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**PARLIAMENT
OF THE
REPUBLIC OF SOUTH AFRICA**

**ANNOUNCEMENTS, TABLINGS AND COMMITTEE
REPORTS**

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Classification of Bills by Joint Tagging Mechanism (JTM) - correction

Please note: In the English text of the ATC of Thursday 7 November 2019, in the classification of the Adjustments Appropriation Bill, the Bill was incorrectly referred to as the **Adjustments Amendment Bill**. The following entry is correct:

- (1) The JTM in terms of Joint Rule 160(6) classified the following Bill as a money Bill:

- (a) **Adjustments Appropriation Bill** [B 16 – 2019] (National Assembly – sec 77).

2. Referral of Bill to National House of Traditional Leaders

- (1) The Secretary to Parliament has, in accordance with section 18(1) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), referred the **Recognition of Customary Marriages Amendment Bill** [B 12 - 2019] (National Assembly – sec 76) to the National House of Traditional Leaders, which must, within 30 days from the date of the referral (viz. 11 December 2019), make any comments it wishes to make.

National Assembly

The Speaker

1. Referral to Committees of papers tabled

- (1) The following paper is referred to the **Joint Standing Committee on Defence** for consideration:
 - (a) 2019 National Conventional Arms Control Committee (NCACC) Third Quarterly Report for July – September 2019, tabled in terms of section 23 of the National Arms Control Act, 2002 (Act No. 41 of 2002).

COMMITTEE REPORTS

National Council of Provinces

1. Report of the Select Committee on Public Enterprises and Communication on the oversight visit to the South African Post Office (SAPO), Independent Communications Authority of South Africa (ICASA) and Broadband Infrastructure Company (BBI), dated 6 November 2019:

1. Introduction

The Select Committee on Public Enterprises and Communication (the committee) undertook an oversight visit to the South African Post Office, Independent Communications Authority of South Africa and Broadband Infraco. The visit took place on 22 – 23 October 2019.

The oversight visit was undertaken jointly with the Select Committee on Land Reform, Environment, Mineral Resources and Energy. This was due to both committees sharing membership. The Select Committee on Public Enterprises and Communication dedicated Tuesday and Wednesday morning (22 and 23 October 2019) to oversight visits, and the Select Committee on Land Reform, Environment, Mineral Resources and Energy dedicated Wednesday afternoon and Thursday (23 and 24 October 2019) to oversight visits.

2. Terms of Reference

This was the first oversight visit following the establishment of the new sixth Parliament and, amongst other things, the visit was meant to familiarise members of the committee with State-owned companies under their oversight jurisdiction. The oversight visit was planned to give members of the committee a better understanding of the operations, infrastructure and financial resources necessary to make the aforementioned State-owned companies financially sustainable.

Furthermore, it is the oversight responsibility of the committee to ensure that the implementation of government policy and, in this particular case the National Development Plan (NDP), is carried out by the relevant State-owned companies. It therefore becomes imperative that the committee monitors and assesses the work of

State-owned companies vis-à-vis government's policy objectives, and also how in reality these policies change the lives of ordinary South Africans.

3. Objective

The committee undertook this oversight visit in line with its role and mandate as per: (i) the Constitution; (ii) the Rules of Parliament; and (iii) Rules of the National Council of Provinces. The main objective is to hold the executive arm of government accountable in the implementation of government policy.

4. Delegation

The committee delegation included the following members: Mr TB Matibe (Chairperson of the Committee, ANC); Mrs L Bebee (ANC); Mr AJ Nyambi (ANC); Ms TC Modise (ANC); Ms W Ngwenya (ANC); Mr AM Nhanha (DA); Mr CFB Smit (DA); Ms C Labuschagne (DA); Mr A Arnolds (EFF); Ms MO Mokause (EFF); and Mr AB Cloete (FF Plus).

The delegation was accompanied by the following parliamentary officials: Ms PH Sibisi (Committee Secretary), Ms A Zindlani (Committee Assistant); Mr E Boskati (Content Advisor); Mr X Simelane (Committee Researcher) and Mrs B Cabangana-Mnyanda (Content Advisor to House Chairperson).

