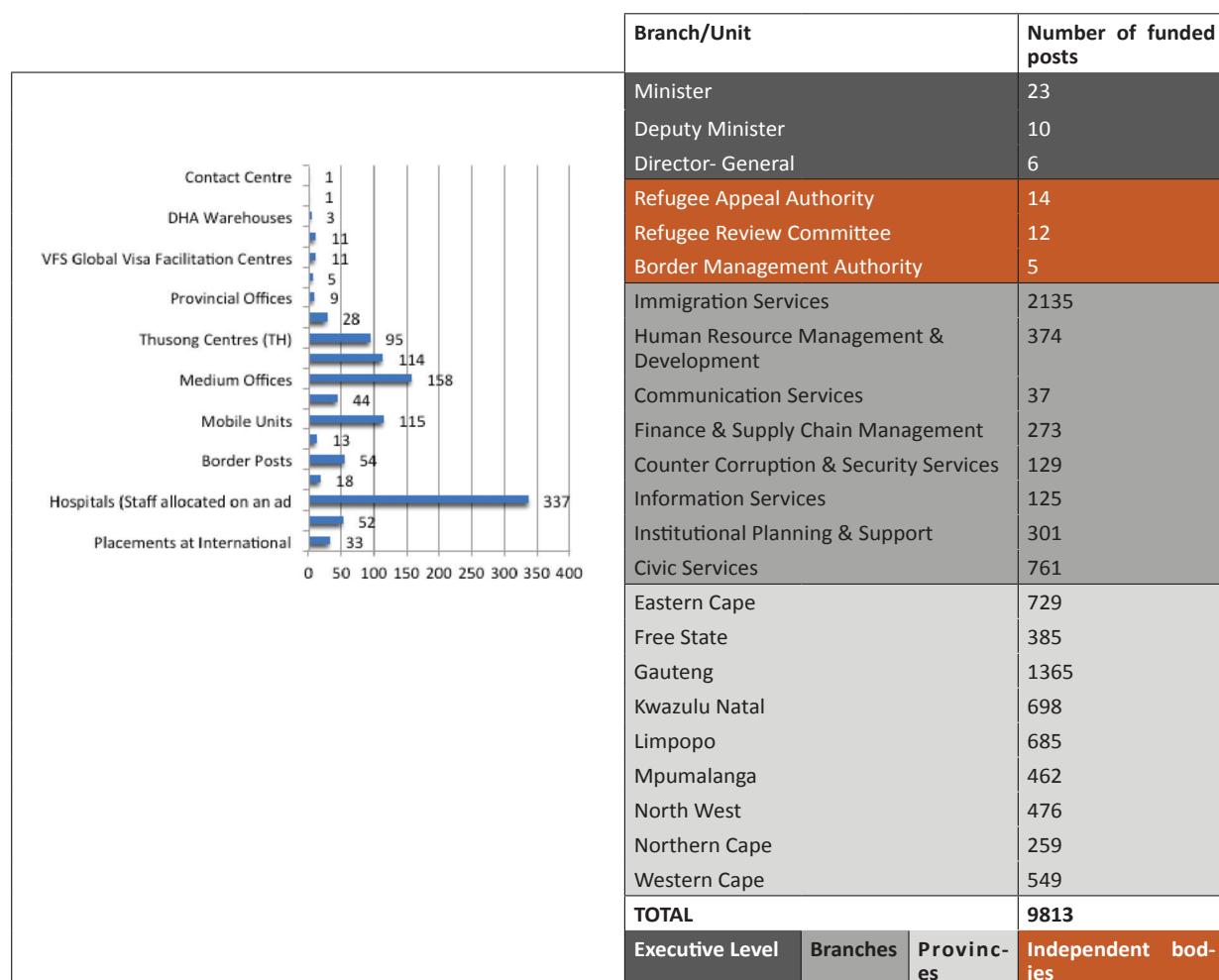As at 31 December 2016, the DHA had 9813 funded posts, distributed as indicated in Figure 1 below.



