



AIDC Development Centre SOC Ltd

Annual Performance Plan

(edited for AIDC's website publishing)

2016/17

30 March 2016



OFFICIAL SIGN OFF

It is hereby certified that this Annual Performance Plan (APP) of the Automotive Industry Development Centre SOC Ltd, for the 2016/2017 fiscal year with a three-year Medium Term Expenditure Framework (MTEF) forecast – this is **year three** of the MTEF cycle that commenced 2014/15 and ends in 2018/19:

- Was developed by the management of the AIDC under the guidance of its Shareholder GGDA, its Board, as well as the AIDC Board;
- Accurately reflects the strategic goals and objectives which are aligned to those of the Gauteng Growth and Development Agency and which the AIDC will endeavour to achieve given the resources made available in the budgets for 2016/17.

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Executive summary

Annual Performance Plan (APP) that sets out at operational level what the institution intends doing in the upcoming year and during the MTEF to implement the Strategic Plan. Both these plans identify core indicators needed for monitoring institutional performance. Both plans are interrelated with budget planning in terms of MTEF cycles of budgeting (according to Fig. 3 of the National Treasury's guidelines the next MTEF cycle commenced on 1 April 2014).

This year's Annual Performance Plan (APP) takes due cognisance of the 5th Administration's programme, with a particular focus on transformation, modernisation and re-industrialisation.

The 2013 merger between AIDC and SPDC has culminated into an operationally functional entity across all aspects of its business operations. The AIDC's organisational structure has been aligned with its mandate for the next 5 years - for example the separation of incubation and township enterprise projects and the establishment of the Learning Centre as a separate entity for the Skills Development and Training Department.

The AIDC will remain focused on the automotive and allied sector. Several key anchor projects form a solid sustainable business base for the AIDC that will continue to manage and grow these projects which include the Automotive Incubation Centre at Ford with 6 BEE SMME incubatees, The T6 assembly simulator at Ford, The Winterveld Enterprise Hub that supports 8 informal sector body repairers, the Gauteng Automotive Learning Centre with technical labs and a Nissan assembly simulator. A second Incubation Centre, similar to the one at Ford will be finished at Nissan with up to 8 BEE SMME incubatees. Further expansion will be done at the Automotive Supplier Park with the second mini factory increasing rentable space to attract more automotive component manufacturers to the Park. Otherwise the AIDC focuses on auto sector efficiency projects to improve productivity and global competitiveness.

This APP therefore contains key strategic objectives encapsulating a variety of projects that would be executed and targets achieved through a well-structured, staffed and funded organisation with key operational objectives in support of its mandate.

PART A: STRATEGIC OVERVIEW

1. MANDATE

The AIDC is the dedicated developmental agency of the Gauteng Growth and Development Agency (GGDA) in relation to the specific industrial, infrastructure and training needs required by the automotive and allied sector - in particular those based in the Gauteng province. The AIDC is thus tasked by GGDA with special developmental type projects aimed at enhancing and possibly expanding the automotive and allied sector with a focus on enterprise development; also in the support of government's aims at BBBEE SMME development as related to the Province's objectives of transformation, modernisation and re-industrialisation (TMR). The AIDC otherwise explores other developmental projects, external to the objectives of the GGDA in support of the AIDC's own business development processes. These include projects related to the transport and energy sectors, as well as the development of the Auto City in the Northern Corridor.

2. VISION

The Vision of the AIDC is:

To be the leading implementation agency delivering creative, efficient, best practice and value based solutions in support of government's programmes related to the automotive and allied sectors.

3. MISSION

The Mission of the AIDC, in pursuit of its Vision, is to provide innovative customised solutions:

To develop the automotive manufacturing sector to globally competitive standards of excellence through a world-class value proposition which enables effective and sustainable socio-economic growth.

4. VALUES

The AIDC's staff aligns their behaviour to the shared values as listed below, these values support, and is informed by the organisations Vision and Mission:

- Respect for others;
- Teamwork;

- Open and honest two-way communication;
- Encouraging a learning culture;
- On-time, on-brief, on-budget;
- Client-centred;
- Integrity and Ethics above all.

5. STRATEGIC OUTCOME ORIENTED GOALS

The AIDC's APP is aligned with both national developmental objectives and the Strategic Outcome Oriented Goals of the GGDA derived from those of the DED, which are informed by the national and provincial political and socio-economic imperatives for the 5th term of government by the ruling party.

The key focus of the AIDC remains the automotive and allied sector with its primary area of operations based in the Northern Corridor of the Gauteng City Region (GCR), while its strategic goals, as related to its multi-dimensional developmental focus, are embedded in the following:

- **Clustering of industrial types of activities:** Incubation Centres (ICs) at Ford and Nissan, the Winterveld Enterprise Hub (WEH), the Gauteng Automotive Learning Centre (GALC), the Automotive Supplier Park (ASP) as related to the concepts of fast delivery (Just-in-time(JIT));
- **Green economy e.g. recycling:** new township concepts as related to end-of-life vehicles (with numerous derivative recycling prospects);
- **Industrial developmental innovation:** Incubation Centres (ICs), WEH, GALC, Efficiency Improvement – as related to innovative interventions in the auto sector and townships;
- **Local production/local content support:** 80%+ BBBEE spent, ICs, ASP – as related to increasing local production to 60%, with a 75% contract award to local suppliers;
- **Economic development in local communities:** WEH and body shop mentoring (to follow: vehicle and several other auto-related concepts);
- **Creation of divergent income streams:** MTEF, Jobs Fund, CoT, Siemens, Transnet, DTI, tenant rental and levy income, utilisation of GALC facilities (TBC - access to FDI, development aid funding and skills funds);
- **Commercially driven business plans:** AIDC, ASP, ICF, WEH, GALC = sustainable business, off-take opportunities, economically viable business, lesser dependence on MTEF.