5. Visit to the South African Post Office

5.1 Findings

On arrival members of the committee were welcomed by South African Post Office staff members and were taken to a holding office as one of the committee members could not have easy access to the more spacious boardroom as she was using a wheelchair. After the welcome and introductions were done, the committee's delegation was taken to the operations rooms, where most of the mail was packed and sorted and made ready for distribution to different residential addresses. The Post Office's Acting Chief Executive Officer, Ms Kwele, explained throughout the site inspection all the aspects of the mail service provided by the Post Office branch from the domestic to the international mailing system. They were shown how different mail

and parcels (incoming and outgoing) were classified and stored, and this included international mail.

Following this, the delegation was taken to the service counters of the Post Office itself, where the Acting CEO once more explained how the South African Social Services Agency (SASSA) grant payments were processed and which computers were exclusively responsible for that. Ms Kwele also explained that the Post Office provided services such as the renewal of motor vehicle licence discs on behalf of the Department of Transport.

She however pointed out that these services did not cover the entire country but were provided at selected Post Office branches, including the Eastern Cape. The infrastructure for such services was also limited as they were operating with only two computers, which at times were overburdened due to long queues. Members of the committee were then taken on a quick detour to the Post Office museum where they saw the evolution of the South African Post Office's services, from mail runners to horses and bicycles.

Members of the committee were then taken on a short drive to the Tshwane Mail Centre (Hub), where all the mail and parcels arrived and were sorted and then taken to Post Office branches across Tshwane. The delegation was also shown how the mail was sorted through an automated machine, how it is sorted and classified using postal codes and then delivered to various Post Office branches.

The committee delegation was then taken to the Post Office boardroom for a presentation. During the presentation the Acting Chief Executive Officer explained to members of the committee the financial sustainability of the Post Office. She pointed out that after the entity received a capital injection of R1,5 billion which was suspended in 2011 (over the Medium Term Expenditure Framework) to resolve its outstanding debts, the Post Office was now in a stable financial position despite posting losses in the 2017/18 financial year.

The entity's headcount had increased to 18 359 employees at 31 March 2019, an increase of 240 employees from the previous year mainly due to the increase in Teller

Assistants/Payment Clerks at retail branches for the SASSA grant payments. The headcount comprises 17 275 permanent staff and 1 084 contract employees.

The Post Office's Acting CEO believes that the Post Office should be made the face of government when it comes to mail services. In other words, government itself must use the Post Office in its official mailing and parcel businesses, especially documents, as the Post Office also provides printing services. The Post Office is willing to roll-out nationally the renewal of the motor vehicle licence discs only if the Department of Transport can provide the necessary infrastructure. The Independent Communications Authority of South Africa (ICASA) should be vigilant in monitoring the encroachment practiced by courier services in handling 1kg parcels, which by law are reserved for the South African Post Office.

6. A visit to ICASA

6.1 Findings

The committee was welcomed by ICASA councillors whilst the entity's CEO, Mr Wellington Ngwepe, was on his way. On arrival and after the welcome and introductions were done, Mr Ngwepe gave members of the committee an overview of ICASA's role and responsibilities in the Information and Communication Technology (ICT) sector.

Mr Ngwepe explained that ICASA's role is to regulate electronic communications, broadcasting and postal sectors in the public interests. ICASA is also meant to ensure universal availability of high quality services, including broadband services, for all South Africans at affordable prices.

ICASA's funding model is a challenge as it is not adequate for the authority to effectively execute its mandate. The ICT sector is forever changing and this requires adequate resources to keep abreast of developments, both domestically and globally.

The moratorium on Community Broadcasting sound services was lifted on 30 July 2019. The authority published an invitation for prospective applicants to submit pre-registration notices within three months. The process is underway and licences will be issued once the process has run its course.

ICASA also recognises that the “DataMustFall” campaign that started in the 2016/17 financial year is of paramount importance to customers and the public. The authority is now looking at the Market Review Enquiry, including the Data Market Enquiry report by the Competition Commission, to address the “DataMustFall” issue raised by the public.

