INDEPENDENT COMMUNICATIONS
AUTHORITY OF SOUTH AFRICA

ICASA Presentation to PCDCT

11 February 2025

Cllr Mothibi Ramusi
Chairperson

Contents

Overview: Vision, Mission and Values

Vision

An inclusive digital society.

Mission

To regulate electronic communications, broadcasting and postal services in the public interest

CORE Values

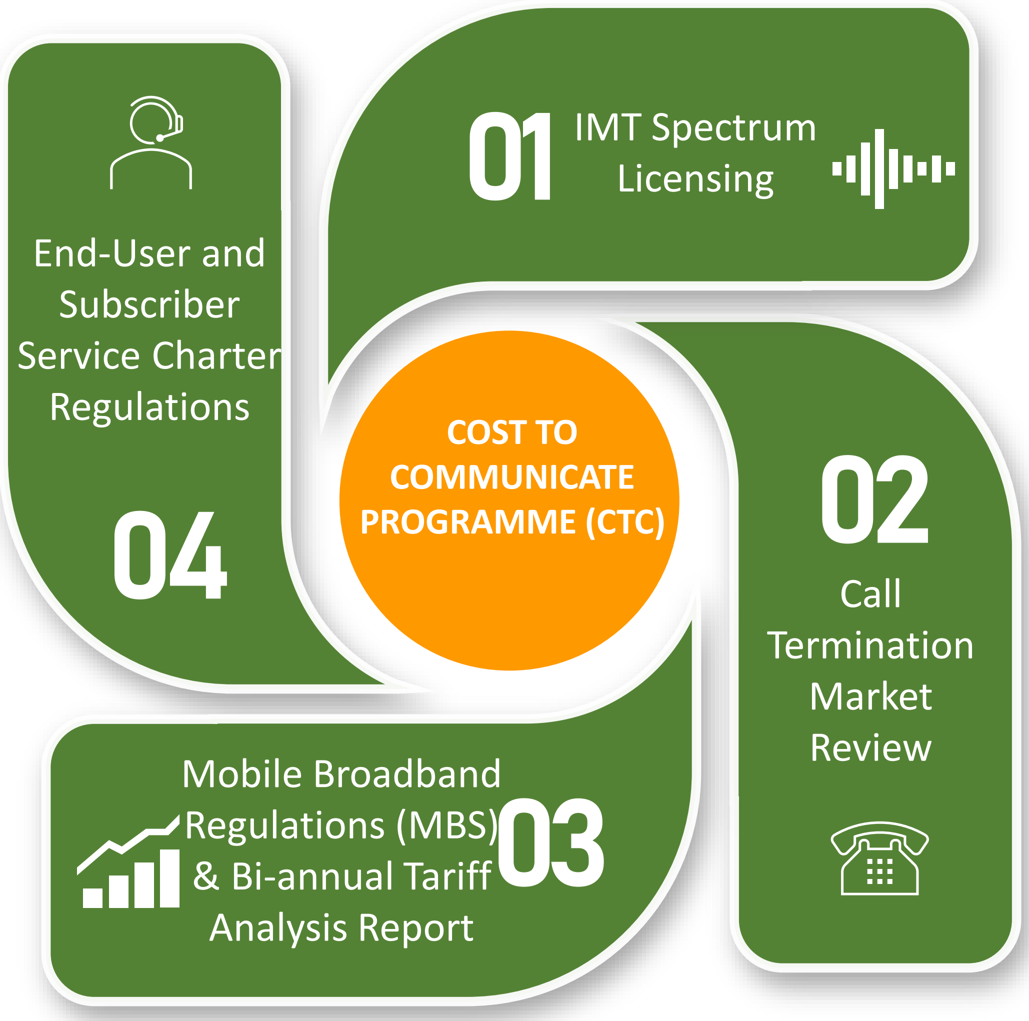
All ICASA's regulatory activities are centered around five core values: innovation, collaboration, accountability, and being results-driven and stakeholder-centric.

I	C	Λ	R	S
INNOVATION	COLLABORATION	ACCOUNTABILITY	RESULTS-DRIVEN	STAKEHOLDER-CENTRIC
Issuing of the recommended South African Strategy for 5G and Future and Emerging Technologies	As a regulator, the Authority engages in interactions with other regulators and ICT associations globally	We execute our daily work in a proactive manner	Maintaining the organizational performance of 80% and above while trying to achieve the set target of 91%	Stakeholders are central to what we do, and we welcome their feedback for a consistent and effective partnership

ICASA INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

(i) Cost to Communicate

Interventions to Address Cost to Communicate



Amendment of End User and Subscriber Charter Regulations to address the concerns regarding Quality of Service (QoS). ICASA is currently consulting stakeholders on rules governing data expiry, data transfers, and out-of-bundle voice rules.

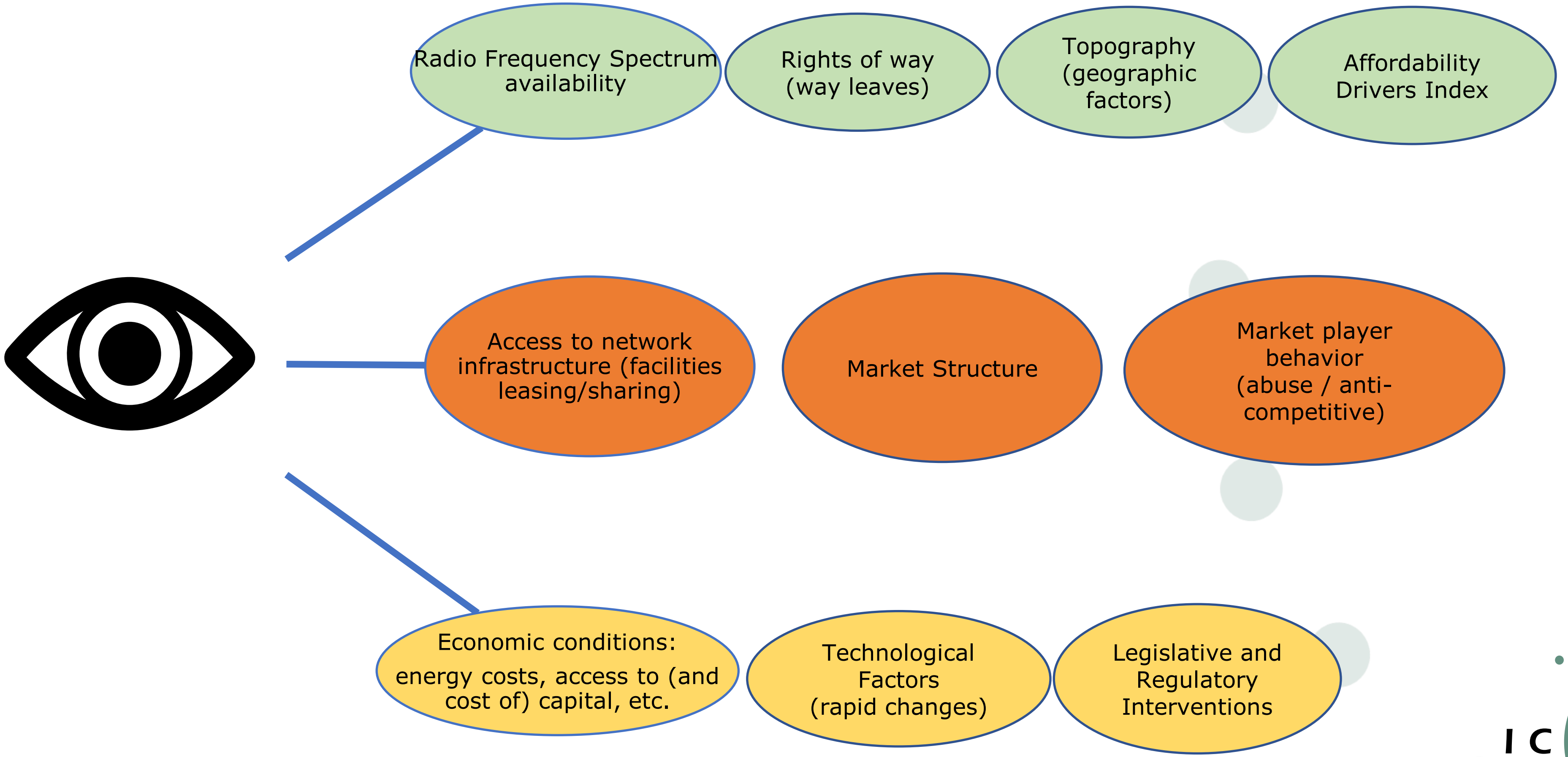
Reduction of Call Termination Rates. ICASA held public hearings on 13 June 2024 and finalised the Amendment Regulations on 9 December 2024. The Amended Regulation will come into effect on 1 July 2025

Additional IMT Spectrum Licensing

ICASA prescribed MBS in 2022 to enhance competition in the mobile broadband services market. ICASA also publishes bi-annual tariff reports that promote retail price transparency. Over the past five years, data prices have declined due to operator efforts and regulatory actions, but more work remains. The next tariff report will be published in March 2025.

