



MINISTRY  
COMMUNICATIONS AND DIGITAL TECHNOLOGIES  
REPUBLIC OF SOUTH AFRICA

**MINISTER STELLA NDABENI-ABRAHAMS  
MINISTER OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES  
RELEASE PROGRESS REPORT ON THE ACHIEVEMENTS OF THE  
DEPARTMENT THUS FAR**

**STATEMENT**

06 October 2020

Deputy Minister of the Department, Ms Pinky Kekana  
Acting Chairperson South African Post Office Tia Van Der Sandt  
Acting Director General of the Department, Ms Nomvuyiso Batyi  
Senior government officials,  
Members of the Media,  
Fellow South Africans,

Good afternoon All

As you would remember in December 2019 I came on this platform and outlined the strategic priorities and plans which the Department intended to implement.

Today we wish to report back to the public on the progress we have made regarding these matters. I know that this year has been deeply challenging for all of us. In our own ways, we have all had a lot to overcome as a society; both in our professional lives and in our personal lives.

I wish to assure you today that even in the face of these challenges, our Department has continued to progress its work, so that your economic aspirations as a public continue to be realized.

Within this context, South Africa is being positioned as a key player in the 4IR moving along other developed and developing countries. The benefits of adopting the measures of the 4IR have been shown during the Covid-19 pandemic.

For instance, work became online, education also became online as well as other services. Recently the government has launched an online platform to trace the affected persons. Digital technologies have made possible the convergence of all media platform thus making it possible the idea of a network society at a global scale.

Indeed, we have had and spoken about the world as a global village with its own distinct culture of compressing the world in space and time. In this set up it is possible for a person in Qunu rural village to relate to a person in London in space and real time. The rise of network society at a global scale has made it necessary to come up with new institutional mechanisms for developing work and ethic and culture to create social cohesion. South Africa as a developing country must respond to the challenges of the digital divide which brings about new forms of poverty and marginalization, as exposed by the Covid-19 pandemic.

Let me now turn to addressing the priorities we have set, and our progress in this regard.

### **Leading South Africa into the 4IR**

A priority project to report on first is developments around the Fourth Industrial Revolution or 4IR.

As you know, the President delegated to our Department the responsibility of coordinating and overseeing the work of 4IR, which included the work of the Commissioners appointed by the President and tasked with developing a program of action around 4IR. We embraced this responsibility and worked closely with the Commissioners over many months to complete this mandate.

I can confirm that the Commissioners have now completed their work and that, together, we presented the 4IR Report to the President. I can confirm further that the President assented to our work, and that Cabinet has now approved the 4IR Report. The Report is currently being processed by the Department for publication in the Government Gazette.

To summarise, for the benefit of the public at this stage already, the 4IR Report consists of 8 (eight) recommendations. These are the following:

- Investment in human capital;
- The establishment of an artificial intelligence (AI) Institute;

- The establishment of a platform for advanced manufacturing;
- To secure and avail data to enable innovation;
- Incentivise future industries, platforms and applications of 4IR technologies;
- Build 4IR infrastructure;
- The review and amendment (or creation) of appropriate policies and legislation;
- The establishment of a 4IR Strategic Implementation Coordination Council.

We are pleased with this development, as the Report will provide clarity to the public about the intended practical outcomes of this initiatives. For example, the 4IR Report provides the country with a set of key recommendations on how to deliver on a 4IR enabled South Africa. It also elaborates on the public can exploit the potential of 4IR technologies, both socially and economically. By being clear on its recommendations, the Report will serve as a useful instrument to educate the public on how they can prepare themselves in order to take advantage of the outcomes of a 4IR enabled South Africa.

Our work as a Department does not end with the publication of the 4IR Report of course. We have therefore already appointed the 4IR Project Management Office (4IR PMO) to develop a Strategic Implementation Plan to realise the recommendations of the PC4IR report. As the primary drafters of this plan, the department is cognisant of the status of South Africa in relation to developments on 4IR technologies in Africa and globally. We intend to complete the Strategic Implementation Plan as soon as possible, for presentation to the President. We will update you as we make further progress in this regard.

