



BRIEFING ON THE 2015/16 ANNUAL REPORT

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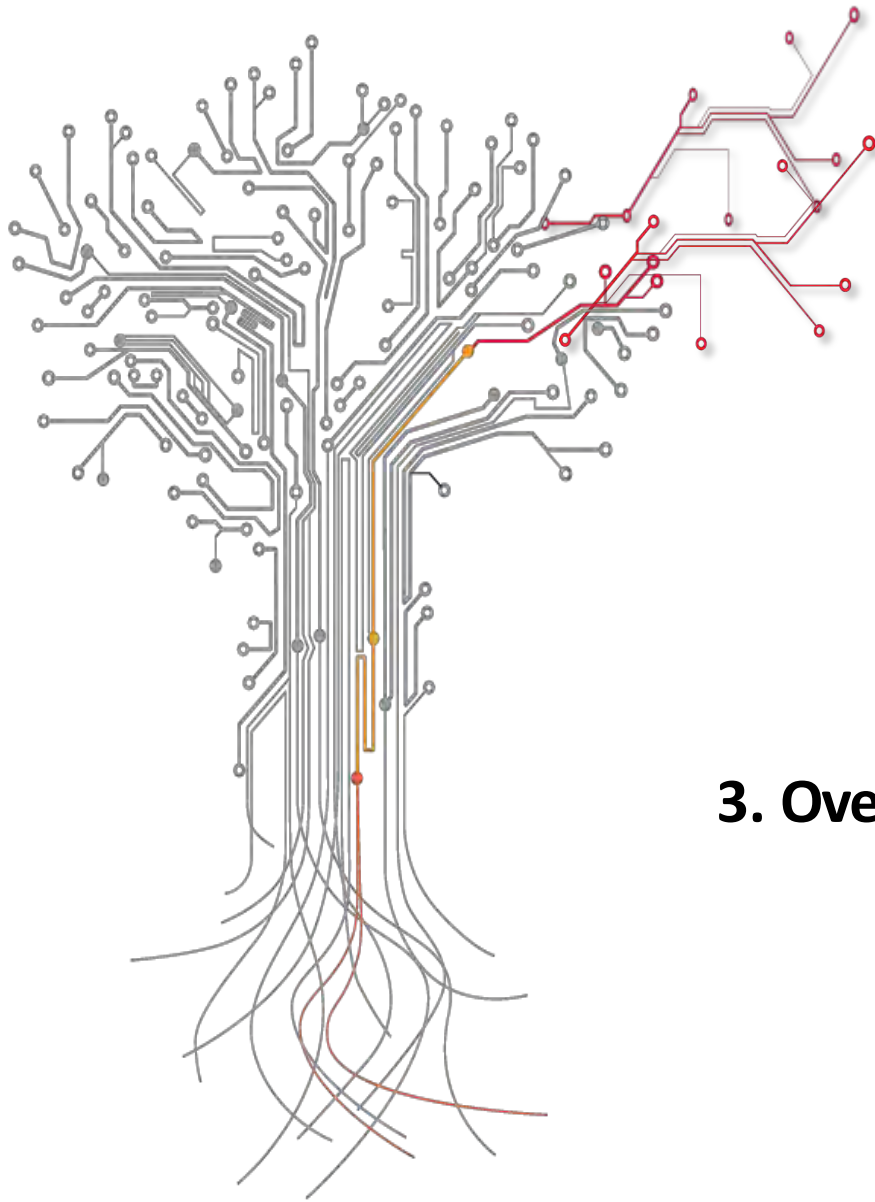
2016/17 Q1 REPORT

