

The logo for the South African Bureau of Standards (SABS) features the letters 'SABS' in a bold, black, sans-serif font. A horizontal red line is positioned directly beneath the letters.

South African Bureau of Standards

FY2024/25 Annual Performance Plan

A presentation to the Parliamentary Portfolio Committee on Trade, Industry and Competition

21st August 2024

Lizo Makele – CEO (Acting)

Table of Contents

SABS

- List of Delegates
- Legislative Mandate
- The Value Chain
- Value of Standardisation
- Standardisation Ecosystem
- Strategic Framework
- Organisational Structure
- Headcount
- SABS Contribution to the dtic output targets
- Strategic Objectives, KPIs & Targets (FY2024/25 – FY2026/27)
- Financials

- Dr Nandipha Madiba – Board Member (delegated by the Board Chairperson)
- Dr .Rudzani Nematudi – Board Member (delegated by the Board Chairperson - will attend the morning session)
- Mr Lizo Makele – Acting CEO
- Ms Kholofelo Masoga – CFO
- Mr Lungelo Ntobongwana – COO

The SABS is the apex national standardisation institution in South Africa, established by the Standards Act, 1945 (Act 24 of 1945). The SABS exists as a public entity under the Standards Act, 2008 (Act 8 of 2008)

The objectives of SABS are as follows:

Develop, promote, and maintain South African National Standards (SANS)

Promote quality with respect to commodities, products, and services

Render conformity assessment services and matters connected therewith

Legislative Mandate - Services

SABS



The SABS is a Schedule-3B Entity under the PFMA

SABS Commercial provides conformity Assessment Services

The SABS is an independent Third-party Certification Body and Testing House with its own laboratories

- Testing
- Certification – Product and System
- Consignment Inspection
- Local Content Verification

There is an open competitive market for conformity assessment services:

- More than 35 Certification Bodies
- Over 1,000 Testing Labs
- More than 200 Inspection bodies

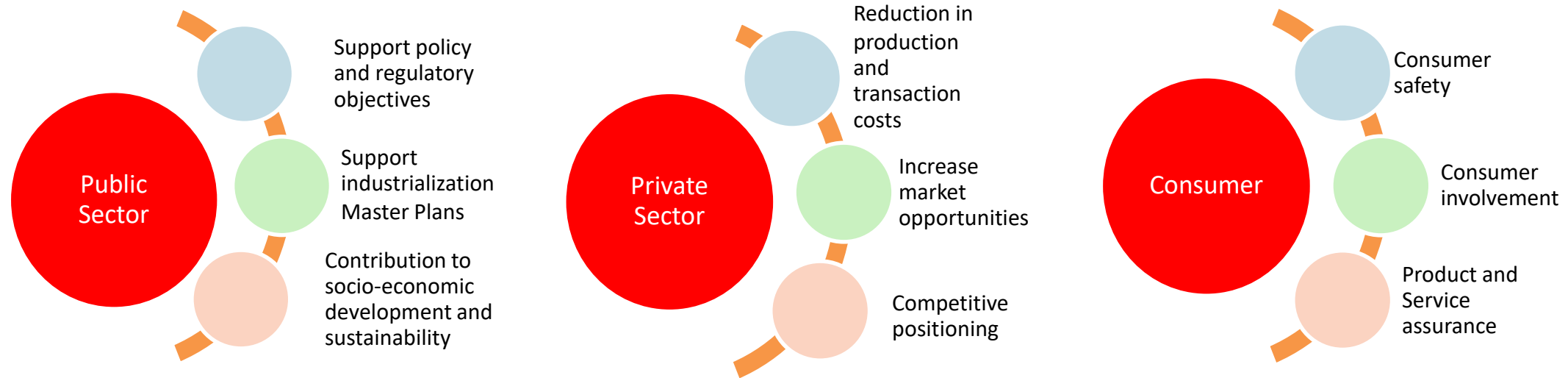
The Value Chain

SABS



Value of Standardisation

SABS



- Reflect the state of the art and serve as a vehicle for the dissemination of new technologies and innovative practices, facilitates trade, supports industrialisation objectives,
- Support the technical aspects of societal, governance and environmental policies and contribute to sustainable development
- Used as the basis for national technical regulations without causing unnecessary technical barriers to trade
- Offers a range of tools for the various modes of conformity assessment to enhance confidence in products, systems, processes, and personnel
- Assist consumers in making informed buying decisions - Fit for purpose products and services