### **Licensing of the High Demand Spectrum**

The first priority to report on is the licensing of the High Demand Spectrum. We promised, as a Department, that this would be a high priority undertaking against which to measure the progress of our work. I can confirm that just last week ICASA, which is a Regulator under the custodianship of our Department, issued Invitations to Apply for both Wireless Open Access Network and the International Mobile Telecommunications (IMT) spectrum.

The Wireless Open Access Network was included as part of a policy directive to ICASA from our Department and is intended, at its core, to encourage the meaningful participation of black entrepreneurs, SMMEs, Women, Youth and people with Disabilities in the ICT sector. As you know, transformation and the provision of meaningful economic opportunity to these Historically Disadvantaged groups is a priority for the ANC-led government.

We welcomed this news by ICASA and are confident that now we have provided certainty not only to the ICT sector, but to all the people of South Africa who are looking to derive economic spin-off through the release of spectrum. As President Ramaphosa mentioned recently, this move will ensure that we connect the unconnected, particularly in rural areas; and that we reduce the costs of communications and data across the country to enable faster, and cheaper connectivity. Most importantly, through the Wireless Open Access Network we will also ensure the ICT sector industry takes a bold move towards meaningful transformation to include the Historically Disadvantaged groups I referred to earlier.

In respect to the empowerment of the industry and the economic transformation of the sector, I welcome the decision by the regulator in the Invitation To Apply (ITA ) notice that licensees must achieve Level 1 BEE status in terms of the ICT Sector Codes and that such status must be maintained for the period of the licence. The ICT Sector Council is currently reviewing the 2016 Amended ICT Sector Code to incorporate the impact of Covid-19. The ICT Sector Council will soon publish its four-year strategic plan to align with the changes indicated in the ITA.

### **Human capital development and the future of work**

Another critical priority project that we would like to report on is around the human capital development and the future of work. This project forms part of the National Digital and Future Skills Strategy.

As I have already mentioned earlier, the vision of the Department is to create a digitally connected South Africa. The mandate of the Fourth Industrial Revolution is a practical step towards that direction. With this in mind, and given the disparities in education and sophistication in different communities in our society, it was imperative that our work is accompanied by a clearly defined strategy for providing the public with the practical tools they require in order to take advantage of the outcomes of our work. That is the intention behind the Digital Skills Strategy.

I can confirm that our Department has completed its work in designing an appropriate and practical framework for implementing the Digital Skills Strategy. The strategy includes developing the following critical and practical skills in information technology (IT): data science, software development, cybersecurity, 3D printing, drone piloting and the production of digital content. We will be presenting our proposed framework for implementing the Digital Skills Strategy to Cabinet for approval in the coming weeks.

In parallel, we have started a pilot program through the Department to indicate our commitment to the success of our proposal. One of the entities under our custodianship as a

Department, NEMISA, has now appointed Coursera, an internationally renowned online training institute, to undertake training and development of over 700 learners on the skills and competencies required to take advantage of the outcomes of the Fourth Industrial Revolution. Over and above this, they will train an additional 50 thousand young people specifically on data science and related competencies.

I should also mention that, through partnership with MICT SETA, we have also already managed to train more than 800 youths on data science related courses. These students are now well-equipped take advantage of a 4IR enable South Africa.

### **Audio- and Audio-Visual Content Services Policy Framework**

On 09 September 2020, Cabinet, at its virtual meeting, the Cabinet Committee on Economic Sectors, Employment and Infrastructure Development (ESEID) approved the publication of the Draft White Paper on Audio- and Audio-Visual Content Services Policy Framework: A New Vision for South Africa 2020, for public consultation and comment.

This Draft White Paper seeks to create an enabling environment for the provision of inclusive audio and audio-visual content services (AAVCS) to all South Africans in a manner that promotes social-economic development and investment.

The Draft White Paper, amongst others, proposes new policy and regulatory changes and recommendations intended to reposition the audio-visual media sectors for future growth and promote investments. It also provides for fair regulation of OTTs.

The department is processing the publishing Government gazette. This strives to secure the input of those potentially affected by or interested in the regulation of content, as outlined in the Audio- and Audio-Visual Content Services.

This consultative approach requests the participation of all South Africans interested in the Audio- and Audio-Visual Content Services Policy Framework.

