



# **Malta Communications Authority**

## **Strategy Update for 2016 - 2018**

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## TABLE OF CONTENTS

1.	PURPOSE.....	3
2.	CONTEXTUAL BACKGROUND AND OUTLOOK.....	4
3.	KEY CONSIDERATIONS .....	10
4.	MISSION AND UNDERLYING PRINCIPLES.....	12
5.	STRATEGIC OBJECTIVES.....	14
6.	INDIVIDUAL STRATEGIC OBJECTIVES – OUTLOOK/KEY TASKS/NEW THRUSTS .....	16
7.	EXPECTED OUTCOMES.....	26
8.	ENSURING QUALITY AND CONTINUITY IN DELIVERY.....	27

## 1. PURPOSE

This document represents a rolling update of the Malta Communications Authority's (MCA's) strategic direction for the period 2016 - 2018. It validates the established strategic direction and factors in new developments that are seen to have a significant impact during the plan period.

## 2. CONTEXTUAL BACKGROUND AND OUTLOOK

Progress in the respective sectors regulated by the MCA continued to be sustained in the course of 2015. From the electronic communications point of view, the benchmarking of supply indicators against the Europe 2020 targets confirmed the positive trends. These trends improved even with respect to more problematic parameters.

Thus, the drafting of this strategy update takes place against a backdrop of continued progress in the electronic communications sector that is both qualitative and quantitative. The numbers have increased, and so have the nature and extent of services provided. Infrastructure investment continues unabated, notably in both fixed and mobile Next Generation Access Networks (NGANs).

Spectrum policy and management remains another focal point for the MCA, as a regulatory tool and as a means to promote innovative service, all within the context of efficiency in utilisation. This area presents a continuous array of challenges and opportunities given increasing demand for the same spectrum from competing services. Issues of an international as well as a local dimension render the management of the spectrum resource all the more challenging.

The recent trilogue agreement on the Telecoms Single Market regulation and the launch of the Digital Single Market strategy, which will overhaul the current electronic communications framework, will necessitate the dedication of a substantial amount of the Authority's resources to follow the discussion and contribute accordingly with the national interest in mind.

Postal services remain characterised by declines in local letter mail. So far, however, these declines have been largely offset by increases in incoming letter packets and parcels. As a result the overall financials of the Universal Service Provider (USP) remain healthy. Nonetheless there subsists the need to ensure that the burden represented by the Universal Service Obligation (USO) is not excessive and is attuned to users' present-day requirements. Among others, electronic substitution remains a reality that impinges increasingly on letter mail flows.

Meanwhile the blurring of lines of demarcation between the postal universal service area and the wider competitive area constitutes another issue that necessitates clarification, not only at a Maltese level but certainly within the European postal scenario and also beyond. The burgeoning business of carriage of eCommerce packages has contributed somewhat to this blurring of such boundaries.

Another issue that links eCommerce with postal services is one related to carriage costs. The European Commission is giving renewed prominence to postal services, given their importance in supporting effective cross-border eCommerce. In particular the Commission is raising questions relative to consistency in cross-border pricing. This is a welcome development.

eCommerce in Malta continues to be characterised by significantly higher inbound international activity. This context remains highly relevant in shaping the Authority's work programme. Another development that will shape the MCA's (and Government's) agenda on this front is the adoption of the EU's E-IDAS regulation.

Beyond its regulatory mandate, the MCA continues to strengthen the promotional aspects of its remit. On the one hand it continues to promote the use of the Internet among specific groups at a citizen and at a corporate level. But the MCA has also embarked on the implementation of a business development and innovation strategy that it adopted last year.

The innovation strand cuts across all the activities of the organisation and is now an objective in its own right. The activity in this area is now taking a distinct shape: on the one hand it addresses the promotion of local research and development in relation to the sectors relative to which the MCA is entrusted with oversight. On the other hand it aims to provide assistance to established local or international organisations interested in setting up shop in Malta. Secondly, the Authority is looking at established activities in particular areas from a fresh perspective, with a view to assessing whether existing potential can be maximised further.

As for the demand side of electronic communications, that is, uptake by users, even here the numbers are improving. Encouragingly, initiatives aimed at stimulating uptake of the Internet by the public at large have been quite successful and statistics are showing up the efforts that have been made. These results will have an impact on the continuation of the digital empowerment programme. They will also improve Malta's showing in the Europe 2020 rankings, in the area of take-up and literacy. The registered progress gives the necessary encouragement to the Authority to continue tackling uptake issues by reaching out to the more disadvantaged sectors of society, with a view to encouraging further take-up.

