

Agrément South Africa

PRESENTATION TO THE PARLIAMENTARY PORTFOLIO COMMITTEE

FOR

THE DEPARTMENT OF PUBLIC WORKS

ON 18th APRIL 2012

ON STRATEGIC PLAN, ANNUAL STRATEGIC PLAN AND BUDGETS

Time 09H30 – 12H45

Venue S 26, NCOP Wing

Mr Pepi Silinga, Chairman of the Board of Agrément South Africa

Mr Pat Ncube, Financial Management Accountant, Agrément South Africa

Mr Realeboga Mahapa: Technical Assessor, Agrément South Africa

Mr Joe Odhiambo, CEO, Agrément South Africa

Vision & Mission

➤ Vision

To-be world class technical Assessment Agency

➤ Mission

To promote the government's objectives of economic development, good governance and raising living standards and prosperity by undertaking technical assessment and certification of non-standard construction products in South Africa

Mandate

- Agrément South Africa shall support and promote the process of integrated socio-economic development in South Africa as it relates to the construction industry by facilitating the introduction, application and utilisation of satisfactory innovation and technology development, in a manner which will add value to the process and by so doing enhance Agrément **South Africa's position as the internationally acknowledged, objective South African centre for the assessment and certification of non- standardised construction products.**
- Agrément South Africa shall do this *inter alia* by providing **assurance of fitness-for-purpose of such technologies which** optimise resource utilisation and realise cost saving in industry.

Impact and Achievements¹

- Exceeded all projections of outputs to date
- Aligns Strategy to support Key priority areas of Government & DPW: Unemployment, Poverty & Inequality – Triple Challenge

Mid-Term Review – 2009 to date: Progress Milestones: SONA

Health, Education, Crime Fighting, Human Settlements

Energy, Water Provision, Rural Development

Seek to address **Unemployment** through Rural Development

Women – Gender Mainstreaming & Women Empowerment Initiatives

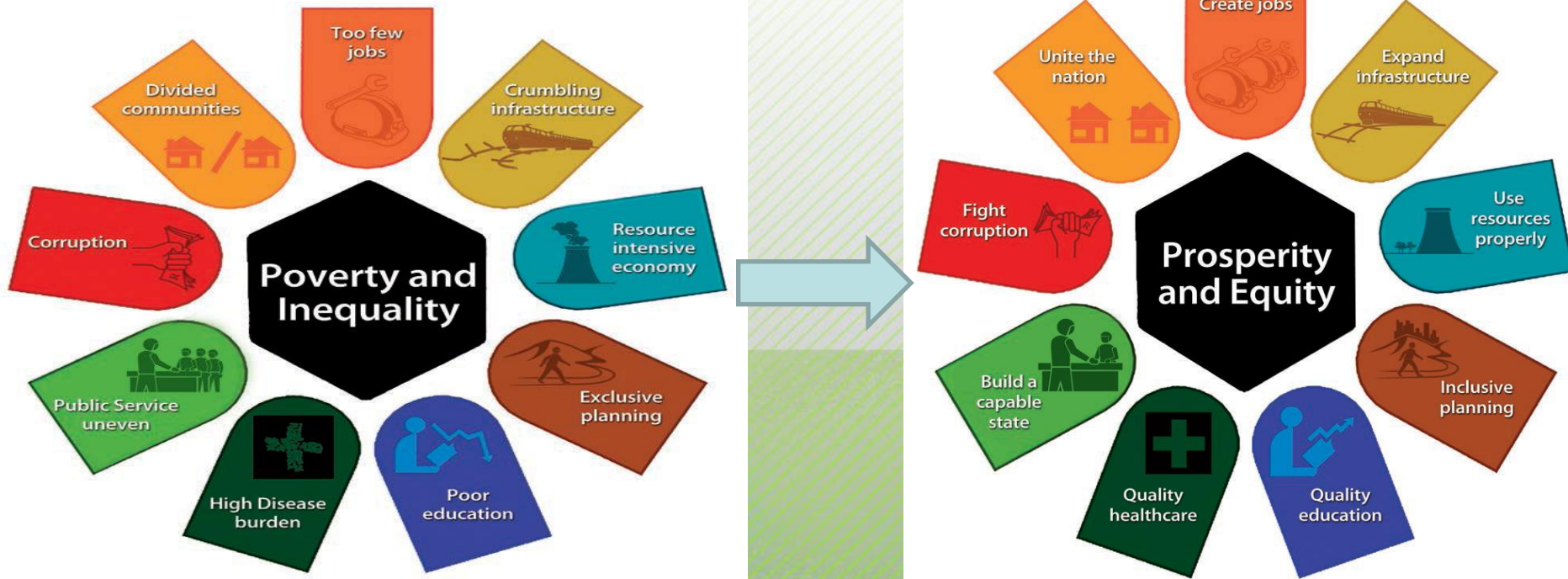
Youth: Skills Development & Bursary scheme



The NPC National Development Plan addresses 13 key challenges & proposes:

1. Creating jobs and livelihoods
2. Expanding infrastructure
3. Transitioning to a low carbon economy
4. Transforming urban and rural spaces
5. Improving education and training
6. Providing quality healthcare
7. Building a capable state
8. Fighting corruption and enhancing accountability
9. Transforming society and uniting the nation
10. Creating an inclusive and integrated rural economy
11. Broadening social protection
12. Building safer communities
13. Enhancing South Africa's role in relation to the region and the world

SONA & National Development Plan 2030



Recommendations SONA & NPD Vision 2030

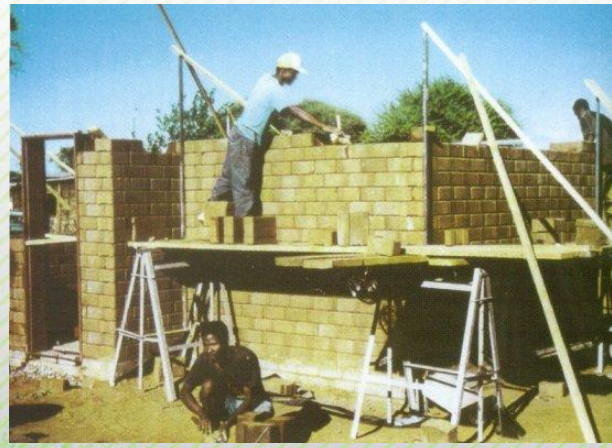
- **Strengthening broader technical capacity, hence for Agrément;**
 - Review of the 'technical infrastructure' supporting testing and certification in the building & construction industry
 - scope must include building regulations, codes & certification and supporting infrastructure
 - R&D infrastructure – other than as support infrastructure to building regulations, codes and certification, and supporting infrastructure
- **Recommendation for short-term bridging finance for Agrément South Africa**

SONA & National Development Plan Vision 2030

- **Create Jobs:** Create 11 million more jobs by 2030:
 - Lower the cost of doing business and costs for households
 - **Expand Infrastructure**
 - **Speed up and expand renewable energy** and waste recycling & ensure buildings meet energy-efficiency standards
 - **Transform urban and rural spaces:** Stop building houses on poorly located land and shift more resources to upgrading informal settlements, provided that they are in areas close to jobs

A government that works well doesn't just deliver more houses. It does more than that. It makes it possible for people to build or buy their own houses

Gombani, Venda.



Gombani, Venda.





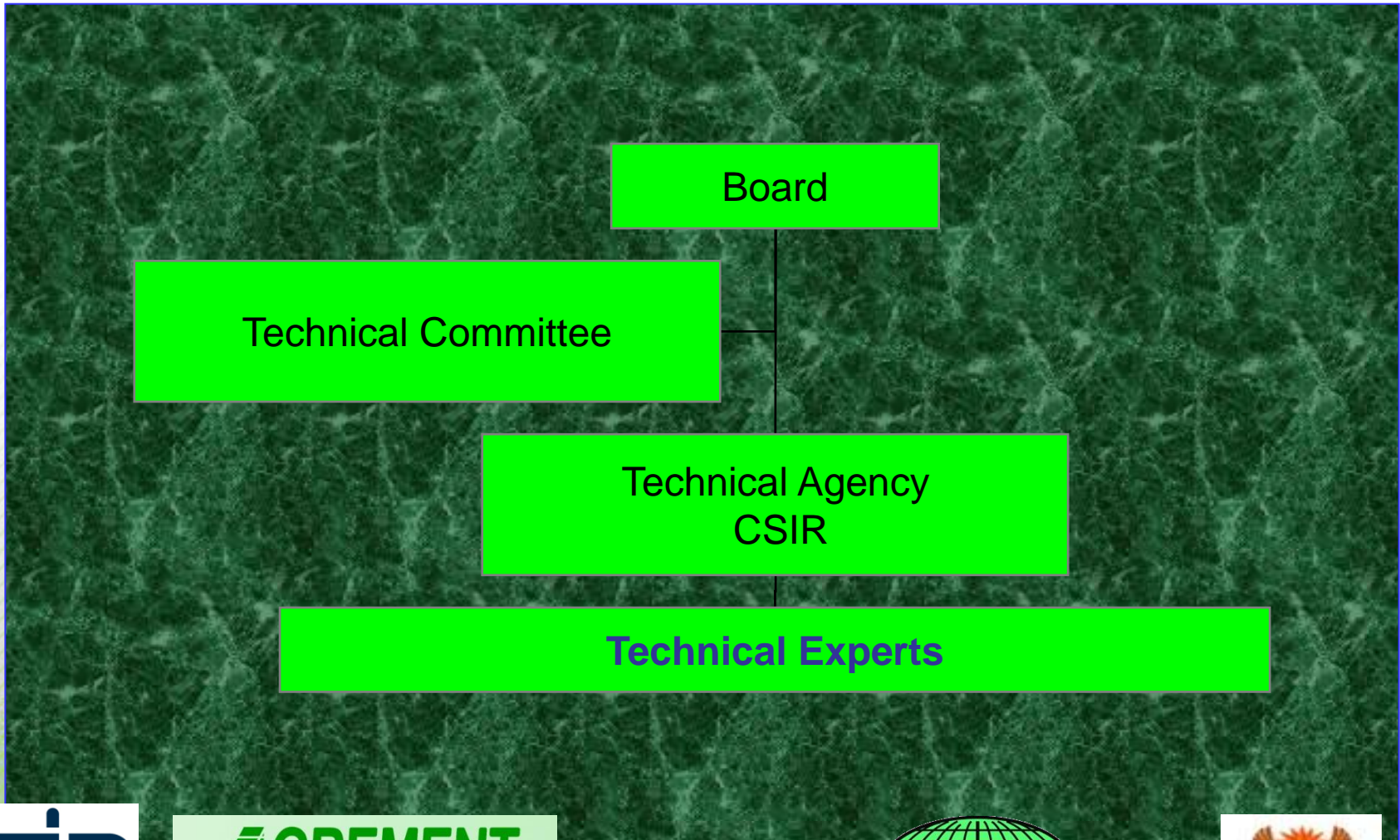
3 pivotal factors that ensure a truly successful housing project: cost effectively, community up-liftment and sustainability

