



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

**THE NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY**

QUESTION NO. 3070

Mr G Michalakakis (DA) to ask the Minister of Trade, Industry and Competition:

With reference to entities that report to him, what (a) specific key performance indicators are currently in place to measure the performance of their respective chief executive officers, (b) mechanisms are in place to review the remuneration of the specified executives in entities that consistently underperform financially and (c) steps has he taken to align the remuneration of the respective chief executive officers and/or accounting officers with the financial sustainability of the entities they head? NW3532E

REPLY

(a) The key performance indicators currently in place for the respective CEOs are captured in the table below.

(b) Currently, no mechanisms exist to review executive remuneration based on financial underperformance, as there are no provisions allowing for such adjustments. Compensation is established through contractual agreements governed by labor legislation, which means it cannot be modified outside the legal framework. Instead, underperformance is typically addressed through the respective entities' performance management policies and frameworks.

(c) The remuneration of CEOs in various entities is shaped by several factors, including the scarcity of relevant skills, candidates' expertise and experience, and market conditions. Whenever feasible, their compensation is aligned with the DPSA salary scales.

Table

Entity	Key performance indicators currently in place to measure the performance of their respective chief executive officers
1. Broad-Based Black Economic Empowerment (B-BBEE)	<ul style="list-style-type: none"> (i) Promote Implementation of the B-BBEE Act to Advance Transformation. (ii) Implement Corrective Enforcement against transgression of the B-BBEE Act (iii) Monitor compliance with B-BBEE Act section 13G on reporting by private and public entities. (iv) Research and publish Monitoring Reporting the State of Transformation (v) Build partnerships with relevant stakeholders/partners (vi) Contribute effectively to clean audits by Auditor General and implement timely prevention measures.
2. Companies and Intellectual Property Commission (CIPC)	<ul style="list-style-type: none"> (i) Workplace readiness and skills development for the interns employed by the CIPC (ii) Funding ringfenced for the internships (iii) Enhanced accessibility and ease of use of CIPC platforms increasing stakeholder satisfaction and collaboration with the CIPC (iv) Publish service delivery standards (v) Publish reports on percentage of transactions within SDS (vi) Clean Audit (vii) Implement automation and digitisation of CIPC's processes to improve service delivery and reduce bureaucratic delays (viii) Timely payment of suppliers (ix) Procurement from B-BBEE compliant suppliers (x) Increased and equitable access to CIPC services through a digitalized platforms for all business stakeholders (xi) Job creation through the Implementation of Experiential Learning Project (ELP) with the SSE team (xii) Sustainable job creation through implementation of Experiential Learning Project (ELP) via the SSE programme (xiii) Compliance with Regulations by Accredited Collecting Societies (xiv) Increase IP regulatory compliance monitoring capacity within Law Enforcement (xv) Collaborate with SMMES, professional bodies or business chambers to empower professionals and businesses with Company law knowledge and encourage compliance (xvi) Participation in consultation processes with the dtic as well as Department of Agriculture, Rural Development and Land Reform pertaining to protection of