| Branch/Unit | Number of funded posts |
|---|---|
| Minister | 23 |
| Deputy Minister | 10 |
| Director- General | 6 |
| Refugee Appeal Authority | 14 |
| Refugee Review Committee | 12 |
| Border Management Authority | 5 |
| Immigration Services | 2135 |
| Human Resource Management & Development | 374 |
| Communication Services | 37 |
| Finance & Supply Chain Management | 273 |
| Counter Corruption & Security Services | 129 |
| Information Services | 125 |
| Institutional Planning & Support | 301 |
| Civic Services | 761 |
| Eastern Cape | 729 |
| Free State | 385 |
| Gauteng | 1365 |
| Kwazulu Natal | 698 |
| Limpopo | 685 |
| Mpumalanga | 462 |
| North West | 476 |
| Northern Cape | 259 |
| Western Cape | 549 |
| **TOTAL** | **9813** |

| Executive Level | Branches | Provinces | Independent bodies |
|---|---|---|---|

Fig. 1    Funded Establishment Posts as at 31 December 2016

**Capacity comparison by function:** An analysis of capacity across the three programmes of the DHA shows that Programme 1: Administration has 33% of posts, with five support branches; Programme 2: Civic Services has 43%; and Programme 3: Immigration Services has 43%, with only 15% of the operating budget and only 12% of posts in provinces. By contrast, in Australia's Department of Immigration and Border Protection and their Department of Foreign Affairs and Trade (also responsible for citizen affairs), immigration has 79% of staff across the two functions. South Africa's historical underfunding of immigration regulation is also reflected in the level of at ports of entry and in the Inspectorate, which is lower than other departments and below international norms.  A Director heads OR Tambo in Johannesburg, Africa's largest airport.

**Capacity overstretched across core functions:** Shifting staff between programmes will not assist: capacity in both civic and immigration services are both overstretched. An internet survey of countries that publish relevant data reveals that the ratio of DHA officials to the South African population at 1: 5470 is far higher than that of departments carrying out civic and immigration functions in India, Kenya, Canada, Australia and the United Kingdom (UK).  India had the lowest ratio at 1: 1278 and the UK the highest, after South Africa, at 1: 2613.

**Low skills and supervisory levels:** The DHA is very thin in terms of leadership, management and higher professional technical competencies. The DHA does not have the traditional pyramid-shaped organisation, the benefit of which is that employees continually build valuable, organisation-specific experience as they are promoted higher up the pyramid system. The pyramid model is strong on retained knowledge, but it is also costly. The DHA's organisation (capacity) shape has too few managers and professional levels, with the bulk of its staff at a junior or administrative level (Salary level 6). A further analysis also reveals varying spans of control. There are too many foot-soldiers at the DHA and not enough staff in supervisory levels. This is indicated in a comparison of departments that display typical capacity shapes, as shown in Figure 2 below.
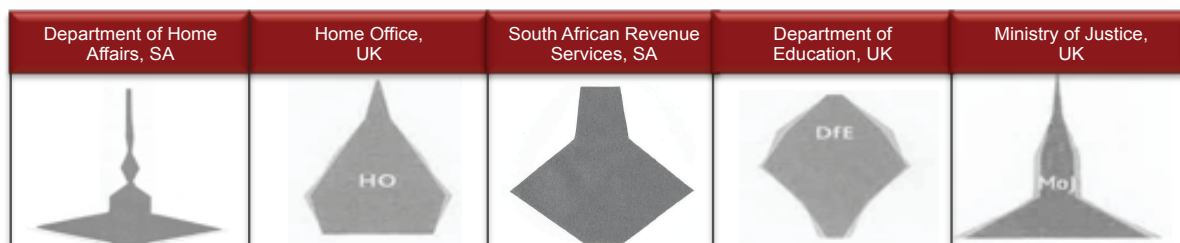
| Department of Home Affairs, SA | Home Office, UK | South African Revenue Services, SA | Department of Education, UK | Ministry of Justice, UK |
|---|---|---|---|---|
| | | | | |

Fig. 2   Organisation's Capacity Shapes Compared

**Skills and competency:** The IT function is extremely understaffed, given the department's mandate and digitisation strategy. Only 1.27% of staff work in IT and the international norm is 5.2%. Only 0.8% of staff can be classified as business analysts and in 2011 the international norm was 7.6%. Low education and competency levels mean critical complex functions suffer and the organisation is not positioned to meet future demands. Using education levels as a proxy for the level of skills and competencies available to meet new, increasing and complex service demands and security needs, a review of 2015/16 establishment data indicates that 69% of DHA staff either only have a Grade 11- or matric-level education, with most of these staff members serving in the provinces. Less than 2% of staff had a postgraduate degree and only 23% with 27% have NQF 5-7 qualifications (23.2% Bachelor's degree and 3.4% Higher Certificate or Diploma).