## Regulatory Mandate

### Electronic Communications

The EU dimension once again plays a significant role in shaping the MCA's regulatory agenda. Three recent developments have impacted the Government's and the MCA's agenda to a significant extent. The Directive on reducing the cost of broadband deployment is currently in the process of transposition in Maltese Law. Following the passage of the necessary legislation the implementation phase will commence. This is even more complex than the current transposition phase.

The second piece of EU legislation is the Telecoms Single Market regulation laying down new rules on open internet access and in relation to mobile roaming within the European Union. This has just come into force. Whilst there are no transposition issues to address, the implementation of this regulation will entail significant time and energies on the part of the Authority, given that there remain a number of technical aspects that still need to be interpreted and thereafter implemented. Such matters of interpretation and implementation are likely to be tackled at BEREC level and the MCA needs to ensure to the extent possible that the singular characteristics of the Maltese market, particularly as regards roaming, are factored into any final formula.

Last and certainly not least, the EU Commission is now looking towards a review not only of the entire set of electronic communications directives, but also of a plethora of rules related to the audio-visual realm and digital commerce. This review is bound to raise the debate on proposals such as pan-European authorisations and spectrum assignments, and flag issues in relation to copyright and universal service.

Here as well, there will need to be a substantial investment of time and resources on the part of the Authority, given the far-reaching implications of the changes on the horizon. Among others, there is the need to ensure that any EU-wide consolidations of whatever nature do not in any way result in the marginalisation of service provision in outlying jurisdictions.

On the local front the single most important task remains that of facilitating the transition of networks to NGANs. The transition will continue taking place on both fixed and mobile networks.

In the case of fixed networks the implementation of the abovementioned Directive on reducing the cost of broadband deployment will serve to improve efficiency in deployment and rationalise in-house wiring standards and access procedures. Its implementation should therefore serve to facilitate deployment in a rather direct fashion. Whilst the onus of the transposed Directive falls on different entities within a separate ministry the MCA is expected to contribute to the implementation phase of the Directive, as has been the case to date with the transposition phase. Such assistance will address both the co-location aspects as well as the in-building infrastructure set-up that will need to be developed.

NGA-related activity also cascades to market regulation, with the continued implementation of the Virtual Unbundled Local Access (VULA) solution as the basis for which GO needs to provide access to competing service providers on the basis of its having SMP in the market for local unbundled access. In 2015 the formulation of a VULA offer progressed significantly and a reference offer is expected to be published in the first quarter of 2016. In the event that market developments, such as the deployment of vectoring on the part of GO takes place, the MCA will need to conduct the necessary reviews to its unbundled access remedies and the related offer.

The transition to NGA in the case of mobile networks now moves into a higher gear with the deployment of 4G by a second operator. A key contributor to a quality improvement in this sector will be the resolution of the now-longstanding frequency coordination issues with neighbouring states, notably Tunisia, in the past few years.

The frequency coordination problems are progressing towards a resolution and therefore it is plausible to expect that the 800MHz band is to be finally cleared for mobile data services by 2017. Although the 800MHz band presents technical advantages, take-up by operators depends mainly on their spectrum requirements. This project is in catch-up mode, given that a lot more time and resources than expected have had to be channelled towards international co-ordination negotiations, which protracted beyond what was legitimately expected. These are still not entirely resolved, and will continue to depend on third countries enforcing the co-ordinated agreements.

Meanwhile other initiatives targeted at enhancing mobile NGA capabilities are on the drawing board. Notable among these is the redeployment of the 700MHz band, whereby it is anticipated that this band be freed up for mobile data services commencing from the end-2020. This means that as of next year it will be necessary to take stock of what is likely to happen with the three commercial TV channels lying in this band and start modelling a way forward on the future of DTTV transmissions in Malta.

Whilst the migration of TV transmissions in the 700MHz band will entail a scenario-building exercise in 2016, the migration of the national TV station from the 800MHz band should be a seamless exercise. The preparatory phase will commence this year, with actual migration taking place in 2017, subject to the successful finalisation of the international co-ordination process, including the related technical measures.