The following two tables (5.1 and 5.2) provide an in context summary of the aforementioned statement of alignment:

5.1 Strategic outcome related goals that predicate cross alignment of the AIDC's mandate and related activities in relation to only those most relevant National and Provincial objectives (to note – this table is not a cross-matrix alignment of each of the stated policy objectives – under par 4.2 an alignment explanation is provided in relation to each policy section):

National Development Plan (NPD) August 2012	2014-2019 MTSF	Industrial Policy Action Plan (IPAP - 2014/15-2016/17) and the Gauteng Industrial Policy Framework (GIPF)	G2055 and Gauteng City Region	Alignment with Gauteng Provincial Pillars	GGDA's alignment with the DED 2014-2019 Strategic Plan
Increasing exports	Outcome 4: Decent employment through inclusive economic growth	Sector strategies	Decent employment through inclusive economic growth	Pillar 1: Radical economic transformation Pillar 2: Decisive spatial transformation	Gauteng's economy radically transformed
Investing in Infrastructure to facilitate economic activity that is conducive to growth and job creation	Outcome 5: A skilled and capable workforce to support an inclusive growth path	Strategic infrastructure investment;	Skilled and capable workforce to support an inclusive growth path	Pillar 3: Accelerated social transformation	Gauteng's economy re-industrialised
Lowering the cost of doing business,	Outcome 6: An efficient, competitive and responsive economic infrastructure network	Special economic zones	An efficient, competent and responsive economic infrastructure network	Pillar 4: Transformation of the state and governance	Establish and maintain strategic economic infrastructure
Matching unemployed people to jobs	Outcome 7: Vibrant, equitable and sustainable rural communities	SMME support	Vibrant, equitable, sustainable rural community	Pillar 5: Modernisation of the Public Service	GGDA capacitated to deliver and implement efficiently and effectively on programmes such as: The move towards a greener future – green economy; knowledge based economy and creative industries; Building on the GCR through effective intergovernmental cooperation; Overseeing the Gauteng catalytic infrastructure investment programme Entrenching Gauteng's gateway to Africa by strengthening its competitive and comparative advantages; Building of a developmental state through a professional, skilled, ethical and accountable public service.
Providing a tax subsidy to businesses to reduce the cost of hiring people	Outcome 10: Environmental assessment and natural resources that are well protected and continually enhanced	Trade and investment facilitation	Protects that enhance our environmental assets and natural resources	Pillar 6: Modernisation of the economy	
Rewarding the setting up of new businesses including partnering with companies	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and the World, and	Reducing the cost of doing business in Gauteng 2009 (implementation framework);	Modernisation of the public service - An efficient, effective and development oriented public service.	Pillar 7: Modernisation of Human Settlements and urban development	
Reducing the cost of regulatory compliance – especially for small and medium sized firms	Outcome 12: An efficient, effective and development oriented public service	Gauteng BBBEEE strategy		Pillar 8: Modernisation of the Public Transport Infrastructure	
Supporting small business through better coordination of relevant agencies, development finance institutions, and public and private incubators		Gauteng Green Economy Strategy		Pillar 9: Re-industrialisation of Gauteng province	
Building an expanded skills base through better education and vocational training		Gauteng Tooling Initiative		Pillar 10: Taking the lead in Africa's new industrial revolution	
		Stronger articulation between macro and micro-economic policies			
		Industrial financing channeled to real economic sectors			
		Leveraging public and private procurement to raise domestic production and employment in a range of sectors, including alignment of BBBEE an industrial policy objectives and influence of private procurement			
		Developmental trade policies which deploy trade measures in a selected and strategic manner, including tariffs; enforcement and standards, quality assurance; and metrology measures			
Competition and regulation policies that lower costs for productive investments and for poor and working class households					
Skills and innovation policies that are aligned to the sector priorities					

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National Development Plan (NPD) August 2012	2014-2019 MTSF	Industrial Policy Action Plan (IPAP - 2014/15-2016/17) and the Gauteng Industrial Policy Framework (GIPF)	G2055 and Gauteng City Region	Alignment with Gauteng Provincial Pillars	GGDA's alignment with the DED 2014-2019 Strategic Plan
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5.2 A brief synopsis of the most relevant aspects as related to the AIDC's mandate, projects and operational activities in context with the above:

<p>The AIDC has a dedicated Enterprise Development Department, Skills Development and Training, Special Programmes, Operations and Government Incentives Support Department. All these through various project and other interventions contributes to the above objectives, or otherwise support and/or participate in them.</p>	<p>The AIDC directly contribute to job creation, skills development, as well as deploying various efficiency improvement projects across the auto sector manufacturers.</p> <p>The AIDC maintains very high standards of corporate governance standards with clean unqualified audits.</p>	<p>The AIDC's mandate focuses in particular on developmental support for the automotive and allied sector, with skills development and efficiency improvement projects. The ASP as an auto manufacturing hubs serves the surrounding OEMs thus contributing to a reduction in cost and improved competitiveness.</p>	<p>The AIDC directly contribute to job creation, skills development, SMME and BBBE development and improving townships – for 2015/16 the AIDC will implement an additional 4.</p> <p>The AIDC has a dedicated SHEQMAN process in place that operates across all its various sites.</p> <p>The AIDC has developed and is maintaining and operating the ASP, Rosslyn, the IC at Ford, the Learning Centre at Rosslyn and the Winterveld Enterprise Hub. The AIDC will during 2016/17 complete another auto incubation centre at Nissan with up to 8 SMMEE/BEE. The AIDC will also be engaged in the establishment and development of various township hubs.</p> <p>The AIDC maintains very high standards of corporate governance with clean unqualified audits.</p>	<p>The AIDC's mandate stretches across Pillars 1; 2; 4; 5; 6; 9 and 10 with various projects implemented and managed.</p> <p>The AIDC otherwise responds to market failures in instances where existing processes fail to achieve the desired results.</p>	<p>The AIDC is a Schedule 3C PFMA State Owned Company (SOC) that resorts under the Gauteng Growth and Development Agency SOC Ltd (GGDA) that falls under the Department of Economic Development (DED) of the Gauteng Province (GP).</p> <p>The AIDC is a developmental agency that focuses primarily on the automotive and allied sectors. At a secondary level, the transport and energy sectors are also assisted with supplier development and skills development and training. Both these sectors play a critical role in the output of the auto and allied sector.</p>
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6. SOUTH AFRICA'S 2016 SITUATIONAL ANALYSIS IN BRIEF

6.1 South Africa Economic Forecasts for 2016-2020 Outlook¹

The following excerpts of economic and related information are provided as part of the environmental scan of those aspects that have or may have a bearing on the AIDC mandate and its respective projects, many which are directly impacted due to the global nature of the automotive sector operating from South Africa, and importantly also from the Gauteng province:

Overview	Actual	Q1/16	Q2/16	Q3/16	Q4/16	2020	
GDP Growth Rate	0.70	0.3	0.5	1.3	2.75	2.1	%
Unemployment Rate	25.50	25.96	26	25.55	25.97	25.25	%
Inflation Rate	5.20	5.2	5.3	5.5	5.1	4.7	%
Interest Rate	6.75	6.75	6.75	7	7.25	7	%
Balance of Trade	8 221	1 493	3 128	3 579	3 560	3 221	ZAR Million
Government Debt to GDP	39	42	42	42	42	47	%