Creating Entrepreneurs

Kaalfontein Ext 22: 858 Single & 500 Double story buildings.



Organisational structure



Governance

- Annual report 2011 tabled in parliament 20th October 2011
 - Strategic and Annual Performance Plan 2012-16 was delivered to the Parliamentary Stores on 07 March 2012 for tabling
 - Board of Agrément South Africa conducts oversight on Agency operations
 - The Chairman and the Board of Agrément are duly appointed by the Minister of Public Works.
-
- Working together with government Agrément has made a great contribution in the safe introduction of innovative technologies
 - **Financial:** Can achieve much more with further financial support

Governance Matters: Values

- **People** - striving to attain full potential in support of science.
- **Reputation** – enhancing relevance, integrity, quality and delivery.
- **Ingenuity** – realizing the full intellect of our people
- **Diversity** – respect individual & multi-cultural heritage.
- **Energy** – working together for impact through passion, drive & agility.
- Agrément South Africa has excellent systems, processes & linkages with global best practice.
- Agrément South Africa is well governed with strong control systems.
- The Board addresses issues of corporate governance to ensure compliance with treasury & national requirements.
- This will ensure proper fiduciary management

Board Governance

- 8 Board members
- Appointed for a **period of three years**.
- **Board Chairperson** appointed by the Minister of Public Works
Pepi Silinga
- **Strategic planning session** held annually
- The Board of Agrément holds at **least four meetings** in a year
- Board focussed on consolidating its previous strategic plans and moving the Agency forward.
- The Board's Technical sub-committee focused on key objectives & ensured Agrément South Africa was **well governed**.
- Agrément **finances statements are audited and received a clean audit report: CSIR sighted by the AG as the best managed public entity and as an example of good corporate governance**



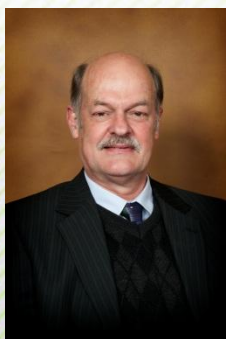
Ms Nteboheng Ngcobo
MBA, Civil Engineering
Lecturer, University of
Johannesburg

Mr Mninawe Pepi Silinga
CEO Coega Development
Corporation



Dr Jeffrey Mahachi
Executive Director
NHBRC

Mr MF Makamo
Manager
SABS



Mr Hans Ittmann
Ex-Director
CSIR

Ms Mariana Marneweck
Manager
NRCS



Ms Adelaide Ranape
Legal Manager
WBHO

Mr DC Fredericks
Managing Director
OHS E-Consulting

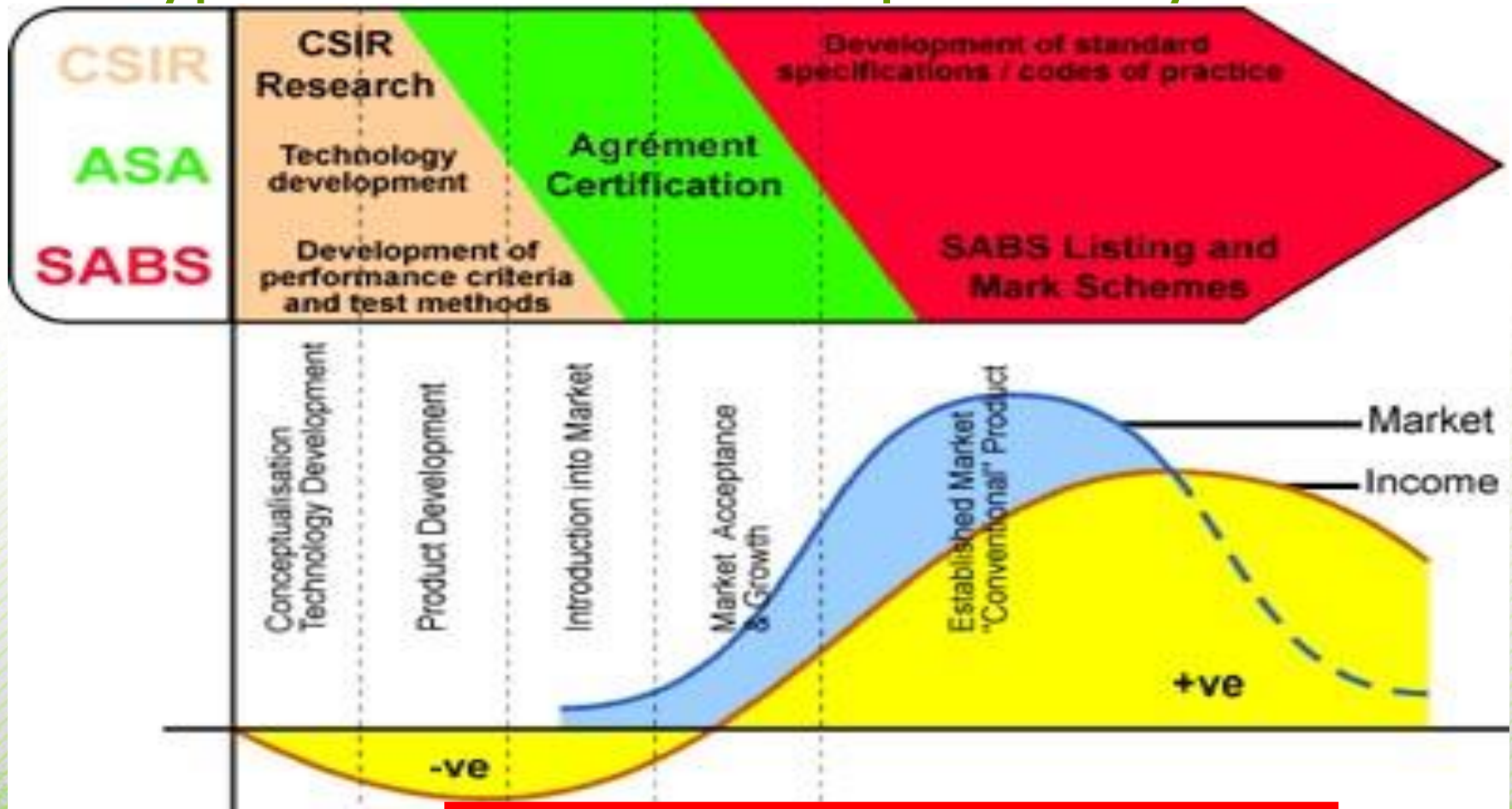


Highlights of Performance¹

- **Maintaining SANS ISO9001 certification.**
- Enhancing technical competence of specialists used thus **improving the quality of technical outputs.**
- **Enhancing the technical skills** of Agrément South Africa to ensure competence in handling complex technical assessments
- **Continued utilisation of in-house specialist laboratory testing equipment.**
- Retaining in-house, **highly-skilled technical experts to provide expert opinions** in interpreting laboratory analysis and tests.



Typical Product Development Cycle

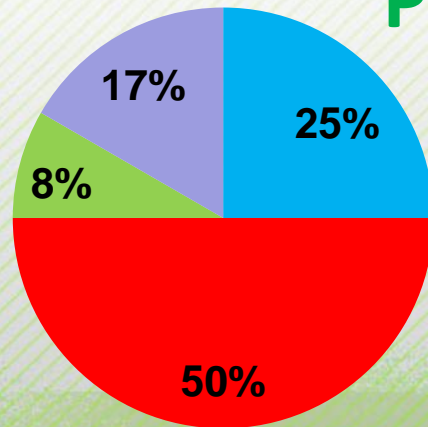


BUILT ENV. PROFESSIONALS

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.