Concurrently with the migration of the General Interest multiplex from the 800MHz band it is reasonable to assume that there will be an assignment process for the band in question for mobile data use. This assumption is being made on the premise that there will be a formal request for spectrum in this band once it is vacated, given its attractive propagation characteristics.

A sizeable amount of work was carried out in the area of USO during 2014 and 2015, culminating on the one hand in a right-sizing of the obligation to tailor to current public needs, and on the other, in the finalisation of the first financing claim pertaining to 2010. A review of the 2012 claim has been finalised and will be followed with the claim for 2013.

The development of space-related communications activity, which is a recent addition to the MCA's work programme, will continue along two established lines, that is, policy advice on the one hand and exploration of business opportunities on the other.

### Postal Services

Indications are that the Maltese postal sector is going through a revival thanks mainly to inbound eCommerce. In the rather unusual, albeit explainable, case of Malta, inbound letter mail as well as eCommerce-related postal activity, are significantly higher than the corresponding outbound activity. Meanwhile, however, letter mail continues to decline, rather in line with the ongoing general international trend.

The USP's latest provisional announcement for the year ending 30<sup>th</sup> September is quite encouraging and should bode well for the coming financial year. Even so the review of the Universal Service requirement will continue and the MCA needs to be in a position to address any required right-sizing of the obligations as necessary.

Postal services are being looked at with renewed focus given their importance in the context of eCommerce. This attention is leading to the raising of a number of questions mainly in relation to international mail, particularly as regards handover of mail across borders from one operator to another. Given the obsolescence of the previous monopoly regimes across the EU there now needs to be a better understanding of the emerging dynamics regarding international mail flows, particularly with respect to their impact on costs and wholesale charge-outs. Inconsistencies in terminal dues are coming increasingly under scrutiny. It is expected that an-EU sponsored exercise along this front will materialise during 2016.

Until further notice it is expected that most of the postal regulation work programme will focus on the ongoing regulatory aspects of postal regulation, with the notable exception of the universal service component and the impact of postal pricing on eCommerce.

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## E-Commerce

Facilitating uptake of eCommerce and other online services remains a main objective for the MCA. There is, however, an emergent priority area which concerns the building of the framework for the regulation of electronic identification and trust services for electronic transactions.

The relevance of electronic signatures increases further with the bringing into force of the E-IDAS Regulation. The Regulation ensures cross border access to public services by people and business via the use of their own national electronic identification schemes (eIDs) where these are available.

It also creates an internal market for electronic trust services (eTS) by ensuring legal equivalence with traditional paper based processes.

The adoption of the recently enforced EU regulation will also necessitate substantial changes to the existing eCommerce Act in order to ensure legal consistency and clarity.

## Promotional Mandate

### Information Society Initiatives

The MCA's agenda on this front remains firmly prioritized on the need to raise digital literacy, increase frequency of use of the internet, raise awareness of the benefits and pitfalls of the Internet and promote areas of practical day-to-day use of electronic applications.

The past year can be considered as a significantly successful one with an increasing number of citizens opting to increase their ability to use ICT for their everyday requirements, from browsing to online banking and payments. The interest that is being shown is encouraging.

A renewed thrust is also being made with industry on the need to introduce an online dimension to services being provided.

Moreover, in line with Government's wish for free Wi-fi zones to increase the MCA has been active in increasing both the number of such sites as well as the quality of the Internet provided. This service serves as a 'taster' that serves to encourage people to take up mobile Internet by giving them a taste of its practicality and ease of use.

### Innovation and Investment

This line of activity is now established as a work-stream within the MCA's remit and work programme and therefore needs to be treated separately from sector-related activity.

There are two distinct types of activity in this area. Firstly, there is activity intended to facilitate innovation and business development in the general ICT sector, to the ultimate benefit of the sectors that fall under the MCA's regulatory purview. A five-pronged strategy and work programme has been drawn up in this regard and is, with effect from the current year, in the course of being implemented. This can be seen as a longer term investment in Malta's capability to generate home-grown initiatives in the ICT field. This policy area is therefore seen as a promising source of growth and activity but it needs due time and resources to be able to flourish to an appreciable extent.