7 SEPTEMBER 2016



**PARLIAMENTARY PORTFOLIO COMMITTEE ON
TRADE & INDUSTRY**

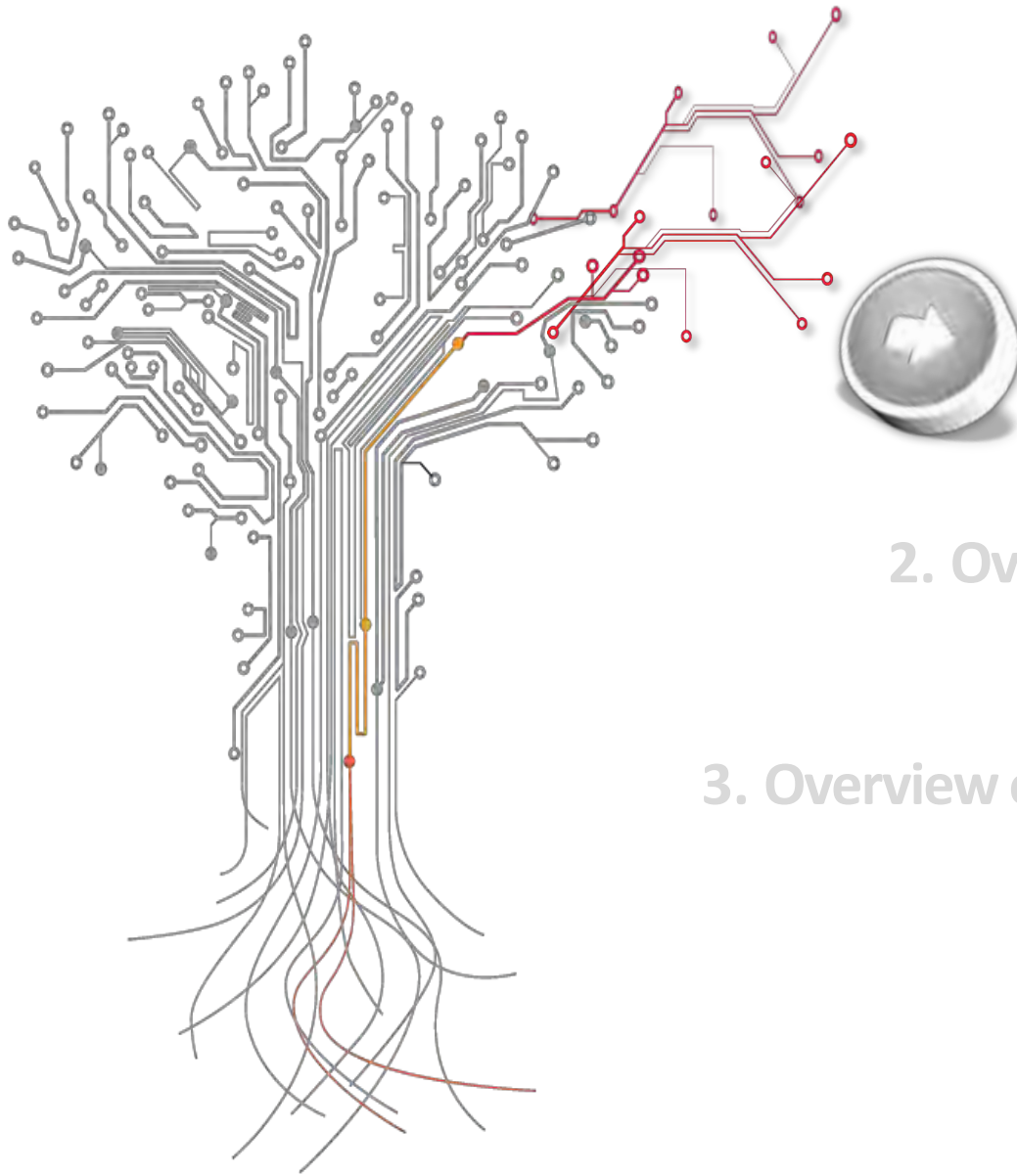




1. Introduction

2. Overview of the 2015/16 Annual Report

3. Overview of the 1st Quarter of 2016/17

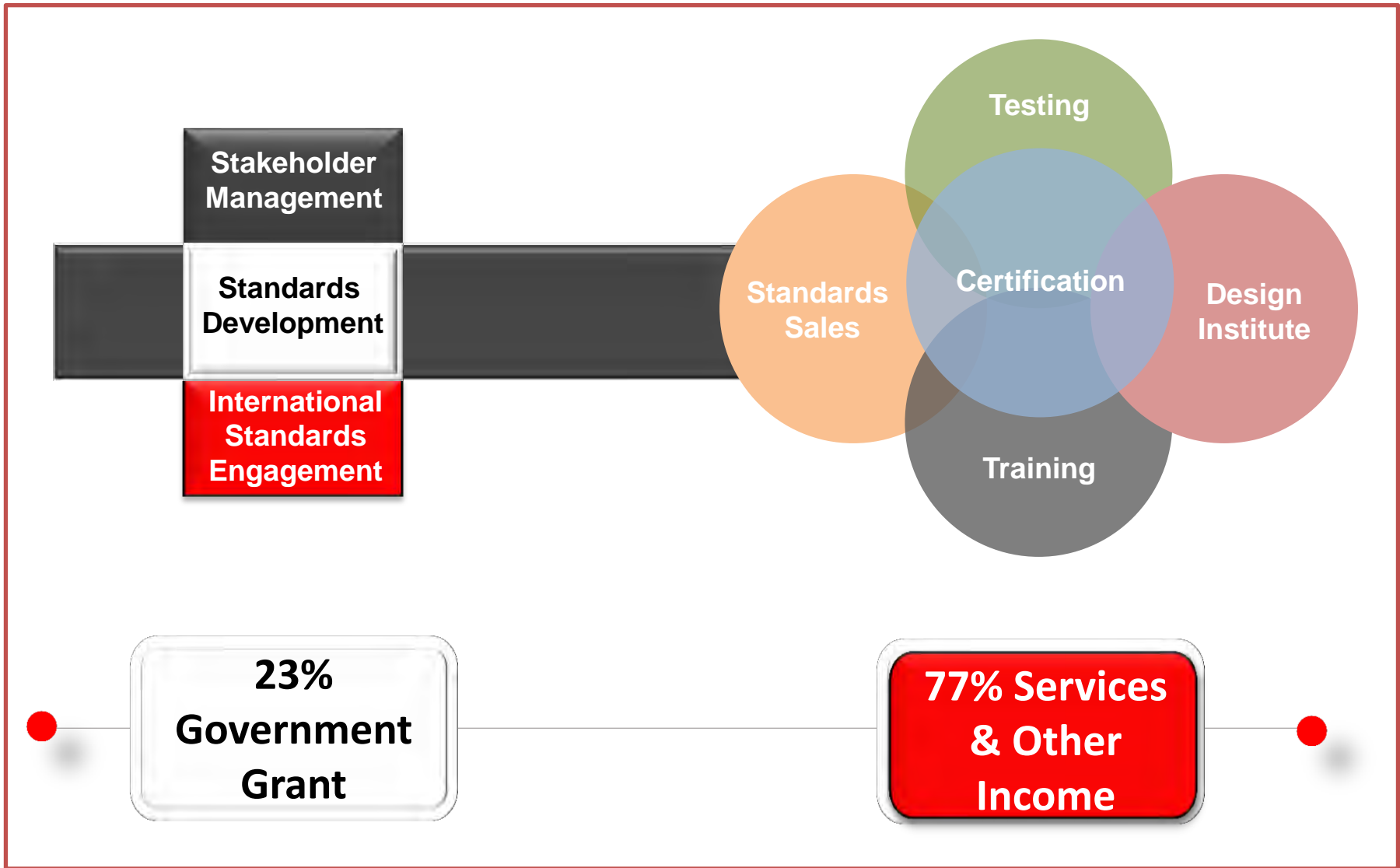


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- The SABS was established in terms of the Standards Act, 1945 (Act No. 24 of 1945)
- In 2008, the regulatory function of the SABS was removed - Standards Act No. 8 of 2008 and NRCS Act of 2008.