**Resulting organisational challenges:** The gaps outlined above are a result of systemic underfunding based on an historic lack of appreciation of the scope and strategic importance of the mandate of the DHA. However, because of high levels of commitment, there are areas of excellence and in some areas of delivery, exceptional work is being done. Nevertheless, as listed below, there are systemic issues that are inevitable given the large gaps in capacity:

- Processes and coordination: Poor collaboration, information and knowledge sharing, and process mapping and improvement.

- Resources and funding: Limited enforcement of mandate; highly uneven level of service, especially to rural and poor communities; DHA must remain with non-digital offices and outdated organisation structures.

- People practices, capabilities and capacity: Counter corruption and enforcement limited by lack of skills; inconsistent service delivery; new income streams cannot be generated, and data cannot be quality assured and analysed to assist economic development and planning.

- Governance and accountability: Too few supervisors and relevant specialists to ensure that procedures are followed; unqualified staff and third parties work with high-risk data; decision-making must be centralised to minimise delays, inefficiencies and weak accountability.

- Structure: Poor alignment of current structure and capacity for digital strategy; working in silos is the norm; dependence on a few middle managers without sufficient oversight; fragmented enforcement processes; duplication across some functions; inconsistent spans of control.

## 5.4 The future organisational model of the DHA

### 5.4.1 General organisational requirements

The DHA that is being built will be fit for purpose when every official and all structures can consistently deliver against the DHA's mandate securely, strategically and professionally. The DHA will be positioned at the centre of the state, within the security system, and will be considered a strategic resource by all South Africans. Achieving this will require the involvement of all staff members and a change management and training programme of unprecedented scope and depth. The building blocks are there, as shown by the success of the Turnaround Programme and other programmes over the past ten years, as well as the current work being done by project teams supported by the Learning Academy of the DHA.

Globalisation, digitisation, improved communication, changing organisational cultures, attitudes and work arrangements are changing the traditional "pyramid" structure to "diamond shaped" organisations (see Fig. 2). Routine transactions are being replaced by the smart management of systems, and exceptions by subject matter specialists and project managers. Citizens and other clients who require more than routine assistance must be served by professionals who understand their requirements and know how to escalate them. Such organisations require strong governance and management systems with access to real-time information, and must be connected to internal and external learning networks. They can only function effectively with transversal and specialist units that provide efficient support to core business.

### 5.4.2 Specific organisational requirements

**Distinct strategic, support and operational functions:** To meet the requirement for improved coordination of policy and strategy, the proposed organisational model separates the policy, strategy and oversight functions from the support and operational functions (see Chapter Four on the Operational Model). This separation creates focused functional areas, enabling staff to focus on multiple strategic priorities in parallel.

**Digital strategy and its implementation:** When considering the digital strategy and its implementation, the first question is where this capability should be in the organisation and who should "own" it. Responsibility must be placed where it benefits from strong functional leadership. The management of digital processes and data should be a dedicated function that includes shared learning, consistency and control, effective governance and strategic focus; and achieves economies of scale, as the function will make specialised resources available across the organisation.

**Security, protection and enforcement functions:** With the DHA being part of the security cluster, and acknowledged as a key element in the security system of the state, there is a need to enhance its capability to mitigate risks, deal with threats and respond to national security initiatives. Most critical is the protection of its citizen and non-citizen movement data, as well as identity and status data. This requires building and maintaining a security system around its people, systems, data and infrastructure in close collaboration with the security services. A central protection and enforcement function is required, which will use data analytics and predictive data analysis as a major part of its function. The recruitment and training of a staff that is security-aware is critical to establishing the kind of secure environment needed. Staff will also have to receive enhanced security training along the lines of departments such as Correctional Services. Training will be mandatory for confirmation of probation and promotion purposes at all levels. For this reason, a DHA College must be part of the organisational model.