SA's economic growth outlook over the next couple of years is weak compared to historically as it continues to hike interest rates. Most commodity exporters have cut interest rates to stimulate growth. The IMF recently said "the weak commodity price outlook is estimated to subtract almost 1 percentage point annually from the average rate of economic growth in commodity exporters over 2015–17 as compared with 2012–14". It adds "commodity-exporting countries with more flexible exchange rates, less procyclical fiscal policy, and a higher level of credit to the private sector exhibit less growth variation over commodity price cycles." SA's fiscal policy is procyclical this year as it hikes taxes and slows expenditure growth, while the economy sees its growth dwindle. Marked rand weakness occurred this year, both on the commodity and emerging market effect. A return to global trend growth over the longer-term, and associated lift in the commodity cycle, could see the rand return. Overall, domestic demand is weak in South Africa, pressure on costs and profitability persist, while policy

¹ <http://www.tradingeconomics.com/south-africa/forecast> [accessed 15 February 2016]

*uncertainty, particularly threats to private sector property rights, undermines confidence and private sector fixed investment, with employment weak to lower.*²

A new economic report by FocusEconomics paints a bleak picture for the South African economy in 2016 and 2017. The report, which forecasts the outlook for Sub-Saharan Africa in 2016 and 2017, expects South Africa to experience the slowest growth out of all the major economies in the region. Real GDP growth is expected to be 1.6% (revised down from previous estimates of 1.7%) in 2016, optimistically increasing to 2.1% in 2017. Following massive turbulence in the market in the opening weeks of 2016, economists and analyst have revised GDP growth expectations for the country even lower – as low as 0.5% in some cases. “The county’s outlook is dim. The electricity and water supply constraint will hamper growth by both interrupting production and by discouraging investment,” the group said. “Moreover, a moderation in Chinese demand and low commodity prices will weigh on growth.” Further, the group warns that consumer inflation is likely to remain high in 2016, averaging 5.9% for the year, before easing to 5.7% in 2017. The South African Reserve Bank expects inflation to average 6.0% in 2016 and 5.8% in 2017, the report said.

*Inflation inched up from 4.7% in October 2015 to 4.8% in November, hitting a four-month high and putting pressure on the Central Bank to act. Against that backdrop of a depreciating currency and rising inflationary risks, the South African Reserve Bank hiked the repo rate to 6.25% in November. Economists have said that it is likely the Bank will again hike rates at the end of January 2016, pushing the repo rate up by 50 basis points or more. The FocusEconomics panel believes the repo rate will hit 6.85% in 2016, and may even rise to 7.05% by 2017.*³

Extracts for President Jacob Zuma’s “State of the Nation” speech on 11 February 2016. The President, amongst other announcements, stated the following:- “Our economy has been facing difficulties since the financial crisis in 2008. We embarked on an aggressive infrastructure development programme to stimulate growth. Our reality right now is that global growth still remains muted. Financial markets have become volatile. Currencies of emerging markets have become weak and they fluctuate widely. The prices of gold, platinum, coal and other minerals that we sell to the rest of the world have dropped significantly and continue to be low. The economies of two of our partners in BRICS: Brazil and Russia - are expected to contract this year. The third, China, will not register the kind of robust growth that it is known for. Because our economy is relatively small and open, it is affected by all of these developments. Our economy is also affected by domestic factors such as the electricity

² <https://www.investec.co.za/research-and-insights/economy/economic-research/macro-economic-forecasts/economic-outlook-2015--2019--south-africas-economy-on-the-slow-b.html> [accessed 15 Feb 2015]

³ <http://businesstech.co.za/news/business/109145/bleak-outlook-for-sa-in-2016-and-2017-report/...>[accessed 15 Feb 2015]

constraints and industrial relations which are sometimes unstable. The IMF and the World Bank predict that the South African economy will grow by less than one per cent this year. The lower economic growth outcomes and outlook suggest that revenue collection will be lower than previously expected.

Importantly, our country seems to be at risk of losing its investment grade status from ratings agencies. If that happens, it will become more expensive for us to borrow money from abroad to finance our programmes of building a better life for all especially the poor. First, our country remains an attractive investment destination. It may face challenges, but its positive attributes far outweigh those challenges. We must continue to market the country as a preferred destination for investments. This requires a common narrative from all of us as business, labour and government. We have heard the points about the need to create the correct investment support infrastructure. Government is developing a One Stop Shop/Invest SA initiative to signal that South Africa is truly open for business. We will fast-track the implementation of this service, in partnership with the private sector. Such an initiative requires that government removes the red tape and reviews any legislative and regulatory blockages.

We have established an Inter-Ministerial Committee on Investment Promotion which will ensure the success of investment promotion initiatives.

We have heard concerns from companies about delays in obtaining visas for skilled personnel from abroad. While we prefer that employers prioritise local workers, our migration policy must also make it possible to import scarce skills.

We need to empower SMMEs to accelerate their growth. Access to high-quality, innovative business support can dramatically improve the success rate of new ventures. The department of small business development was established to provide such targeted support to small business. Economic transformation and black empowerment remain a key part of all economic programmes of government. One of our new interventions is the Black Industrialists Scheme which has been launched to promote the participation of black entrepreneurs in manufacturing.

We urge big business to partner the new manufacturers including businesses owned by women and the youth, as part of broadening the ownership and control of the economy.

The incentives for the automotive sector have attracted investments of over twenty five billion rand over the last five years. We welcome key investments from Mercedes, General Motors, Ford [Gauteng], Beijing Auto Works, the Metair group, BMW [Gauteng], Goodyear and VW.

We are also encouraged by reports from NEDLAC that a framework to stabilize the labour market by reducing the length of strikes and eliminating violence during strike action is being finalized...

6.2 Gauteng in general

During the 2016 State of the Province speech of the Premier, Honorable David Makhura (on 22 February 2016), re-iterated that nothing is more urgent than giving hope to our youth through quality education, decent employment and sustainable entrepreneurship opportunities. Even in the midst of a difficult and volatile global and domestic economic environment, Gauteng's economy has enormous potential to create more jobs and grow in an inclusive manner. Gauteng remains the industrial hub of our country and the SADC region and we are taking bold steps in driving infrastructure development, innovation, investment, regional integration, inclusion, institution-building and industrialisation, in line with the National Development Plan (NDP) and the transformation, modernisation and re-industrialisation drive (TMR).