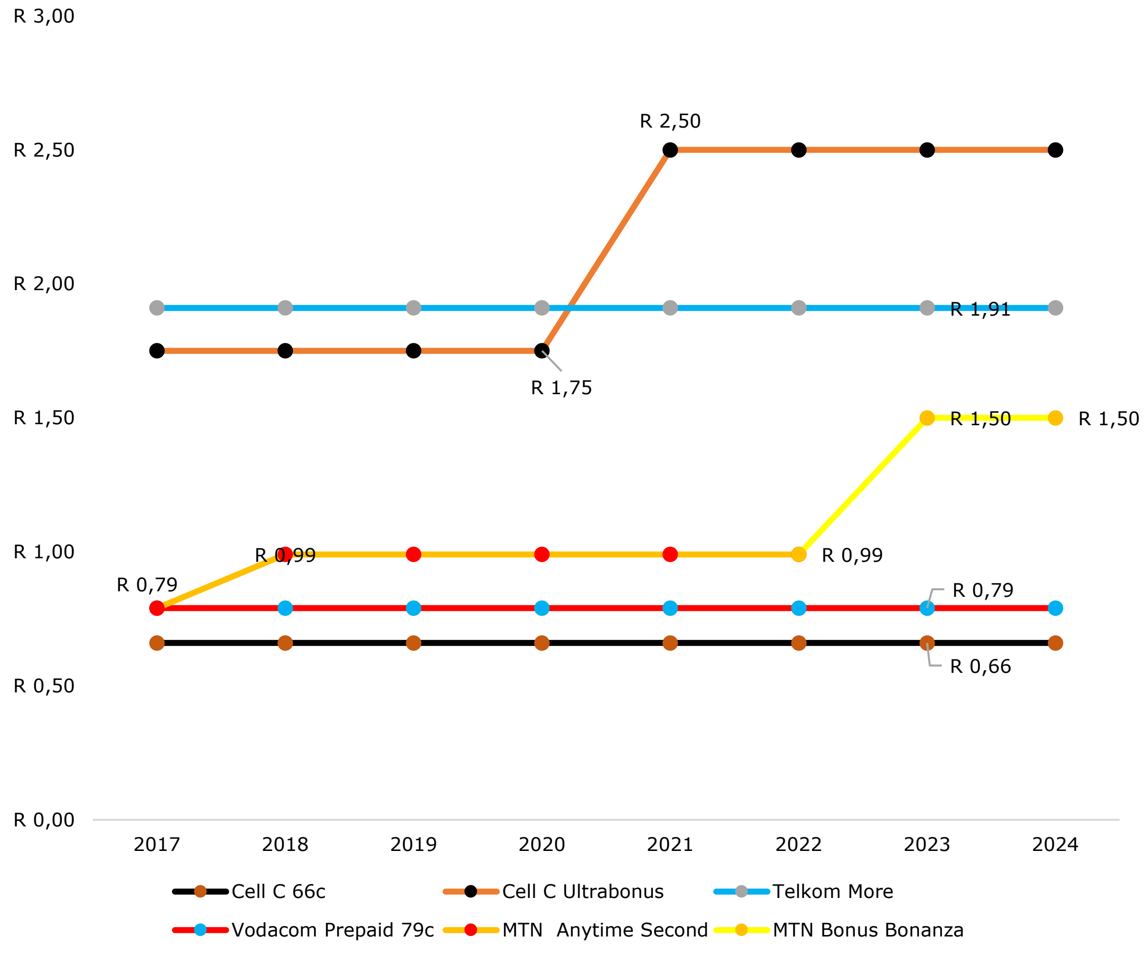
Factors that drive data cost

There are a variety of factors that drive or influence the cost and prices of data services. ICASA's 2018 Data Benchmarking Report indicates that such factors would include:



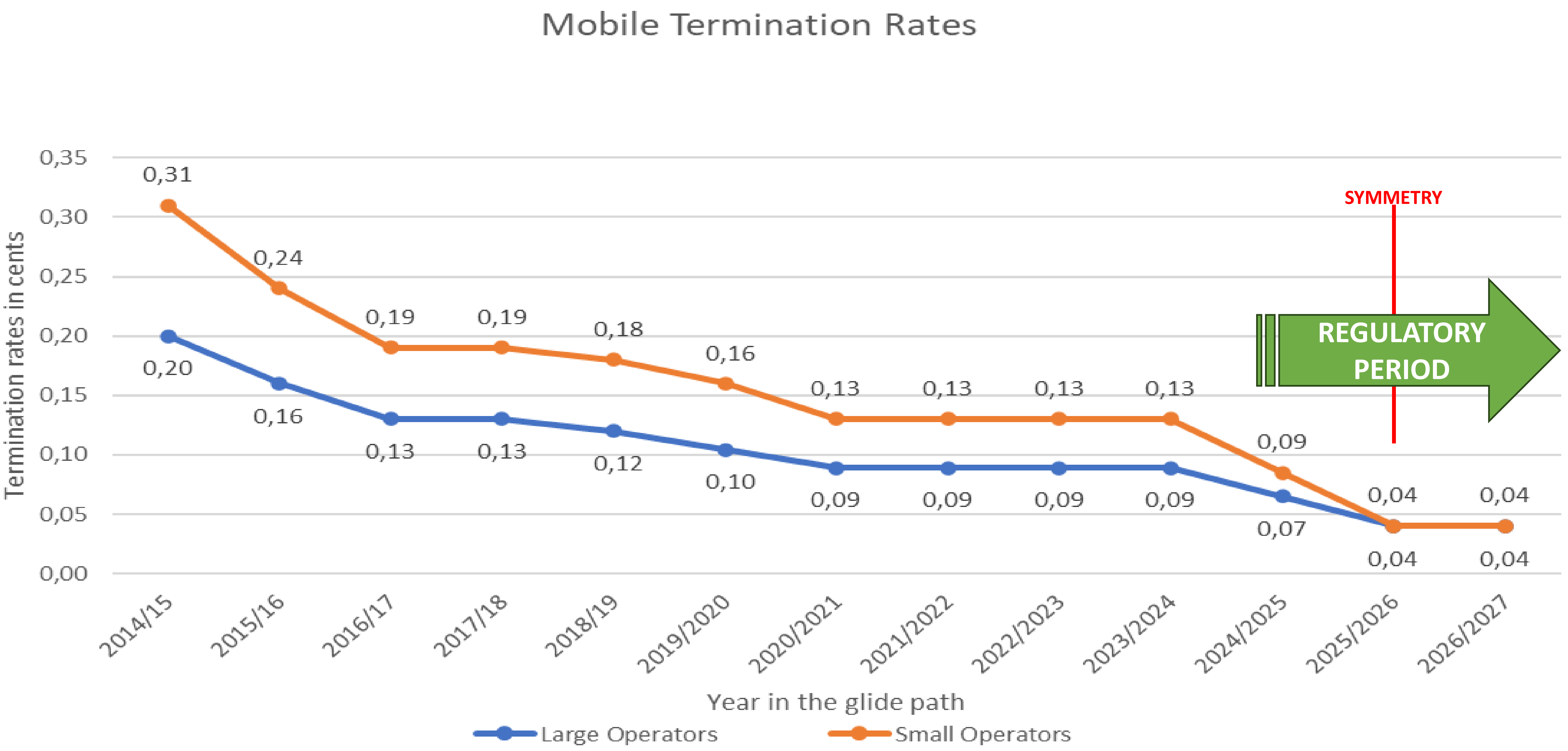
Voice Services Market

Figure 1: Trend analysis of flat-rate voice tariffs from selected Vodacom, MTN, Cell C and Telkom Mobile prepaid tariff plans