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Secondly there are areas within the ‘traditional’ fields of operation of the MCA that are being looked into with a fresh outlook, in order to ascertain whether the potential of such sectors is being exploited to the full. This is particularly the case with national spectrum resources. One such area has to do with the development of space-related activity. Another area relates to licensing of testing and trialling of experimental wireless applications.

In carrying out its assigned role of promoting innovation and investment the MCA actively seeks the collaboration and expertise of private and public institutions that are in one way or another involved. These institutions include private sector constituted bodies, institutions providing tertiary education and Malta Enterprise, among others.

### 3. KEY CONSIDERATIONS

The underlying context to the Strategy Update for the period 2016-18, provided in Section 2, effectively translates into the following key considerations:

- Facilitating the deployment of high speed electronic communications networks remains a priority.
- Variety of choice at retail level in an NGA environment is necessary.
- Regulatory measures will continue to support both infrastructure- and service-based competition, in the new high speed environment.
- The Authority will continue to support a review of the ex-ante concept of Significant Market Power (SMP) in light of the potential issue of oligopolies.
- The assumption, by the Authority, of ex-post powers in the areas it regulates remains a viable option.
- Additional consumer-related powers would also render the Authority more effective in the execution of its mission.
- The Authority will contribute to the discussion at BEREC and EU level in the course of the drafting of the new review of the electronic communications directives – termed the Digital Single Market.
- The likelihood that the 700MHz band will need to be cleared for mobile Broadband in the foreseeable future points to the need for a widespread review of terrestrial television transmission policy.
- The drawing up of a space communications strategy will complement work commenced during the current year in this area and expand the Authority's knowledge base in this policy area.
- ICT user-oriented training programmes will be targeted specifically at the most vulnerable groups and individuals in order to bridge the digital divide, but will also serve to encourage youngsters to eventually take up IT as a profession.
- The main challenge in a liberalised postal market will be ensuring the sustainability and currency of the universal service in an openly competitive environment, in the face of declining letter mail volumes.
- Maltese enterprise needs to embrace ICT more, particularly eCommerce, if it is to compete at equal arms with overseas e-enabled counterparts.

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- The attraction of communications activity to Malta should ultimately be of direct benefit to operators in that it increases demand for networks and services.
  - Home-grown innovation will be encouraged and assisted.
  - Consumer protection will continue to be addressed through a mix of information and enforcement.
  - Wider public awareness of the MCA means better dissemination of information to users as to their rights.

The above considerations effectively serve to shape this Strategy Update. While a number of these have already been identified in the preceding update, others, notably items relating to innovation and space communications, constitute new developments.

## 4. MISSION AND UNDERLYING PRINCIPLES

The MCA's mission statement is stated hereunder:

- **To promote and safeguard sustainable competition, customer choice and value for money in the electronic communications, e-commerce and postal sectors, and**
- **To facilitate the development of an environment that is conducive to investment, innovation, social inclusion and economic growth.**

The Mission Statement is reviewed annually and amended from time to time in order to maintain its currency vis-à-vis the MCA's evolving mandate.

In carrying out its mission the MCA is committed to performing in a manner that is transparent, proportionate, non-discriminatory and objective. The MCA's mission statement embodies a set of principles, which the Authority holds central to all the activities that it carries out, and namely that:

- The objective of competition regulation is the attainment of a range of communication services of high quality and competitive prices provided by multiple sector players.
- In the absence of competition, regulation will seek to simulate the effects of competition.
- Competition regulation should ideally consist of a co-ordinated raft of ex-ante and ex-post tools.
- In reaching its regulatory objectives the Authority shall also make use of both asymmetrical and symmetrical regulatory tools.
- Regulation will cater for the interests of consumers but will also take into account the exigencies of service providers.
- Regulation will respect the principle of technological neutrality and be sufficiently flexible such as to facilitate change and innovation.
- Beyond regulation, timely and relevant information to stakeholders is another important means of safeguarding consumer interests.
- The Authority's decisions will be reasonably transparent and accessible to all in order to facilitate decisions by market players, policy makers and other stakeholders.
- Services will be delivered within an adequate level of network security and resiliency.