Standardisation Ecosystem

SABS

INTERNATIONAL



REGIONAL



NATIONAL

SABS

Collection of
>7600 SANS
Standards

>350 standards
published
annually

295
COMMITTEES

> 1900 EXPERTS

Strategic Framework

SABS

Vision

We are the trusted standardisation and business assurance solution provider of choice

Mission

The SABS provides standards and conformity assessment services to contribute towards the efficient functioning of the economy

Values

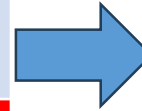
Accountability

Customer-centricity

Excellence

Innovation

Integrity



Strategic Objectives:

SO 1: Achieve and maintain financial sustainability through growth in revenue and return on investments

SO 2: Develop, promote and increase the use of standards and conformity assessment services that address market needs

SO 3: Embed good governance, internal processes and systems that drive operational efficiencies

SO 4: Invest in Infrastructure and technology that supports an enabling environment for sustainability

SO 5: Build a high-performance culture, through inclusivity, diversity and agility

Board of Directors

Chief Executive Officer

Internal Audit,
Compliance, Risk &
Legal Services,
Corporate Strategy

OPERATIONS

Chief Operations Officer

FINANCE

Chief Financial Officer

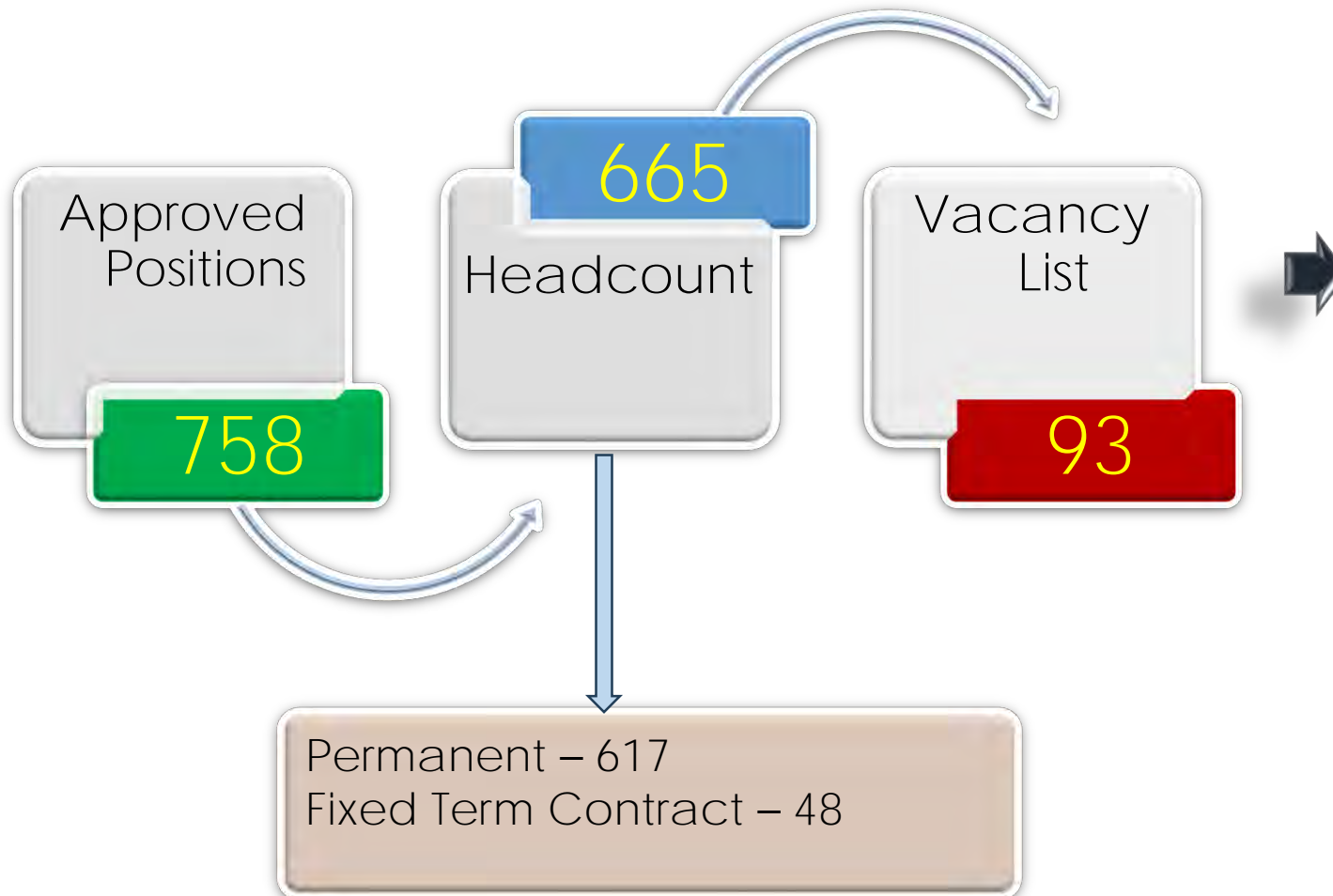
CORPORATE SERVICES

Chief Corporate Services Officer

Standards Development
Certification Services
Laboratory Services (Testing)
Customer Partnering
Programme Management Office

Financial Strategy
Financial Reporting
Supply Chain Management

Human Capital Management
Information, Communication
Technology & Knowledge
Management
Facilities Management
Security Services



- There are 93 vacancies on the establishment
- Of the total vacancies, 59 positions were prioritized and budgeted for 2024/2025 FY.
- The recruitment process for these is currently underway
- A total of 34 positions are frozen and have not been budgeted for

Total headcount as of 31st July 2024 is 665:

- **48.87%** Female representation
- **17.29%** Youth representation
- **1.65%** People with disabilities

SABS contribution to the dtic targets

Contribution to the dtic output targets

Themes	Outputs	Output Indicators
Investment (2 new SEZs designated)	Collaboration with SEZs for the provision of standardisation/ conformity assessment services	Agreement (MoU) concluded between SABS and SEZs on the provision of standards and conformity assessment services
Industrial Production (local output & black industrialists 'output)	Local Content Verification (LCV) Audits	Percentage of LCV projects that are submitted by government entities to the SABS to be completed