### **Rapid deployment policy**

In July 2020 the Department published the proposed policy and policy direction on the rapid deployment of electronic communications networks and facilities (“the proposed policy”), for comment by the public. This policy is not a 5G policy as reported in the media – the country’s proposed 5G policy will be developed in 2021, and again be open for public consultation.

The proposed rapid deployment policy is necessary to increase network coverage and enable the deployment of broadband infrastructure such as fibre optic cables and services across all areas of the country.

One of the most important objectives of the proposed policy is to ensure a balancing of rights of operators to deploy networks with the rights of landowners.

The Department has received a significant number of submissions on the proposed policy, that is currently being considered, that I wish to thank stakeholders and the public for.

### **Institutional reforms**

Another critical program to report back on is on the reform of the entities under our portfolio.

You will remember that with this project we intend to reorganize and repurpose these entities into resilient, self-sustaining and effective agents for delivering services to communities. We also wanted to reduce the cost to the fiscus of administering these entities, by ensuring greater alignment of purpose and the realization of synergies between them.

#### **For example, under this project we intend to:**

1. merge Sentech and Broadband Infraco, to form one consolidated state digital infrastructure company.
2. unbundle the Postbank from the Post Office, to form a stand-alone state-owned bank.
3. restructure NEMISA reposition it as a digital learning institution of choice.
4. restructure USAASA and USAF to reposition it as a digital development challenge fund.
5. restructure SITA to ensure digital transformation through innovation and localization, to support a tech-savvy and capable state.

As we mentioned, all these processes will be undertaken only with the support of well-considered, and carefully defined business cases prior to their implementation, subject to Cabinet approval and legislative enablement by Parliament. The process would also require collaboration and coordination between the Department and the entities involved.

I can now confirm that we have completed the first business case to support the process indicated above. The business case completed is for the merger of Sentech and Broadband Infraco. The business case for the Digital Development Challenge Fund is at an advanced stage.

The Department has now established a Joint Oversight Forum to commence the implementation of this merger in earnest. My Office will chair the joint oversight forum, with the office of the Director-General acting as the Secretariat for the project. The Joint Oversight Forum will also comprise of the Chairpersons, CEOs and CFOs of each of the entities impacted by the project. We have ambitious goals for the completion of this work and will update the public as soon as the Joint Oversight Forum finalizes its implementation timetable.

We certainly believe that this process, that of repurposing the entities under our portfolio, is a critical step in our endeavor to maintain the integrity and prestige of our government as an agent for delivering services to communities.

### **Other success and challenges to report**

Our work has not ended with undertaking practical steps to implement coordinated project of course. We have also taken great pride in the noteworthy developments within the entities under our portfolio. Let me mention a few.

A few weeks back we held an AGM for Sentech. At the AGM, Sentech reported a cash-positive balance sheet for the current fiscal year, and a clean audit from the Auditor-General. This is a great achievement, particularly given the challenges other entities have faced, both in the public and private sector. We are proud of the work carried on by Sentech and commend its management team

It would be unfair to commend Sentech alone, without mentioning Telkom. As you know, the Department is the custodian of Government's 39% shareholding in Telkom. Telkom also held its AGM a few back and, in that AGM, also reported an impressive balance sheet for the current fiscal year, and a clean audit. We commend the management of Telkom for the stellar way they continue to manage the public assets under their control.

We will report in the same manner again, as and when the remainder of entities under our portfolio report on their performance.

The presentation would of course not be complete without a reflection of the challenges that some of the entities under our portfolio have experienced.

It is now a year since the SABC received the R2.1 billion first tranche Government bailout. The Department continues to monitor monthly the utilization of the bailout to ensure that it is utilized for intended purposes. I am pleased to inform you that the SABC has implemented

45% of the projects contained in the Turnaround Strategy. The outbreak of COVID 19 in South Africa however meant that the SABC is unable to achieve the desired results.

The financial and other challenges that the SABC has experienced are already a matter of public record. I will not repeat them here, save to say that we continue to trust in the management direction at SABC and remain available as a Department to support them as they find commercially sensible solutions to ensure their sustainability.

The Post Office has also experienced its fair measure of financial and other challenges, including criminal activity at some of its outlets. Those have also been reported on in the media, and so I will not repeat them here. The Department continue of course to make ourselves available to provide assistance to the Post Office in their journey to stabilizing their finances and ensure their sustainability.