Regarding the spectrum, the Minister of Communications, Mrs Stella Ndabeni-Abrahams, issued a policy directive on 26 July 2019 and the Authority was still considering it, and would publish the Information Memorandum (IM) before the end of quarter three. Interested parties would be invited to submit written representations on the IM, where-after the authority will issue an invitation to apply.

ICASA is operating in a highly litigious environment; every decision taken by the Authority is challenged either to intimidate or just to put pressure on counsellors. It is critical that ICASA always ensures that its decisions are compliant with the Constitution, enabling legislation and other applicable laws in order to minimize the risk of litigation.

There were about 16 litigation cases against ICASA and nine of those were ruled in favour of ICASA. There were about 29 community radio stations operating without a licence and 14 were already taken off the airwaves due to non-compliance and operating without a licence. The Community Radio Stations Forum is continuously engaging with the Department of Communications and Digital Technologies and ICASA to find a solution on the matter before the stations are shut down.

7. A visit to Broadband Infraco

7.1 Findings

The committee was welcomed by Broadband Infraco’s Chief Executive Officer, Mr Andrew Matseke. After the welcome and introductions, Mr Matseke gave members of the committee an overview of the mandate and operations of the entity, including its challenges as well as its national network infrastructure.

Before he handed over to the Chief Financial Officer, Mr Matseke pointed out that the purpose for the establishment of Broadband Infraco was to make broadband services accessible and affordable to underdeveloped and underserved areas, that Broadband

Infraco's basic infrastructure came from Transnet (Transtel) and Eskom, and that Broadband Infraco initially had only one customer, namely Neotel. Today Broadband Infraco has more than 70 customers and is still growing.

The Chief Financial Officer, Mr Ian van Niekerk, told members of the committee about the financial challenges that Broadband Infraco was facing. He said that there was a point where the State-owned company had no cash flow due to losses and was close to being declared bankrupt. The company now is financially stable even though not out of the woods yet as it continues to make losses.

The Chief Financial Officer reported that although the company will be reporting a loss for the 2018/19 financial year, there are improvements as the company's customer base keeps growing. The losses have however been reduced and the company has so far received no financial support from National Treasury as it is able to manage its operations. Broadband Infraco is the driver of the "SA Connect" project, which is meant to connect eight district municipalities besides schools, hospitals and clinics. The entity is currently busy with Phase 2 of the project.

7.2 Site visit - Network Operation Centre (NOC)

The committee visited the Network Operation Centre, which is a 24-hour monitoring centre. Through the centre Infraco is able to do the following:

- Assess information about data traffic on the network (24 hours)
- Detect where there is a loss of signal or power failure
- Inform the client/company to dispatch a technician to address the problem.

8. Committee observations

The South African Post Office (SAPO) is concerned that ICASA is not adequately monitoring nor ensuring that 1kg parcel couriers are observed by Post Office competitors in the logistics courier business as they are by law reserved for the South African Post Office.

Some Post Office branches are not easily accessible to people with disabilities especially now that the Post Office is paying social grants as most of the elderly are often physically challenged to access public buildings.

Broadband Infraco is making broadband services accessible to all South Africans through various district municipalities and schools across the country. This however must ensure that all municipalities and schools across provinces are connected to enable members of the committee to engage effectively with their provincial constituencies.

If the mandate of the ICASA is to regulate the ICT sector “in the public interest,” why do data costs remain high despite the many attempts by the public to have them reduced?

9. Committee recommendations

- 9.1 The Minister of Communications should ensure that there is coordination among the relevant State-owned companies to resolve any discrepancies such as the one identified by the Post Office, where ICASA is supposed to be monitoring SAPO competitors handling 1kg parcels reserved for SAPO.
- 9.2 The Minister should ensure that all SAPO branches are made easily accessible to people with disabilities to make social grant beneficiaries more comfortable in accessing their grants via the Post Office.
- 9.3 To resolve funding problems for State-owned companies, the Minister should ensure that the proposed merger between Sentech and Broadband Infraco, which both parties seem willing to undergo, is done in a manner that will impose less financial risk to the fiscus as the country’s economy is still struggling to grow.

Report to be considered.