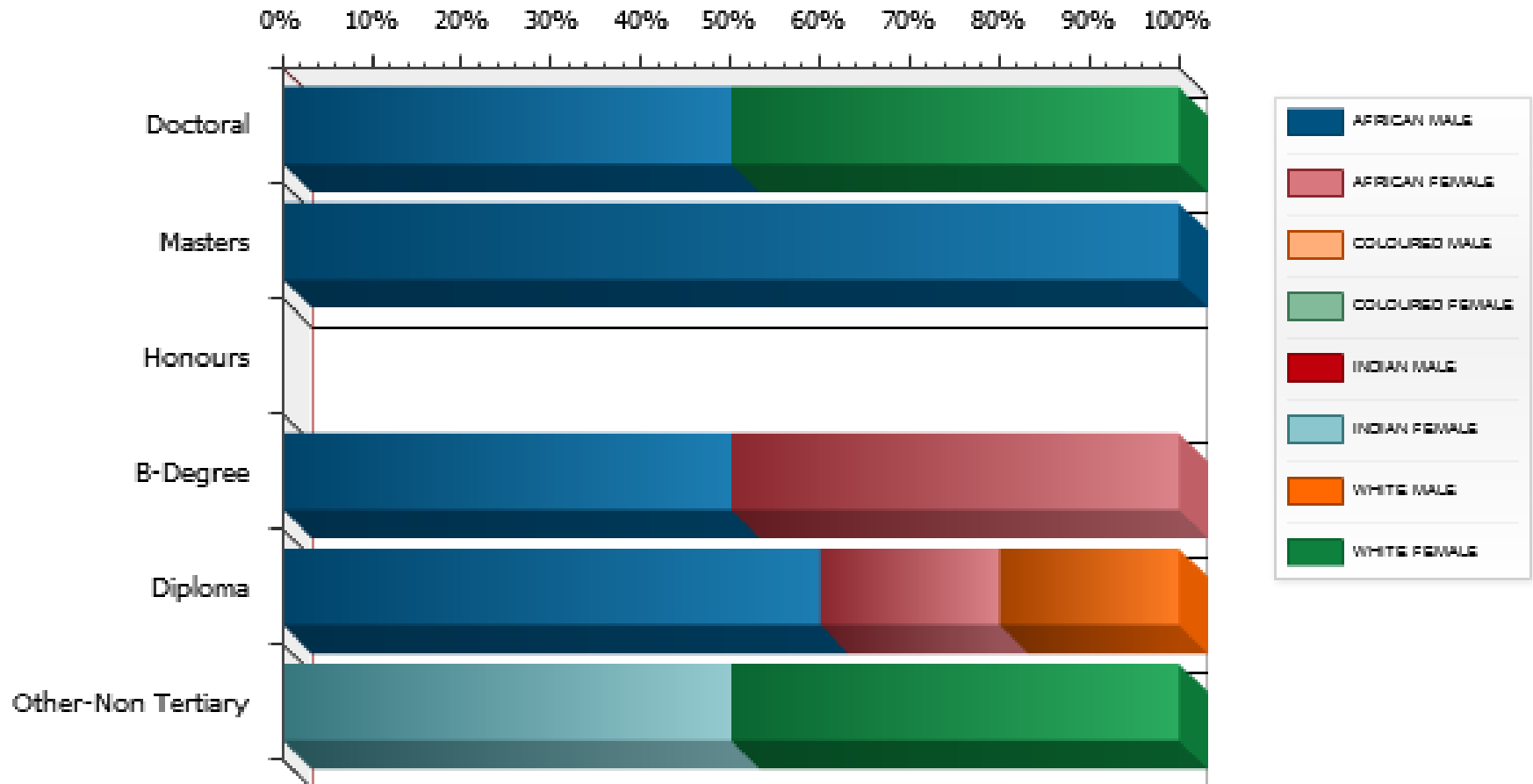
Percentage of staff either black or female: 92%



- 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%

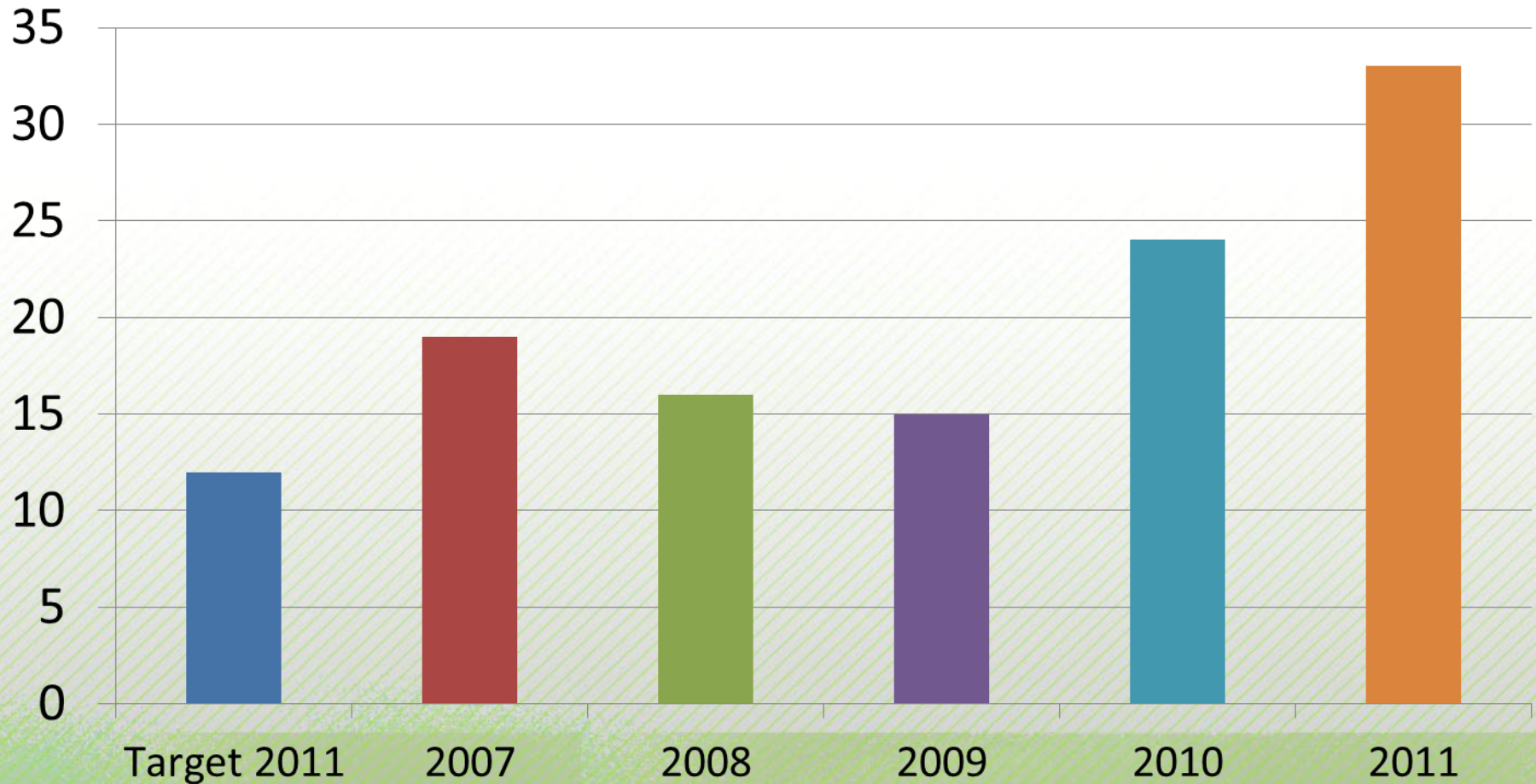
Employee Qualifications



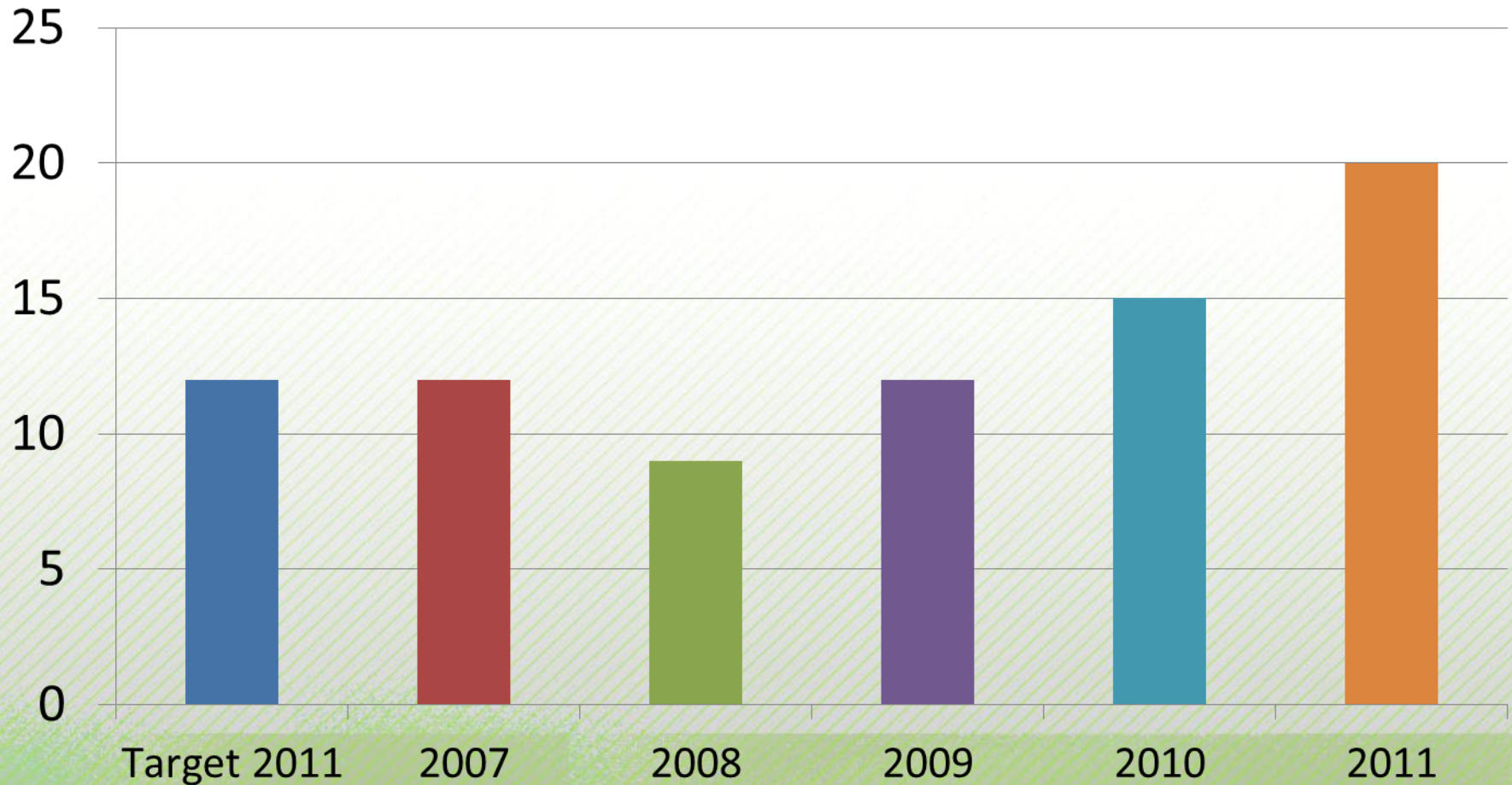
Results for 2011/2012	Actual 2010/2011	Actual 2011/2012
Applications received:	29	36
Evaluation offers made:	24	33
Evaluation offers accepted:	19	16
Certificates issued:	15	20
Certified systems under custodianship:		
<input type="checkbox"/> Building products:	84	94
<input type="checkbox"/> Building systems:	98	102
<input type="checkbox"/> Roads products:	15	16
Board's meetings:	3	4