As the pioneers of the township economy revitalisation the Province is making significant progress in empowering township-based enterprises, cooperatives and SMMEs. However the Premier stated that "We cannot change the global economic conditions, but we can do a lot to change the local conditions. Let us work together to turn the situation around. It can be done." Despite the tough global and national economic conditions, Gauteng has maintained its position as the economic powerhouse of South Africa, contributing 35% to the South African economy in 2015, as compared to 33% in 1997. Our economy has consistently been growing above the national average, at 4.2% between 2003 and 2013. In 2013 our growth rate was the highest in the country at 2.6%. However, our growth has slowed down dramatically in 2015 as a result of the current economic conditions. The Premier speech also contains and alluded to the following:

With regard to employment, Gauteng contributes 42% to national employment and has the highest labour absorption rate. In 1996, there were 2.5 million people employed in the Gauteng economy. And twenty years later, there are 5 million people employed in Gauteng.

More interestingly, during the past twelve months of the fifth administration, 191 000 jobs have been added to the formal Gauteng economy, while the informal sector has created 150 000 new jobs. These facts are contained in the September 2015 Quarterly Labour Force survey.

Consequently, our economic interventions should seek to achieve the following:

- *Change ownership patterns to bring black people into the economic mainstream and create black industrialists;*
- *Change the current industrial structure of our economy to privilege manufacturing through the processing of rich mineral resources and other raw materials locally;*
- *Develop new modern, innovation-driven industries in the areas of high-tech, pharmaceuticals, biotechnology, the green economy and blue economy;*
- *Invest hugely in skills development to change the skills profile of the citizenry in line with the new strategic sectors identified;*
- *Change income distribution to enhance equity and raise the living standards of all our people;*
- *Transform the apartheid spatial economy and human settlement patterns to integrate economic opportunities, transport corridors and human settlements;*
- *Grow the SMME sector as a key driver of growth and revitalise and mainstream the township economy;*
- *Strengthen the capacity of the state to direct economic development and enhance the competitiveness of strategic economic sectors through active industrial policy;*
- *Ensure significant investment in infrastructure as the key stimulator for inclusive growth and economic development;*
- *Build transformative partnerships between the private and public sector in addressing the developmental challenges outlined in the National Development Plan Vision 2030.*

With regards to the Manufacturing and its sub-sectors, the Premier observed that these will continue to receive our full attention as part of our re-industrialisation drive. We will focus on those manufacturing sub-sectors and industries which have huge employment, empowerment and export potential in our economy. The automotive industry, mining capital equipment manufacturing, petro chemical products, rubber and plastic products, electronics, ICT components, biotechnology and pharmaceuticals, furniture manufacturing will be priority areas of work. In the Northern Corridor, which accounts for 40% of our national vehicle production, BMW has invested R6 billion to expand its work on the BMW X series. In addition there is an increase in the levels of production at the Nissan plant in Rosslyn.” Of note is the fact that Iveco will also produce trucks and busses in the same area. The AIDC developed the BMW localization programme. However, one third of the implementation depends on availability of funding.

The feasibility study to build the ‘Automotive City’ as a post-apartheid city in Tshwane had been completed and a master development plan will be done followed by a detailed precinct

plan. The Automotive City will further strengthen the Northern Corridor as an investment destination of choice for the automotive sector, especially for further export into the SADC region.

6.3 The Automotive Sector

The automotive industry remains a major contributor to the GDP - close to 7%. It is one of the most important manufacturing sectors in the Gauteng economy and a primary exporter of manufactured goods – around 8%⁴. The auto sector accounted in 2015 for around 11,3% of total exports – up from 9,3% in 2014. It is also a major contributor to jobs, skills and socio-economic development. In terms of national industrial development goals and objectives, the *dti* wants to grow the automotive sector over the next 10 to 20 years to double its output, although recent economic projections indicate that such aspirations may be over optimistic. Nevertheless, the AIDC will continue with its collective efficiency improvement programme that addresses these needs across some 100 companies over the next 5 years. A concerted effort will have to be made to keep on improving the component manufacturing base's international competitiveness. South Africa not only faces Brazil, India and China as the biggest international competition in the auto sector, but several African countries that are aspiring to establish automotive manufacturing capabilities (one example is Nigeria). However there are clear indications of economic contractions in Brazil, Russia and to a lesser extent in China.

A Provincial strategy for the development of the **automotive sector** remains a key requirement to guide and inform investment opportunities and further development-related decisions for this sector. The AIDC's focus, therefore, remains on the automotive and allied sector with a particular bias to provide facilitation and assistance to the various OEMs and the Tier 1, 2 and 3 suppliers. The AIDC's focus will be expanded over the next five years to include allied auto sector activities with regard to the further growth anticipated in the local production of, for example, busses, heavy and medium commercial vehicles, utility vehicles for local government use, as well as construction and mining machinery and equipment.

Another key focus area is the **Automotive Supplier Park in Rosslyn (ASP)**. However, due to a lack of funding support to further develop the ASP, it cannot be optimally developed to cater for future demand as a result of growth in the automotive sector. The ASP remains largely reactive to requests for space or expansion by the industry. A value proposition initiative was launched in 2013 and a pipeline of potential investors was developed. A total investment of

⁴ Confirmed with Urban-Econ in July 2015

around R1,5bn to R2bn is needed for the ASP's further development in order to create a commercially viable entity that could be fully privatised in the next 5-10 years. Of the aforementioned figure, R360m is needed for the bulk infrastructure for Phase 3-5, the balance represents possible pipeline investors. The objective is to attract at least one more OEM to Gauteng (the Automotive Supplier Park (ASP) specifically) over the next two years, this is critically dependant of provision of bulk infrastructure in phases 3 to 5 (phase 4 is still owned by CoT). ASP has enough vacant land (referred to as Phases 1 and 2) to accommodate these expansions. Currently the vacant land of around 60 000m² is not serviced. BMW reportedly has taken a decision to invest R6 billion on its South African plant based, at Rosslyn, to manufacture the BMW X3 series. The manufacturing of this model will require supply of components from local automotive suppliers – part of the BMW localisation plans. This intention led to several infrastructure enquiries from several component manufacturers. These developmental opportunities for Phase 1 and 2 of the ASP are wholly dependent on the respective manufacturers securing production contracts from the respective OEMs (Nissan included) and that adequate funding being made available for the construction works at the ASP.

Gauteng is competing with the coastal region provinces for the automotive industry. As there is no seaport, Gauteng remains at a disadvantage with regards to production costs that could be achieved due to the rising cost of logistics. On a positive side, the location of Gauteng presents opportunities for accessing the African market, the general level of infrastructure and support services within Gauteng province is also an advantage. These opportunities, however, have not been properly captured as value propositions yet.

The AIDC will furthermore implement various interventions that are directly supporting the Government's 'integrated approach to SMME and co-operative development' programme, especially creating new (start-up) Black entrants into the automotive manufacturing sector. These are for example the existing incubation centre at Ford (1st of its kind with two Incubatees that graduated in 2015), with an additional one situated at Nissan in the making. These kinds of interventions also include certain township areas where specific automotive-related activities can be successfully established to revitalise the township economies – however, the key focus remains on the automotive and allied sector.