	Promotion of Standardisation and Quality Assurance services to Black Industrialists	Participate in the Black Industrialist Conference through a SABS exhibition stand or other marketing/promotional opportunities
Exports & Trade	Support the implementation of the AfCFTA Agreement through active participation in regional standards bodies i.e., ARSO and AFSEC	Participation in ARSO Technical Harmonisation Committees to develop African Regional Standards and conformity assessment guidelines
Industrial Support (SMMEs & Enterprises outside 5 Metros)	SMME support on standardisation and conformity assessments	R2 million worth of certification or inspection or testing or training or advisory services provided to SMMEs
	SMME support through procurement spend	Rand value of annual procurement spend in support of SMMEs
	Outreach and advocacy initiatives on Standardisation and Conformity Assessments	Conduct four (4) outreach initiatives to promote standardisation and quality assurance in specific districts outside of the 5 metros
	Publication of standards to support the Agricultural and Mining Sector	Number of standards published in the Agricultural and Mining Sectors
	Conformity Assessment certificates/permits in the Mining sector	Number of certificates/permits issued within the LCV/ Energy Management/ Environmental Management/Product certification scheme in the Mining Sector

Contribution to the dtic output targets



Themes	Outputs	Output Indicators
Jobs	SABS Annual Internship Programme (Employment for a 12-month period only)	Number of non-permanent jobs created for an annual period only (12 months) through the SABS internship programme
Energy	Standardisation services in support of Energy Sector	Number of standards published annually within the scope of energy efficiency (new, revised standards).
Green Economy Targets	Support the EV industry through the publication of national standards & establish conformity assessment services within the scope of EVs	Number of standards published on EVs and supporting technologies Establish testing or certification or inspection capabilities for EVs and supporting technologies
	Develop standards that support the Hydrogen Technology	Establishment of a Technical Committee and publish standards in support of Hydrogen Technology
Stakeholder engagement and impacts	Case studies on success stories	Case studies on success stories
	Outreach and advocacy initiatives on Standardisation and Conformity Assessments	Conduct four (4) outreach initiatives to promote standardisation and quality assurance in specific districts outside of the 5 metros
Red tape and state capability targets	Improve the time for the development of standards	Average number of days to publish standards
	Digital enablement of SABS operations	Implement digital solutions to improve operational efficiency