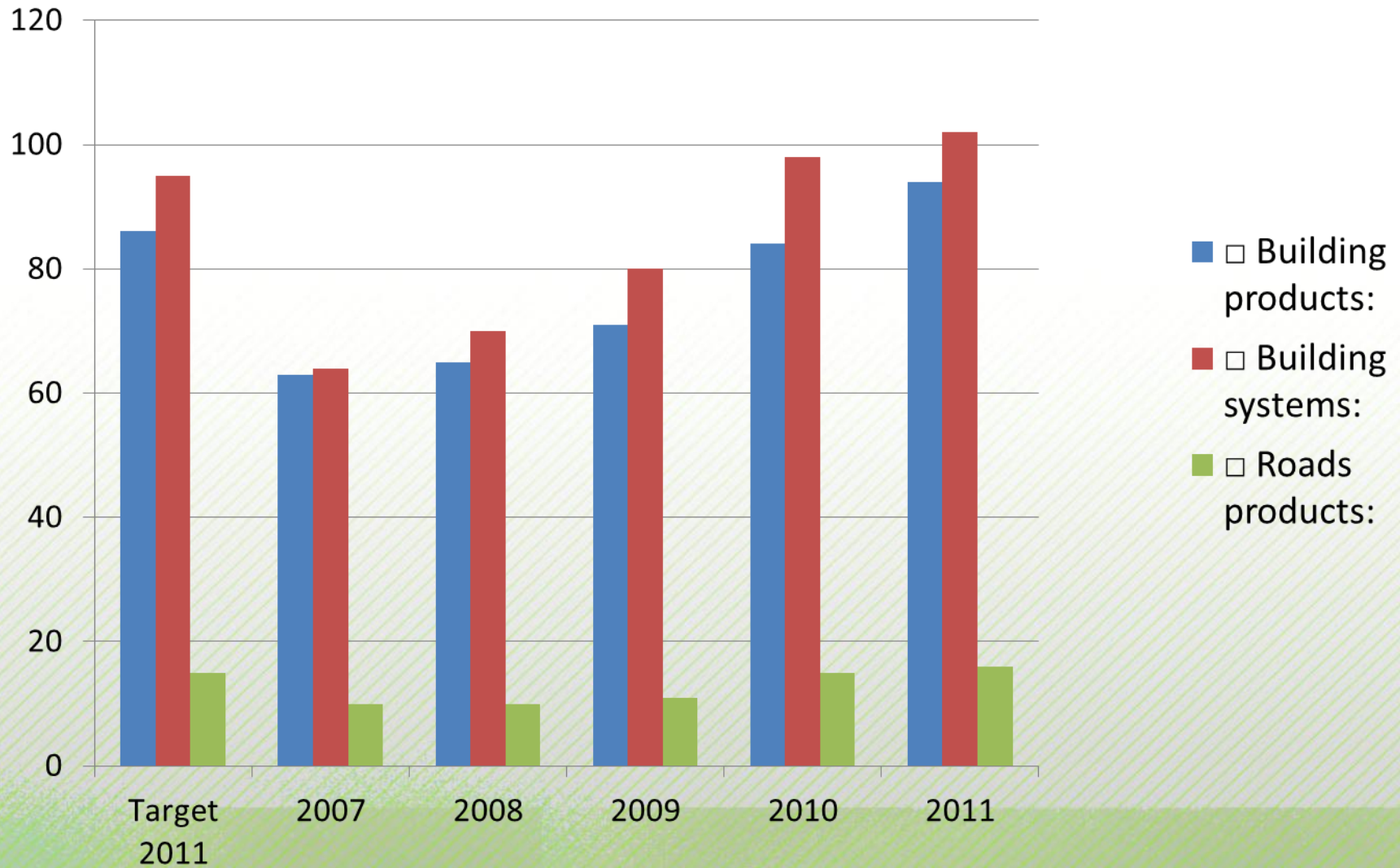
	Target 2011	2007	2008	2009	2010	2011
Applications received:	12	40	17	17	29	36
Evaluation offers made:	12	19	16	15	24	33
Evaluation offers accepted:	12	16	12	7	19	16
Certificates issued:	12	12	9	12	15	20
➤ Building products:	86	63	65	71	84	94
➤ Building systems:	95	64	70	80	98	102
➤ Roads products:	15	10	10	11	15	16
No. of Board meetings	2	3	3	4	3	4

Evaluation offers made:



Certificates issued:



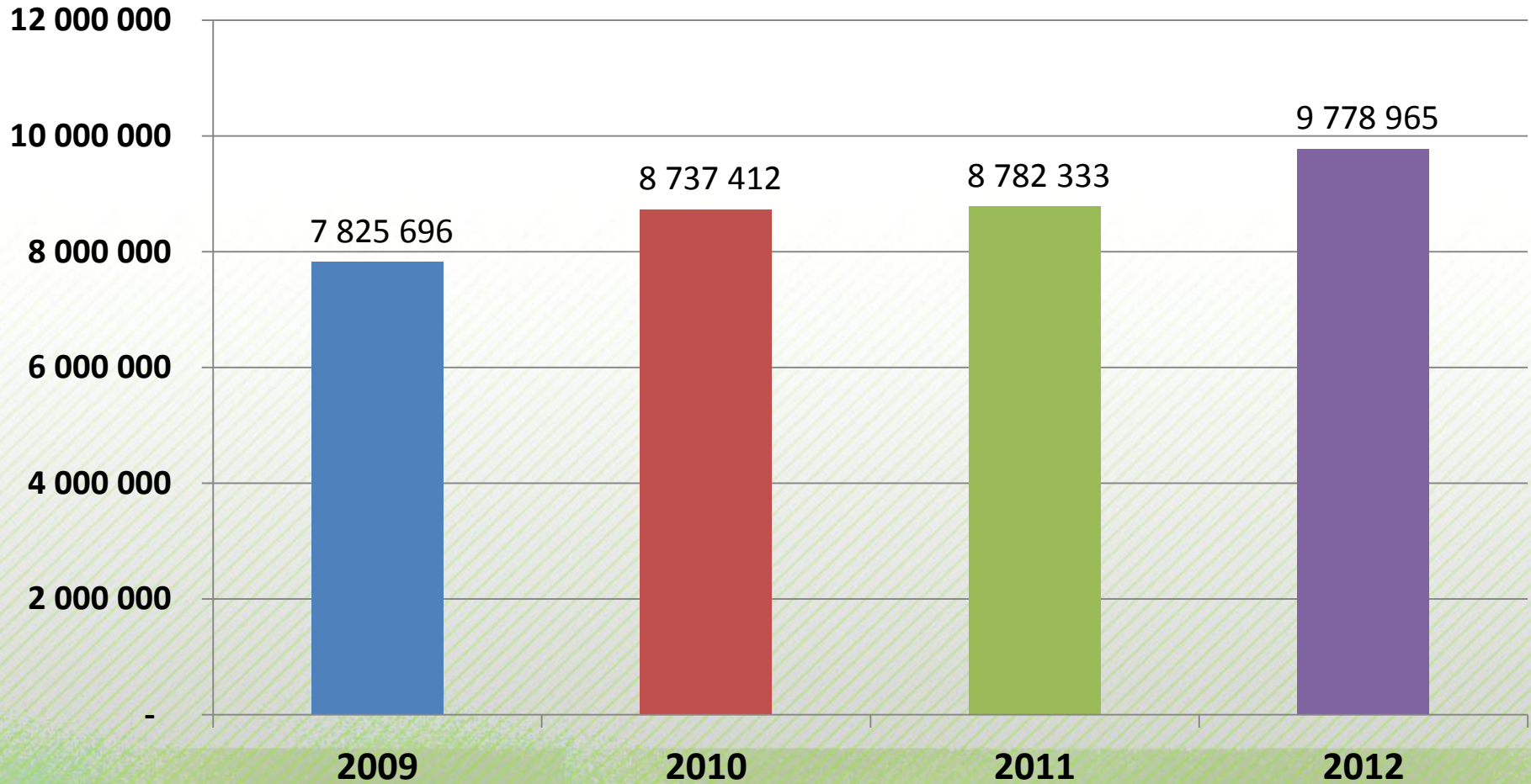


	Target 2011	2007	2008	2009	2010	2011
Annual Report:	1	1	1	1	1	1
Newsletters/Publications:	1	2	3	2	1	1
New criteria:	1	0	0	0	2	1
Papers/Presentations	2	3	1	3	2	2
Quarterly Report	2	3	3	3	3	3
Certificate holders subjected to quality audit:	20	43	50	40	35	22
Certificates subject to three-yearly review:	30	10	10	24	50	30
Complaints received:	8	0	0	0	0	10
Number of certificates suspended:	0	0	0	0	0	1
Number of certificates withdrawn:	0	0	0	3	0	0
Audits carried out for foreign assessment organisations:	1	2	2	0	2	2

