

Agrément South Africa

PRESENTATION TO THE PARLIAMENTARY PORTFOLIO COMMITTEE

FOR THE DEPARTMENT OF PUBLIC WORKS

STRATEGIC PLAN AND BUDGETS FOR 2010/11

23rd April 2010

Dr. Mohammed Tayob: Ag. Chairperson of the Board of Agrément

Phumlani Myeni, Financial Manager;

Joe Odhiambo, Chief Executive Officer



Monday, 26 April 2010

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Dr. Mohammed Tayob
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Tayob
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Phumlani Myeni
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Africa Dr. Mohammed Tayob

Strategic Vision from the Executive Authority

- The current mandate, profile and exposure of Agrément South Africa must be improved and raised.
- With the increased mandate as well as the extensive adoption of innovative technologies from Agrément South Africa, can assist to root out poor service and products in the built environment
- With the involvement and mainstreaming of innovative technologies local communities can be trained in the use of these improved and advanced methods of construction.
- Products approved by Agrément South Africa can play a role in the EPWP.



Vision

To be a world class technical assessment agency

Mission

Agrément South Africa's mission is to promote the government's objectives of economic development, and raising living standards and prosperity for all the people of South Africa by encouraging and facilitating the use of innovative and non-standard construction products and systems through its certification scheme.

Sustainable Environmental resource management by carrying out testing, evaluation, confirmation and certification of fitness-for-purpose of non-standard construction products and systems.



Mandate

The mandate of the Board is provided on page 2 of the revised delegation of authority 21 November 1970, as amended in February 1999.

The Board of Agrément SA is to:-

Support and promote the process of integrated socio-economic development in South Africa

Facilitate introduction, application and utilisation of satisfactory innovation and technology development

Enhance Agrément SA's position as the internationally acknowledged, objective South African centre for the assessment and certification of non-standardised construction products.



Strategic Intent

Consistent with the Minister's mandate and the above vision.

The Board has set for itself five overarching long-term goals.

- Provide active support to the Minister's strategic programmes and initiatives aimed at transformation of the public works
- Transform Agrément South Africa into a viable and modern organisation with sound corporate governance
- Drive the growth and development of Agrément South Africa as a leading state-owned enterprise
- Enhance position, leadership and strong global presence through innovation, research and development.
- Addressing current and future human resources challenges.