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- The MCA's activity should serve to overall contribute to Malta's transition to a knowledge society and economy and to the maximisation of social and economic welfare.
  - Individual citizens and businesses will be encouraged to embrace ICT as a key enabler.
  - The MCA will advise Government on all aspects in relation to its mandate and in the provision of such advice will give due weighting to local sector circumstances.
  - Any MCA advice to Government regarding rights of use will be based on criteria that balance the need for Government to maximise revenue from its assets and the impact of their utilisation on society and the economy.
  - The Authority will be proactive in promoting Malta as an ideal venue for investment in communications intensive activities.
  - The pursuit of innovation shall be treated both as a culture and a function.
  - In order to achieve its mission the MCA needs to have the necessary freedom to operate, whilst remaining accountable with respect to achieving Government's policy objectives.
  - The MCA will consistently seek collaboration from Governmental and other institutions in the pursuit of its mandate.

## 5. STRATEGIC OBJECTIVES

The MCA's Strategic Objectives for the period covered by this Plan may be seen below. As with the Mission Statement, these objectives are reviewed on an annual basis and changed or fine-tuned to maintain full consistency and currency with the MCA's mandate in the context of the fast-changing environment in which it operates.

Thus the Authority's objectives change over time according to the priorities that it sets in line with emerging sector trends.

One area that is on the rise in the Authority's evolving mandate is the one relative to innovation and business development. Whilst innovation has been for some time one of the objectives listed under electronic communications, now is the ideal time to list this objective as one not pertaining to any particular sector. In other words the strand dealing with innovation and business development takes a distinct identity as a policy area in its own right. This state of affairs is also reflected in the Authority's organisational set-up.

Among other objectives that have been reviewed, in the case of e-Commerce, prominence is now being given to the supervision of electronic signatures following the coming into force of the e-IDAS Regulation. With regard to postal services, now that the liberalised regulatory environment has been put in place and has been functional for the last two years or so, the focus turns to now safeguarding sustainable competition, taking cognizance of ongoing developments in the postal sector, particularly the interface with e-Commerce and increasing electronic substitution.

The MCA's Strategic Objectives are the following:

### Electronic Communications

- T1 - Promoting and safeguarding competition in the electronic communications sector.
- T2 - Ensuring that electronic communications undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.
- T3 - Contributing to the development and implementation of electronic communications regulatory policy.

### e-Commerce

- E1 - Facilitating the development and uptake of eCommerce and other online services.
- E2 - Supervising the provision of electronic signatures and trust services.

### Postal Services

- P1 - Safeguarding sustainable competition in the Postal Sector.
- P2 - Ensuring that postal undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.
- P3 - Contributing to the development and implementation of Postal regulatory policy.

### Information Society

IS1 - Achieving widespread e-literacy and digital inclusion.

### Business Development and Innovation

IN1 – Promoting and facilitating business development and innovation in the sectors under the MCA's purview.

The MCA's projects and ongoing tasks will all be targeted to address any one of the above strategic objectives, barring activities of an internal nature.

## 6. INDIVIDUAL STRATEGIC OBJECTIVES – OUTLOOK/KEY TASKS/NEW THRUSTS

The MCA's major thrusts for 2016, categorised by Strategic Objective, are outlined below:

### Strategic Objective T1

Promoting and safeguarding competition in the electronic Communications Sector.

#### Outlook 2016

- Maintaining conditions for a multi-player scenario in an NGA environment.
- Ensuring seamless regulation.

#### Key Tasks 2016

- Continued transition to access regulation in NGA networks.
- Facilitating the deployment of NGA networks.
- Continue making the case for ex-post competition regulation powers to the MCA.
- Making additional spectrum available for the provision of next generation mobile data services.
- Maintaining the compliance framework set at safeguarding a competitive environment.
- Analysing sector performance and informing sector players of state of play in key activity areas.

#### New Thrusts

- Key thrusts remain the same as for 2015.

#### Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective T1 – Key Performance Indicators

- Movements in number and variety of market players, as well as relative market shares.
- Price movements.
- Availability of updated interconnection agreements, Reference Offers and cost oriented charges, where these are required.
- New service offerings.
- Overall sector volume indicators.

## Strategic Objective T2

Ensuring that electronic communications undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.

### Outlook 2016

- Continued focus on consumer empowerment and protection.
- Continued migration of General Interest TV channel.
- Implementing the Telecoms Single Market regulation.

### Key Tasks 2016

- Provision of information to consumers via social media and other relevant media.
- Strengthening the MCA's powers vis-à-vis consumer protection.
- Development of regulatory framework for net neutrality.
- Implementing new roaming rules.
- Monitoring service quality and ensuring network integrity.
- Continuation of migration of General Interest TV transmission from the 800 MHz band.
- Policy and Strategy review with regard to TV transmission.
- Assessment of USP funding requests.
- Managing the compliance framework.

