



USAASA & USAF 2018/19 Annual Performance Plans Presentation to Portfolio Committee on Telecommunications and Postal Services

“Universal Access and Service to ICT for All”
24 April 2018



- ☐ Vision, mission and values statements
- ☐ Legislative Mandate and Policy Mandate
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USAASA

Universal Service and Access Agency of South Africa

Vision, Mission & Values



Mission:

- To facilitate the rollout of adequate Information and Communication Technology (ICT) infrastructure to enable universal access to under-served areas in South Africa.
- To facilitate ICT service to under-served areas and thereby contributing to the reduction of poverty and unemployment in South Africa.
- To promote and pursue the goal of Universal Access and Services and contribute to the sharing and preservation of information in order to build South Africa's sustainable knowledge society.

Values

- **Batho Pele** – We believe in providing excellent, efficient and effective service to all customers and stakeholders.
- **Integrity** – We uphold high standards of trust; condemn bribery and corruption; and uphold honesty and respect in all interactions with stakeholders.
- **Accountability** – We foster employee ownership and responsibility in ensuring quality service.
- **Innovation** – We support employee creativity in delivering all our services.
- **Transparency** – We encourage openness in all our activities.
- **Teamwork** – We strive to create a harmonious work environment, where all employees and contributors are respected.

Vision:

“Universal Access
and Service to ICT for
All”.





In line with the NDP, USAASA through USAF projects provides broadband infrastructure and ICT connectivity in the underserved

Provides guidance on building an access or core network, coordinates building programmes for efficiency, and promote universal access through efficient spectrum allocation, and focuses on driving uptake and usage through the provision of affordable services and devices, using the government as an anchor tenant for the core network

USAASA always ensures the alignment of the USAF projects to the SIP 15 goal of "100% access to digital ICTs to all South Africans by 2020 as a driver of new economic opportunities and digital equity"

USAASA Mandate

- ☐ strive to promote the goal of universal access and universal service;
- ☐ foster the adoption and use of new methods of attaining universal access and universal service
- ☐ conduct research into and keep abreast of developments in the Republic and elsewhere on information communication technology, electronic communications services and electronic communications facilities
- ☐ manage the Universal Service and Access Fund (USAF) in accordance with the provisions of the Act

USAF Mandate

- ☐ Provide connectivity to primary health facilities, educational institutions and needy communities
- ☐ Provide incentives to network licensees to construct operate and maintain networks in under-served areas.
- ☐ Access to digital broadcasting services

MTSF Outcome

Outcome 1

Quality basic education

Outcome 2

A long and healthy life for all

Outcome 3

Decent employment through inclusive economic growth

Outcome 4

Skilled and capable workforce to support an inclusive growth path

Outcome 5

An efficient, competitive and responsive economic infrastructure network

9 Point Plan

Applicable to broadband roll-out.

- **Number 7.** Unlocking potential of SMME's; Cooperatives; townships and rural enterprises
- **Number 8.** Reform & boosting of the role of SOE's ICT or broadband infrastructure rollout

South Africa Connect Policy Target

Broadband access in Mbps user experience

By 2020
90% at 5Mbps
50% at 100Mbps

International Measurements

WEF Ranking = 47 (2016)

World Economic Forum Global Competitive Index ranks South Africa as the 47th most complete economy of the 138 studied

ITU Ranking

South Africa has moved from position 86 to 88 in the *International Telecommunication Union's* 2016 ICT development index rankings

The Constitution

of the Republic of South Africa, 1996



PUBLIC FINANCE MANAGEMENT ACT & REGULATIONS

JUTA'S POCKET STATUTES

ACT 1 OF 1999

UPDATED
OCTOBER 2014



❑ The Constitution

- **Constitution:** “... improve the quality of life of all citizens and free the potential of each person” and, in doing so, enables equality in the rights, privileges and benefits of citizenship, including the guarantees of freedom of expression and association in the Bill of Rights in digital world. “

❑ Public Finance Management Act, 1999

Recognises USAASA & USAF as a schedule 3A public entity under the guidance of the Accounting Authority established in terms of section 49 of the PFMA

❑ South Africa Connect Policy, 2013

To present a vision, strategy and a long-term plan that is immediately implementable and that will catalyse broadband connectivity in South Africa:

- ✓ **robust and cost effective broadband** solution to **universal, affordable broadband access**
- ✓ **market structure** and **associated regulatory regime** required to induce sufficient **public and private investment**.
- ✓ mechanisms for greater **co-ordination at all tiers of government**, to enable more equitable access to broadband and to manage the **removal of impediments to broadband network extension**.
- ✓ **co-ordination between state owned entities** through clear role definition, integration of planning, monitoring and evaluation.
- ✓ Facilitate **infrastructure planning** through the mapping of existing **broadband networks**, **co-ordination of deployment plans of operators** and **infrastructure sharing** in order to limit the duplication of civil works.
- ✓ **vision, model and plan towards a world class open-access national broadband network** and harnessing **public and private** sector contributions, capabilities and resources.

❑ National Development Plan (NDP):

*The ICT sector by 2030 will underpin the development of a **dynamic and connected information society** and a **vibrant knowledge economy** that is more inclusive and prosperous. A **seamless information infrastructure** will...*

❑ New Growth Path:

*One of the **job creation drivers** identified as part of the **New Growth Path**, the national 5-year economic plan for the country, is the element of the **knowledge economy** – an economy that is underpinned by access to affordable high speed broadband...*

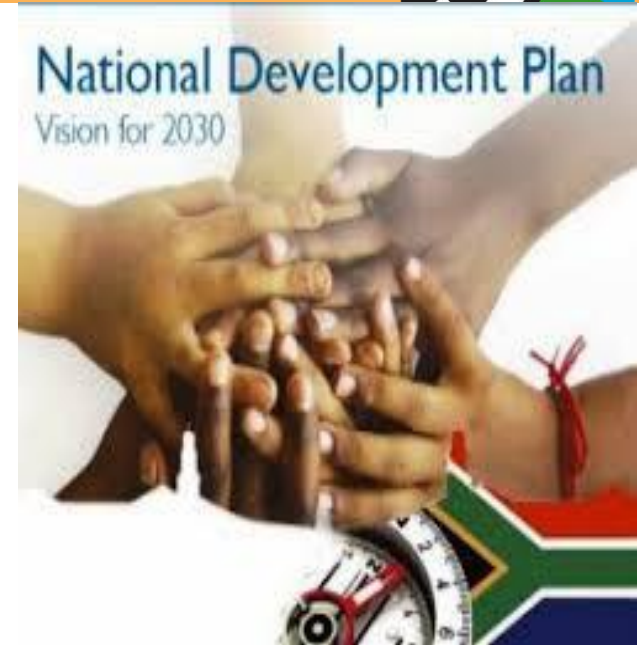
❑ Nine Point Intervention Plan:

*Among the **Nine-Point Plan** priorities of Government aimed at igniting growth, is that the State reform and boosting the role of state-owned companies; **ICT infrastructure or broadband roll-out**; water, sanitation and transport infrastructure.*

*Another is **Operation Phakisa** (a programme aimed at accelerate implementation of the NDP). Operation Phakisa in Education is envisaged to, amongst other things, address the need to train and prepare teachers to integrate ICT in their classrooms and change their teaching practices aligned to the ICT resources.*

❑ SIP-15: Expanding Access to Communication Technology :

*AIM: 100% access to digital ICTs to all South Africans by 2020 as a driver of new economic opportunities and digital equity. Interim implementing agencies include: Sentech, Broadband Infraco, Telkom, SANRAL, Eskom, Transnet, **USAASA**, and the private sector.*





USAASA PROGRAM AND SUB-PROGRAM PLANS 2018/19



usaasa

Universal Service and Access Agency of South Africa

SUB-PROGRAMME 1 : BUSINESS SUPPORT

The purpose of program 1: Business Support is to provide strategic leadership, management and support services to the Agency

Strategic Objectives	Performance Indicators	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
1.1. Improved risk management services	1.1.1 Percentage implementation of the Risk Management Plan	75% Implementation of the Risk Management Plan	72% Implementation of the Risk Management Plan	73% Implementation of the Risk Management Plan	74% Implementation of the Risk Management Plan	75% Implementation of the Risk Management Plan
1.2. Increased utilisation of the ICT System	1.2.1 Percentage uptime availability of the SAP ERP automated processes	99 percentage uptime availability of the SAP ERP automated processes	99 percentage uptime availability of the SAP ERP automated processes	99 percentage uptime availability of the SAP ERP automated processes	99 percentage uptime availability of the SAP ERP automated processes	99 percentage uptime availability of the SAP ERP automated processes
	1.2.2 Percentage utilisation of the functioning SAP ERP modules	100% utilisation of the functioning SAP ERP modules	100% utilisation of the functioning SAP ERP modules	100% utilisation of the functioning SAP ERP modules	100% utilisation of the functioning SAP ERP modules	100% utilisation of the functioning SAP ERP modules