**Client services:** The digitisation of the service delivery model (see Chapter Four) will also lead to the DHA adopting integrated client oriented practices where business processes and IT infrastructure is integrated across the department to deliver on-demand services to clients, agents and partners. Service delivery must be regarded and resourced at the same level as officials working with policy or systems. This will require being committed to clients and responding quickly to their needs; enhancing the organisation's ability to use client-specific knowledge; facilitating rules-based driven operations; and monitoring and managing automated services.

**Economic Development:** Facilitating economic restructuring, growth and development is one of the four core aspects of DHA's future vision. A "Strategic and Economic Services" structure should be considered to address this need. Functions could include policy, research and strategic planning; life-cycle ID management which interfaces with the NIS to plan

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for future government services; stakeholder engagement with core employment creation and economic development departments, to ensure that strategic and critical skills are identified to support future growth prospects for the country; inter-governmental relations and regional and international cooperation; monitoring, reporting and evaluation; and knowledge management.

**Transversal functions:** Transversal cooperation is about working together across cultural, departmental, national and organisational barriers, and it is about letting go of silos without letting go of specialised units. In the proposed DHA Organisational Model, the corporate services, strategic and economic services, and protection and enforcement functions will be working across the organisation to streamline collective functioning. The digital platform will also act as a transversal system to ensure effective cooperation.

**People management practices:** The availability of a skilled and specialised workforce characterised by their agility and capacity for learning is essential for the successful and effective functioning of a more secure and digitised Home Affairs. In general, the repositioned DHA will require staff with a depth of skills and expertise in their functions, while having the ability to collaborate across disciplines with experts in other areas and to apply knowledge in areas of expertise other than their own. Sound people management practices must be given priority at all levels, including rewarding innovation and talent management.

**Critical generic skills:** In line with the greater digitisation of DHA's operations, all employees will be required to have basic IT skills and a working knowledge of the digital applications used by the department. Staff with specialised knowledge and skills will be needed to design and maintain the digital platforms needed in the proposed operating models. Traditional management skills need to be updated and strengthened to deal with the impact of digitisation, and there needs to be a greater focus on the use of data to enhance the security mandate of the department. Management will have to understand the role of new technology in policy-making and service delivery, and the importance of digital skills to manage and analyse data and to deliver electronic services.

## 5.5   Summing up what is being proposed

Elements of the future operating model are being built within the limitations imposed by legacy systems, capacity and budgets. The strategy adopted is to initiate processes that have two-, five- and ten-year horizons. Some processes will start later than others and some will run in parallel.

Repositioning the DHA as an organisation calls for transformation on many levels, while keeping in step with changes in legislation, technology, operations and security. This should be considered a national project, given that it will greatly enhance the capacity of the state to deal with critical challenges that confront all South Africans.

Over the next two years, a priority is to mobilise the staff and external partners in support of a change management and training programme that includes process and systems development. Within five years, a DHA College and key elements of the new organisational model must be in place. The new structures must have the posts required to function effectively, including a critical number of specialists in areas such as IT, business analysis, security, research and statistics. It will take longer for the new organisational culture to completely replace the decades-long legacy that affects the department, and for the DHA to recruit and train staff to its required capacity.

# 6.   Funding a Secure, Modern DHA

## 6.1   Situational analysis

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The challenge of funding and enabling economic development

- The DHA is currently allocated a budget based on the assumption that it delivers routine services and therefore does not require a professional staff and a secure environment.

- The consequences of the funding and security deficit have been very costly; and have not allowed the DHA to fulfil its mandate as a key enabler of economic development, security and efficient government.

- **A secure, modernised and professional DHA funded at an appropriate level would be a key enabler of economic development and would generate new revenue streams.**

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## 6.2   The current funding model

The DHA receives three main kinds of funding from the National Treasury.  Firstly, the budget that pays for personnel, goods and services and other operational costs. Part of this budget is transferred to the Independent Electoral Commission leaving the DHA with under R5 billion.  Secondly, additional earmarked funds to pay for specified projects.  Thirdly, Treasury has agreed that revenue raised through charges by the DHA, such as fees paid for passports, can be retained to offset the costs of those services.