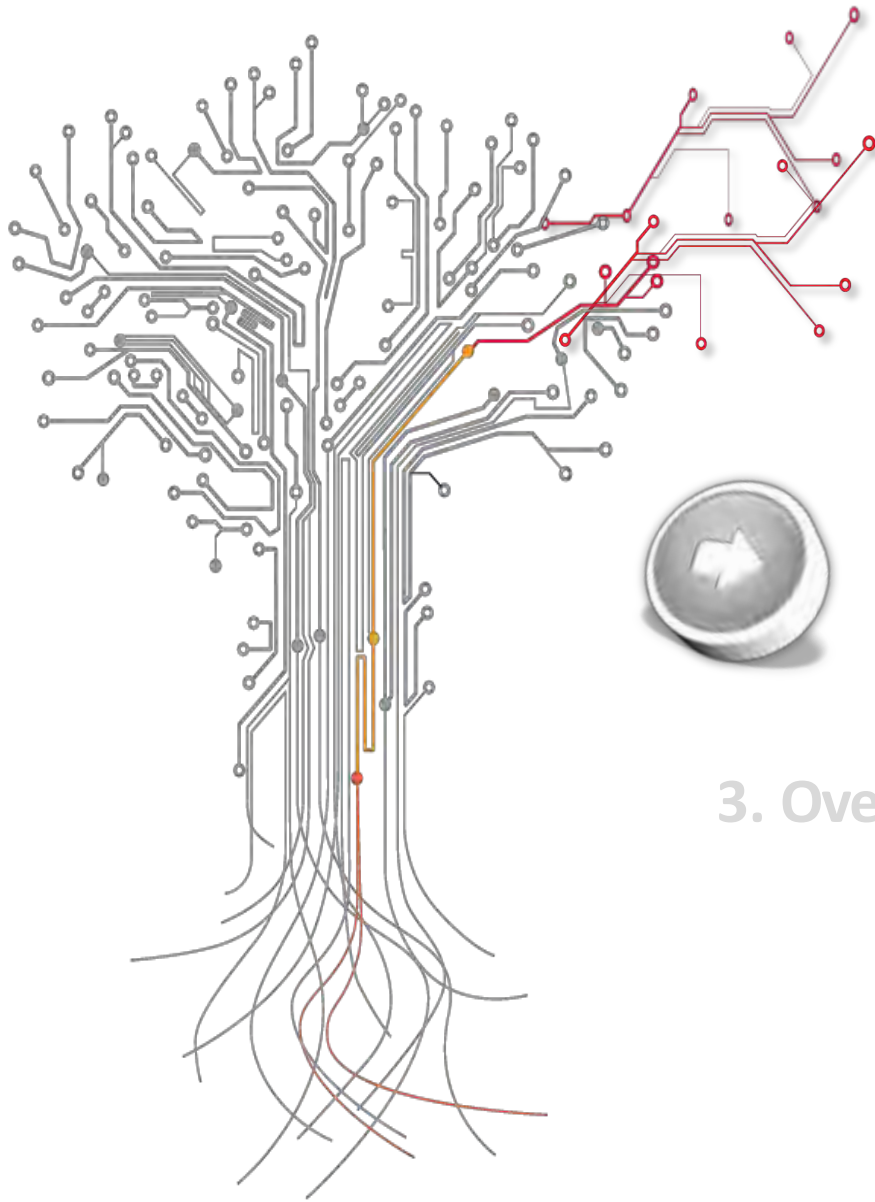
- A key focus for the SABS is to ensure the integrity of full conformity assessments to eliminate the exposure of consumers to non-compliant products by conforming to the Consumer Protection Act (CPA) Act No.68 of 2008 which stipulates that the South African consumer has the right to receive goods that comply with applicable standards set under the Standards Act or any other public regulation.
- In pursuing this objective, the SABS is establishing sustainable partnerships with various regulators.

