

Agrément South Africa

**PRESENTATION TO THE PARLIAMENTARY PORTFOLIO
COMMITTEE ON PUBLIC WORKS
ON 20th OCTOBER 2011**

AGRÉMENT SOUTH AFRICA'S 2010/2011 ANNUAL REPORT

- **Ntebo Ngcobo: Board Member rep Chair Pepi Silinga.**
- **Louise Opperman: Finance Manager.**
- **Joe Odhiambo: CEO.**

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STRATEGIC OVERVIEW

Strategic support to DPW¹



- Focus on several key performance areas.
- These are, among others,
 - service delivery,
 - skills development,
 - job creation and
 - the Extended Public Works Programme (EPWP).
- These activities will enable government to restore the dignity of people who live under disadvantaged circumstances by, among others, undertaking technical assessments of innovative construction technologies thereby bringing to the market modern, improved methods of construction.

Strategic support to DPW²



- Agrément South Africa has continued to exercise its mandate in line with the National Government guidelines that reflect outcomes-based priorities.
- This takes into account the short, medium and long-term planning initiatives of National and Provincial governments.
- Agrément is a key change agent contributing to a better life for all in South Africa by being a world-class technical assessment agency.

Strategic support to DPW³

- Agrément South Africa's mission is to promote government's objectives of economic development and raising living standards and prosperity for all the people of South Africa.
- The agency achieves this by encouraging and facilitating the use of innovative and non-standard construction products and systems through its certification system, which undertakes technical assessments of innovative construction products to assess their fitness for purpose.



Support to Government's 5 key priority areas



- Economic development by carrying out technical assessments.
- Infrastructure maintenance and provision by introducing several new products.
- Rural development by introducing products that are ideally suited for use in deep rural areas.
- Sustainable resource management by introducing performance as part of the technical assessment criteria.
- Improved public service delivery by increasing the options of innovative products that may be utilised for public service infrastructure development.



Key activities articulated

- Raising standards in the SA construction industry by introducing modern more efficient and advanced construction products.
- Developing new objectives for quality management and monitoring and evaluating all aspects of the quantity of outputs.
- Making a difference in the lives of South Africans by enhancing service delivery through testing and approving improved construction products and systems.

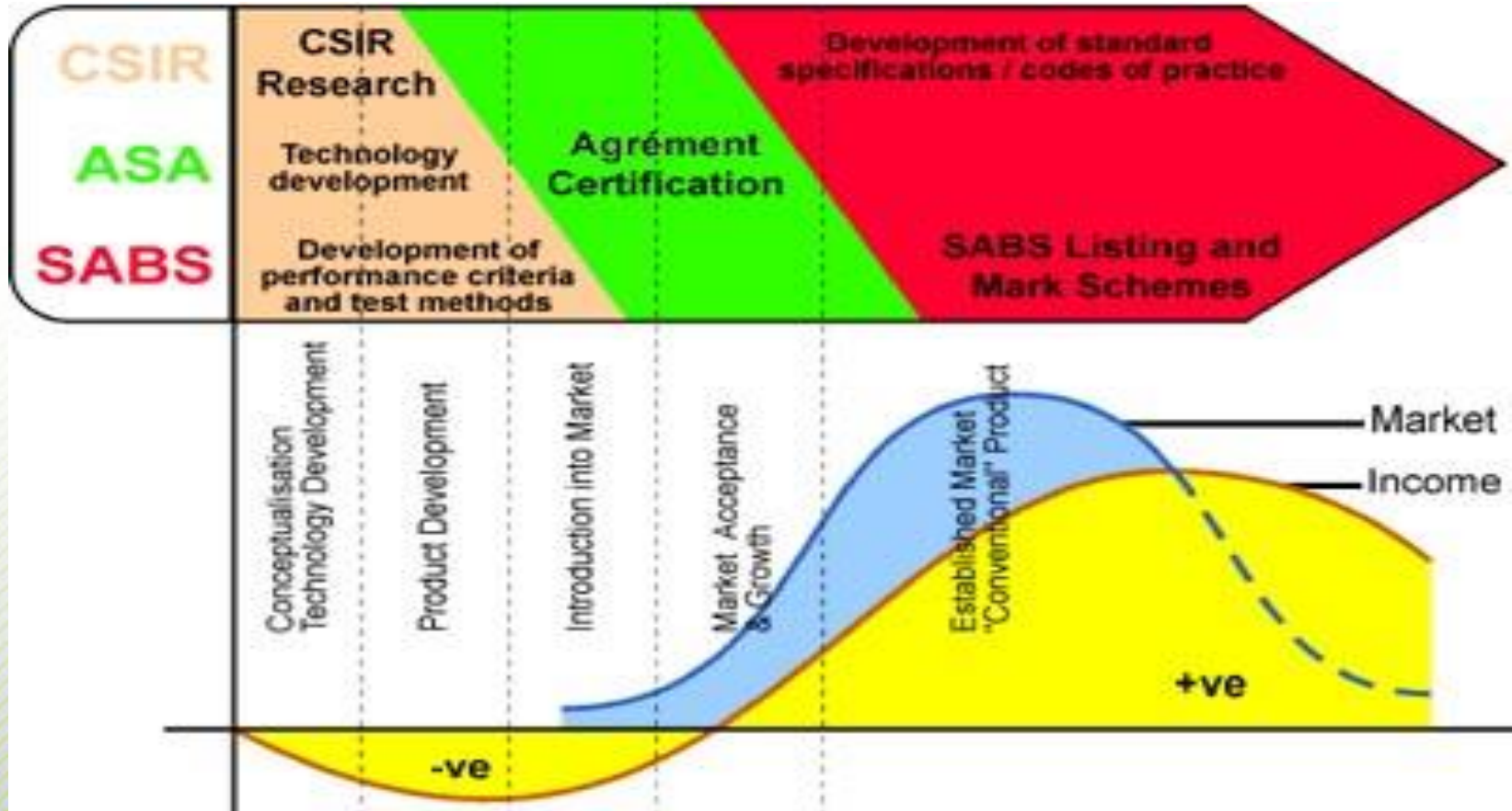
Thus contributing to a better life for all.