Job placement *per se*, albeit one of the AIDC's objectives remains a challenge, market forces and the low economic growth forecasts will undermine employment opportunities in this highly mechanised and robotised manufacturing sector. Global sourcing practices and the relatively low levels of local content further exacerbate the challenge. The automotive and allied sector

is also prone to industrial action. A contracted domestic economy is going to have an impact on especially new passenger vehicle sales. There is however a marked growth in the light and medium heavy commercial markets – both on exports and sales.

Further investments into the automotive industry are directly promoted by *the dti* at national level, through the new Automotive Production Development Programme (APDP) that succeeded the Motor Industry Development Programme (MIDP) in January 2012. It uses an Automotive Investment Scheme (AIS) rebate system to attract further investments resulting in the phasing out of the Productive Asset Allowance (PAA) claims which ceased on 31 March 2015. The DTI is reported to be reviewing the APDP for possible changes in 2016. No exact details are available as yet as to the impact of possible changes.

Some key automotive data specific to the Gauteng Province:

- Home to 5 vehicle assemblers all in the Tshwane region (BMW, Nissan (collaborating with Renault), Ford, Tata (M&HCV) and IVECO (M&HCV), while Mazda will commence with separate operations from Ford within the next 12 months (Hyundai established an assembly facility in Benoni);
- 180 component suppliers of the 350 national = 51%;
- 9,8m vehicles in the country = 40% in GP;
- Gauteng accounts for 36% of national vehicle sales;
- Investment by industry over the past 3 years: R 7.0bn;
- Investment planned over the next 36 months : estimated at R6bn;
- All OEM's have head-offices in Gauteng;
- Africa exports – 70% from Gauteng based automotive companies;
- Number of vehicles produced in Tshwane: 160 000 units (Rosslyn) + 85 000 units (Silverton) = 245 000 units.

6.4 The AIDC's Skills, Development and Training in context

The skills development and training programmes of the AIDC are in direct support of Pillars 1, 6 and 9. In the coming year there will be an increased focus on attracting external users from industry to the Learning Centre for its respective training programmes.

The AIDC has a dedicated Skills Development and Training Department that plans and coordinates all external training, up-skilling and mentoring programmes undertaken by the

Department itself, as well as the various other Departments in the AIDC. This Department furthermore liaises with various institutions (e.g. merSeta, FETs, HETs and Colleges), and the automotive sector regarding scarce skill development. A Skills Development Forum has been established where representatives of the aforementioned meet on a regular basis to discuss and consider plans to ensure alignment with the scarce skills needs of the auto sector. It must be noted that the AIDC makes no contributions to merSeta's skills development levy and does as such, not qualify for training funding support. However, the AIDC markets the facility to those companies that do pay the merSeta levies, thus creating the opportunity to earn 'indirect income' from merSeta, via their levy paying members.

The automotive industry currently does not have a specialised Skills Development and Training institution that caters for and addresses their skills gaps as identified in the annual Sector Skills Plan (SSP) developed by the merSETA. The Gauteng Automotive Learning Centre has been established with the sole purpose of servicing and addressing the skills shortage in the Automotive Industry, with the intention to also offer a Total Quality Management Programme (TQM) which will address the needs of the full value chain involved with the production & distribution of the vehicle. The vision for this programme is to provide holistic training programmes that will address the skills needs of all industry stakeholders.

The Learning Centre's operating model is based on the following:

- First it was established with the Jobs Fund grant against DED match funding, in collaboration with Nissan that made a building available for this purposes.
- Secondly the Learning Centre will be partly funded from Opex and MTEF project funding while it moves gradually towards a lesser dependency on MTEF funding;
- A commercial business plan had been developed that assumes that the Learning Centre's courses can be offered against payment and the renting out of training facilities – both classrooms (theoretical) and practical technical training (i.e. the multi-functional technical laboratory facility). Income so earned will be used for paying professional Facilitators, maintaining the facility and expanding on the curriculum as required by the industry
- The financial business model aims to get the Learning Centre more self-sustainable in four years. Nissan will in the first couple of years be a primary customer and for the first eighteen months (by agreement) will not have to pay for utilisation as they carry the costs for water, electricity, rates and taxes, industrial waste removal and cleaning of all the technical training facilities
- The Learning Centre will work in collaboration with all relevant training institutions to address the skills shortage in the country and focus on the following industry segments, namely:
 - Original Equipment Manufacturers (OEM's) i.e. vehicle assemblers;

- Automotive Components Manufacturing (Tier 1 – 3);
- Dealer networks and after-market services; and
- Informal body and mechanical repairs sector.

One of the core pillars of the Learning centre business plan is building strategic relationships. This means that the Learning Centre will engage with both private and public Skills Development and Training service providers and build a support network. The Learning Centre is an accredited merSeta institution for technical skills development and training, focusing on the needs of the auto sector in particular. The development of a country is premised, amongst others on its ability to create a sustainable intellectual knowledge base that can assimilate information, acquire skills and utilises technology in order to build and enhance the industrial, economic and socio-economic base of a country.

The AIDC will furthermore keep on expanding the skills pool of trained young people who will become more employable. The Automotive sector requires purpose designed training and skills development programmes that are offered to young people through a skills pipeline approach. The AIDC's Gauteng Automotive Learning Centre will focus on this requirement in addition to looking at all training streams required by industry, science, technology, engineering, maths ('STEM' skills) will be a key priority. In addition to STEM skills, the scarce and critical skills gaps in the auto sector will be addressed through various training interventions.

The Learning Centre's curriculum, at the moment covers internationally certified *technical training (including artisans)* with SETA extension of scope in progress for accreditation in lieu of the NQF. The following technical skills programmes and qualifications will be available:

- Understanding Basic programmable logic controllers (PLCs);
- Install and program basic PLCs;
- Fault find and repair PLCs;;
- Workplace Safety;
- Basic Hand and skills usage of tools;
- Electrical Artisans,
- Automotive Component Manufacturing and Assembly.
- Pneumatics, Hydraulic and Robotics
- Autotronics and Mechatronics,
- CNC and Welding.