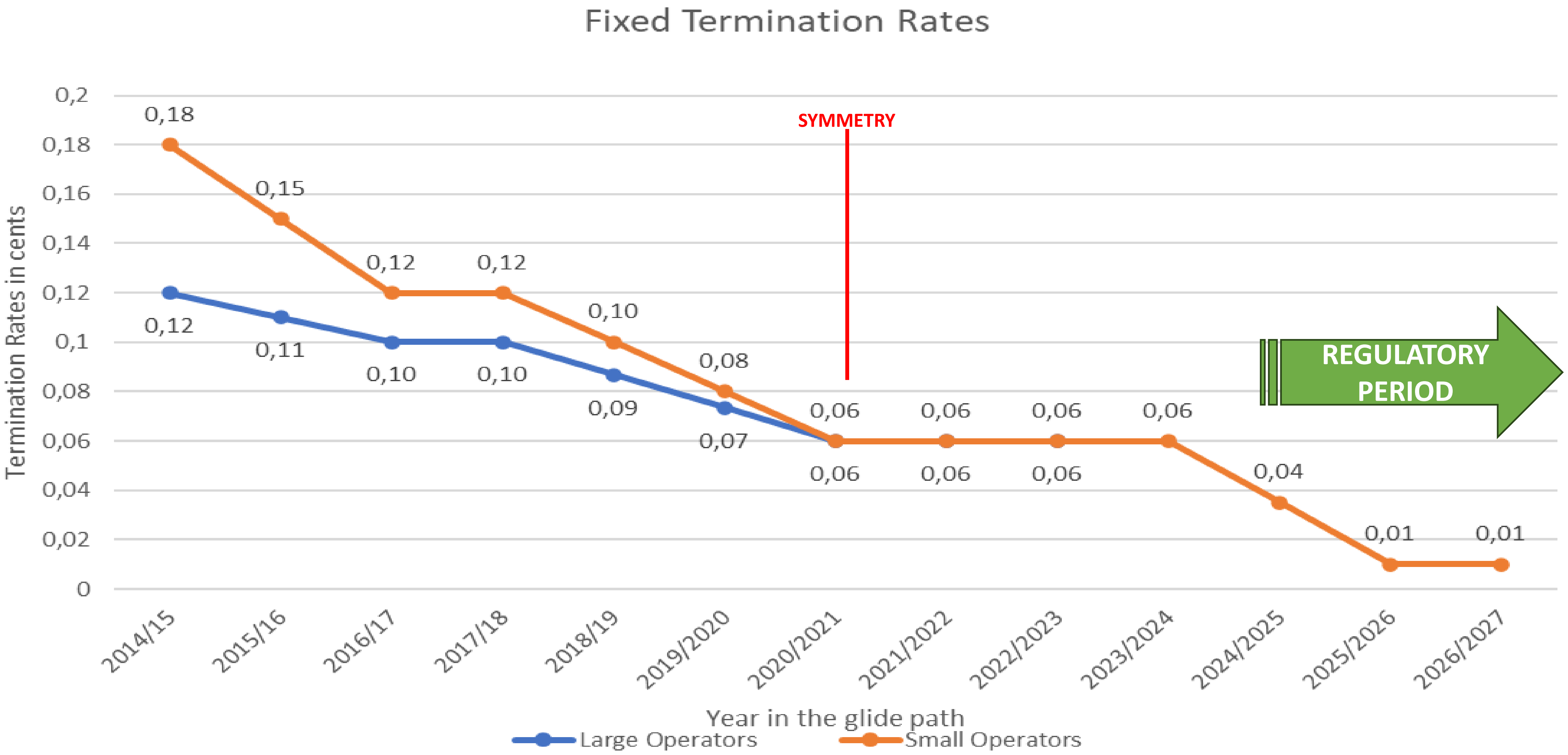


- Figure 1 shows a price trend of flat-rate voice tariffs offered by Vodacom, MTN, Cell C and Telkom.
- Cell C's UltraBonus voice tariff was increased in 2020, by R 0.75 or 43% from R 1.75 to R 2.50 per minute, and has remained unchanged to date.
- MTN discontinued its Anytime per Second tariff plan in 2022 and introduced its new default tariff plan, namely, Bonus Bonanza Price Plan. In the year 2023, MTN increase the voice flat-rate of the new plan by 51.5% from R 0.99 to R 1.50.
- Cell C offers the most affordable flat-rate voice tariff among the four MNOs, which is priced at R 0.66 per minute since inception. Vodacom's Prepaid 79c tariff plan follows the aforementioned price plan in terms of affordability, charging R 0.79 per minute since it was introduced in the market.
- The Telkom More tariff plan offers its flat-rate voice tariff at R 1.91 per minute and has remained unchanged since 2017.

Call Termination – Mobile



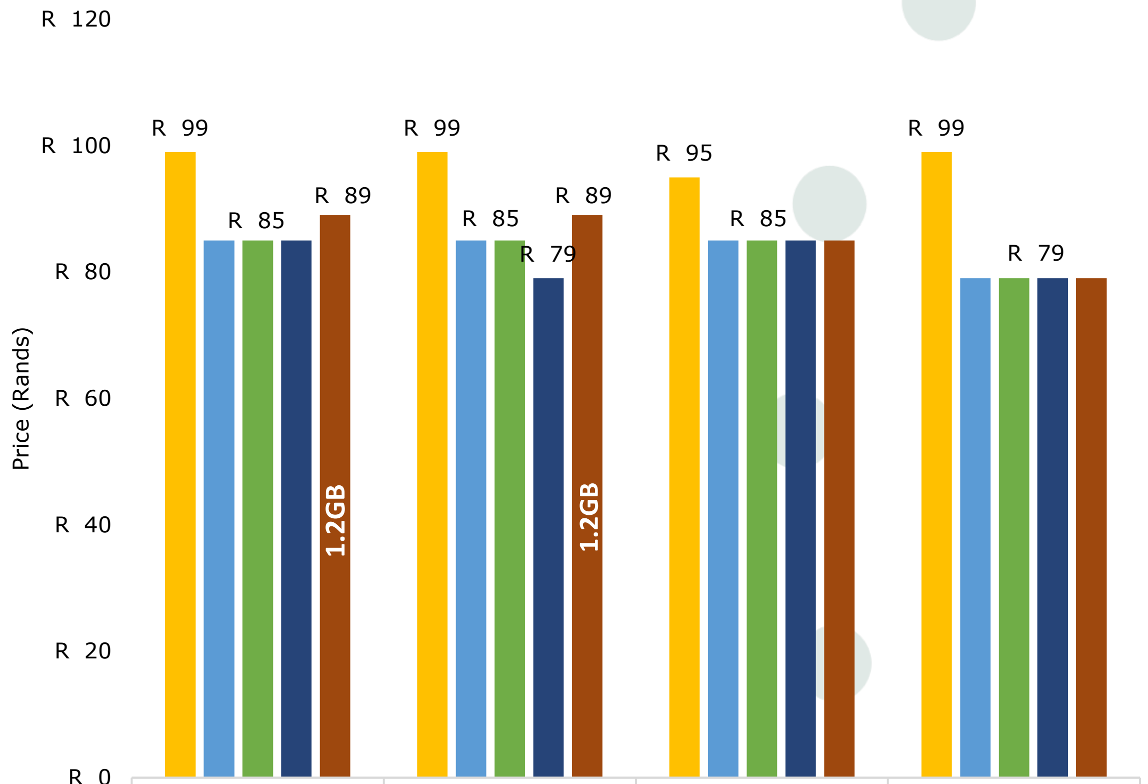
Call Termination: Fixed



Data Bundles Trend Analysis…(Continued)

- Telkom and MTN have had the largest price reduction over the 2020 to 2023 period, of 21% from R 99 in the year 2020 to R 79 in 2023.
- Cell C and Vodacom reduced their prices by 14.1% and 12.5% over the 4-year period (between 2020 to 2023), respectively, to R 85 which indicates convergence of prices due to competitive pricing from R 149 to R 85, respectively.
- In the year 2024, MTN and Vodacom replaced their respective 1GB data bundles and introduced 1.2GB data bundles that are both priced at R 89.
- In terms of in-bundle rates, MTN and Vodacom offer more value for money with their in-bundle rates at R 0.07, while Cell C and Telkom Mobile both have their respective in-bundle rates at R 0.08 per MB.

Figure 3: 1GB – 1.2GB Data Bundle Price Trend

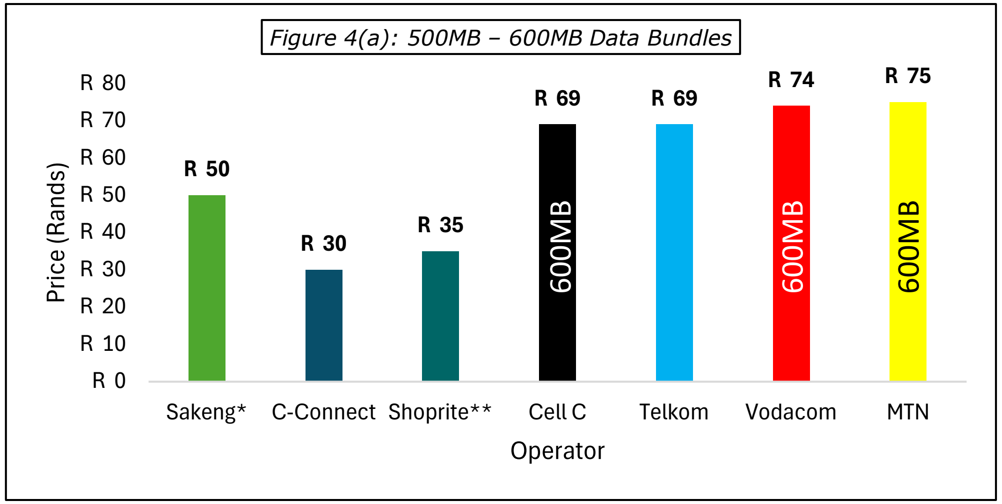


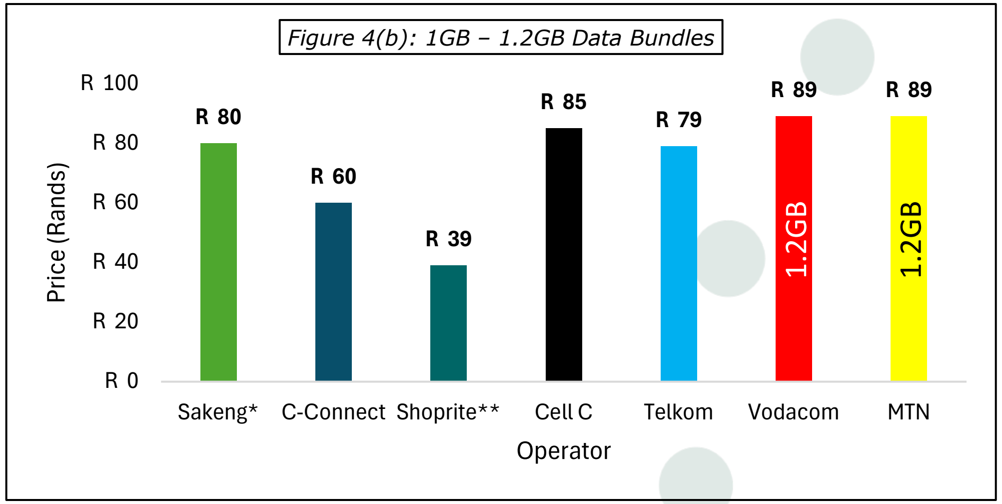
	Vodacom	MTN	Cell C	Telkom Mobile
2020	R 99	R 99	R 95	R 99
2021	R 85	R 85	R 85	R 79
2022	R 85	R 85	R 85	R 79
2023	R 85	R 79	R 85	R 79
2024	R 89	R 89	R 85	R 79