Benefits To Government

- Use of **Modern, improved & advanced materials** in construction.
- **Improved ways or methods of applying** 'traditional' materials.
- Improvements in designs **to enhance functionality** in construction as well as **enhanced performance**.
- **Superior system** design e.g. designing for **energy efficiency**;
- Appropriate performance based design – '**fit for purpose**'.
- **Improved use of resources**- contributing towards global sustainability initiatives.
- Agrément South Africa must maintain **impartiality to ensure credibility** in the technical assessment .

Typical Product Development Cycle



BUILT ENV. PROFESSIONALS

Role of SABS & Mandate

- SABS is a statutory body that was established in terms of the Standards Act No. 24 of 1945 and continues to operate in terms Act No. 29 of 2008 as the national institution for the promotion and maintenance of **standardization and quality** in connection with commodities and the rendering of services.
- SABS publishes **national standards**
- SABS **tests and certifies products and services to standards**
- SABS develops **technical regulations (compulsory specifications)** based on national standards, monitors and enforces compliance with such technical regulations
- SABS promotes **design excellence**
- SABS provides **training on aspects of standardization.**

Role of NRCS & Mandate

- Local authorities are responsible for the administration of the National Building Regulations, and control the on-site activities on construction projects. When present, professional architects and engineers are required to perform specific functions.
- The role of the NRCS is to –
- Advise the Minister about possible amendments and changes to the National Building Regulations;
- Promote uniformity in the understanding and implementation of National Building Regulations (NBRs) made in terms of the National Building Regulations & Building Standards Act 103 of 1977.

Role of NRCS & Mandate

- Provides technical advice regarding the interpretation and application of the National Building Regulations and Building Standards Act.
- Administers a Review Board dealing with disputes.
- Conducts building defect inspections and issues reports.
- Approval of qualifications of candidates for appointment as Building Control Officers.
- Workshops are held periodically for stakeholders, including municipalities, the SMME sector and industry to promote uniformity in the application of the National Building Regulation.
- REGULATED PRODUCTS: All structures as defined in the National Building Regulations.

Board Governance

- Board Chairperson (Pepi Silinga) and Board members appointed by the Minister of Public Works.
- Strategic planning session held annually.
- Annual risk assessment carried.
- Ensures financial integrity of Agrément is maintained.
- Ensures good corporate governance and compliance with law and ethics, the integrity of relationships with all stakeholders.
- The Board of Agrément holds at least four meetings in a year Board and focussed on consolidating its previous strategic plans and moving the Agency forward.
- The Board's sub-committees focused on their key objectives.