However, over and above the Learning Centre's training, there will be a continuation of various levels of skills development, training and mentoring occurring across the various other departments of the AIDC. These are for example:

- a) The **Skills Development and Training Department** is responsible for various external training programmes as related to technical and engineering training, artisans as well as productions simulator training (Ford and Nissan facilities). Also soft skills and ABET training consisting of: Time Management; Self-Management; Supervisor Development programme; Policy and Procedure Refresher Course, Basic Budgeting, HIV AIDS testing and counselling, Basic Computer Skills, Communication and Literacy skills. The AIDC's artisans' development plan will be rolled out as from 2016, as well as the establishment of a Trade Test Centre in the ASP to accelerate trade testing for qualifying artisans.
- b) The **Incubation Centres** (presently at Ford and later at Nissan) primarily focuses on BEE SMME business owner mentoring and operators training;
- c) The **Winterveld Enterprise Hub** focuses on mentoring of BEE SMME body shop owners, as well as upskilling and training body shop repairers (in panel beating and spray painting, etc.) – shop floor practical training.
- d) The **Supplier and Enterprise Development Department** addresses shop floor training into SME efficiency programmes, consisting of for example Total Productive Maintenance; Rapid Process Improvement; Lean Manufacturing; Cleaner Production; Quality Management Systems and Continuous Improvement, as well as Supervisor training (in auto production/manufacturing) – mostly shop floor practical training.
- e) **Training into Township Transformation and Re-industrialisation**, consist of the Concept for Townships Public Private Partnership with big business. Townships Manufacturing Management Development Training; Townships competitiveness and green economy workshops and training; Townships readiness assessment for manufacturing and auto related services and maintenance related activities. Township interventions on competitiveness and environmental projects including auto products recycling. This endeavour, as regards the training element, is a collaborative action between Business Development and Skills Development and Training, as well as Supplier and Enterprise Development. This intervention is however totally subject to adequate funding. A Township Enterprise Revitalisation (TER) 5 year plan will be developed and used as the basis for a structured approach.

6.5 Township development

The Gauteng Township Economy Revitalisation falls within the provincial pillars of Transformation, Modernisation and Re-industrialisation (the 'TMR' programme). Whilst the government has done a lot to ensure that townships become liveable and vibrant economic centres to its residents, little was done to re-invigorate the entrepreneurial spirit of township economies. Low levels of entrepreneurial activities hold innovation back and the poor rate of survival of small medium and micro enterprises is due to a combination of factors, including lack of access to commercial finance, high interest rates, poor value proposition and under-developed skills. The highly concentrated market structure dominated by established businesses tends to be associated with lower output, employment and higher prices in the affected sector.

For the township economy to thrive, there will be a need for the government and its agencies to consolidate the support as envisaged in many policies and strategies, review those that have become obsolete in supporting entrepreneurship and regulate with the view to make sure that township enterprises are more competitive, are able to enter new markets (not choked by the monopoly barriers to entry) and ease the cost of doing business through streamlined administrative burden.

Although the AIDC's Winterveld Auto Hub is cited as one model for possible replication across various other townships, there are numerous automotive related innovative and entrepreneurial types of projects that stand an equally good chance of being set-up as township enterprise models, with various configurations of business and ownership models possible.

Nevertheless, it is fully recognised that the systems of entrepreneur identification should be improved so that the resources of the state are used to support the genuine entrepreneurs as opposed to opportunistic ones. The culture of entrepreneurship must be nurtured and encouraged from an early age, and a call is being made to ensure that entrepreneurship is embedded in school curriculums. Furthermore, the SMME support organisations should partner with SETAs and institutions of higher learning to design programmes that capacitate and support SMMEs from infancy. Pioneer business people and business associations should be brought on-board to assist with the mentoring and coaching of emerging entrepreneurs, to impart their lifetime experiences – this requires a network of public and private support structures in collaboration with township communities in order to make it a viable concept.

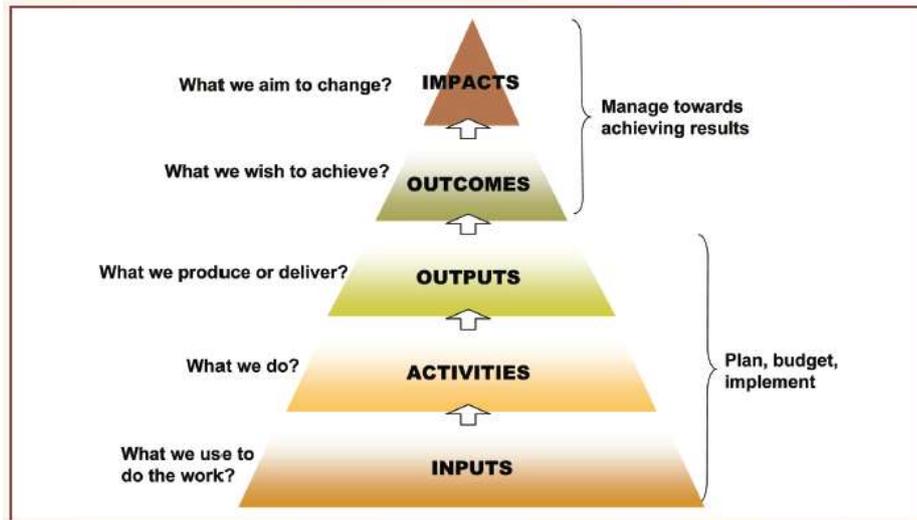
The AIDC five year Township Enterprise revitalisation plan will be rolled out as from 2016. One of the concepts developed in 2014/15, the End-of-Live-of-Vehicle (ELV) will be the subject of a full feasibility study in 2016/17.

7. PERFORMANCE DELIVERY ENVIRONMENT

This APP has been aligned, as much as is practically possible, with the DED's Strategic Goals and Objectives to which the GGDA is aligned, as well as the AIDC insofar as these aspects are relevant to its mandate. The AIDC's three to five year **Key Goals Objectives** are as set out hereunder.

According to the performance monitoring process prescribed by National Treasury, performance information needs to be structured in such a manner that clearly shows how the AIDC uses available resources to deliver on its mandate. In this respect National treasury prescribes a process where the following terms are used:

- **Inputs:** all the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
- **Activities:** the processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
- **Outputs:** the final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver".
- **Outcomes:** the medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve", and
- **Impacts:** the results of achieving specific outcomes, such as reducing poverty and creating jobs.



The AIDC applies the “SMART” principle for selecting performance targets, i.e.:

- **Specific:** the nature and the required level of performance can be clearly identified
- **Measurable:** the required performance can be measured
- **Achievable:** the target is realistic given existing capacity
- **Relevant:** the required performance is linked to the achievement of a goal
- **Time-bound:** the time period or deadline for delivery is specified.