Conduct Factory
Inspection



Conduct Witness
Test





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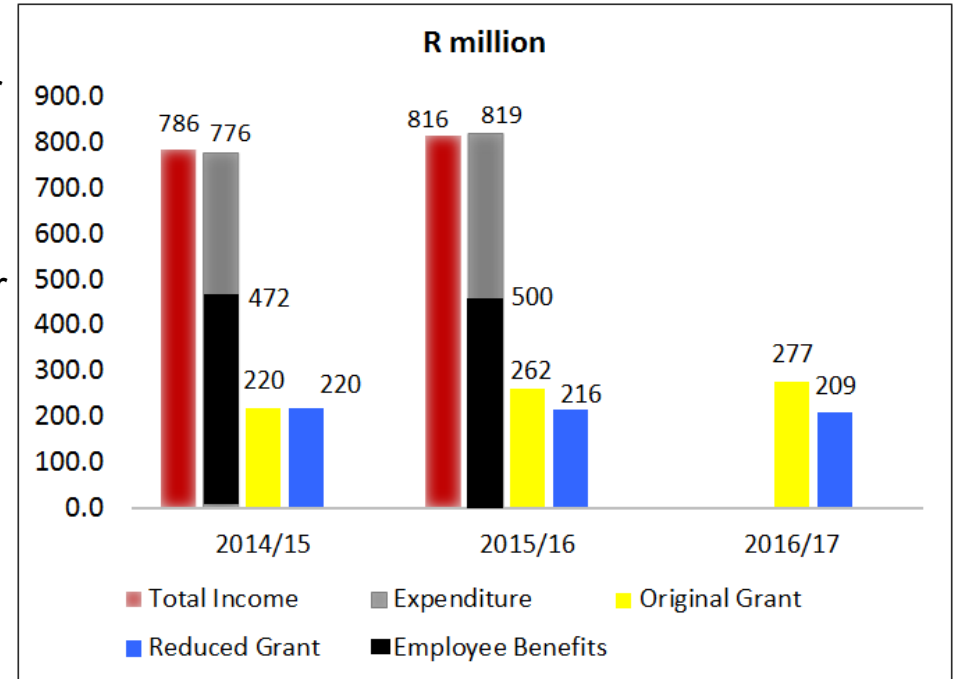
- 82% (9 out of 11) of pre-determined performance indicators achieved.
- All targets in the entrepreneur and enterprise development interventions for SMMEs were met.
- Recognition of excellence by international consulting firm Bain & Company.
- Alignment with legislation.
- **The SABS has achieved a Clean Audit for the fourth consecutive year.**





HIGH LIGHTS

- Total Revenue R815.8, 3.8% growth year-on-year
- Revenue from services (excl. rental) R544.7m, -2.3% growth year-on-year
- Total Expenses R819m, 5.6% growth year-on-year
- Employee benefits R500.4m, 6.1% growth year-on-year
- Net profit of R22.4 million, 31.6% lower than prior year



LOW LIGHTS

- Slower uptake of Local Content Verification
- R45m reduction in the government grant
- High staff costs due to the introduction of additional benefits in 2014/15 & 2015/16