Strategic Intent

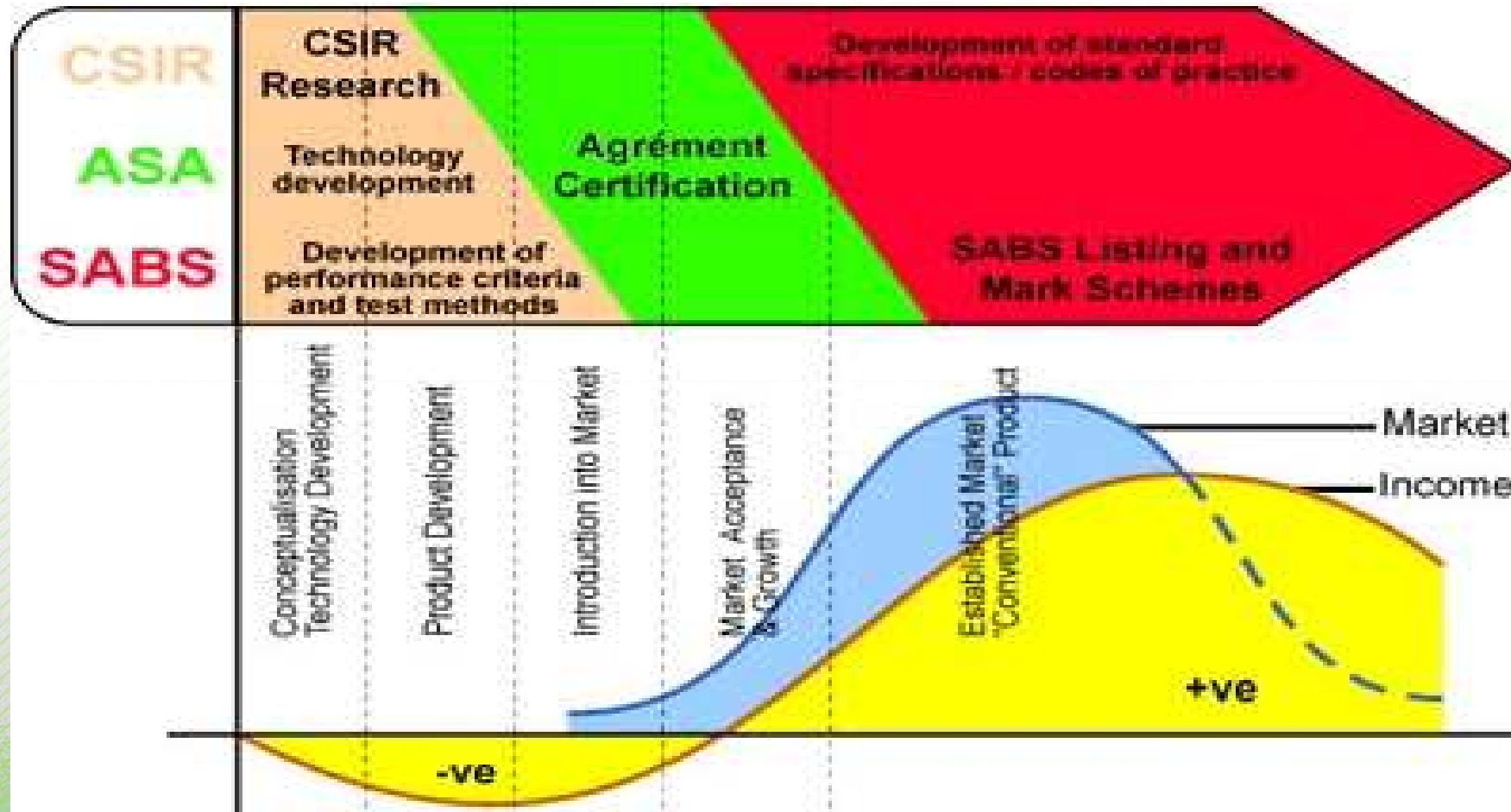
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Typical Product Development Cycle



BUILT ENV. PROFESSIONALS



Effective management

Ensure effective corporate governance processes and sound resource management and increase technical assessment outputs.

- Effective revenue management
- Compliance with the public finance management act and treasury regulations
- Improved internal controls
- Increase in certification applications
- We are the only centre on the African continent to offer this service and our offerings compare favourably with our sister organization throughout the world.



Contributing to the national goal of job creation and poverty alleviation

Increase in number of learners and interns employed in the organization.

As a member of the World Federation of Technical Assessment Organizations (WFTAO) Agrément South Africa is already well placed to benefit from and already does on international co-operation.

Advanced methods of construction will be introduced to the local market which will speed up service delivery role out. Most innovative products cost less than conventional, take a shorter time to construct, are stronger and are of a higher quality than conventional construction.



Ensure transformation and steady growth of the Agrément South Africa technical agency

- Active participation in local construction industry e.g. The International Innovative Housing & Sustainable Energy Efficiency project in Mbekweni, Drakenstein near Paarl
- Agrément South Africa is currently largely transformed and the current strategy going forward will focus on skills development and talent retention
- This will lead to steady growth of the current staff compliment with an aim of developing industry experts in the technical assessment field.



Build a developmental state, improve public services especially in rural areas¹

- Improve technical assessments through participation in the World Federation of Technical Assessments Organization and other international research organizations to contribute towards a developmental state.
- Devise innovative technologies suitable for fast-tracking rural development in South Africa by introducing appropriate systems which have been used successfully in other parts of the world.

Improve public services

- Ensure improved service delivery to meet client expectations and leverage stakeholder relations
- Agrément drafted into proposed amendments to the national building regulations and the revision of SANS 10400 Section XA: Energy usage in buildings.
- Developed Protocol for the certification of energy simulation software to be used nationally. This will save the country lots of money as well as contribute towards environmental sustainability.