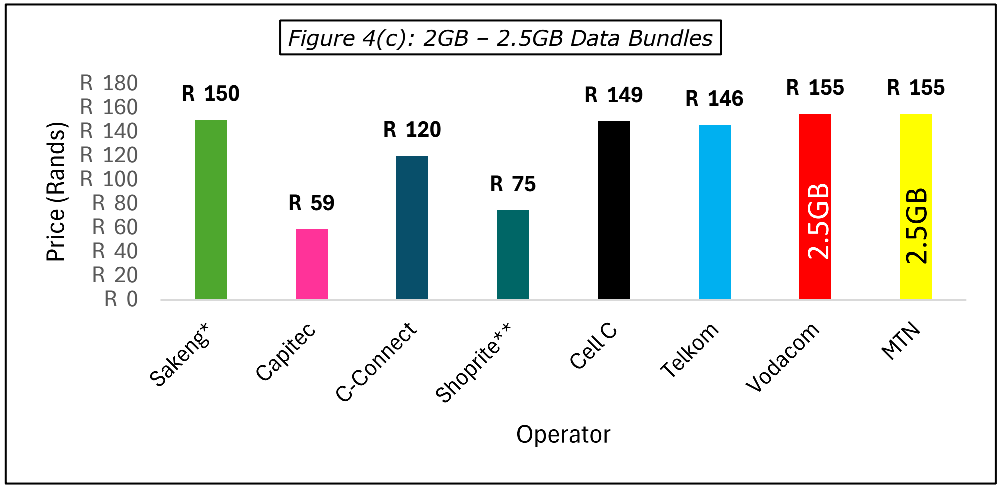
2020 2021 2022 2023 2024

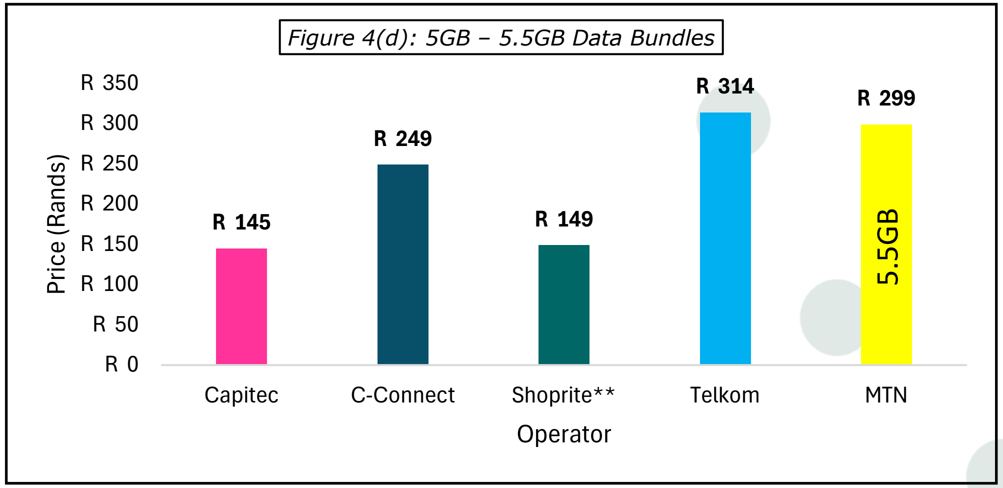
ICASA

MNOs vs MVNOs Data Bundles Comparison









MNOs vs MVNOs Data Bundles Comparison...(Continued)

MVNOs	MNOs
Data bundles At Lower Price	Data bundles At High Price
Data bundles with longer validity periods.	Data bundles with Shorter validity periods.
E.g. Sakeng and Shoprite	E.g.Vodacom and MTN
In-bundle rate of R 0.10 per MB	Vodacom and MTN's at R 0.12 per MB and R 0.13 per MB, respectively

ICASA

Comparative Analysis of Fixed Broadband Products (FTTH)

- FTTH prices on the 50/50Mbps fixed broadband fibre line speed continue to decline due to the introduction of new products aiding price competition.
- The average price of 50/50Mbps uncapped line speed has decreased to R 771.03 (down from R 777.76) during the period under review.
- The average price of a 50/50Mbps uncapped line speed has increased marginally to R 563.64 (up from R562.68) during the period under review.

Comparative Analysis of Fixed Broadband Products (FTTH)

50/50Mbps

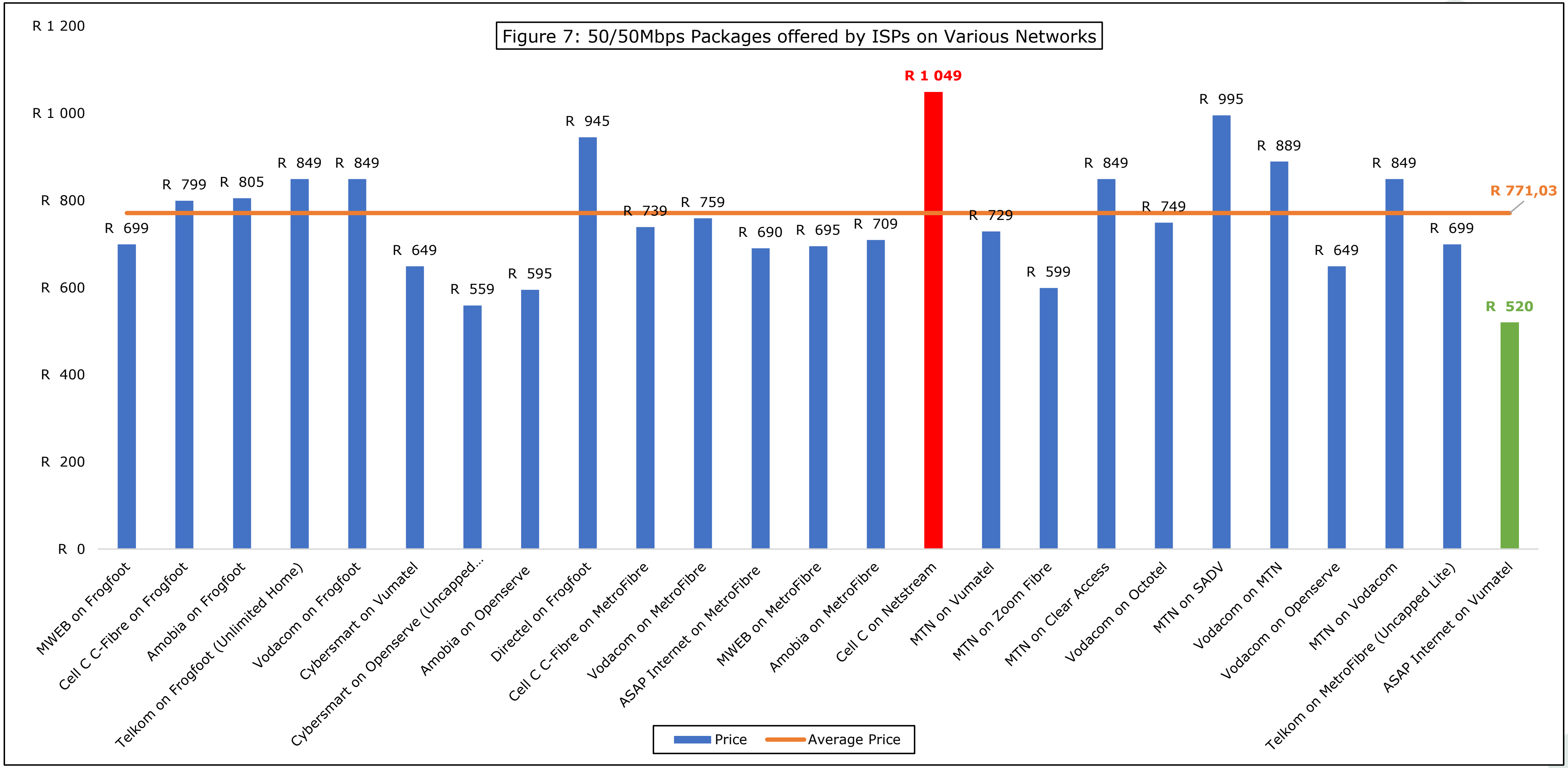
Prices on fixed broadband fibre line speed continue to decline due to the introduction of new products aiding price competition.

The average price of uncapped line speed has decreased to R 771.03 (down from R 777.76) during the period under review.

The average price of an uncapped line speed has increased marginally to R 563.64 (up from R562.68) during the period under review.

.

Comparative Analysis of Fixed Broadband Products (FTTH)



Observations

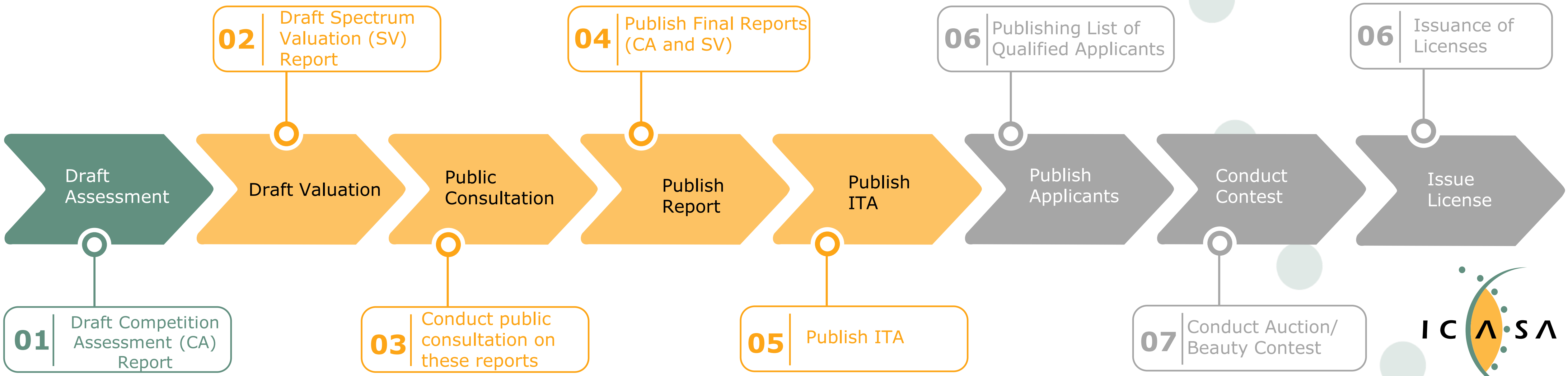
- The mobile data trend analysis shows a decline in data prices over the 5-year period, which is indicative of the impact of increased retail price competition and regulatory interventions to reduce communication costs.
- For MNOs, post-paid prices seem to be lower when compared to prepaid. For instance, the lowest priced 1GB on the post-paid plan is R 41, whilst, for the prepaid, it is R79 (Charged by Telkom Mobile).
- FNOs and ISPs continue to amend and/or introduce new fibre services in the market and upgrade line speeds that the Authority deems as beneficial to the public in terms of increased product choice and improvement in the quality of service, which may result in competitive pricing and more product innovation.
- ICASA will continue to monitor and analyse the data price changes and publish these to ensure that there is price transparency and a reduction of information asymmetries, which would further encourage and promote competition in the retail services market.