Over the past six years (2010- 2016) the operating budgets available to the DHA have been the lowest in the administrative and security cluster departments[14]. While the budgets of the other departments have increased except for DIRCO, the DHA's budget declined in real terms by 2% if inflation is considered.  A similar pattern of chronic underfunding has been repeated since 1994. There have been relatively large earmarked funds for special projects such as the Turnaround Programme and modernisation; and for once-off capital purchases such as the fleet of mobile offices. These initiatives have resulted in greater efficiencies and much better service delivery in some areas of the department. However, there has been no capital funding on the scale required to reposition the DHA holistically as a secure, modern department staffed by professionals.

At a macro level, the argument for investing in the DHA is based on its potential as a cost-effective enabler of empowerment, efficiency, security and growth in a digital environment.  However, much more limited value can be extracted from the current National Population Register and associated systems of the DHA. The immigration system is a key enabler of tourism and international events but it has very little capacity to manage immigration strategically in support of investment and competing globally for critical skills.

The DHA does not have a budget sufficient to enable it to secure its people and systems; enforce its mandatory laws effectively; or manage risks proactively in either the civic or immigration environment. The resulting cost to the state and society is huge. Public perceptions are that it is immigration-related, but levels of identity fraud and lack of compliance by South Africans is common and their numbers are much larger. Fraud related to social grants and defrauding retail sectors are two examples. Crimes impacting on civic and immigration functions are often related, as in foreign nationals using fraudulent marriages to remain in South Africa and who approach criminal syndicates to obtain identity documents fraudulently.

### 6.2.1   Opportunity costs[15] of the current situation

Current demographic data has serious gaps. Significant numbers of irregular migrants are not reflected, as well as citizens who are absent or not accurately recorded because of historical factors, outdated systems and widespread fraud. It is not surprising that there were 20, 000 places in schools more than was planned for in Gauteng at the start of the 2017

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14  COGTA, DIRCO, CS, SANDF, Justice, the DHA and SAPS were compared.
15  Opportunity cost refers to a benefit that a person could have received, but gave up, to take another course of action.

school year.  Budgeting for clinics and hospitals becomes a matter of guesswork. The provision of accurate statistics for planning could realise substantial savings and greater efficiencies by both public and private sectors.

The same systems could drastically reduce many kinds of fraud, such as qualifications fraud and fraudulent acquisition of land and housing.  Another example of an opportunity cost is the failure to capacitate the two bodies that adjudicate asylum seeker appeals[16]. This contributes to over 100, 000 people remaining in South Africa for many years, where many compete for scarce resources with desperate South Africans. The overall impact of higher levels of fraud and social unrest is a brake on economic development.   Even if limited to improving planning and reducing categories of fraud, the opportunity costs of not repositioning the DHA are much higher than the cost of funding a secure, modern department.

### 6.2.2   Efficiency gains and creating an environment for growth

The National Development Plan identifies the following key performance areas where the DHA should be a key enabler:

- Efficiently facilitating the entry and stay of migrants with skills that are scarce and are critical for economic growth.

- Playing a key role in enabling regional development by working with SADC countries to establish efficient, secure and managed movements of people.

- Contributing to social stability by effectively managing immigration and by enabling marginalised citizens to access their rights and services.

- Reducing fraud and the cost of doing business, and enabling e-government, thus attracting more domestic and international investment to fund economic restructuring and growth.

Large sectors such as health, education, local government, banking and insurance are at different levels of development in terms of the efficiency of processes – both within and between sectors. Yet the revolution in technology will bring far higher efficiency levels across all sectors. The introduction of relatively old technology into DHA processes - the use of SMS notifications and scanning barcodes on documents - saved the public from spending millions of wasted hours in queues or chasing applications.  Turnaround times became reliable and reduced from 140 days average to 45 days for the ID book.  In comparison, the new smart ID card is printed overnight and currently takes five to ten days to reach you. This clearly demonstrates one of the advantages of digital technology.