**Strategic Objectives, KPIs & Targets
[2024/25 – 2026/27]**

Strategic Objectives & KPIs

SABS

SO 1: Achieve and maintain financial sustainability through growth in revenue and return on investments

SO 2: Develop, promote and increase the use of standards and conformity assessment services that address market needs

SO 3: Embed good governance, internal processes and systems that drive operational efficiencies

SO 4: Invest in Infrastructure and technology that supports an enabling environment for sustainability

SO 5: Build a high-performance culture, through inclusivity, diversity and agility

KEY PERFORMANCE INDICATORS



Operating margin



Standards Publications



Productivity and Utilization



Physical and laboratory Infrastructure upgrade



Talent Management



Return on Investments



New Products/Schemes



Customer satisfaction index



Digital Transformation



Skills Development



Net cash from operations/cash receipts ratio



Outreach projects



Accreditation Status



Digital Transformation



Culture Transformation



Growth in Revenue



Case studies on customer value



Process Optimization

SO 1: Achieve and maintain financial sustainability through growth in revenue and, return on investments and cost containment



OUTCOME INDICATOR	FY2023/24	MTEF PERIOD		
		FY2024/25	FY2025/26	FY2026/27
Operating margin of the SABS Group	No baseline	Achieve 5% Operating Margin of the SABS Group	Achieve 5.5% Operating Margin of the SABS Group	Achieve 6% Operating Margin of the SABS Group
Return on net assets of the SABS Group	No baseline	Attain 2.5% Return on Net Assets of the SABS Group	Attain 3% Return on Net Assets of the SABS Group	Attain 4% Return on Net Assets of the SABS Group
Net cash from operations/cash receipts ratio of the SABS Group	No baseline	Attain 5% Net Cash from Operations as a percentage of cash receipts of the SABS Group	Attain 6% Net Cash from Operations as a percentage of cash receipts of the SABS Group	Attain 7% Net Cash from Operations as a percentage of cash receipts of the SABS Group
Growth in Revenue of the SABS Group	No baseline	Achieve 5% Year-on-Year Growth in revenue of the SABS Group	Achieve 6% Year-on-Year Growth in revenue of the SABS Group	Achieve 7% Year-on-Year Growth in revenue of the SABS Group

SO 2: Develop, promote and increase the use of standards and conformity assessment services that address market needs

SABS

OUTCOME INDICATOR	FY2023/24	MTEF PERIOD		
		FY2024/25	FY2025/26	FY2026/27
Published Standards	340 Published standards	Publish 360 standards	Publish 370 standards	Publish 380 standards
	52% of standards aligned to the re-imagined industrial priority sectors published	Publish 80% of standards aligned to the re-imagined priority sectors	Publish 80% of standards aligned to the re-imagined priority sectors	Publish 80% of standards aligned to the re-imagined priority sectors
New products/schemes	Launched one (1) new certification scheme	Develop one (1) new Certification Scheme	Develop one (1) new Certification Scheme	Develop one (1) new Certification Scheme
Outreach projects to promote SABS products and services	No baseline	Conduct four (4) outreach projects	Conduct five (5) outreach projects	Conduct five (5) outreach projects
Case studies on customer value	No baseline	Conduct twenty (20) case studies on customer value	Conduct twenty (20) case studies on customer value	Conduct twenty-five (25) case studies on customer value

SO 3: Embed good governance, stakeholder relations, internal processes and systems that drive continuous improvement