Entity	Key performance indicators currently in place to measure the performance of their respective chief executive officers
	<p>geographical indicators (GIs) in SA</p> <p>(xvii) Pro-active Investigations in response to contraventions of Companies Act No 71 of 2008 on Companies identified on State Capture Commission Report</p> <p>(xviii) Targeted proactive pre-investigations</p> <p>(xix) Transparency and reporting on governance matters</p> <p>(xx) Reports on Tracked Capital Raised through IPOs to promote regular tracking of investments</p>
3. Competition Commission (CC)	<p>The performance contract of the Commissioner consists of three components:</p> <p>(i) Strategic Area; Measures the leadership role of the Commissioner and specific efficiency targets related to effective leadership at the Commission</p> <p>(ii) Achievement of annual performance plan: Measures the achievement of the annual performance targets.</p> <p>(iii) Behavioural Area: Measures the consistency of the behaviour of the Commissioner with the values of the Commission.</p> <p>The Minister has also defined the performance of the Commissioner to focus on the following issues:</p> <p>(iv) Achievement of the Annual Performance Plan of the Commission with a 50% weight in the assessment of the Commissioner. Specific Key Performance Areas with detailed indicators and weights of those Key Performance Areas. The Key Performance Areas are: Leadership, Strategic Capability and Change Management; General Management; Client orientation and service delivery innovation; People Management and Empowerment and Realisation of the Mandate of the Commission.</p>
4. Competition Tribunal (Comp Trib)	<p>The Chairperson of the Competition Tribunal is the Accounting Authority of the entity. The Competition Tribunal functions similar to a court of law in adjudicating competition matters referred to it. This means the Chairperson performs a judicial function in addition to being the Accounting Authority. The adjudicative independence of the Tribunal Chairperson (including that of members) is a fundamental principle of administrative justice to ensure that decisions are made impartially, without fear, favour, or prejudice.</p> <p>There are mechanisms in place to ensure that the performance of the judicial role of the Tribunal, and its adjudicative effectiveness can be monitored in a manner that respects its independence. In this regard, the Tribunal monitors key performance indicators which are reported to the Department of Trade, Industry and Competition and the Department of Planning, Monitoring and Evaluation on a quarterly basis; and publicly</p>

Entity	Key performance indicators currently in place to measure the performance of their respective chief executive officers
	in the Annual Report to Parliament. As set out in the PFMA, the Accounting Authority is accountable for the overall performance of the entity.
5. Companies Tribunal (CT)	The Companies Tribunal does not have the Chief Executive Officer, but operations are managed by the Chief Operations Officer. The performance agreement for the COO for 2025/26 is not finalized. The performance for 2024/25 which covered the key performance areas as Operations Management: Registry and Marketing and Communications, Stakeholder management, Risk Management, Policies and procedures, sound corporate governance and corporate services oversight.
6. Export Insurance Corporation of South Africa (ECIC)	The Corporation has a balanced corporate scorecard which is used by the Board to measure the corporate performance. The balanced scorecard is a performance measurement tool to assess progress toward the achievement of the corporate goals. It operationalizes the strategy and breaks it into annual targets. The CEO performance is measured on the achievement of the corporate scorecard and additional leadership criteria set by the Board.
7. International Trade Administration Commission (ITAC)	<p>They are measured through performance assessments and reports on progress made against the strategic plans and annual plans.</p> <ul style="list-style-type: none"> (i) Tariff and trade remedy investigations, (ii) Import and export Import and export control compliance and enforcement activities align trade policy administration, with the re-imagined industrial strategy and the national objectives of growing employment, investment and improving firm level competitiveness, via 'compacts' with firms in the form of irrevocable undertakings ('reciprocal commitments'). (iii) All reports and recommendations stand up to legal scrutiny – both domestically and at the WTO. (iv) Handling of legal challenges (v) Agility of the Commission to meet unanticipated events (vi) Stakeholder engagement (vii) Financial Management (viii) Operations management (ix) Performance Management (x) Innovation

Entity	Key performance indicators currently in place to measure the performance of their respective chief executive officers
8. Industrial Development Corporation (IDC)	<p>The CEO's annual performance agreement is signed by the Board Chairperson and comprises of the following elements:</p> <ul style="list-style-type: none"> (i) 80% of the CEO's performance is based on the achievement of corporate targets; and (ii) 20% of the performance measures cover leadership and transformation aspects.
9. National Consumer Commission (NCC)	The key indicators of the Commissioner of the National Consumer Commission are aligned with the Annual Performance Plan.
10. National Credit Regulator (NCR)	The Chief Executive Officer (CDEO) of the National Credit Regulator (NCR) is measured by the performance on targets set by the Annual Performance Plan of the entity that is approved by the Minister of Trade, Industry and Competition and tabled in Parliament. In addition, the CEO is measured on Core Management Criteria.
11. National Consumer Tribunal (NCT)	<p>The Executive Chairperson of the National Consumer Tribunal's performance agreement comprises the KPIs set out in the NCT's Annual Performance Plan for each specific year and the Core Management Criteria set out by the DPSA.</p> <ul style="list-style-type: none"> (i) Improve Regulatory Environment (ii) Enforcement of the National Credit Act (iii) Sustainability and Environmental, Social and Governance (iv) Strategic Capability and Leadership (v) Project and Programme Management (vi) Financial Management (vii) Change Management (viii) People Management & Empowerment
12. National Empowerment Fund (NEF)	<p>The KPI's of the NEF CEO are contained in a performance contract.</p> <p>The following are the main themes of the KPI's:</p> <ul style="list-style-type: none"> (i) Ensuring financial sustainability and cost optimisation, (ii) Risk Management and Audit to ensure strong risk management and obtain a clean audit outcome (iii) Ensure alignment to Government outcomes including MTDP priorities (iv) Maintaining organisational and performance culture.