IMT Licensing Critical Steps

The Authority is undertaking the second phase of the IMT licensing spectrum process, which will make more IMT spectrum available to Licensees.

This process aims to enable higher internet speeds, reduce data costs and ensure universal access to services in the South African ICT sector.

The following high-level critical steps will form part of the process:



Amendment of End User and Subscriber Charter Regulations

- The Authority is undertaking an amendment of the End User and Subscriber Charter Regulations.
- The focus of the amendment is to establish:
  - fair data expiry and transfer rules
  - longevity of roll-over data bundles
  - reasonable bundle transfer processes.
- The following high-level critical steps will form part of the process:
  - Finalisation of the amendment regulations
  - Publication of amendment regulations

ICASA INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

(ii) Spectrum Management

Introduction

1 Spectrum is a finite resource requiring prudent management on behalf and for the public. ICT Regulators ensure that all the spectrum is made available to the users and is used for the benefit of all.

2 Spectrum has become extremely valuable and necessary for the development of economies of many countries thus enabling voice and broadband services for communication of citizens in many regions.

3 In this regard, South Africa has been involved in various processes and studies regarding the concept of recognizing the need to innovate the existing static spectrum management paradigms towards innovative spectrum management.

- Advance Spectrum Management System
- Dynamic Spectrum Access

Spectrum Management Institutional Framework

- **International**
  - International Telecoms Union (ITU)
    - World Radiocommunications Conferences (WRC)
    - Revise ITU Radio regulations and Table of Frequency Allocations
    - Defines Services

- **Regional**
  - African Telecommunications Union (ATU)
    - Coordinate African WRC proposals and inputs
    - Task Groups, Spectrum Recommendation African Spectrum Allocation Plan
    - Emerging Technologies
  - Southern African Developing Communities (SADC)
    - Communications Regulatory Authorities of Southern Africa (CRASA)
    - Harmonize SADC band plans and channel arrangements

- **Local**
  - Department of Communications & Digital Technologies
    - Sets policy – Radio Frequency Usage Policy – April 2010
    - International Spectrum Management Engagements – WRC Preparations
    - Approves National Table of Frequency Allocations developed by ICASA
    - Coordination of Security & Government Services Allocations
  - Independent Communications Authority of South Africa (ICASA)
    - Awarding of Radio Frequency Spectrum Licenses
    - Responsible for Band planning
    - Produce Regulations – Radio Regulations
    - Monitoring of spectrum use

- **Others**
  - Department Science & Innovation – SKA and AGA
  - Department of Health - Safety & Radiation
  - SA Civil Aviation Authority – Aviation
  - SAMSA – Maritime Safety
  - SANSA – South African National Space Agency

Spectrum Planning and Spectrum Management

- The International Telecommunications Union, an Agency of the United Nations, convenes the World Radiocommunications Conference (WRC) convenes every four (4) years to review, and, if necessary, revise the Radio Regulations, an International Treaty Governing the use of the Radio Frequency Spectrum and the Geo-Stationary Satellite and Non-Geostationary Satellite Orbits
- The WRC-23 was convened in Dubai, United Arab Emirates (UAE) concluded on 15 December 2023 with the Provisional Acts signed by the Ministers, thus constituting the Final Acts of the WRC 23,.
- The Final Acts and the Minutes of WRC Plenary constituted the development and update of the 2024 Edition of the ITU Radio Regulations which came into force on 01 January 2025.
- The WRC outcome resulted in the worldwide harmonisation ensure equitable access of the Radio Frequency Spectrum to support the future development of the Broadcasting, Mobile, including International Mobile Telecommunications (IMT), Fixed Satellite, Space, Science Industries such Maritime, Aeronautical and Amateur Services.
- One of the key Output allocation to Frequencies to the Mobile Services for the development of International Mobile Telecommunications (IMT) systems, including the use of High-Altitude Platform Stations as IMT base Stations (HIBS) aimed at ensuring access to communication even in remote and rural areas.

Spectrum Planning and Spectrum Management

- The Authority has initiated a process to review and update the National Radio Frequency Plan (NRFP) of 2021 for public consultation by 30 March 2025, with a copy to the Minister to ensure that the requirements of Security Service in terms of section 34 EC Act").
- It is envisaged that the Final (Draft) National Radio Frequency Plan will be sent to the Minister during the second Quarter of 2025-26
- The aim is to have the Final National Radio Frequency Plan publish during the third quarter (Q3) 2025/2026 financial year..
- In preparation for the WRC 27, the DCDT supported by the Authority have established the National Preparatory Working Group (NPWG) comprising Industry stakeholders, to participate and contribute to the International Telecommunications Union's Studies.
- In addition, the team also participate and contribute to the work of the Southern Africa Development Community (SADC) and African Telecommunications Union (ATU) leading to WRC 27.
- Further, one of the Authority's Officials of the Authority serves as the Vice Chair and Co-Rapporteur of the WRC 27 Conference Preparatory Meeting 2027 (CPM 27).

Critical Steps to address Spectrum Management

- Develop/update National Radio Plan in line with WRC Resolutions/Final Acts
- Develop clear policies and regulations for the spectrum management
- Establish a licensing framework for current and future spectrum demands
- Adapting the spectrum licensing regime to promote emerging technologies, drive digital consumer behavior and improve socio-economic benefits for SA
- Collaborate with stakeholders in the public and private sectors
- Develop/update the long-term spectrum outlook for SA
- Monitor spectrum usage, obligations, investigate interference and ensure compliance
- Acquire advanced tools for spectrum engineering and technical analysis
- Participate in international and regional work (such as ITU and SADC) to harmonize frequency usage
- Cross-border frequency coordination (Agreements and MoUs)

INDEPENDENT COMMUNICATIONS
AUTHORITY OF SOUTH AFRICA

(iii)Data Analysis

Data Analysis

- The Authority is committed to becoming the leading source of accurate and comprehensive ICT sector statistics for a diverse array of stakeholders, including consumers, government entities, industry professionals, and other interested parties.

- In pursuit of this goal, the Authority has been collecting and analyzing data (i.e. financial, pricing, subscriptions, network traffic, coverage, ownership, etc.) from licensees through various means, including the State of ICT Sector questionnaire and ITU questionnaire. ICASA publishes the State of the ICT Sector Report on an annual basis covering all regulated sectors (broadcasting, telecommunications and postal sector)

- ICASA relies on outdated tools for data collection (e.g., Excel), validation, report writing, and dissemination, which limits its overall efficiency and data accuracy.

- Recognizing the need for modernization, we will commence the process of procuring a state-of-the-art data analysis tool in 2025/26FY. This new system will significantly enhance our capabilities in data collection and validation, enabling more sophisticated data mining and predictive forecasting, ultimately leading to more informed decision-making in the ICT sector.

State of the ICT Sector (ICASA Report 2024)

Telecommunications

R2.5 Bil

R930 Mil

0.07%

The sector revenue reached

R208.2 Bil

2023

20% — 38.42%

2022 Vs 2023

indicating rapid expansion and adoption of 5G technology.

Broadcasting

14.43%

2022 = R41.2 Bil

2023 = R35.2 Bil

Primarily due to a **10.72%** drop in Pay TV subscriptions, influenced by economic conditions and competition from non-broadcast players.

Employment for all 3 sectors

5.6%

Indicative of varying industry challenges and economic influences

Postal

3.17%

Postal service revenue

R 5.7 Bil

30,82%

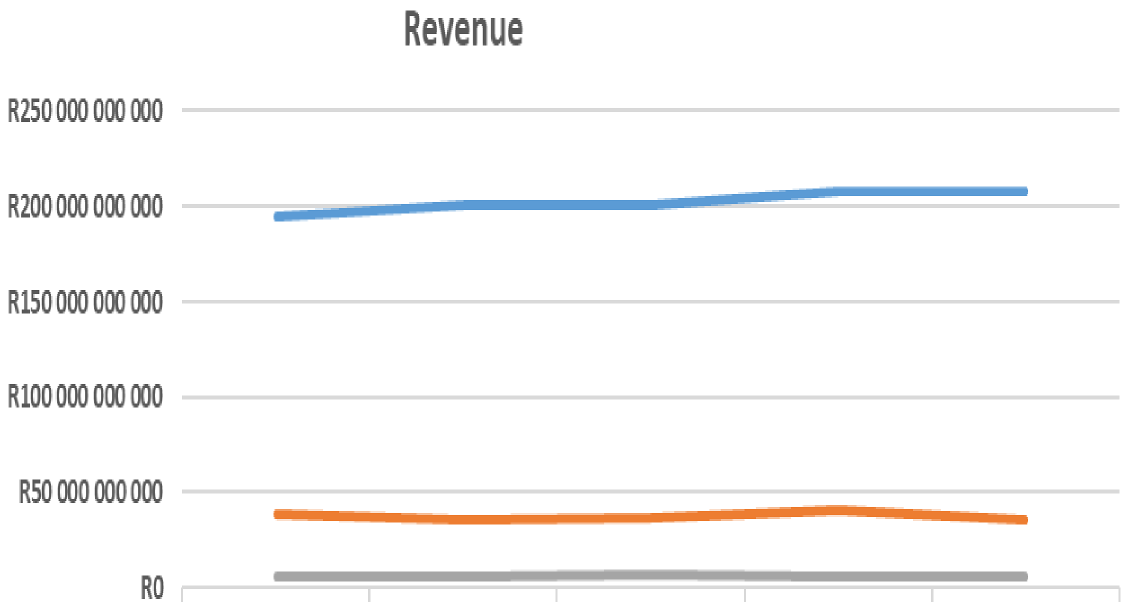
Parcel deliveries Revenue

R 19.9 Mil

This reflects the growing demand due to e-commerce expansion and changing customer preferences