In this endeavor, we recently appointed new board members, with extensive and credible pedigree and experience in logistics, postal and banking services, to the boards of both the Post Office and its subsidiary, Postbank. We have also provided timely support to the Post Office in its recent appointment of an experienced Chief Financial Officer and remain ready to do the same as the board endeavours to finalise the appointment of a suitable Chief Executive.

USAASA has also, just recently, had to suspend six of its employees in relation suspected irregularities regarding Broadcasting Digital Migration inventory management and certain payments thereof.

So, it has not been all good news, but certainly we have stood firm to continue delivering under our mandate in these difficult times and to provide meaningful support to the entities under our portfolio. That is our update, ladies and gentlemen. It is our hope that all of that which we have reported on today will indicate to the public that this Department continues to do good work, despite the challenges we all are facing.



## **Media allegations**

I would now like to turn briefly to addressing the reporting in the media recently about the affairs of my Office. It is time that public heard an honest account, directly from myself.

There have been several media allegations by the Independent Newspaper Group purporting, among other things, that I interfere in the procurement decisions and processes of SAPO, and that my family members also interfere in a similar manner at SAPO and USAASA.

Perhaps let me start by emphasizing the fact that I am committed and in full support of the role the media played during our dark days and into our new and young democracy. It was the heroic roles of men and women in the media who held the previous regime to account and as a Minister in a democratic government, I am more than willing and humbled to be held to account even more.

However, with every crucial mandate, come serious responsibility and accountability. As such our media houses and personnel alike always have a duty to act and report ethically and responsibly. And I know that I speak on behalf of all South Africans, when I says: I expect such high standard, and nothing more or less. The importance of ethical journalism cannot be over-stated.

Although in the beginning I did not want to respond to all these allegations given their frivolous and baseless nature, and generally due to my respect for the freedom of the press, it is now clear that the attack is not only malicious, and meant to be defamatory, but are systematic. And it is for that reason that I have decided to take the opportunity of this platform to set the record straight.

I wish to categorically state that all these allegations are baseless, unfounded and devoid of any truth. The engagement I had with the board of the Post Office were and continue to be within the parameters of the law. As it is common knowledge, the law requires me to engage the board of the Post Office and the Postbank on management issues from time to time.

Therefore, in these engagements with the board, we have always discussed only issues within my legal purview, among them, governance issues and other strategic matters on which the board requires my input and direction. I state firmly that in these engagements we have never discussed the appointment of service providers or any of other such defamatory issues as are alleged by the said media house.

Even more, it is disappointing that the said media house repeatedly and blatantly ignores and disregard our factual response to their allegations. For instance, on the two service providers

I am alleged to have imposed onto the Post Office and the Postbank, being Blue Label Telecoms and the Dr Andile Ngcaba's Africa Covid-19 Platform, I have responded in writing on both of these allegations, and stated categorically that at no stage did I ever seek to have either of these entities appointed by the Post Office or Postbank. In addition, the Post Office, Postbank and the Department have also responded in writing, independently of my office, refuting these allegations as false and without any merit whatsoever. But the media house decided to proceed with their unsubstantiated story, nevertheless, clearly intended to distort my image to the public.

I have asked the Acting Chairperson of the Post Office to be present today. I think it is important that the public should hear directly from them on these matters. I have also asked the DDG of the Department, responsible for the International Relations, to also be present today. She will be able to speak directly on any questions you may have regarding the allegations on Dr Ngcaba and the Africa Covid-19 Platform.

To demonstrate my clean conscience, I have voluntarily appeared before the Integrity Committee of the governing party for an independent assessment of my own ethics and integrity, as a deployee to public office. I have already appeared for the assessment in front of the Integrity Committee and await the publication of their assessment of my conduct as a deployee to public office. I will not report on the outcome of their assessment, until such time as they make this public.

I hope that, in providing you a platform to engage directly with persons independent of myself on these questions, we can allay any concerns of the public about any wrongdoing on my part on these matters.

Once again, I wish to reiterate my commitment and support for the role the media played and continue to play in our young democracy but only wishing to remind the media of its responsibility to always report ethically and truthfully at all times despite, the high temptations to serve other agenda.

I thank you.