Entity	Key performance indicators currently in place to measure the performance of their respective chief executive officers
13. National Gambling board (NGB)	The position of the Chief Executive Officer is vacant.
14. National Lotteries Commission (NLC)	<p>The key performance areas derived from the performance agreement of the Commissioner are summarised as follows:</p> <ul style="list-style-type: none"> (i) KPA 1- Ensuring APP 2025-26 successfully is implemented, with at least 80% achieved. (ii) KPA 2- To promote advocacy, new thinking, and identify future areas of work & innovation. (iii) KPA 3- To drive the Reparation initiative. (iv) KPA 4- Cultivating a new organisational culture and value system. (v) KPA 5- Driving Strategy planning and implementation. (vi) KPA 6- Finance, people, governance, risk and compliance. <p>The NLC has attached the more detailed performance contract of the Commissioner outlining all the key performance indicators and behavioral performance areas.</p>
15. National Metrology Institute of South Africa (NMISA)	<p>CEO have KPI's linked to the APP that are monitored by the Accounting Authority of NMISA</p> <ul style="list-style-type: none"> (i) Financial Perspective <ul style="list-style-type: none"> Annual revenue New revenue streams (ii) Stakeholder Perspective <ul style="list-style-type: none"> Realisation of SI base units, calibration capabilities (CMCs), and new or improved national measurement standards Interlaboratory comparisons (ILCs) and proficiency testing (PT) schemes Visibility and outreach activities Client satisfaction Growth in metrology-related clients Submission of audit reports and publication of case studies Establishment and monitoring of new and active service level agreements (SLAs) (iii) Organisational and Business Perspective <ul style="list-style-type: none"> Staff turnover rate Number of interns

Entity	Key performance indicators currently in place to measure the performance of their respective chief executive officers
	Collaborative agreements Accreditation of laboratories (iv) Business Processes Human resource matters Risk management Systems support and approvals (v) Strategic Initiatives Contribution to joint KPIs of the dtic Implementation of APP and strategic plans Business development and stakeholder engagement
16. National Regulator for Compulsory Specifications (NRCS)	The CEO performance agreement places 50% weight on achievement of organisational key performance indicators as per the entity's Annual Performance Plan and 50% weight on Core Management Criteria (CMC) which incorporate strategic and leadership capabilities, financial management, change management, service delivery innovation, client orientation, project and programme management and people management and empowerment.
17. South African Bureau of Standards (SABS)	Key performance indicators of the CEO are the organisational KPI's as documented on the SABS Annual Performance Plan: (i) Total number of standards published (ii) Publish % of standards aligned to the re-imagined priority sectors (iii) Number of case studies conducted and promoted (iv) Average number of days to publish standards (v) Number of new public sector clients and organs of state serviced (including industrial parks and SEZ) (vi) Number of MSMEs and black industrialists serviced (vii) Number of new test methods developed and approved to support MTDP priorities (viii) Maintain 100% of Accreditations for Laboratory and; Product and System Certification (ix) Number of new Certification Schemes developed (x) Year-on-Year growth in revenue of the SABS Group (xi) Operating Margin of the SABS Group (xii) Vacancy rate of critical positions (xiii) Employee retention rate (%) (xiv) % Progress against the approved annual Employee Engagement Action Plan (xv) % employees with completed competency assessments