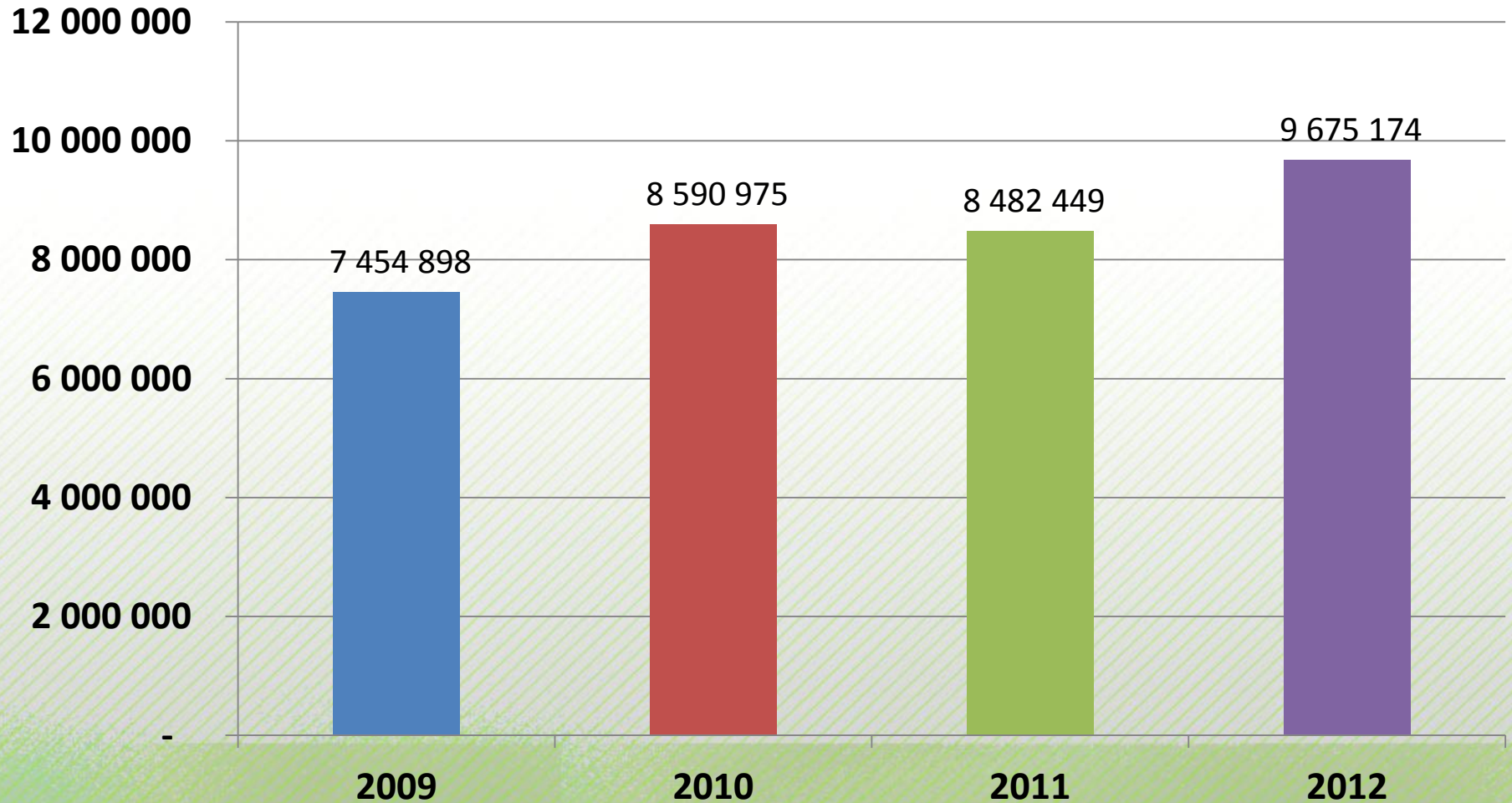
Financial performance

	2009	2010	2011	2012
Total Income	7 825 696	8 737 412	8 782 333	9 778 965
Total Expenses	7 454 898	8 590 975	8 482 449	9 675 174
Running Costs (Admin)	1 580 001	2 538 961	2 335 075	1 931 294
Human Resources	4 575 295	4 757 491	4 572 318	4 878 945
Overhead Costs	1 299 602	1 294 523	1 575 056	1 039 020
Depreciation	222 475	333 322	375 056	INCLUDED
Shared Services Costs	543 127	480 601	600 000	535 422
Executive Levies	534 000	480 601	600 000	1 290 492
Margin before Interest	370 798	146 437	299 884	103 791
Interest	INCLUDED	147 597	107 570	182 508
Margin	370 798	294 034	407 454	286 299