OUTCOME INDICATOR	FY2023/24	MTEF PERIOD		
		FY2024/25	FY2025/26	FY2026/27
Productivity and Utilisation	No baseline	Roll out Planning and Scheduling tool to 10 laboratories	Roll out Planning and Scheduling tool to 10 laboratories	Roll out Planning and Scheduling tool rolled to 10 laboratories
Customer Satisfaction Index	Customer Satisfaction Index of 76% achieved	Achieve Customer Satisfaction Index of 75%	Achieve Customer Satisfaction Index of 77%	Achieve Customer Satisfaction Index of 80%
Accreditation Status	All Accreditations for Laboratory and Certification products and services maintained	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services	Maintain all Accreditations for Laboratory and Certification products and services
Process Optimisation	No baseline	Map 80% of key business process	Map 100% of key business process	Map Review and update of key business

SO 4: Invest in infrastructure and technology that supports an enabling environment for sustainability

OUTCOME INDICATOR	FY2023/24	MTEF PERIOD		
		FY2024/25	FY2025/26	FY2026/27
Physical and Laboratory Infrastructure upgrade	No baseline	Implement 60% of approved Infrastructure Plan	Implement 70% of approved Infrastructure Plan	Implement 75% of approved Infrastructure Plan
Digital Transformation	No baseline	Implement 50% of the ICT Digital Transformation plan	Implement 60% of the ICT Digital Transformation plan	Implement 70% of the ICT Digital Transformation plan

SO 5: Build a high-performance culture, through inclusivity, diversity and agility



OUTCOME INDICATOR	FY2023/24	MTEF PERIOD		
		FY2024/25	FY2025/26	FY2026/27
Talent Management	No baseline	Approval of Talent Management Framework	Implement 50% of Talent management Framework	Implement 70% of Talent Management Framework
	No baseline	Approval of Succession Plan for key positions	Implement 50% of succession plan for key positions	Implement 60% of succession plan for key positions
Skills Development	No baseline	Implement 80% of staff training budget	Implement 85% of staff training budget	Implement 90% of staff training budget
	60 Interns	Recruit sixty (60) Interns – for the Graduate Development programme	Recruit sixty (60) Interns – for the Graduate Development programme	Recruit sixty (60) Interns –for the Graduate Development programme
Culture Transformation	No baseline	Implement 50% of Culture Change Plan	Implement 65% of Culture Change Plan	Implement 80% of Culture Change Plan

Financials

Financials

SABS

Statement of Financial Performance	Audited outcome	Audited outcome	Audited outcome	Approved budget	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
							2025/26	2026/27	2027/28		
R thousand	2021/22	2022/23	2023/24	2024/25	2021/22-2024/25		2025/26	2026/27	2027/28	2024/25 - 2027/28	
Revenue											
Non-tax revenue	512,791	531,400	567,280	616,560	6.3%	65.7%	649,516	687,153	731,238	5.9%	69.6%
Sale of goods and services other than capital assets	448,383	459,516	459,242	534,104	6.0%	56.1%	564,014	598,419	637,914	6.1%	60.5%
<i>Other non-tax revenue</i>	64,408	71,884	108,038	82,456	8.6%	9.6%	85,502	88,734	93,324	4.2%	9.1%
Transfers received	310,676	300,581	266,937	281,541	-3.2%	34.3%	285,068	295,864	310,685	3.3%	30.4%
Total revenue	823,466	831,980	834,217	898,101	2.9%	100.0%	934,584	983,017	1,041,923	5.1%	100.0%
Expenses											
Current expenses	745,531	725,009	758,937	894,918	6.3%	100.0%	929,936	975,104	1,028,285	4.7%	100.0%
Compensation of employees	451,439	394,373	407,662	508,894	4.1%	55.5%	537,303	571,019	597,286	5.5%	57.8%
Goods and services	241,690	278,091	306,587	331,564	11.1%	36.5%	335,614	344,443	368,614	3.6%	36.1%
Depreciation	52,403	52,545	44,688	54,459	1.3%	6.5%	57,019	59,641	62,385	4.6%	6.1%
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	20,849	18,352	5,893	-	-100.0%	1.5%	-	-	-	-	-
Total expenses	766,380	743,360	764,830	894,918	5.3%	100.0%	929,936	975,104	1,028,285	4.7%	100.0%
Surplus/(Deficit)	57,086	88,620	69,387	3,184	-61.8%		4,648	7,913	13,638	62.4%	

SABS