### New Thrusts

- Key thrusts remain the same as for 2015.

### Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective T2 – Key Performance Indicators

- Publicly available information relative to required QoS measures.
- Stakeholders' perceptions of the overall value and quality of services provided.
- Stakeholders' perceptions of the regulator.
- % of complaints placed with MCA dealt with satisfactorily.
- Number of ongoing inspections/site visits (interference, radiation, market surveillance etc.) and outcomes.

### Strategic Objective T3

Contributing to the development and implementation of electronic communications regulatory policy.

#### Outlook 2016

- Contributing to the EU's Digital Single Market Strategy.
- Contributing to the implementation of the Directive on reducing the cost of Broadband deployment.
- Contribution to EU/BEREC positions and to other international fora.

#### Key Tasks 2016

- Ongoing advice to Government on the upcoming Digital Single Market proposal.
- Collaboration with Transport Malta and Building Regulations office in implementing Cost of Broadband Directive.
- Interaction at BEREC and RSPG in pushing forward MCA and Malta position.
- Participation in EU meetings, BEREC work-groups and in other fora.
- Contribution to government policy via participation in relevant Maltese fora.
- Preparation for the Malta EU Presidency in 2017.

#### New Thrusts

- Establishing Malta's (and the MCA's) contribution towards the EU Presidency.
- The actions arising from the Digital Single Market strategy will take up resources.

#### Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective T3 – Key Performance Indicators

- The MCA will, on an ongoing basis, evaluate the effectiveness of participation in EU and international fora, as well as the provision of related advice to Government.

## Strategic Objective E1

Facilitating the development and uptake of eCommerce and other online services.

### Outlook 2016

- Focusing on eCommerce uptake by business.
- Increasing public confidence in e-commerce.

### Key Tasks 2016

- Ongoing implementation of relevant e-Commerce Strategy initiatives.
- Maintaining public and service provider awareness / confidence via ongoing monitoring of Information Society Services Providers' Websites and free provision of training on online transactions to individual citizens.
- Maintaining an updated information database on e-Commerce activity.
- Commissioning of surveys on public usage and perceptions of e-commerce as well as levels of uptake by business.
- Organising stakeholder fora and participating in other fora targeting SMEs and micros.

### New Thrusts

- Key thrusts remain the same as for 2015.

### Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective E1 – Key Performance Indicators

- e-Commerce uptake figures.
- Public awareness of the regulatory role of the MCA.
- Public awareness of consumer rights with respect to e-commerce.
- Service provider awareness of their legal obligations.
- Public perception with regard to the security of e-commerce transactions.

## Strategic Objective E2

Supervising the provision of electronic signatures and trust services.

### Outlook 2016

- Implementation of certification services providers (CSPs) regulatory framework.

### Key Tasks 2016.

- eIDAS regulation – legal drafting and implementation on the ground.

### New Thrusts

- This is a new strategic objective.

### Key Performance Indicators

The MCA will monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective E2 – Key Performance Indicators

- The attainment of a registration process for CSPs and the relevant monitoring mechanism will be the KPI for this strategic objective.
- Other KPIs for E1 as may be relevant for this objective as well.

## Strategic Objective P1

### Safeguarding sustainable competition in the postal sector.

#### Outlook 2016

- Management and review of regulatory framework.

#### Key tasks 2016

- Enhancing MaltaPost's Price Control Framework.
- Reviewing the definition of express mail.
- Study on parcel markets.
- Management of postal compliance framework.
- Monitoring of postal market activity via collection and analysis of data.

#### New thrusts

- Key thrusts remain the same as for 2015.

#### Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective P1 – Key Performance Indicators

- Number of postal services providers in the various postal markets.
- Postal volume, price and other relevant trends.
- New service offerings.
- Universal Service Provider making reasonable return on capital.

## Strategic Objective P2

Ensuring that postal undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.

### Outlook 2016

- Sustainability of the Universal Service remains the key focus.

### Key Tasks 2016

- Finalisation of review of the universal postal service / obligations (due to changes in the market and the needs of postal service users).
- Review of QoS targets.
- Provision of relevant information to consumers.
- Managing the compliance framework.
- Intelligence gathering via household and business surveys.