Programme 1: Business Support	Audited Outcomes		Estimated Expenditure	Medium - Term Expenditure Estimate		
	(R'000)		(R'000)	(R'000)		
	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021
Compensation of employees	38 165	41 839	47 429	51 318	55 475	59 913
Goods and Services incl. Capex	66 950	123 787	27 680	28 147	28 462	28 662
Corporate Services	7 450	6 968	4 174	3 373	3 455	3 539
Communication and marketing	1 291	862	756	900	918	413
Information Technology Communication	29 448	23 065	4 616	5 355	5 244	5 534
Finance and Supply Chain Management	5 452	4 210	7 577	7 898	8 071	8 249
Board Costs	1 156	1 157	1 686	1 936	1 975	2 014
Legal Services	2 108	9 208	863	922	931	940
Other goods and services	20 045	78 317	8 008	7 763	7 868	7 973
Total expenses :	105 115	165 626	75 109	79 465	83 937	88 575

SUB-PROGRAMME 2: BUSINESS INTELLIGENCE

The purpose of program 2: Business Intelligence will promote effective and efficient service delivery of universal services and access in underserved and underserved areas through planning, monitoring, reporting and evaluation, and research

Strategic Objectives	Performance Indicators	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
2.1 Improved quality of performance information	2.1.1 Number of outcome evaluations conducted	1 outcome evaluation conducted	Evaluation design developed	Evaluation conducted	Draft evaluation report completed	Final evaluation report completed
2.2 Facilitate a smooth transition from USAASA /USAF to Digital Development Fund	2.2.1 Transition plan costed and completed	Transition plan costed and completed	Draft Transition Plan Framework developed	Draft Transition Plan Framework finalised	Transition Plan completed	Approved Transition plan



Programme 2: Business Intelligence	Audited Outcome	Audited Outcome	Audited Outcome	Estimated Performance	Medium-Term Estimates		
					2018/19	2019/20	2020/21
R thousand (R'000)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Current expenses	-	-					
Compensation of employees	-	-					
Planning, Monitoring and Evaluation	-	-					
Research	-	-	219	575	609	621	634
Total expenses:	-	-	219	575	609	621	634

USAF ANNUAL PERFORMANCE PLANS 2018/19

“Universal Access and Service to ICT for All”





USAF PROGRAM AND SUB-PROGRAM PLANS



1. Program 1: Business Operations

The functions of USAF as per Section 82 of the ECA can be summarised as that of a facilitator and monitoring role to improve research capacity on universal service and access and to make recommendations to the Minister on policy issues. It has a mandate to provide accurate and credible information on universal service and access gaps

Strategic Objectives	Performance Indicators	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
1.1 Increased access to connectivity through the roll- out of electronic communication infrastructure	1.1.1 Number of newly identified underserved areas with access to electronic communication infrastructure that is functional	Ngquza Hill and Port St Johns Local Municipalities in OR Tambo District Municipality , are the 2 newly identified municipal areas have access to electronic communication infrastructure	25% of the infrastructure will be network deployed in the 2 areas	50% of the infrastructure will be network deployed in the 2 areas	75% of the infrastructure will be network deployed in the 2 areas	100% of the infrastructure will be network deployed in the 2 areas
	1.1.2 Number of existing sites with internet connectivity maintained	676 existing sites with internet connectivity maintained in King Sabata Dalindyebo, Mhlontlo, Joe Morolong and Ratlou Local Municipalities.	▪ 564 educational institutions ▪ 111 clinics ▪ 1 public office	▪ 564 educational institutions ▪ 111 clinics ▪ 1 public office	▪ 564 educational institutions ▪ 111 clinics ▪ 1 public office	▪ 564 educational institutions ▪ 111 clinics ▪ 1 public office

The 2 municipal areas with access to electronic communication infrastructure refers to newly identified areas that USAASA will roll out the electronic communication infrastructure. Internet connectivity to sites will be done in the 2019/2020 financial year.