The AIDC has five key strategic objectives to fulfil. These are, in abbreviated format, as follows – details are as per Appendix A:

Strategic objective 1: <u>Gauteng’s economy radically transformed</u> . Revitalised and modernised township economies reflecting radical transformation and re-industrialisation of Gauteng’s economy					
KPI no	Short description	Quarterly targets			
		Q1	Q2	Q3	Q4
AIDC1a	WEH 10% independence ratio (cumulative)	10%	15%	20%	35%
AIDC1b	8 SMME operating	8	8	8	8
AIDC1c	100 vehicles repaired	15	25	30	30
AIDC1d	50 people trained	30	10	5	5
AIDC2	ELV feasibility	Tender	1 st report	2 nd report	Study report
AIDC12	Bus study	Tender	1 st report	2 nd report	Study report
AIDC3a	2 of 6 incubatees graduated (Ford)	Prep for 1	1 graduated	Prep for 2 nd	2 nd one graduated
AIDC3b	Appoint 2 replacements	Establish pipeline	Selecting candidates	Pre-incubation	Appointment
AIDC3c	Train incubatees and operators – 150	40	40	40	30
AIDC4a	Appoint 8 incubatees (Nissan)	Discussion with NSA re off-takes	Develop selection criteria	Interviews and selection	Appoint 8
AIDC4b	Factory layout designs – with equipment finalisation	ID of production machinery	Request for technical info	Design 1 st order layout	Finalise layout and equipment requirement
AIDC4c	Training of incubatees and operators – will only commence after incubatees had been appointed (2017)				

AIDC6	Auto City master plan	Initiation of plan	Completion of plan	Initiation of precinct plan	Completion of precinct plan
Strategic objective 2: <u>Gauteng's economy re-industrialised and modernised.</u> Develop and support automotive SMMEs, township enterprises and cooperatives participation in the value chain of the automotive economic sector					
KPI no	Short description	Quarterly targets			
		Q1	Q2	Q3	Q4
AIDC7a	40 companies intervened with efficiency improvement	10	15	10	5
AIDC7b	10% improvement	Gap analysis plus intervention	Gap analysis plus intervention	Gap analysis plus intervention	10%
AIDC7c	Train 260 people in efficiency improvement – shop floor	20	100	100	40
Strategic objective 3: <u>Skills development and training.</u> Appropriately skilled human resource and business capacity that meet the needs of a radically transformed economy					
KPI no	Short description	Quarterly targets			
		Q1	Q2	Q3	Q4
AIDC5a	1125 people under training in Learning Centre and Labs	110	584	250	181
AIDC5b	1000 people under training and mentoring	250	300	150	300
AIDC5c	95 people placed in jobs	People in training	People in training	Place adverts	Placed 95 people
AIDC5d	50% independence ratio (cumulative)	12%	25%	35%	50%
Strategic objective 4: <u>Infrastructure development.</u> To establish, maintain and manage strategic infrastructure					
KPI no	Short description	Quarterly targets			
		Q1	Q2	Q3	Q4
AIDC8	Mini factory 2 = 100% complete	Construction 70% completed	Construction 100% completed	De-snagging completed Issuance of occupancy certificate and hand over	Close out
AIDC9	IC @ NSA = 100% complete	Construction 70% completed	Construction 100% completed	De-snagging completed Issuance of occupancy certificate and hand over	Close out
AIDC10	Maintain 95% occupancy in ASP	95%	95%	95%	95% (on average for year)
AIDC13	Commence establishing a trade test centre at ASP	Identify suitable building and commence renovation	Do trade test equipment gap analysis and compile tenders	Tenders advertised and renovation at 80%	Renovation is complete and tender for second batch of equipment awarded
AIDC14	Factory facilities for MSSL at ASP	On hold			
AIDC15	Factory facilities for JCI at ASP	Tender scoping and award	Construction 10% progress	Construction 30% progress	Construction 50% complete
AIDC16	Factory facilities for Metalsa at ASP	Tender scoping and award	Construction 10% progress	Construction 30% progress	Construction 50% complete
AIDC17	Factory facilities for D&B Interiors at ASP	Tender scoping and award	Construction 10% progress	Construction 30% progress	Construction 50% complete
Strategic objective 5: <u>Modernisation of government and governance.</u> Modernisation of the public service - An efficient, effective and development oriented public service					
KPI no	Short description	Quarterly targets			
		Q1	Q2	Q3	Q4
AIDC11	80% budget spend – average over the year	80% budget spend	80% budget spend	80% budget spend	80% budget spend

Note: KPIs AIDC14; 15; 16 and 17 are subject to these companies being awarded production contracts from the respective OEMs and that adequate funding is obtained to do the construction works (including expansions/renovations, etc., at ASP). Par 17 contains the 'technical indicator description' that explains how the targets are to be interpreted, based on previous AG recommendation. The letter of approval to proceed with the agreement with the Independent Development Trust (IDT) for the development of these projects is managed by GGDA.

Specific performance indicators are detailed and elaborated on in **Appendix A**.

8. ORGANISATIONAL ENVIRONMENT

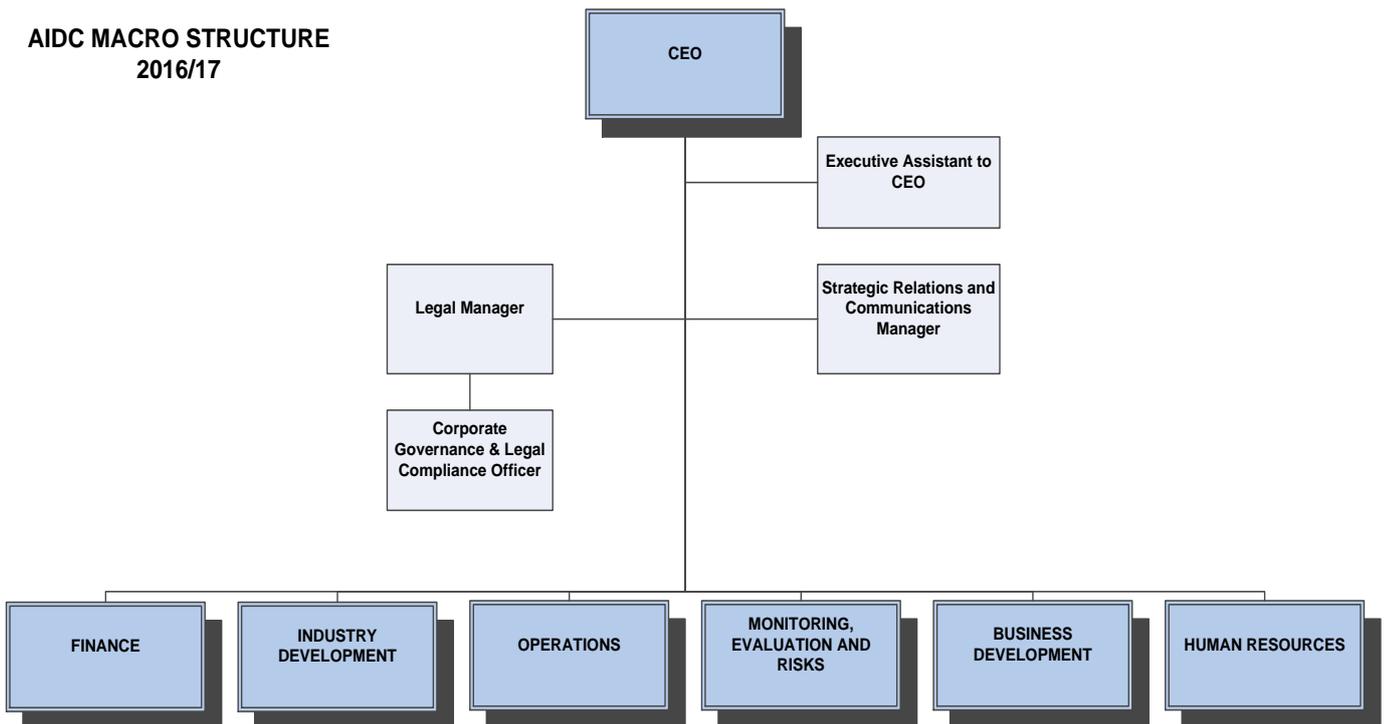
The GGDA is a holding company that is registered as a Schedule 3C public entity (State Owned Company - SOC). GGDA's sole shareholder is the Gauteng Department of Economic Development. The GGDA in turn wholly owns the AIDC Development Centre SOC Ltd, which is by default also a Schedule 3C public entity. The AIDC is accountable to its independent board that has been established in terms of the Companies Act.