Five-year Revenue Sector Trends (ICASA Report 2024)

2019 – 2023 Analysis



	2019	2020	2021	2022	2023
Total telecommunication revenue	R194 284 132 172	R201 254 592 538	R200 250 923 462	R208 145 121 928	R208 288 440 948
Total broadcasting revenue	R38 325 761 969	R35 814 897 915	R36 798 752 670	R41 202 864 454	R35 256 064 407
Total postal service revenue	R5 741 345 721	R5 949 774 522	R6 608 094 913	R5 533 524 738	R5 709 167 338

Revenue Trends

1,76% Telecommunication Revenue

2.07% Broadcasting Service Revenue

0,14% Postal Service Revenue

ICASA INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

(iv) QoS of Network Operators, Broadcasting Service Operators and other License holders

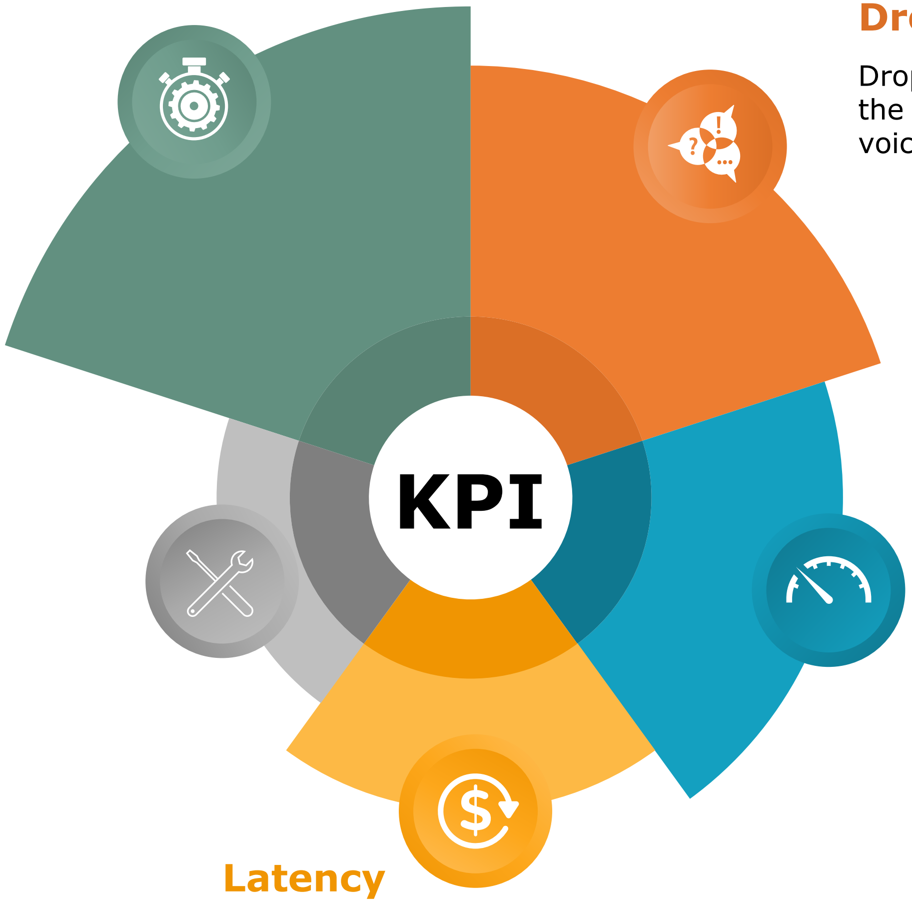
What is Quality of Service monitoring

- **End-User and Subscriber Service Charter of 2016** defines quality of service as:
  - Total characteristics of a fixed, fixed wireless, or mobile electronic communications service that results in a defined level of service to an end-user.
- The Authority monitors the QoS for **Voice and Data** services.
- The aim is:
  - to measure or gauge the service quality of the mobile operators from end-user point of view
  - To have a clear view of end-user perceived quality of service of the mobile networks' performance in South Africa.
  - The technologies covered and the extend of coverage e.g., 2G, 3G,4G,5G
- How is ICASA Conducting QoS Monitoring
  - The Authority is monitoring quality of service in all the provinces through drive test methodology and compliance report submitted by the licensees.
  - The Methodology involves the measuring of drop call rate, call setup, coverage and speed

ICASA

The KPI’s used to measure QoS

The main key performance indicators (KPIs) used to measure the QoS are



Call Setup

Call Setup Success Ratio (CSSR) for the Accessibility of the network resources.

Call Setup Time (CST)

Call Setup Time (CST) for the time it takes to establish a voice call.

Drop Call Ratio

Drop Call Ratio (DCR) for the Retainability of the voice call.

Speed

Download or Upload Speed

Latency

Latency

Quality of Service monitoring

The Authority monitors the Quality of Service (QoS) in provinces for both Voice and Data services annually.

The aim is to measure or gauge the service quality of the four mobile operators e.g., Vodacom, MTN, Cell C and Telkom;

The monitoring covered more than 10 000 kms of drive testing in both urban and rural areas

To have a clear view of end-user perceived quality of service of the mobile networks' performance in South Africa

The technologies covered and the extend of coverage e.g., 2G, 3G,4G,5G)

ICASA

What are challenges ICASA is facing

- The Authority lacks funding to procure a comprehensive QoS monitoring equipment and tools
- The poor performance by the licensees in the previous financial year(s) was attributed to loadshedding, lack of spectrum, lack of network infrastructure, and vandalism of infrastructure.
- Other challenges highlighted by the licensees were regulatory immaturity, e.g. The End-user Subscriber Service charter regulations outdated and access to land/property to deploy infrastructure.

Critical Steps to address QoS

- The Authority is sourcing the funds to procure Network Performance Monitoring (NPM) systems which will quickly identify issues with network devices and applications, providing comprehensive insights into their root causes. [Procurement commencing 2025-26]
- The Authority is developing the Regulations to respond to issues relating to loadshedding. [Project commenced in 2025-26]
- Issuance of high demand spectrum to address the capacity.
- The Authority is developing the Regulations on Rapid Development Regulations which will accelerate the rolling out of infrastructure in both Urban and Rural areas. Final Regulations ear-marked for 2025-26 FY

Non Compliance with QoS Regulations

- In the past the Authority did not issue any fines or penalties but rely on Moral Suasion and mediation with the Licensees. The Authority noted a positive response from the licensees in terms of investment and improvement in some of the affected/identified areas from the QoS monitoring activities.
- As a way-forward the Authority is amending the End-User and Subscriber Service Charter Regulations to address the above.

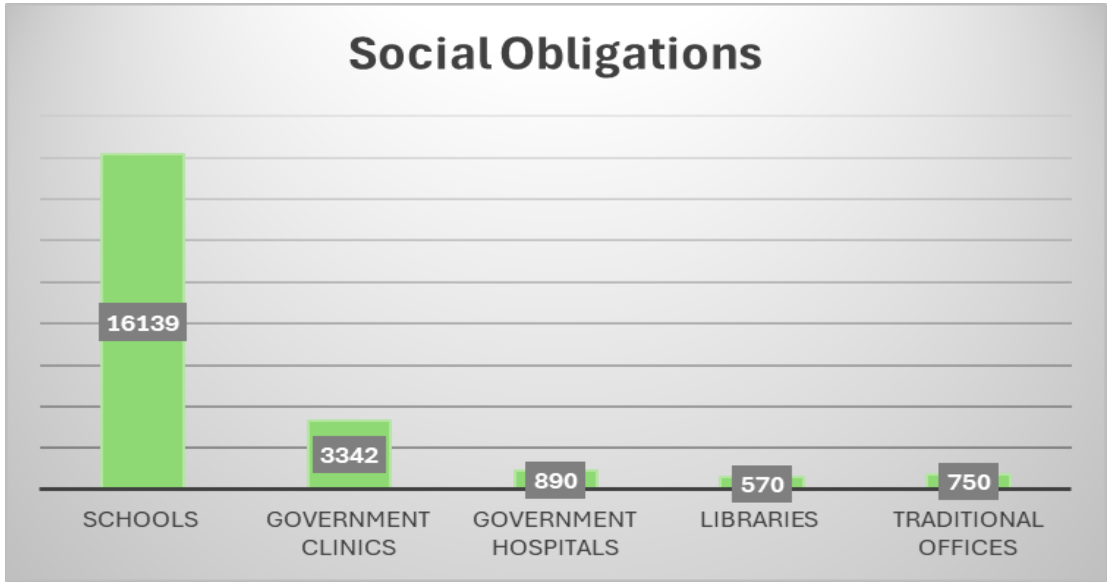
ICASA

Critical Steps to address QoS

- Establishment of Broadband Mapping systems with GIS capabilities
  - Broadband Mapping System updated
- Procurement of Network Performance Monitoring systems - which quickly identify issues with network devices and applications, providing comprehensive insights into their root causes. [Procurement commencing 2025-26]
- Development of Rapid Development Regulations which will accelerate the rolling out of infrastructure in both Urban and Rural areas. Final Regulations ear-marked for 2025-26 FY

An update on monitoring of social obligations emanating from the Spectrum Auction

- In support of the SA Connect Policy, Mobile Network Operators that were awarded IMT spectrum during the auction in 2022, are obligated to increase their network coverage in under-serviced areas within the country. Bigger operators like Vodacom and MTN, are obligated to increase their coverage to cover a minimum of 97% of the population. They must first build broadband coverage in the least covered "underserviced areas," as defined by regulations in the Under-serviced Area Definitions Regulations, published in the Government Gazette from time to time , before proceeding to finally roll out to major cities and towns of South Africa. This obligation must be achieved by 31 July 2028. *I*n addition to coverage obligation, the operators are obligated to also connect a significant number of public service institutions, as follows



An Update on monitoring of social Obligations emanating from the Spectrum Auction CONT

- 50% Of this obligation must be achieved by **31 March 2025**, and 100% of it must be achieved by 31 March 2029.
- Licences are required to report to the Authority on the PSIs which have been successfully connected bi annually according to the Authority's financial year and the reports are due 30 April and 31 October each year.
- The Authority will monitor and report on progress on PSIs successfully connected post the submission of the reports by the Licensees.