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Strategic Objectives	Performance Indicators	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
1.1 Increased access to connectivity through the roll- out of electronic communication infrastructure	1.1.3 Number of new sites with internet connectivity maintained in Impendle and Nyandeni Local Municipalities	275 new sites with internet connectivity maintained in Impendle and Nyandeni Local Municipalities of which: ☐ 187 educational institutions ☐ 32 clinics ☐ 16 public offices ☐ 40 public Wi-Fi hotspots.	275 new sites with internet connectivity of which: ☐ 187 educational institutions ☐ 32 clinics ☐ 16 public offices ☐ 40 public Wi-Fi hotspots	275 new sites with internet connectivity of which: ☐ 187 educational institutions ☐ 32 clinics ☐ 16 public offices ☐ 40 public Wi-Fi hotspots	275 new sites with internet connectivity of which: ☐ 187 educational institutions ☐ 32 clinics ☐ 16 public offices ☐ 40 public Wi-Fi hotspots	275 new sites with internet connectivity of which: ☐ 187 educational institutions ☐ 32 clinics ☐ 16 public offices ☐ 40 public Wi-Fi hotspots

The 270 new sites connected will use the electronic communication infrastructure rolled out in the 2017/2018 financial year.



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Strategic Objectives	Performance Indicators	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
1.2 Increased access to Digital Broadcasting	1.2.1 Number of set-top-boxes and antennae procured	22 282 set-top boxes and antennae procured	0 set-top boxes and antennae procured	0 set-top boxes and antennae procured	11 141 set-top boxes and antennae procured	11 141 set-top boxes and antennae procured
	1.2.2 Percentage of set-top-boxes and antennae distributed for registered users	100% of set-top boxes and antennae distributed for registered users	0	0	50% of set-top boxes and antennae distributed for registered users	100% of set-top boxes and antennae distributed for registered users

The total number of set-top-boxes to be procured have been reduced due to budget reduction of R250 million by National Treasury.



1. Program 1: Business Operations

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Strategic Objectives	Performance Indicators	Annual Target 2018-2019	Quarterly Targets			
			Quarter1	Quarter2	Quarter3	Quarter4
2. Improved accountability on project management of the infrastructure projects	2.2.1 Percentage completion of USAF project activities according to the recognised project management principles	100% completion of USAF project activities executed within the allocated budget and timeframes	100% completion of USAF project activities executed within the allocated budget and timeframes	100% completion of USAF project activities executed within the allocated budget and timeframes	100% completion of USAF project activities executed within the allocated budget and timeframes	100% completion of USAF project activities executed within the allocated budget and timeframes

Programme 1: Operations		Audited Outcomes		Estimated Expenditure	Medium - Term Expenditure Estimate		
		(R'000)		(R'000)	(R'000)		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021
Project Costs	705	1 080	1 518	3 522	3 727	3 936	4 152
Broadband infrastructure in under-served areas	36 833	44 502	17 796	31 227	33 037	34 887	36 806
Rapid deployment and connectivity	25 804	16 813	11 868	19 865	21 017	22 194	23 415
Broadcasting digital migration programme	9 664	4 343	65 287	79 098	**37 880	54 001	56 721
Increased end-user demand		-	-				
Total Expenditure	73 006	66 738	96 469	133 712	95 661	115 018	121 094

- ☐ The table above depicts the USAF budget allocation for the 2018/19 financial year and the Medium-Term Expenditure Framework funding allocations. Over the medium - term USAF is spending focus will be on:
- ☐ the rollout of broadband infrastructure and provision of equipment to identified underserved municipal areas (including educational institutions, ICT centres and primary healthcare facilities);
- ☐ the rolling out of broadcasting digital migration and the main cost drivers will be subsidising the provision of set-top boxes and antennas to identified television owing needy households, and
- ☐ maintaining existing broadband networks to connected sites in underservices areas (i.e. within the initial 2-year period).
- ☐ The current allocation of broadcasting digital migration programme has been reduced by R250 million by National Treasury



USAASA

Universal Service and Access Agency of South Africa

Enkosi

Thank You

Rea Leboha