### New Thrusts

- Key thrusts remain the same as for 2015.

### Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective P2 – Key Performance Indicators

- QoS performance statistics in relation to set targets.
- USP and MCA Complaints statistics.
- Public and business perceptions (biennial).

### Strategic Objective P3

Contributing to the development and implementation of Postal regulatory policy.

#### Outlook 2016

- Contributing actively to any EU/ERGP discussion on the shaping of the postal regulatory framework.
- Safeguarding Malta's interests in the 2016 UPU congress.
- Impact of parcel delivery on digital single market (links to Digital Single market task in T3).

#### Key Tasks 2016

- Providing policy advice to Government on EU and other international matters as well as on aspects that are national in scope.
- Monitoring EU progress on harmonisation of regulatory Framework.
- Monitoring developments in parcel segment in light of Digital Single Market proposals.
- Ongoing participation and contribution in fora and related working groups of the ERGP, Postal Directive Committee as well as in other fora as may be required.
- Attendance at the 2016 UPU congress in representation of the Maltese Government.
- Providing statistical and other relevant information to EU and other international fora to which the MCA is affiliated.
- Collaborating with peer regulators on one-to-one basis or collectively in the relevant organisations.

#### New Thrusts

- Policy input on parcel segment gains priority in light of Digital Single Market proposal.

#### Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective P3 – Key Performance Indicators

- The MCA will, on an ongoing basis, evaluate the effectiveness of participation in EU and international fora, and the quality of its advice to Government on international matters.

## Strategic Objective IS1

Achieving widespread e-literacy and digital inclusion.

### Outlook 2016

- Continued implementation of public initiatives, set at promoting and supporting the widespread use of Information and Communication throughout Maltese society and the business community.

### Key Tasks 2016

- Inspiring everyone to Get Online via ICT for all and digital inclusion programmes.
- Further proliferation and upgrading of free Wi-Fi hotspots.
- Continuation of coding experience amongst children between the age of 5 to 17.
- Continuation of project ENTER – submission of funding request to EU for new phase of programme.
- eBusiness Awards.
- Raising awareness of target groups about crowd-funding.

### New Thrusts

- Key thrusts remain the same as for 2015.

### Key Performance Indicators

The MCA will continue to monitor progress vis-à-vis this objective via the following key performance indicators:

#### Strategic Objective IS1 – Key Performance Indicators (domestic)

- Internet uptake figures:
  - Number of Maltese households connected;
  - Number of individuals using Internet frequently;
  - Number of individuals in employment using Internet frequently;
  - Number of individuals aged between 60 and 75 using Internet frequently;
  - Number of persons who have never used the Internet.
- Public perceptions on the benefits of ICT for domestic and business use:
  - Number of Businesses using ICT;
  - Number of businesses using the Internet.

## Strategic Objective IN1

### Facilitating business development and innovation in the sectors under the MCA's purview

#### Outlook 2016

- Promotion and facilitation of business development in relevant communication niches, and exploitation of spectrum potential are the focal activities for the coming year.

#### Key Tasks 2016

- Building on previous year's initiatives set at promoting and facilitating innovation and investment.
- Developing space communications.
- Supporting wireless research and development.

#### New Thrusts

- Key thrusts remain the same as for 2015.

#### Key Performance Indicators

The following are the envisaged key performance indicators relative to this strategic objective:

#### Strategic Objective IN1 – Key Performance Indicators

- Level of activity / number of hits on the MCA Innovation Observatory:
  - Number of member organisations in the innovation stakeholder network;
  - Number of studies conducted as a result of intelligence building activities.
- Level of participation (attendees and representation) in MCA organised events:
  - Number of new business leads supported by the helpdesk service.
- New and innovative services, or improvements on existing services deployed, trialled in or offered from Malta.
- Assessment of Malta's performance in this area vis-à-vis any comparable benchmarks.