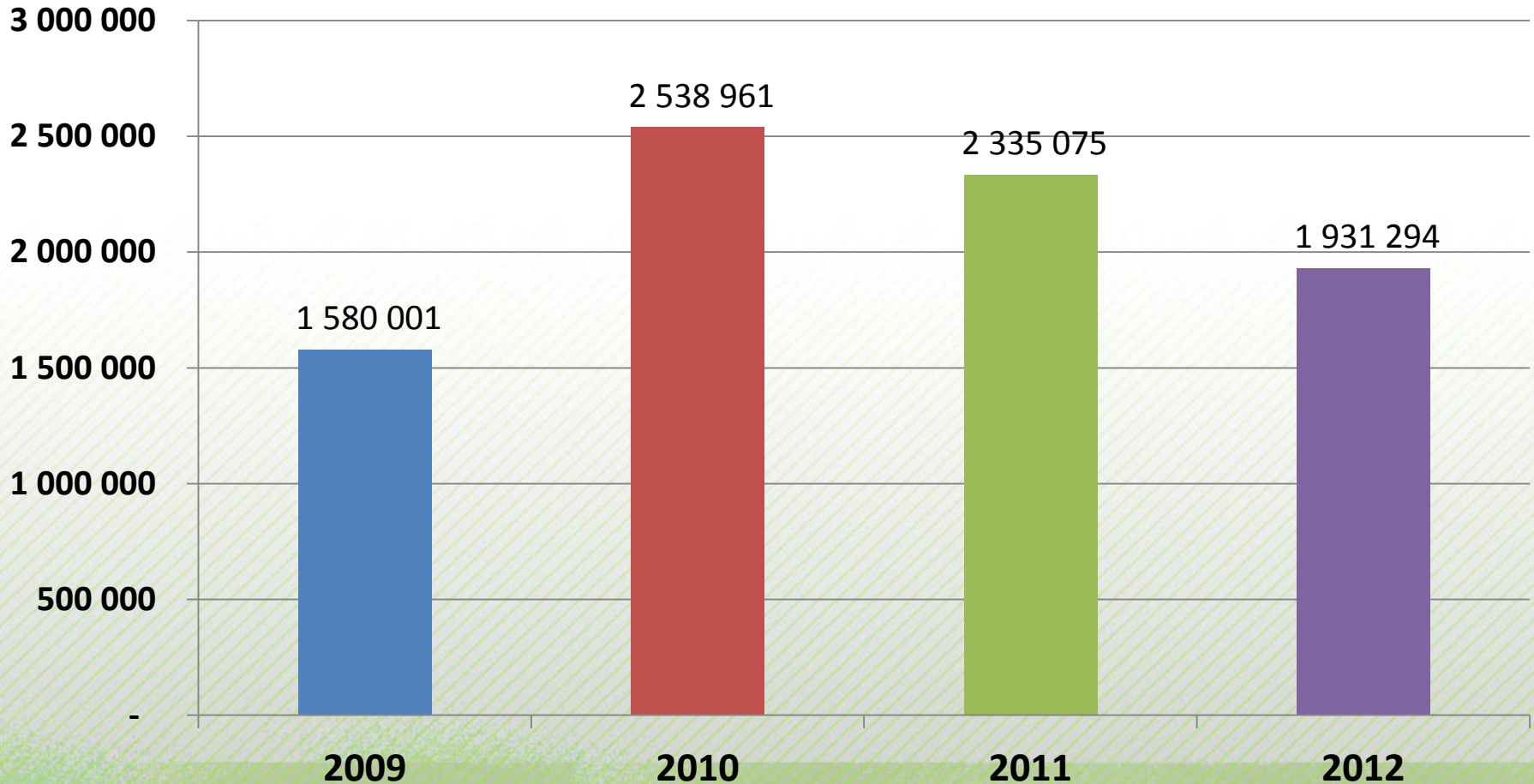
Total Income



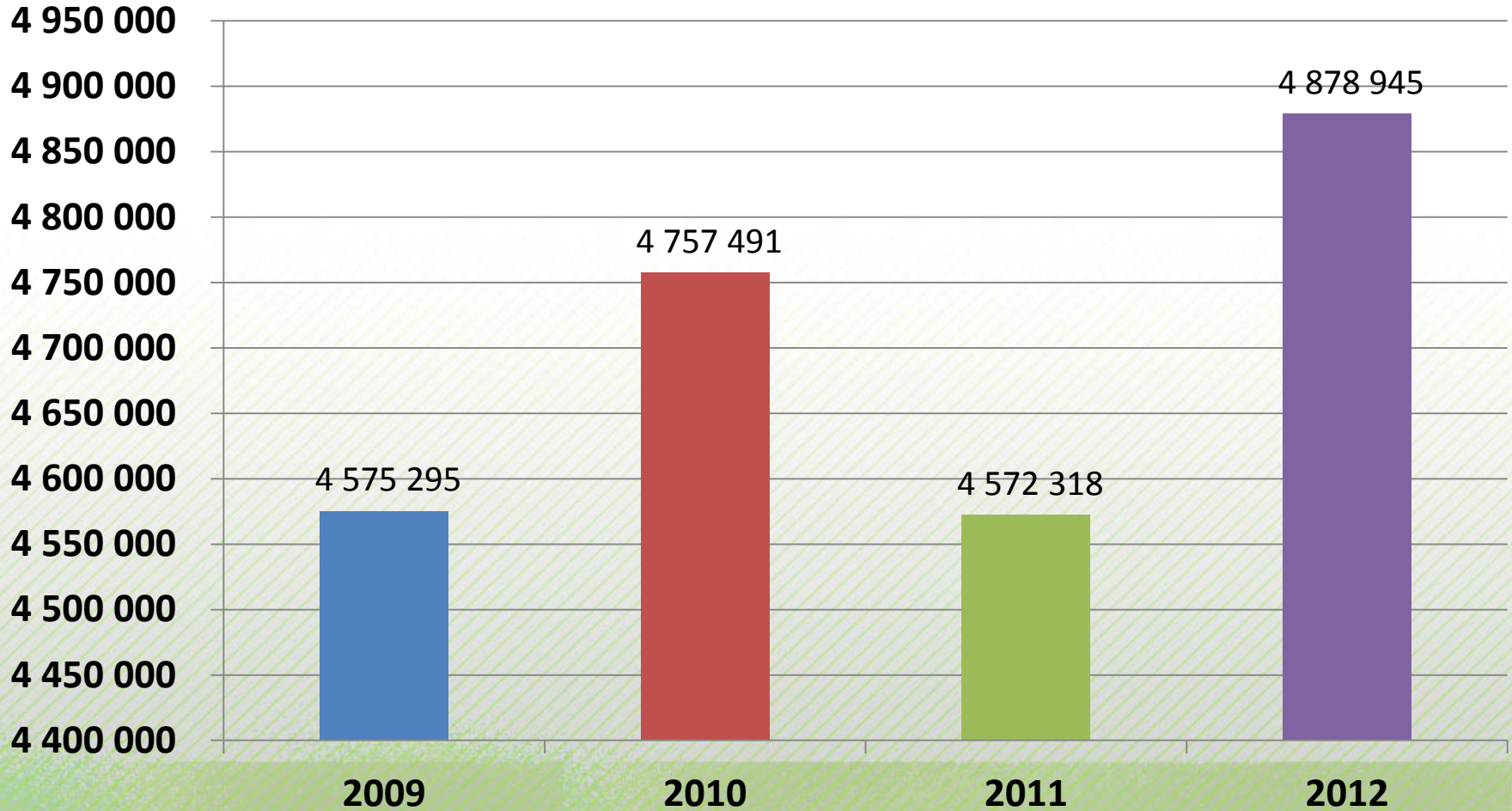
Total Expenses



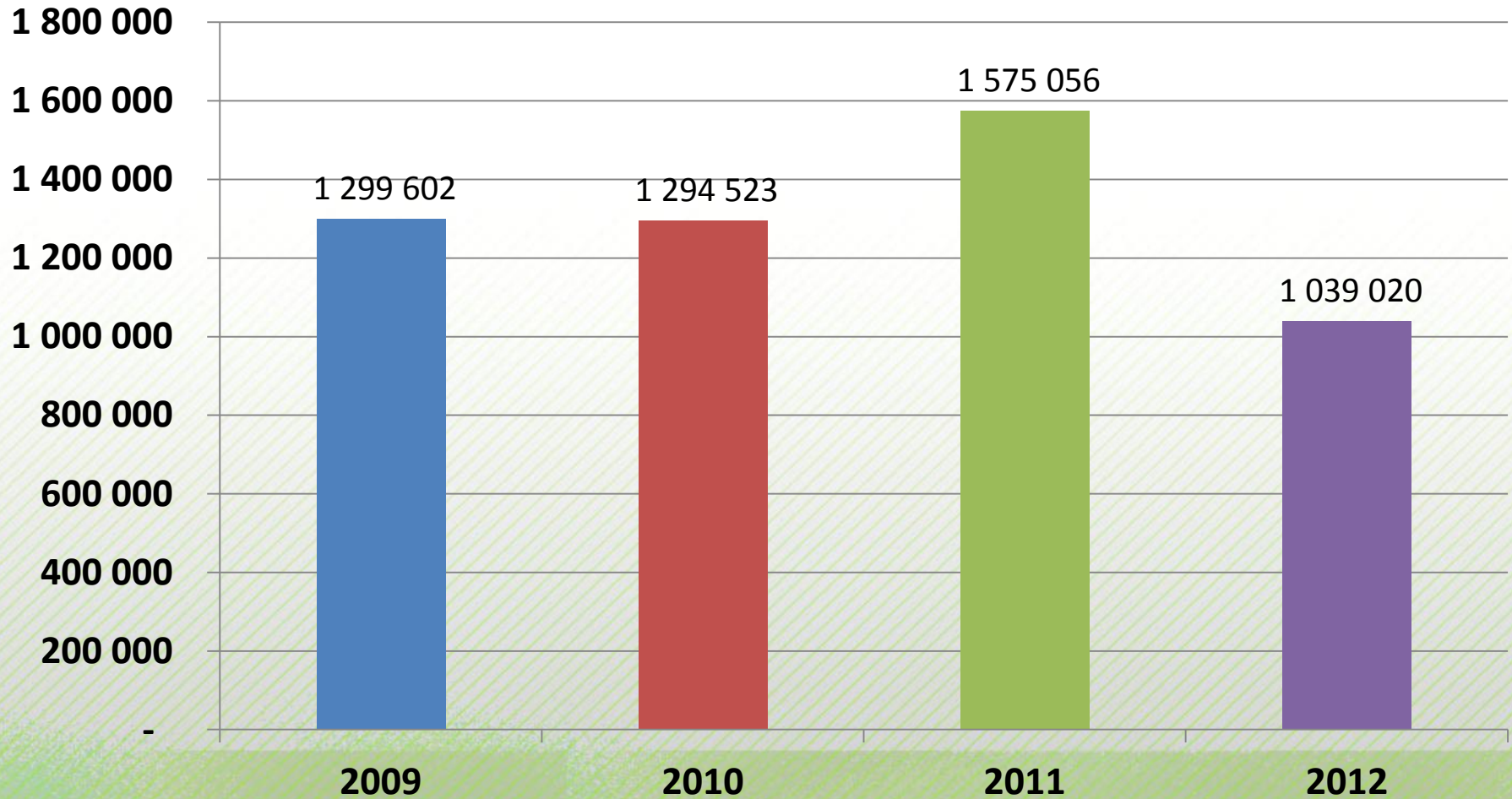
Running Expenses



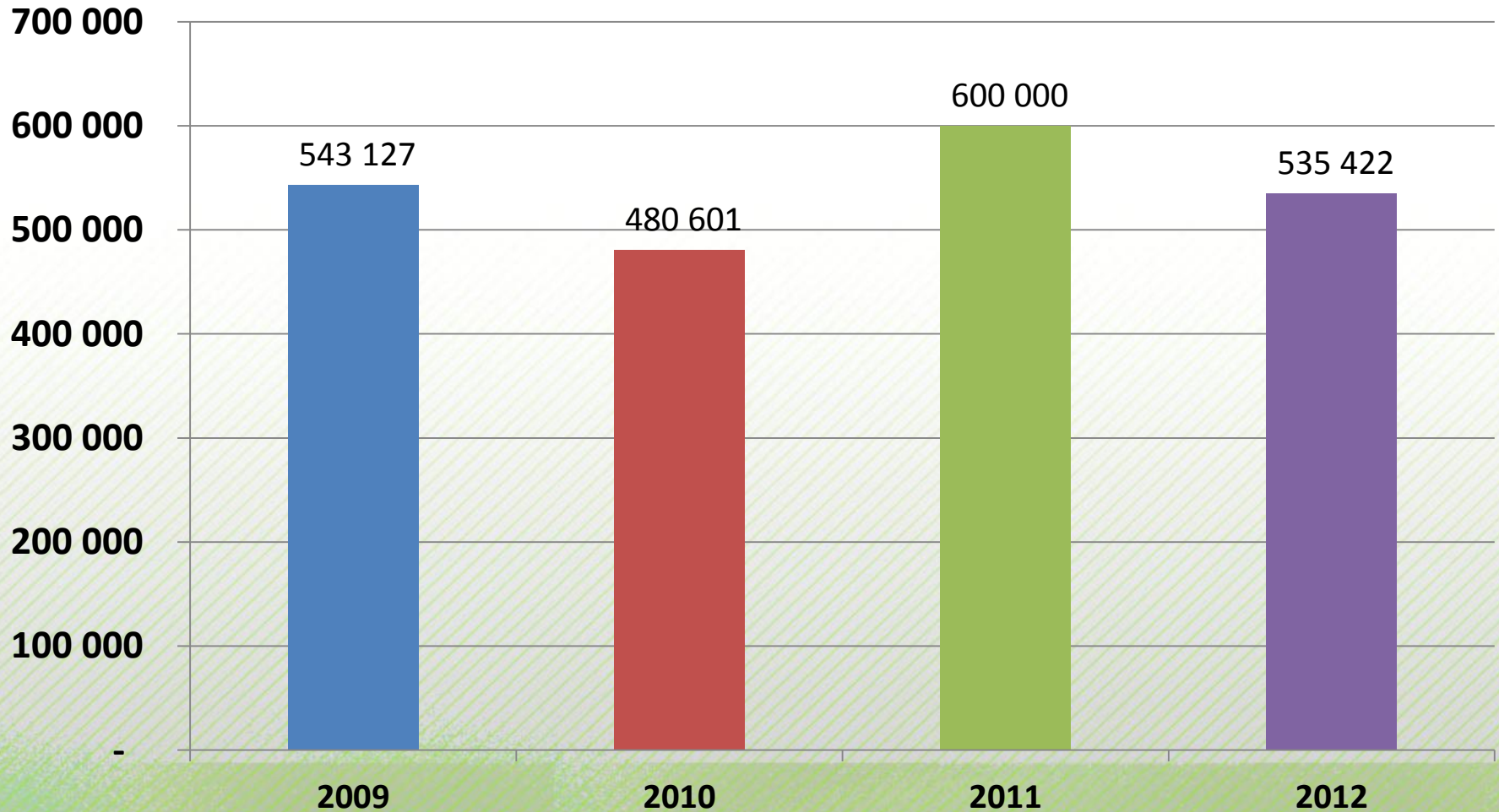
Human Resources



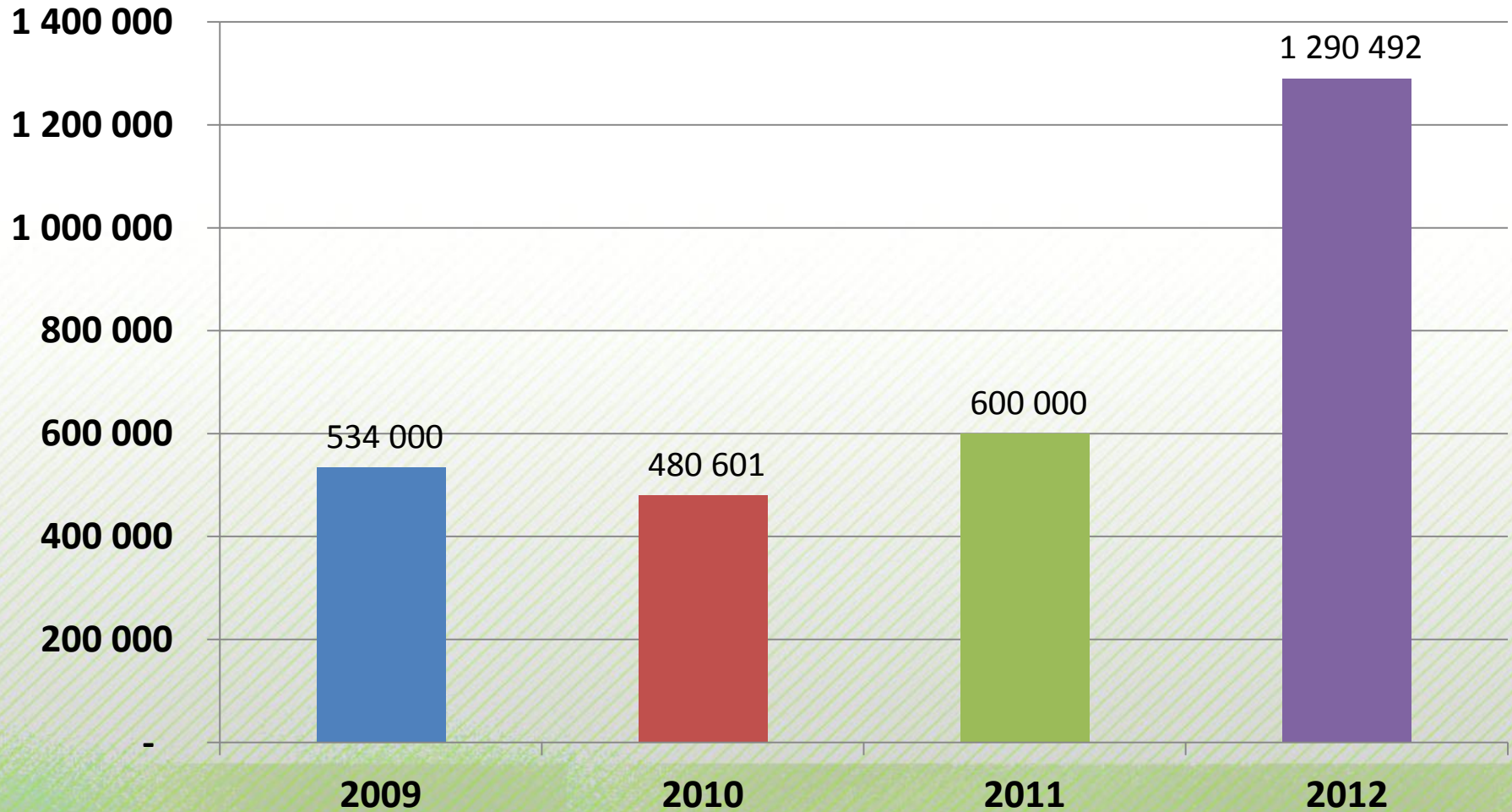
Overhead Costs



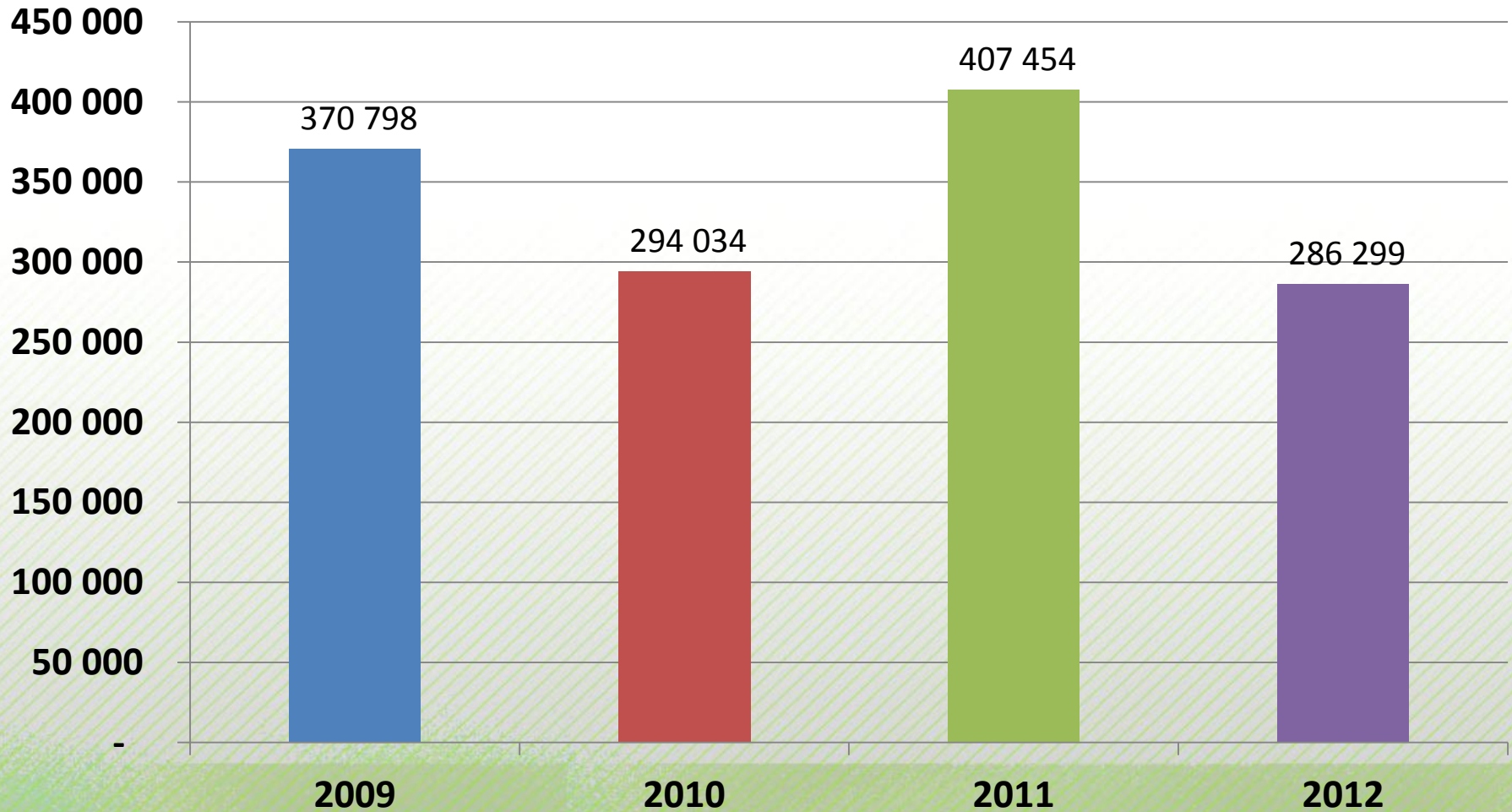
Shared Services Costs



Executive Levies



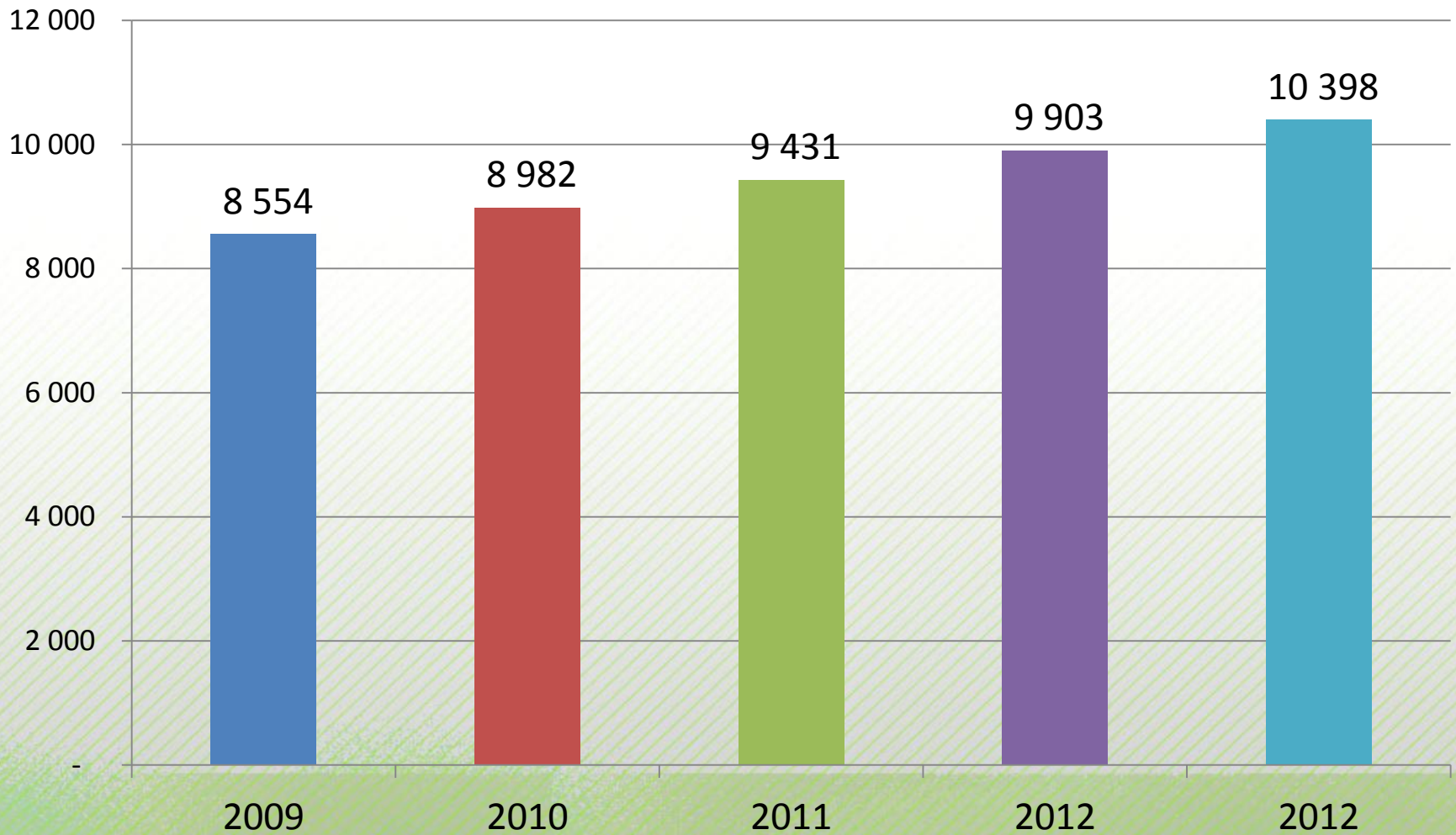
Margin



MTEF Transfer Amounts

MTEF Transfer Amounts	2009	2010	2011	2012
Agrément South Africa	8 554	8 982	9 431	9 903
Percentage Increase		5	5	5

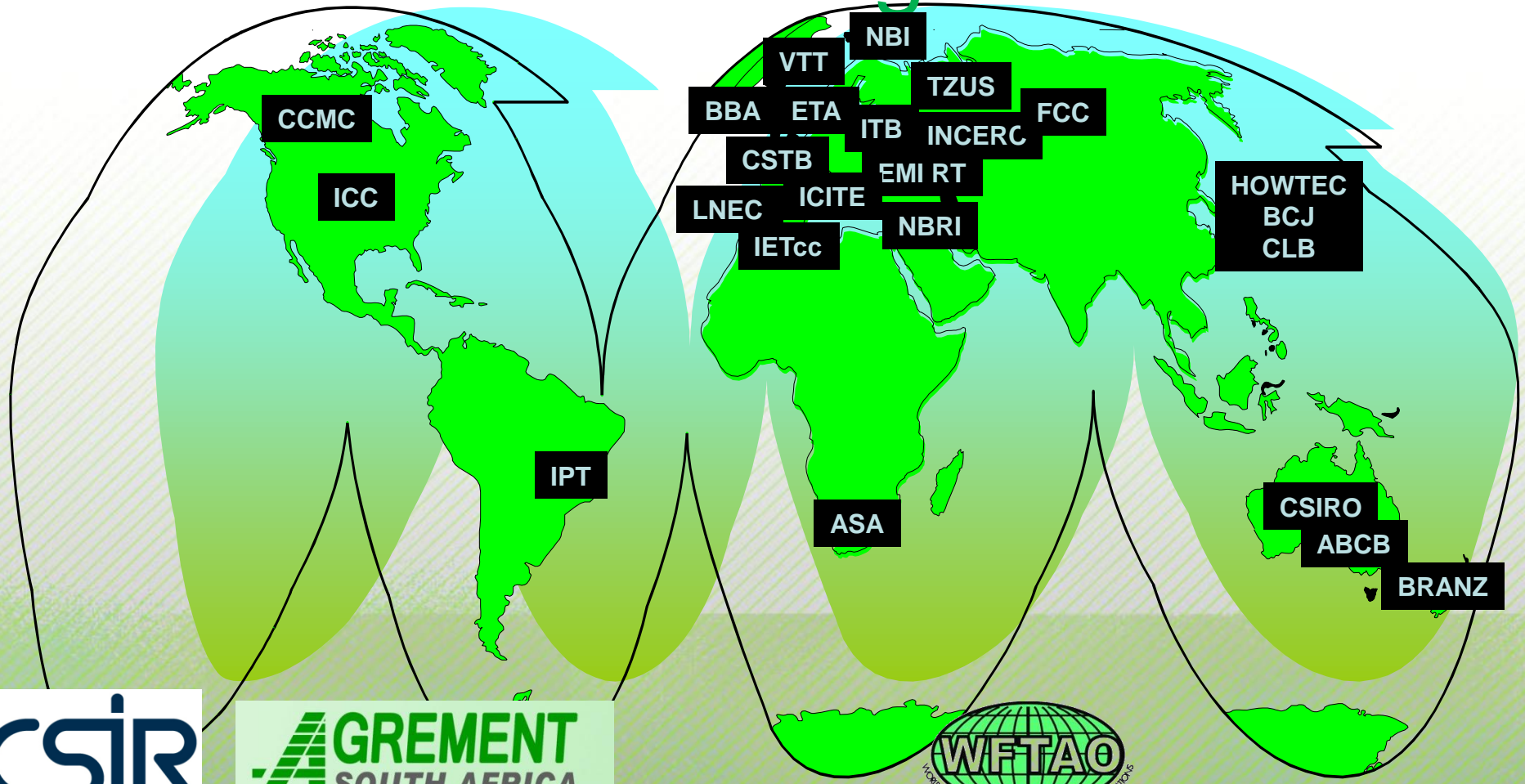
MTEF Transfer Amounts

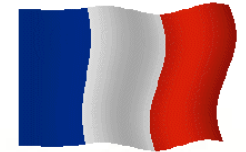
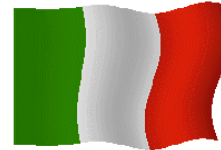


Financial statements