ICASA

INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

(v) ICASA Business Plan

Our high level long-term expected results as per our strategic plan 2025 are still guiding our business operations

IMPACT STATEMENT
Access for all South Africans to a variety of affordable and reliable communication services for inclusive economic growth

OUTCOMES			
Outcome	**Outcome Indicator**	**Baseline**	**Target**
Access to quality broadband Services increased	Average download speed	15 mbps	50 mbps
Status of Social Cohesion (Inclusive of Diversity of Views) enhanced	Percentage of status of social cohesion (inclusive of diversity of views) enhanced	-	50%
Rights of Consumers Protected	Level of consumer rights protected	-	5
Competition in the ICT sector promoted	Number of pro-competitive regulatory interventions	3	15
Organisational service delivery maintained	Percentage of organisational service delivery maintained	91%	91%

Strategic Plan 2025 Progress Update (Key Outputs Delivered to-date)

Outcomes	Outputs				
	2019/20	2020/21	2021/22	2022/23	2023/24
Access to quality broadband Services increased	4 Radio Frequency Spectrum Assignment Plans (RFSAPs) produced		Process to assign Broadband Spectrum completed	Process to issue radio frequency spectrum licences to successful bidders from the IMT Spectrum Auction completed	Recommendations on South African Strategy for IMT2020 and beyond and Future Technologies produced
	Report with recommendations on South Africa’s readiness for 5G produced		Development of final specifications for connectivity of TVET campuses and Community Education and Training sites Completed	100% IMT roadmap implemented	
	National Radio Frequency Plan 2017 produced		Issued 5 temporary Radio Frequency Spectrum licences in the high demand spectrum bands, including waiver of spectrum fees		
Status of Social Cohesion (Inclusive of Diversity of Views) enhanced	Successful monitoring compliance of broadcasters’ coverage of 2019 national elections	A position paper on Equity Owners hip by Historically Disadvantaged Groups published	Licensing of digital community Television broadcasting services on MUX 1 completed Final regulations on the Must Carry obligations	Process to licence Community Sound Broadcasting Services completed	Regulations on National and Provincial Party Elections Broadcasts and Political Advertisements developed

Strategic Plan 2025 Progress Update (Key Outputs Delivered to-date)

<table>
<tr><th>Outcomes</th><th colspan="6">Outputs</th></tr>
<tr><th></th><th>2019/20</th><th>2020/21</th><th colspan="2">2021/22</th><th>2022/23</th><th>2023/24</th></tr>
<tr><td rowspan="3">Rights of Consumers Protected</td><td>96% of Consumer complaints resolved</td><td>4 provinces monitored for Quality of Service</td><td colspan="2">95% of Consumer complaints resolved</td><td>Discussion documents on the Conveyance of Mail produced</td><td></td></tr>
<tr><td>98% of frequency interference cases resolved or mitigated</td><td>96% of frequency interference cases resolved or mitigated</td><td colspan="2">99% of frequency interference cases resolved or mitigated</td><td>98% of frequency interference cases resolved or mitigated</td><td>8 provinces monitored for Quality of Service</td></tr>
<tr><td>Developed a Position Paper on the Role of the Authority on Cybersecurity</td><td>5125 compliance monitoring Inspections conducted</td><td colspan="2"></td><td>Amended Regulation s on End-User and Subscriber Service Charter produced</td><td>Regulations relating to the definition of advertising, Infomercials and Programme Sponsorship in Respect of Broadcasting service developed</td></tr>
<tr><td>Competition in the ICT sector promoted</td><td></td><td>Draft Regulations on Equipment Authorisation completed</td><td>Licensing of an Individual Electronic Communications Network Service completed</td><td>Final Regulations on Mobile Broadband Services Market</td><td></td><td></td></tr>
<tr><td rowspan="2">Organisational service delivery maintained</td><td>14 NATJOINTS instructions executed</td><td>100% Cases assessed for adjudication by the CCC in accordance with the CCC Handbook</td><td>20 International Engagements facilitated</td><td>R2.1 billion of licensing revenue collected</td><td>procurement spend on companies owned by Youth (15%), Women (37%), Disabled (1%)</td><td>procurement spend on companies owned by Youth (39%), Women (39%), Disabled (6%)</td></tr>
<tr><td>Staff vacancy rate achieved 4.2%</td><td>Staff vacancy rate achieved 4.2%</td><td>101% of Licence Fees Collected</td><td>Staff vacancy rate achieved 3.06%</td><td></td><td>99% of license fees collected</td></tr>
</table>

Business Plan 2025 and APP 2024/25FY Implementation Critical Steps

04 Realize strategic plan outcomes and make impact spelt out in the impact statement

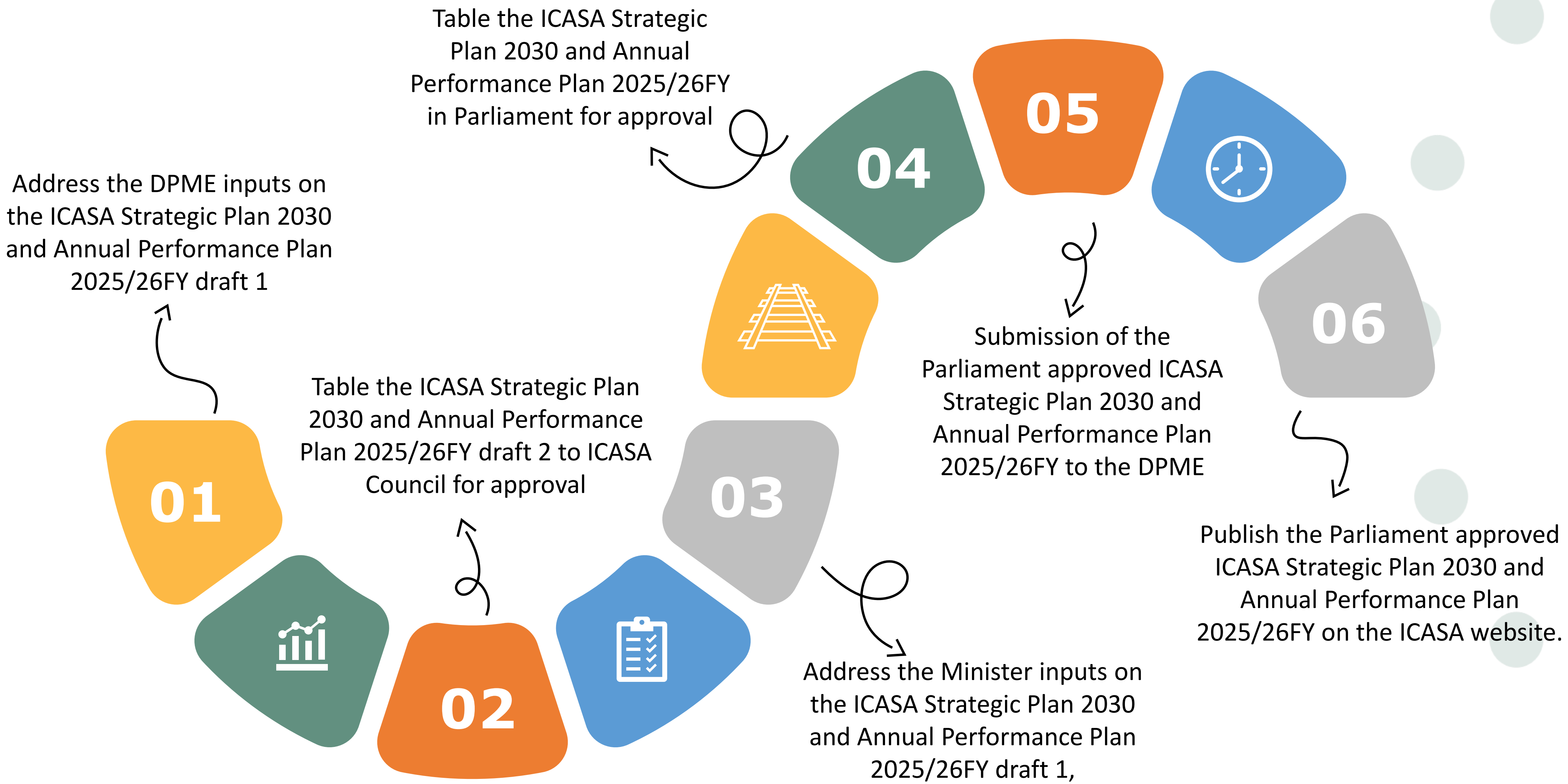
03 Deliver all annual performance plan outputs

02 Utilize all funds allocated for execution of projects

01 Execute all annual operational plan activities

ICASA

Future Planning: Development of Strategic Plan 2030 and Annual Performance Plan 2025/26FY



Future Planning: Development of Strategic Plan 2030 and Annual Performance Plan 2025/26FY Continues….