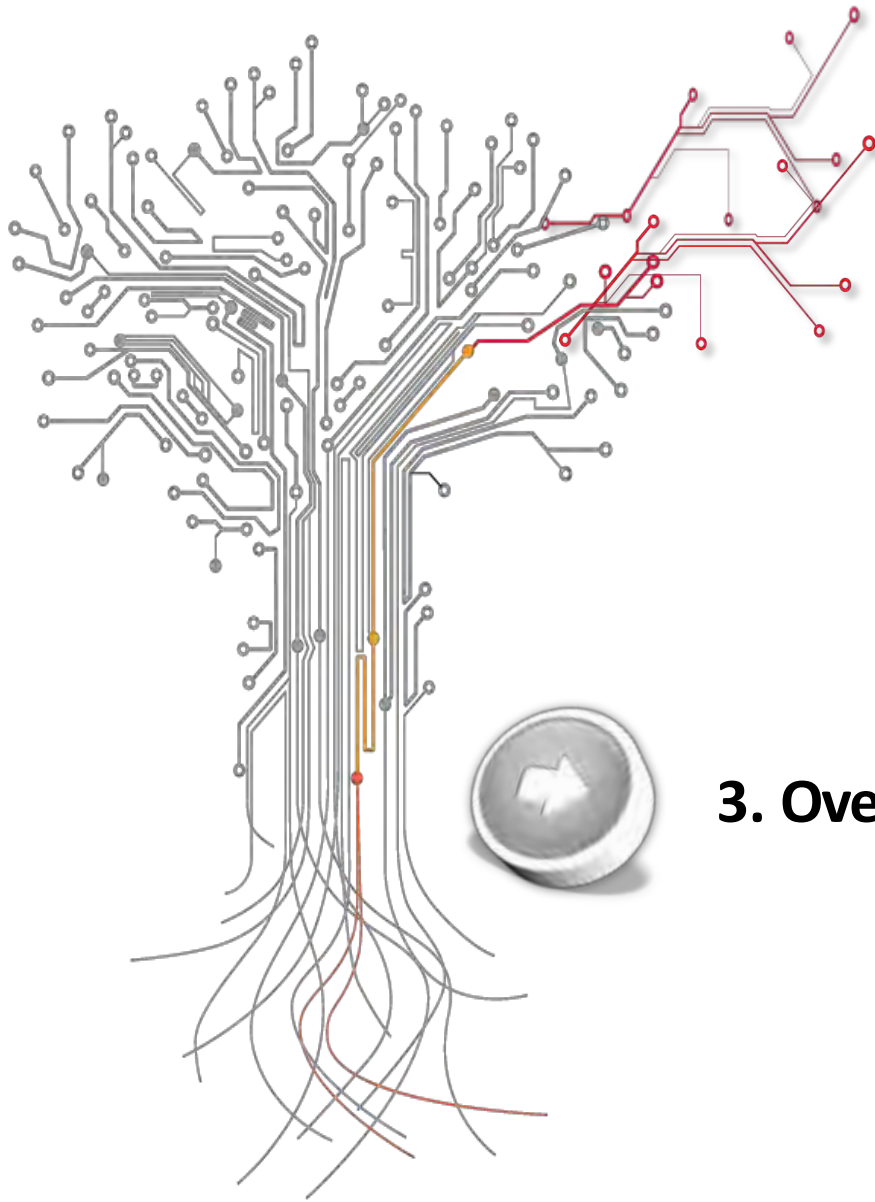


INDICATOR	TREND	2015/16		
		Target	Actual	Comment on variance
Revenue generated from sales (R million)		R622.6m	R554.7m	Target not met. Focus was on reviewing Certification and Testing processes to improve governance; Low demand in the organisation's services
Operating profit %		0.00%	2.28%	Target exceeded
Implementation of the standardisation road map		25%	26%	Target exceeded
Number of new certificates issued against a new scheme		3	3	Target exceeded

INDICATOR	TREND	2015/16		
		Target	Actual	Comment on variance
Retention of customers in Certification	↑	95%	97%	Target exceeded
Number of SMEs and new and existing entrepreneurs for which design, innovation and standardisation interventions are implemented	↑	50	120	Target exceeded

INDICATOR	TREND	2015/16		
		Target	Actual	Comment on variance
% of accreditation retained in Certification		100%	100%	Target met
% implementation of a technology solution in Certification		20%	30%	Target exceeded

INDICATOR	TREND	2015/16		
		Target	Actual	Comment on variance
% implementation of the Knowledge Hub programme	↑	25%	30%	Target exceeded
% implementation of the Academic Engagement Plan (AEP)	↑	40%	46%	Target exceeded
Progress against the implementation of culture programme for customer centricity	↓	100%	0%	Target not met The organisation underwent substantial changes in terms of culture, however, activities were not integrated and collectively managed as was planned.