Board Sub-Committees

- **Audit and risk** chaired by Ms. Nozi Shabalala met twice and focused on overseeing financial and operational activities. A successful comprehensive risk management assessment was done, with a risk mitigation plan being put in place. The sub-committee concurred that the Agency's assets were well managed.
- **Human resources and remunerations** chaired by Mr. Montwedi Seane met once and ensured that all aspects relating to its mandate were adhered to. The meetings reviewed the operational policies of Agrément South Africa and directed all aspects of human resources and remunerations.
- The **Technical committee**, chaired by Mr Mike Marler, met five times and approved a total record number of 18 certificates.

TECHNICAL OUTPUTS

DELIVERY ON STRATEGIC PLAN

GROWTH & FINANCIAL	Planned Progress	Actual Progress
Grow total number of Agrément certificates	On-going	Achieved
Financial sustainability	On-going	Achieved
Mentor junior evaluators	On-going	Achieved
EXPECTATIONS OF STAKEHOLDERS		
Peer review of all reports	100%	Achieved
Project Management System	100% Compliance	Achieved
Quality inspection on all certificate holders	Once per year	Achieved
Validity management	On-going	Achieved
Publish at least two papers	March 2011	Achieved
SOCIO-ECONOMIC VALUE		
Comment on socio-economic potential	On-going	Achieved

Approved Building Systems

- **MG SIP** lightweight interlocking sandwich panels comprising a polyurethane (PU) core encapsulated in two layers of 11 mm thick oriented strand board (OSB).
- **House In a Can** utilises rectangular galvanised steel hollow sections as columns spaced at 2565 mm centres and 100 mm thick lightweight interlocking sandwich in-fill panels comprising a polystyrene beaded concrete core encapsulated in 4.5 mm thick magnesium oxide sheets.
- **Blast** has steel frame comprises vertical studs base rails and ring beam and clad both sides with 10 mm thick magboard and external walls are rendered with 12 -15 mm thick plaster.
- **Styrocon** are lightweight interlocking sandwich in-fill panels comprising 4.5 mm thick fibre cement boards encapsulating a polystyrene beaded concrete core.

Approved Building Systems

- **Mega** are interlocking expanded polystyrene (EPS) core acting as permanent insulation finished on both sides with one layer of 25 mm thick glass-fibre reinforced concrete (GFRC) and 15 mm thick sand-cement plaster.
- **Lepa** are 150 mm - 180 mm thick panels made of expanded polystyrene (EPS) beaded concrete core encapsulated both sides with 4.5 mm calcium silicate boards.
- **Ikhaya** utilises soil-cement blocks for walls manufactured using Ikhaya Brick technology (IBT) machinery. They are 300 mm long x 150 mm wide x 100 mm high with two vertical cavities measuring 60 mm in diameter and nominal strength of 7 Mpa.
- **Vela steel** comprises Structural Insulated Panels (SIP) incorporating a steel frame. The panels are Autoclaved Magnesium Oxide board encapsulating polyurethane core.

Approved Building Products

- **WinKlik FibreCrete Windows** is a combination of fibre cement frames with aluminium sashes.
- **Infra-Flash Self Adhesive Sealant** used as a sealing of junctions between walls, walls and roof tiles/galvanised sheeting.
- **Isoboard Over Rafter and Truss Insulation panels** forms insulated ceilings using polystyrene rigid foam boards.
- **Spunsulation Undertile Membrane** is ultraviolet (UV) light resistant.
- **Jojo Liquid Storage tanks** is a prefabricated and rotary-moulded polyethylene tank.
- **Cyclo Roof Tiles** are made from graded sand and recycled plastics.
- **Spunsulation 4 Contractors Choice** is ultraviolet (UV) light resistant and non-toxic flame retardant and aluminium foil laminated.

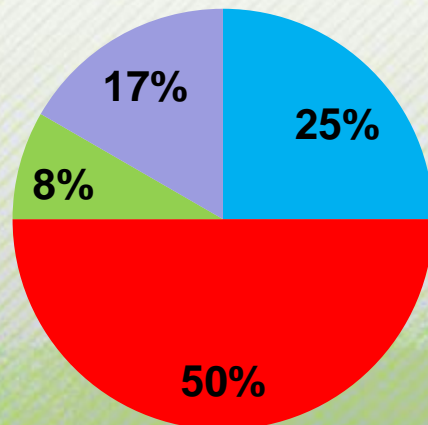
Approved Roads Products

- **PC for roads** is used in conjunction with cement for road base stabilisation. It reacts with cement and bond in-situ soil to form a water resistant, elastic and high strength composite material. (PowerCem) results in a high quality sub-base resulting in efficient utilisation of resources and can be installed by unskilled workers thus has job creation potential.
- **Enviro Prime** is an emulsified cutback bitumen which promotes adhesion between the base and upper pavement by ensuring a sound dust-free surface which ensures a sound and dust free-surface and inhibits the ingress of water into the road base.
- **UL-M 20/10** is a thin bituminous road surfacing system laid to a compacted nominal thickness of 20-40 mm and has superior wearing course, resulting in a durable and high quality road surface with enhanced skid resistance and a long-term functional seal life.