A similar transformation in processes could happen much faster across all sectors when the DHA is in a position to verify the identity of all people within our borders accurately and securely. The current NPR is being used to reduce fraud on a small scale within government and the private sector; but it is not integrated, reliable, secure and comprehensive enough to serve as a platform with which modern e-government and e-commerce systems can interface.  Countries that offer efficiency and convenience are attracting investment and migrants with critical skills. Those that remain with outdated systems will lose skills and capital. In South Africa it takes many weeks to get a deed registered or obtain many kinds of licences and records.  There are many opportunities for errors and fraud. Automated digital systems typically take a few minutes or seconds; with a large saving of time and costs and little chance of fraud if the identities of the parties are verified.

## 6.3   The future funding model

### 6.3.1   Basic assumptions

The state and society at large is greatly dependent on the DHA; while the value of the DHA's services are dependent on the integrity and protection of the organisation and its systems. In a world of increasing technology platforms with ease of access to transact along government service platforms, the DHA needs to migrate onto a digital platform and transform its service offering.

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16  Refugee Appeals Board and the Standing Committee for Refugee Affairs

There is a clear need to develop a funding strategy and baseline for the new operating model and leverage its capabilities to bring in new revenue streams that will make a substantial contribution to the fiscus. This additional funding must represent value for money for citizens and taxpayers. The funding model must have a sound policy basis and the following five assumptions could inform the formulation of policies that will be set out in the White Paper for Repositioning the Department of Home Affairs.

- There will be legislation that recognises the sole mandate and authority of the DHA to determine and affirm the official identity and the civil and immigration status of all citizens and all people on the territory of the RSA.

- The DHA will have an integrated digital platform that is secure and managed professionally; and a National Identity System that will provide interfaces to all legitimate clients.

- The state must provide a budget sufficient for the DHA to deliver against its full mandate and to maintain an appropriate level of security for a department that is a critical element of the security system and that will be the backbone of an expanding digital economy.

- The DHA will generate substantial revenue streams and have a generally positive effect impact on the fiscus, while observing the principle of not making a profit from the provision of standard services to citizens and other individual clients.

- With respect to realising the economic value of the systems and data of the DHA, there will be policy and legislation that defines the rights and obligations of all relevant parties and that establishes the means of ensuring good governance and respect for Constitutional rights and related legislation.

## 6.3.2   Funding strategy must be linked to economic development

Imagine, if for some reason, we could not use mobile phones in South Africa and had to go back to relying on landlines. Isolated pensioners in rural areas would be as outraged as a wealthy business owner or a truck driver because all of their lives would be disrupted. The pressure for cheaper data and access to the internet is driven by the reality that without access to information and to internet-enabled services you are already disempowered.

As the digital revolution[17] accelerates it will not be long before every citizen will take rapid access to information and services for granted. The repositioned DHA will be a key enabler of this fundamental change, which will be a critical factor in radical economic restructuring and inclusive development. Only a capable state with integrated planning, budgeting and systems can lead development in this environment. The integrated digital platform built around the National Identity System will empower citizens and enable the rapid growth of e-government and e-business.

## 6.3.3   The benefits of a repositioned DHA and potential sources of income

At a high level a secure, modern DHA will be:

- An essential security agent - the sole verifier of the official identity and status of every South African citizen, globally, and anyone within the border and wishing to visit the RSA.

- A catalyst for innovative products and services that can be developed by new entrepreneurs, in addition to generating additional revenue streams for the department

- South Africa's key enabler of integrated e-government services that can meet individual needs by providing rapid access to relevant information and efficient services.

- A strong example of how data, collaboration and digital back-office processes come together to enable a professional staff to be mission-driven, service oriented and security conscious.

Within five year the basic National Identity System (NIS) linked to a fully digital immigration system could be operational.

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17   This is one element of the 4th Industrial Revolution, which refers to the global impact of combinations of rapid technological advances in fields such as computing, energy, materials and biology.