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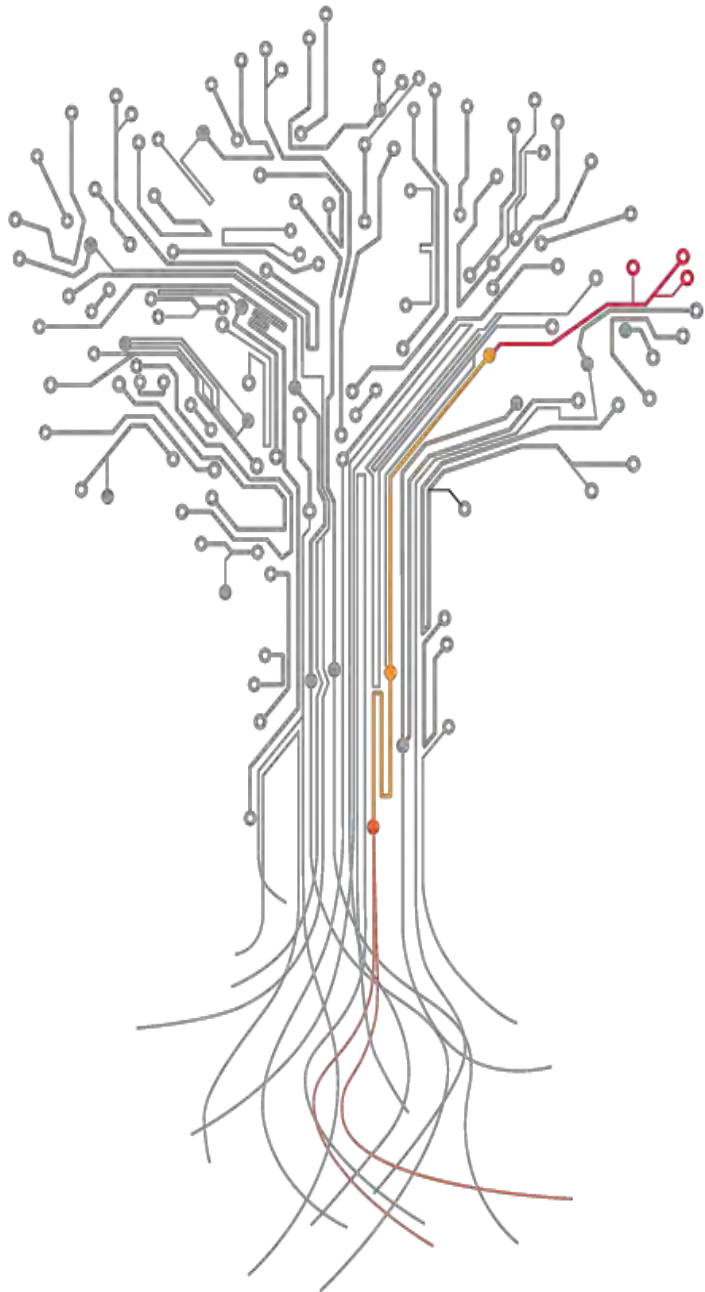
- Key findings from the RvA, an international accreditations body, highlighted the need for the SABS to implement technology to automate its business processes.
- Business process automation and deployment of ICT systems is therefore a key enabler of the growth and sustainability objectives for the SABS.
- Customer centricity is a key focus area in completing the SABS transformation journey from the previous regulatory paradigm.
- The SABS' strategic objective with the wage negotiations is to strike a balance between job security and the union demands.

INDICATOR	TREND	Q1 2016/17		
		Target	Actual	Comment on variance
Revenue generated from sales (R million)		R175.5m	R164.7m	Target not met. <ul style="list-style-type: none"> • Reduction in Parliamentary grant • Slow update of Local Content Verification
Operating profit %		-6%	-12%	Target not met <ul style="list-style-type: none"> • Same as above • High staff costs due to the introduction of additional benefits in 2014/15 & 2015/16
Number of new Products/Services developed in line with government and socio-economic priorities		0	0	-

INDICATOR	TREND	2016/17		
		Target	Actual	Comment on variance
Number of sector-specific publications produced		1	0	Target not met Concept in the process of being signed off
Number of SMEs and new and existing entrepreneurs for which design, innovation and standardisation interventions are implemented		0	5	Target exceeded

INDICATOR	TREND	2016/17		
		Target	Actual	Comment on variance
Number of service lines whose business processes are automated		1 (annual)	Automation of Certification processes on track	Target met
Progress against the implementation of the SABS property strategy		Completion of ToR for the selection of the vendor to complete detailed planning	Project plan developed and in the process of sign-off, as there was a change in approach to appoint a property advisor.	Target not met The appointment of property development advisor in progress.
Progress against the implementation of the Standards Action Plan aligned to national priorities		Sign-off the Standards Action Plan	The draft action plan was developed and reviewed at Exco	Target not met Further refinements were recommended
Progress against the implementation of the Testing Action Plan to close gaps in servicing certification customers		Completion of 30% of the signed off plan	The action plan was developed but not signed off.	Target not met The action plan is going through the sign-off process

INDICATOR	TREND	2016/17		
		Target	Actual	Comment on variance
Number of technical employees that have completed specialist training with leading partners	↓	Develop the training programme and get it signed-off	The training programme is in the process of being signed-off	Target not met The identification of skills gaps is being finalised by divisions
Number of PhD and Masters graduated recruited into the knowledge hub sectors in support of Testing and Standards Development	↓	Develop the programme and get it signed off	The programme is in the process of being signed-off	Target not met The recruitment is in process.



THANK YOU

Q & A