Entity	Key performance indicators currently in place to measure the performance of their respective chief executive officers
	<ul style="list-style-type: none"> (xvi) % Progress against the approved Annual Digital Transformation Implementation Plan (xvii) % Progress against the implementation of the approved Annual Infrastructure Plan (xviii) Average year-on-year reduction in turnaround time in Testing, LCV and Certification services (xix) % Progress against the implementation of the approved Annual Infrastructure Plan (xx) % Progress against the approved annual ICT Digital Transformation plan (xxi) Number of new public sector clients and organs of state serviced (including industrial parks and SEZ) (xxii) Number of MSME's trained in the ARSO Eco Mark scheme (xxiii) % of reported Mark Scheme transgression cases closed (for each year under review) (xxiv) % year-on-year growth in the number of valid SABS Mark permits (xxv) Number of MSMEs and black industrialists serviced (xxvi) Number of stakeholders trained in management and governance systems and standards (xxvii) Number of new public sector clients and organs of state serviced (including industrial parks and SEZ) (xxviii) Number of MSMEs and black industrialists serviced (xxix) Number of new women appointed into Technical Committees (xxx) BBBEE Level achieved (xxxi) Average year-on-year reduction in turnaround time in Testing, LCV and Certification services (xxxii) Number of MSMEs in industrial parks and SEZs serviced (xxxiii) % of standards published from the list of reimagined and priority sectors
18. South African National Accreditation System (SANAS)	<ul style="list-style-type: none"> (i) Keep Board of Directors informed and provide adequate, timely and accurate information on organisational performance and issues (ii) Ensure SANAS obligations related to ILAC, IAF, AFRAC and SADCA are met (iii) Ensure implementation of the Secretariat APP for SADCA & AFRAC (iv) Ensure Accreditation fees are increased by 1 percent below CPI for the 2026/27 FY (v) Implement Measures to Reduce the Reliance on Governments Grant in order to meet the set ratio target (80:20) (vi) Develop and timeously submit the 2026/27 APP to the Shareholder (vii) Ensure the development of new Accreditation Programmes (viii) Comply with National Treasury's Reporting Requirements (ix) Improved Percentage of Customer Satisfaction Level (x) Ensure that Certificates and scopes of accreditation are issued within 13 working days on average, after completion of approvals process

Entity	Key performance indicators currently in place to measure the performance of their respective chief executive officers
	<ul style="list-style-type: none"> (xi) Ensure that 12 Stakeholder engagements are undertaken with key stakeholders (xii) Pay eligible invoices within an average of 19 days (xiii) Identify key risks in the approved risk plan and ensure adequate mitigation (xiv) Reconstitute membership of the Advisory Forum to provide strategic direction on future priorities (xv) Increase the number accredited CABs by 90 additional CABs (xvi) Achieved 80% of the planned Quarterly APP targets (xvii) Oversee the prevention of irregular, fruitless and wasteful expenditure (xviii) Ensure automation of business processes through the implementation of relevant digital transformation initiatives across the organisation (xix) Ensure maintenance of the SANAS Management System in accordance with ISO/IEC 17011 (xx) Ensure timeous resolution of appeals related to SANAS decisions (xxi) Maintain 85% of SANAS employees level from PDI (xxii) Maintain an average vacancy rate of below 5% throughout the financial year (xxiii) Submit the Employment Equity (EE) Compliance submission to the EE Commissioner (xxiv) Improve SANAS BB-BEE level rating (xxv) Ensure conclusion of 2024/25 Performance Reviews and 2025/26 Performance Agreements by 31 May 2025
19.Takeover Regulation Panel (TRP)	<ul style="list-style-type: none"> (i) Regulating mergers and takeovers (ii) Governance and Committee support (iii) An effective internal audit system is in place (iv) Panel policies

-END-