Conceptualisation of a Regulator of the Future

Technology proliferation (4IR, AI, Fintech, LEOs, IOT, OTTs, Digitalisation etc.) It can no longer be business as usual.

Critical Steps

- Situational Analysis (National and International Research)
- Study visits to ICT innovative industry
- International Regulators Benchmarking
  - Legal Persona
  - Regulatory Scope
  - Governance Structure
  - Operational Structure
  - Skills Set
  - Funding Model

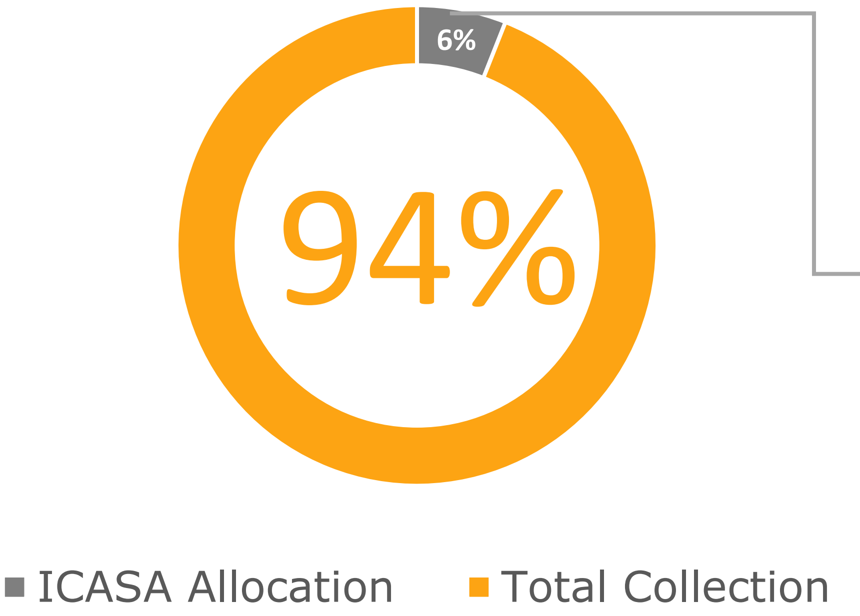
ICASA

ICASA INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

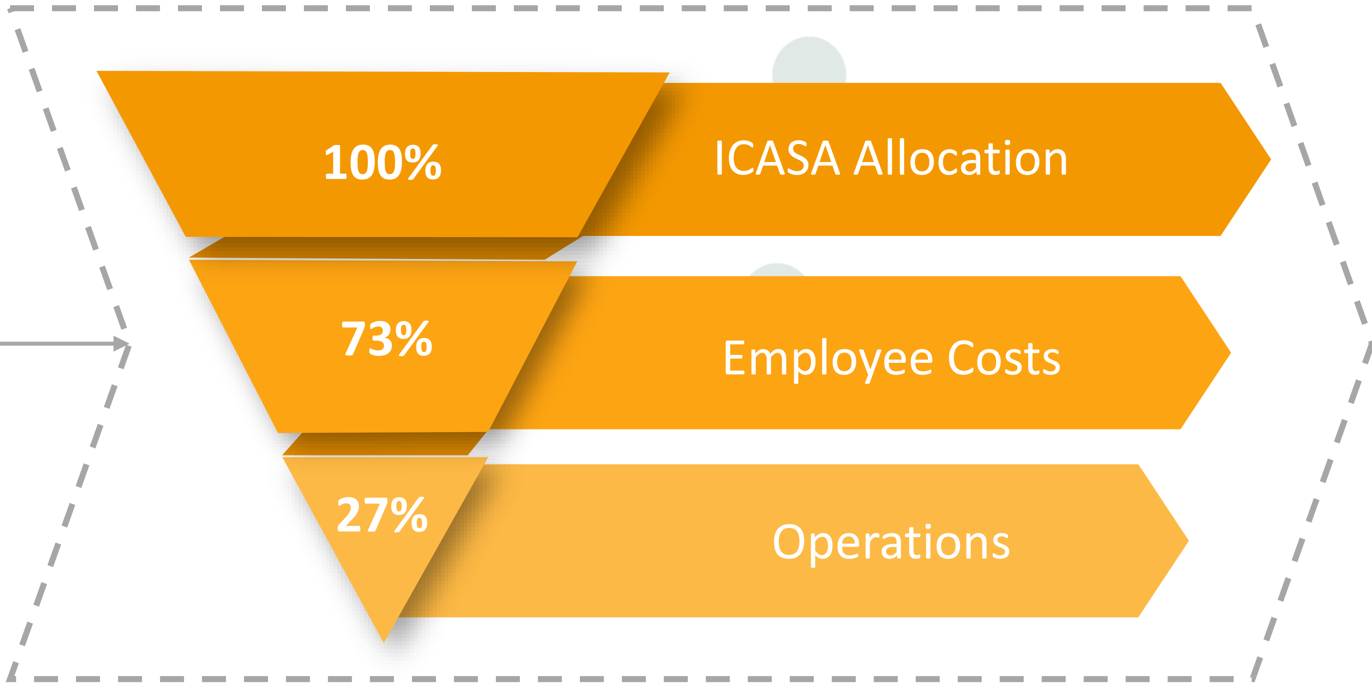
(vi)Funding Model

Current Funding Model – Illustrative Figures (2023/24FY Revenue and Expenditure)

Allocation as a percentage of revenue Collection



Employee Costs vs Operating Costs



Total Collection = R8 233 309 241

ICASA Allocation= R473 947 000

Employee Costs= R 345 981 310

Funding Model Committee

Council established an ICASA Funding Model Committee in 2023 with the aim of addressing ICASA's interim and long-term funding needs. The committee has completed a funding model benchmark study with the following institutions:

- Financial Services Conduct Authority
- Independent Regulatory Board for Auditors
- Pension Fund Adjudicator
- Competition Commission
- National Energy Regulator of South Africa
- Auditor General of South Africa

Funding Model Committee…

National Funding Model Benchmark Study Findings – Interim Funding

Full funding by government; Partial funding by government (retention of collected fees) and Full funding by Industry

Retention of collected fees is enabled by the founding legislation which guarantees exemption from compliance with PFMA

Only one entity's budget is not approved by National Treasury

Only one entity pays back funds not used back to the industry

Any reserve funds for the entities are invested in the Corporation for Public Deposits, which is the Reserve Bank investment arm

Funding Model Committee…

Critical Steps for Interim Funding

STEP 01

Amend ICASA Act for retention of fees collected

STEP 02

Consider zero government appropriation

STEP 03

Consider retention of surplus, building of reserve & investment of funds

STEP 04

The IRBA and AGSA budget approval process consideration

STEP 05

Exploit section 15(1A) of the ICASA Act

Funding Model Committee…

Critical Steps for Long-Term Funding

International Benchmark Study Visits to the following countries

Malawi
Germany
Germany
Namibia
Australia
Rwanda
Uganda
Saudi Arabia
India
Mexico
Singapore
United Kingdom

Link the work of the Funding Model Committee with the Regulator of the Future Committee

Implement the recommended funding model

ICASA INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

(vii) Inquiry into subscription television broadcasting services

Inquiry Into Subscription Television Broadcasting Services

Background:

The Authority's Inquiry into the state of competition in subscription television broadcasting services is conducted in terms of Section 4B of the ICASA Act. The Inquiry sought to establish factors that contributed to the apparent inability of new subscription broadcasting licensees to launch their services successfully and attract a fair number of new subscribers.

The Authority has licensed 9 subscription Television and sound broadcasting services. The Current situation is as follows:

Licensee	Current Status
Mnet	Surrendered licence in 2024
Walking on Water (Wow TV)	Non- operational
Multichoice	Operational
On Digital Media	License Expired
Super 5 Media	License Expired
Deukom	Operational
e.Sat	Operational
CloseTV	Non-Operational
Siyaya TV	Non-Operational

Inquiry Into Subscription Television Broadcasting Services

The inquiry is to determine whether there is effective competition in the relevant markets, as defined in section 67 of the ECA.

Reboot of Inquiry:

In 2022, the Authority identified that there are rapid developments in the market that could have an impact on broadcasting services and decided to “reboot” the inquiry to allow for the collection of updated information from the market and other stakeholders.

Rapid developments included new **Over the Top (OTT)** players in the market that may potentially compete with traditional subscription television. The inquiry seeks to establish if the entry of OTTs has had any impact on the effectiveness of competition within the market.

Inquiry Into Subscription Television Broadcasting Services

Publication of Supplementary Discussion Document:

The Authority has updated and refined its preliminary views based on the information received from stakeholders in February 2024, and current market. The Authority published the supplementary discussion document on 06 January 2025. Comments to the published document are due 45 days from the date of publication on 10 March 2025.

Next Steps:

- Receipt of submissions to Discussion Document
- Public hearings (If necessary)
- Publication of Final findings

Inquiry Into Subscription Television Broadcasting Services

Feb 2024

The Authority has updated and refined its preliminary views based on the information received from stakeholders.

06 Jan 2025

The Authority published the supplementary discussion document

10 Mar 2025

Comments to the published document are due 45 days from the date of publication

Publication of Supplementary Discussion Document

Next Steps:

Receipt of submissions to Discussion Document

Public hearings (If necessary)

Publication of Final findings


THANK YOU
ICASA