Transformation

- Agrément South Africa continued its strong emphasis on the development of human resources to enhance the skills level and efficiency of technical staff.
- The technical committee has improved hugely in terms of both the number and skill of experts.
- Transformation within the Agency has been addressed.

Percentage of staff either black or female: 92%



- Black Females
- Black Males
- White Males
- White Females

	No.	%
Black Females	3	25%
Black Males	6	50%
White Males	1	8%
White Females	2	17%
Total	12	100%

Impact and Achievements

- Valid innovations **192**. Of these,
 - **86** are building products.
 - **90** are for building systems.
 - **16** are for roads products.
- **888 formal applications** for technical assessments.
- **512 certificates** have been approved and awarded.
- Widespread use of several Agrément certificated products,
 - Hollow concrete blocks commonly found all over.
 - Metal roof tiles like Harvey tile & Arma Tile.
 - Lightweight internal partitions common in most hotels.
 - Hard drawn copper tubing used extensively.
 - Variety of waterproofing and wall coating materials.
 - Plastic bath tub almost exclusively.

FINANCIAL

2010/2011 Financial Statements

INCOME

Grant received - Department of Public Works	7 758 692
Income from External clients	1 010 944
Sundry Income	12 697
TOTAL INCOME	8 782 333

EXPENDITURE

OPERATIONAL COSTS	6 907 393
Salaries & human resources	4 572 318
Running Costs and expenses	2 335 075
OVERHEAD COSTS	1 575 056
Depreciation and overhead costs	375 056
Shared Services Costs	600 000
Executive Levies	600 000
TOTAL EXPENDITURE	8 482 449

BE Agrément - 059A2 [R'000]	2008/09	2009/10	2010/11
<i>External Income</i>	7 080	7 294	7 758
<i>Other Income</i>	745	1 443	1 024
Total Income	7 825	8 737	8 782
Human resources	4 575	4 757	4 572
<i>Pensionable salaries</i>	3 794	3 763	3 724
<i>CSIR Service Bonus</i>	193	196	166
<i>Casual Employees</i>	22	285	83
<i>Car Allowance</i>	56	47	48
<i>Contribution Leave Gratuity</i>	72	15	79
<i>CSIR Pension Fund Contribution</i>	328	319	326
<i>Medical aid</i>	49	47	44
<i>Other (UIF, Skills Dev Levy, Serv Bonus)</i>	61	85	102
Running Costs	1 580	2 539	2 335
<i>Technical Assessments</i>	987	412	384
<i>Building , Equipment Repair & Maintenance</i>	188	17	246
<i>Stationery</i>	88	144	73
<i>Other Running expenses</i>	769	514	411
<i>Agency Operating expenses</i>	1 486	1 487	1 208
<i>Year-End Accruals</i>	-1 938	-35	13
CSIR Costs	1 299	1 295	1 575
<i>Depreciation</i>	222	333	375
<i>Indirect Cost Recovery CSIR</i>	543	481	600
<i>Indirect Cost Recovery Unit</i>	534	481	600
Total Costs	7 454	8 591	8 482
Surplus (loss) before Performance Bonus	371	146	300
<i>Interest Income</i>	0	148	107
Performance bonus	0	0	68
NET MARGIN AFTER INTEREST	371	294	339

2010/2011 Financial statement

- Agrément South Africa (Agency) operates under ministerial delegation of authority from the Minister of Public Works.
- The grant funding for the Agency is channeled from the Department of Public Works (DPW) to the CSIR.
- The funds are ring fenced within the CSIR Built Environment Unit in a separate Competence Area.
- The Agency's transactions are subject to the policies, procedures and governance processes of the CSIR.
- The Agency is audited as part of the CSIR Built Environment Unit.
- The CSIR has received an unqualified audit report from the office of the Auditor General for the last few years and has been hailed as an example of good financial management.