The rapid and secure entry and exit of legitimate travellers through ports of entry would be piloted and rolled out to larger ports first. The passage of goods and conveyances would be faster due to the integrated systems established by the Border Management Authority. Not only would fraud and various forms of trafficking be greatly reduced and the change would boost regional trade and South African exports. The data generated by the same automated systems would enable smart, strategic management as well as the adjusting of fees and sharing of revenue to pay for the development and maintenance of the system by various departments.

Official transactions that require identity to be verified, such as the transfer of a house or a vehicle, would attract a fee for a check against the NIS on a cost-recovery basis. Other examples of mandatory compliance requiring DHA biometric identity checks are:

- Banks complying with FICA legislation requirements;

- Airlines verifying the identity of passengers;

- Telecom providers for RICA compliance;

- Higher education student verification for registration and access to examination centres;

- Public schools for student registrations;

- Public hospitals for admission entry;

- Social grant system for identification purposes of grant collection.

If charges for verification of the above services were between either R1.00 or R4.00, then between R500 million and R2 billion could be collected at current volumes of the few transactions list above. The prevention of fraud and other crimes by improving the rate of compliance would certainly save the service providers much larger amounts.

Another source of income would be higher fees charged for value-added or premium services. An example is the one-stop centre for visa and permit advice and applications that has been opened by the DHA in partnership with the Gauteng Development Corporation and a visa facilitation company. These funds contribute to keeping fees at acceptable levels for standard transactions.

The largest new revenue stream would probably be identity verification provided to the commercial sector. This could be in the form of fees charged for maintaining an interface with the NIS, charges for each verification and fees charged for incorporating a connection to DHA verification systems into hardware and software. Fees for connecting hardware and software to the DHA verification systems could be kept lower for start-up companies and other categories for strategic reasons.

There is high value in comprehensive, detailed, current statistics on national and local populations. The NIS will be a relational database and without giving access to data that could identify any person, the DHA could produce "big data" statistical analyses for a fee. Statistics South Africa and other government agencies and departments would have access to such data, which would significantly enhance the capabilities of the state to plan, conduct research, monitor the impact of policies, deliver services effectively and manage risks.

The budget provided to the DHA must accommodate research and development to ensure the DHA can manage risks effectively, keep abreast of developments and respond to needs. It would also ensure that the DHA would attract and retain specialists.

### 6.3.4   South Africa's position relative to global developments and trends

Over the past ten years many countries have begun investing in the development of platforms similar to the NIS that is at an early stage of development in South Africa. Some have put in place robust digital strategies that are already paying large dividends, even though their infrastructure is less well developed.

One of the reasons digital service are many time more effective is that once a system is established, clients can be added at a very low cost. India has allowed companies to leverage off their Smart ID Card and offer very cheap insurance and banking to the very poor. This has provided food security for millions of people, who can buy or insure a boat or a bicycle

that sustains a family.  Nigeria has partnered with MasterCard so that their Smart ID Card can double as a bankcard, bringing millions more into the formal sector and generating capital for investment.  Rwanda has demonstrated the potential of a digital strategy harnessed to a national development plan.

Estonia, Finland, Dubai and Singapore are building among the most advanced e-government systems and many cities are investing in becoming "smart" to meet the expectations of citizens, reduce costs and remain competitive.  Larger countries such as Canada and Australia have introduced single government portals to access many of their services and these will become powerful enablers with the on-going development of "intelligent" automation that can interact with clients to provide relevant information.

Studies by the World Economic Forum and other bodies indicate that South Africa is well positioned to develop and implement a digital strategy that can be harnessed to social and economic development.  A repositioned DHA can play a key enabling role in making this happen.

## 6.4     Summing up what is being proposed

Elements of the future funding model are being built within the limitations imposed by operating with legacy systems, capacity and budgets. The strategy adopted is to initiate processes that have two, five and ten year horizons.  Some processes will start later than others and others will run in parallel.

Within five years, if supported by state and civil society partners, the DHA can have a basic National Identity System secured and operational and sharing an integrated platform with a digital immigration system. This can be used to pilot and scale-up various services that will support development and generate revenue. As the platform develops additional sectors will be linked and within ten years almost all organisations and individuals would be connected directly to the NIS, or indirectly through accessing services.

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