## 7. EXPECTED OUTCOMES

The MCA's activity should result in a series of envisaged outcomes. It is accepted that a particular year's result are not necessarily a direct consequence of that year's activity. Nonetheless the measurement of these outcomes serves to provide focus and direction to the organisation. The main envisaged outcomes are the following:

- Progress towards deployment of multiple NGA fixed and mobile networks.
- Continued improvements in choice and value of retail services especially in broadband.
- Uptake of existing and new technologies and services.
- Results overall in line with Europe 2020 targets.
- Increased volume of inward- and outward-bound eCommerce.
- Increased number of enterprises selling online.
- Postal USP making reasonable profits and providing services in line with QoS targets.
- Postal sector competition in one or more areas, or e-substitution exerting pressure on prices.
- Increased participation (whether in terms of number of users or extent of individual usage) of individual citizens and businesses in the information society.

As part of the organisation's ongoing programme of performance measurement, the above indicators will form part of individual employees' reward system under the performance measurement programme. This is intended to further raise staff awareness relative to the impact of the organisation's activity (and their individual contribution to such activity) on Maltese society.

## 8. ENSURING QUALITY AND CONTINUITY IN DELIVERY

In order to ensure quality and continuity in the execution of its mandate the MCA focuses on a number of fundamental components, which it reviews in a process of continuous improvement:

### Performance Planning and Review

The MCA is committed to maintaining an efficient and effective strategic and business planning function together with the monitoring of actual performance against set targets. Performance planning cascades from the strategic and business planning tier to individual staff performance planning programmes. All these components are co-ordinated and regularly reviewed and updated in a process of continuous improvement.

The MCA consistently ascertains the validity of its performance by reviewing its activities on an ongoing basis, assessing whether outputs and outcomes are being attained and reviewing its plans accordingly.

### Human Resources

The MCA is committed to ensuring that it retains a knowledge-based organisation that is adequately staffed and structured in order to be able to optimally address its mission and mandate.

Performance-based activity permeates down to the individual level by means of individual performance assessments, which tie in to the achievement of organisational goals. As indicated in the previous section, the MCA extends its staff performance measurement and reward system to include outcome indicators that are a reflection of the organisation's progress in meeting its strategic objectives.

Staff motivation is considered a key element for the success of the MCA's mission. The MCA is committed to maintaining an environment that brings out the best in the people it employs.

The MCA places high value on the ongoing training of staff in both soft and hard skills and is committed to periodically carry out a structured programme across the entire organisation as the basis for its training schedule. Such structured training is over and above the 'on the job' knowledge gathering that takes place on an ongoing basis.

### Outsourcing of Expertise

In those instances where it is feasible to do so, the MCA will outsource requirements for services whenever these involve the need for specific expertise that is not available within the Authority. The MCA will also consider outsourcing where the need for such services is short-term, and mainly serves to address a pressing need. The MCA is committed to dedicating the necessary resources towards the management of contractors, with a view to obtaining the best possible value in services received both in terms of contracted outputs as well as via knowledge transfer.

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## Organisation

An organisation that operates in a highly dynamic environment needs to have the in-built flexibility to adapt to changing circumstances. The MCA retains such flexibility via a matrix mode of operation that cuts across formal organisational boundaries and brings together staff from various units and disciplines together to work on specific assignments.

As new functions are assumed the MCA will dovetail these with its business in as seamless a manner as possible. The MCA mission, strategic and business objectives, organisation structure, policies and procedures will be updated to reflect the new state of affairs.

## Physical Resources

If it is to function at desired levels and empower its staff to achieve optimal performance, the MCA will ensure that they are adequately equipped to carry out the job. In this respect this organisation is committed to providing the environment that is most conducive to productivity. It will do this by providing adequate premises and ICT resources as well as other logistical support as required.

The MCA also deems information management as being a fundamental resource to this organisation, and will see to setting up new information systems as necessary, as well as maximising the potential of existing ones.

Financial autonomy represents another important pillar in the maintenance of the MCA's status as an independent regulator. The MCA will follow principles of good governance, ensuring that it has adequate finances to meet its mandate and that it delivers the best possible service to stakeholders. In so doing this organisation will also ensure that it is fully accountable for its activities and related incomes and expenditures.

The MCA will continue to ensure that financial reporting reflects the activities carried out and the related sources of funding. The Authority will dedicate the necessary resources towards maintaining its accountability framework to the highest standards.

In order to be able to deliver its programme the MCA requires the collaboration and timely input of other institutional players, not only in the areas of HR and Finance but also in the case of tendering requirements and in instances where projects span a number of government bodies. In the same spirit the MCA will provide timely and quality input to institutional players whenever such is reasonably required.