Human Resources Costs Breakdown

	2008/09	2009/10	2010/11	2010/11 Average
Human resources	4 575	4 757	4 572	381
<i>Pensionable salaries</i>	3 794	3 763	3 724	310
<i>CSIR Service Bonus</i>	193	196	166	14
<i>Casual Employees</i>	22	285	83	7
<i>Car Allowance</i>	56	47	48	4
<i>Contribution Leave Gratuity</i>	72	15	79	7
<i>CSIR Pension Fund Contribution</i>	328	319	326	27
<i>Medical aid</i>	49	47	44	4
<i>Other (UIF, Skills Dev Levy, Serv Bonus)</i>	61	85	102	9

2010/2011 Remunerations

DESCRIPTION	MINIMUM	MIDPOINT	MAXIMUM
MANAGEMENT	R 682 751	R 853 439	R 1 024 127
& SPECIALISTS	R 571 716	R 714 645	R 857 574
	R 466 222	R 582 777	R 699 332
	R 391 998	R 489 997	R 587 996

Board Members Remuneration

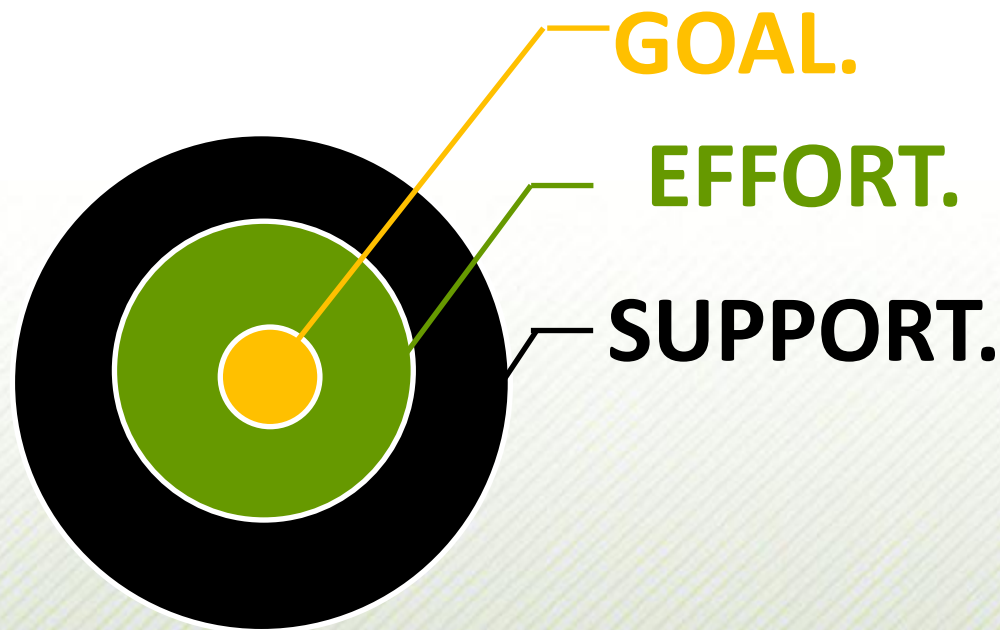
Board member	Honorarium	Remunerated claims	TOTAL
Khomotso Choma	1 666	916	2 582
Mike Marler	11 567	2 748	14 315
Lethola Moshe	7 156	-	7 156
Ntebo Ngcobo	16 073	4 946	21 019
Pepi Silinga (Chairperson)	1 666	-	1 666
Twedi Seane	6 077	-	6 077
Nozi Shabalala	8 822	550	9 372
Mohammed Tayob	-	-	0
Cannon Noyana	-	-	0
Solly Malebye	-	-	0
Edwin Kruger	-	-	0
Total	53 027	9 160	62 187

Conclusion

- Agrément South Africa contributes towards the **National Presidential Imperatives** and global Sustainability by undertaking technical assessments of innovative construction products.
- Agrément is committed to **service delivery & accountability** in accordance with its Mandate relating to technical assessments.
- Agrément is an **authoritative technical assessment of system performance which leads to local economic stimulus** thus creating jobs.
- Contributes towards **fast-tracking rural economic development by allowing safe introduction of appropriate and suitable products** .
- Facilitates the **safe introduction of improved** constructions products.
- Facilitates the **global acceptance** of South African produced products.
- Provides independent and authoritative technical assurance of **fitness for purpose**.

Thank You...

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Contributing towards sustainable livelihoods.

Contributing to a better life for all.

Together we can achieve more.