- 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.**

World Federation of Technical Assessment Organizations





Challenges & Great Opportunities

- **Juristic persona through Legislative Process**

Delegated to the Chairperson of the Board of Agrément South Africa, when acting in conjunction with the wishes of the Board

- **Environmental sustainability SANS 204**

- **Energy Efficiency SANS 10400 part XA**

- **Integration with wider industry experts**

Close working relationships with stakeholders by forming strategic alliances

- **Strictly Enforcement of building control legislation**

- **Enhancing Capacity to create decent jobs and employment**

- **Providing Training and internship opportunities**

Technical Outputs¹

Eco Construction Building System

Concretex Building System

Brickseal Cementitious Wall Coating

Geberit HDPE Above Ground Soil and Waste Drainage System

Geberit Pluvia Syphonic Roof Drainage System

Texlon Roof & Façade Cladding System

Arcelor Mittal Building System

Technical Outputs²

Cyclo Roof Tiles & Ridges

APC Modular Building System (Amendment)

Compressed Earth Block System

Modular Homes Building System

Prominent Prominent Paints Waterproofing Wall Coating
(Amendment)

Betcrete Polycrete Window & Door Frame

Betcrete Polycrete Window Window Sill

Technical Outputs³

Flexiwall Coating System

Sheerflex Coating Sytem

Styrocon Building System (Amendment)

Weatherprufe Coating System

Rapidwall Building System

Spunsualtion 4 Contractors Choice

Thank you...