Other Benefits of Agrément certification¹

Technical conduit to new improved construction systems and building materials.

- Leads to improvement of existing products
- Come up with innovative solutions suitable for a developmental state as well as for rural areas
- Develop improved methods of road construction suitable for low volume use
- Test the suitability of innovative products for fitness for purpose



Other Benefits of Agrément certification²

Support Government to fulfil its promise of developing affordable, improved housing and infrastructure.

- Promote the export of SA products.
- Provides reassurance of fitness of purpose
- Authoritative independent technical assessment of system performance and provides certificate



Other Benefits of Agrément certification³

Community Acceptance : Feels and looks like brick/mortar.

Improved Speed : -Financing period shortened

- Meeting deadlines
- Construction in a quarter to a third of regular time
- Eliminate service delivery existing delays.

Lower Weight : - Some structures can (depending on type of structure) can save up to 70 percent in weight.

Lower Cost :- Lower construction & maintenance cost

- Lower running cost
- Tremendous energy saving contributing towards to environmental sustainability.



Other Benefits of Agrément certification⁴

Insulation :- Improved thermal & moisture performance.

Improved Quality: - Far greater structural strength

- Seismic resistance
- Storm resistance
- Far greater durability

Simplicity of construction:- No need for bricks or brick layers;

- Less cement used
- Safer construction

Enhanced Environmental Sustainability: -



Other Benefits of Agrément certification⁵

Community participation : - 95% of the labour used is from the local communities (29% are women)

- Skills transfer and training are part of the project
- Healthier habitat due to thermal and moisture control properties and seismic/storm resistance.

Environmental Efficiency:- Efficient Materials usage: replacing bricks (inefficient & production waste)

- lower weight advantageous for transportation.

Environmentally Efficient Structures : thermal properties saves energy, both in heating/cooling interiors and hot water pipes surrounded by expanded polystyrene.

Environmentally Efficient Processes :- Tremendous reduction in construction waste.



Phumlani Myeni: Financial Manager

FINANCIAL PRESENTATION

Monday, 26 April 2010



Budget 2009/2010-1013

DESCRIPTION	2009/10	2010/11	2011/12	2012/13
Manpower Costs : Salaries	4 850 000	5 200 000	5 600 000	6 050 000
Running Costs : Technical Assessments, Operational, Marketing, Equipment & Research, Expert Assessments etc.	3 815 000	4 090 000	4 500 000	4 860 000
Internal Costs or Infrastructure costs: LAN, Security, Accom rental etc.	988 000	1 060 000	1 120 000	1 210 000
TOTAL	9 653 000	10 350 000	11 220 000	12 120 000
TOTAL BUDGET % INCREASE		7%	8%	8%

Manpower Costs

Pensionable salaries	R3 380 000
13th cheques	R 280 000
Non-pensionable allowances	R 660 000
Travel allowances	R 200 000
Performance bonuses	R 120 000
CSIR contributions to Pension fund	R 340 000
Medical aid	R 100 000
Group life insurance	R 100 000
UIF	R 20 000
Total	R5 200 000

Budget NOTES

- In preparing the three year budget, we used the cost budget, that is, we used the 2009/10 projected Expenditure cost calculating percentages of each line expenditure item in relation to the same period budget (2009/10) and then escalating our line item budget for the following year with the same percentage presuming trends remain the same.
- Our Total Bottom line Budget then increase from year to year by **7% & 8%** in line with cost escalation.

Budget Notes

- Note that Manpower cost, is only direct salaries and salary related expenses e.g. UIF, Pension Contribution, Medical Aid, Leave gratuity etc.
- Internal Costs are infrastructure costs, e.g. LAN costs, Telephones, Rental Accommodation, Security Costs etc
- Running Costs will then cover operational costs, Technical Assessments, Marketing, Material, Equipment & Research, Travel, Training etc

Thank You...



Monday, 26 April 2010