The AIDC signs annually with GGDA a Shareholder's Compact that formally regulates the relationship between the two legal entities.

8.1 The current structure of the AIDC is reflected in the following functional organogram:

The AIDC's staff count is 224 of which 90 positions are vacant of which 6 are frozen for the time being.

**AIDC MACRO STRUCTURE
2016/17**



8.2 The AIDC falls under GGDA's Programme 2:



The Table below depicts the purpose of Programme 2, its sub-programmes and their functions.

BUDGET PROGRAMME:2	PURPOSE	SUB-PROGRAMMES	FUNCTIONS
Automotive Industry Development Centre (AIDC)	To develop the automotive manufacturing sector to globally competitive standards of excellence through a world-class value proposition which enables effective and sustainable socio-economic growth	Industry Development	Supplier and Enterprise Development Township Enterprise development Incubator Programmes SD&T (Skills, Development and Training – also AIDC ESDA) Learning Centre (with two simulator facilities) Special Programmes (including Automotive City) ⁵ Industrial policy development support to key stakeholders Automotive export support into SADC/Africa
		Operations	Facilities maintenance and improvement planning execution Construction projects ICT Management (also responsible for Business Continuity Management) – also providing shared services to tenants and incubatees SHEQMAN (Safety, Health, Environmental Quality Management System – all AIDC sites) Business Support Services (including Soft Services – AIDC office support; Conference Venue and Lapa at ASP and the Contact Centre and Help desk and SHEQ
		M&E and Risk	Strategic and operational planning coordination Business Plan Coordination Enterprise Risk Management & Risk Registers Operations risk management– across all projects and all sites Reporting – performance tracking Projects performance monitoring Jobs Fund reporting (e-portal) Oversee M&E of operational and performance effectiveness Performance audit evidence collection Annual and or ad hoc economic impact assessments and/or economic trends reports/studies
		Business Development	New Business Sourcing – business intelligence Alternative Funding Enterprise Business Analysis – including township concept development Marketing, Corporate Identity and events Tenants leases, relationships, and tenant pipeline Business Intelligence
		Finance	Operations Projects

⁵ This Department will be reporting directly to the CEO

BUDGET PROGRAMME:2	PURPOSE	SUB-PROGRAMMES	FUNCTIONS
			Procurement Payroll Data Business Intelligence and Financial Systems Shared Services to Incubatees
		Human Resources	Recruitment and administration Employee wellness and relations Skills, development and training Shared Services to Incubatees

8. Monitoring System

The AIDC has a dedicated division responsible for the AIDC's business planning process that culminates in the drafting of annual business and performance plans. The latter is done in collaboration with all other AIDC departments and the Shareholder, as well as ensuring alignment with the shareholder's agreement. Continuous monitoring and evaluation actions are being undertaken to ensure excellent levels of compliance and performance reporting in adherence to prescribed levels of corporate governance. Enterprise risk management forms an integral part of this division's responsibilities and covers the identification and monitoring of risks from the lower operational levels up to strategic level. Risk mitigation plans are purposefully designed to mitigate risks to acceptable levels. Reporting occurs at various intervals and levels – internally to the ARC and Board, the Shareholder or otherwise to the Legislature and external stakeholders. Performance evidence is maintained throughout to facilitate the AIDC's target for unqualified and clean audits.

9. Risk Management Process and Challenges

Guided by the group-wide Risk Management Policy, the AIDC's Monitoring, Evaluation and Risk department, together with the management team (ManCo) under the chairmanship of the CEO, is ultimately responsible to the Board's Audit and Risk Committee (ARC) for ensuring full compliance with the GGDA Group risk management policy and the PFMA, as well as the compliance to many other governance requirements. The latter meets monthly, or even more frequently as the need arises, to assess and review AIDC's risks and to ensure that adequate risk mitigation actions are in place and/or that preventative or corrective actions have been taken. This process is subject to continuous monitoring and evaluation. The AIDC's strategic risk register is reviewed and approved by the Board on an annual basis through a special Board risk workshop. The AIDC also regularly engages with the GGDA to ensure alignment and oversight by the shareholder. Risks are managed from the lowest to the highest level right through the company and reviewed monthly at organisational, departmental and project levels.

10. The detailed budget as contained under Appendix C (not published due to company commercial and project budget information contained in it).

The details of the AIDC's funding requirements in respect of Opex, project and capex needs are contained in this Appendix C. The bulk of the budget will be spent in the Northern Corridor development of the Province.

The AIDC is implementing a commercial approach to the Gauteng Automotive Learning Centre and the Winterveld Enterprise Hub to increase its respective independence ratios over the next 3 to 5 years to about 80% self-funded. This is now also part of the AIDC's performance scorecard under Appendix A. This is a planned progressive process that is highly dependent on the open market and subject to market, labour, environmental and economic changes.

11.1 AIDC Programme: Reconciling Performance Targets with the Budget and MTEF

11.1.1 AIDC Programme: Expenditure Estimates

MTEF R thousand	Outcome			Main original appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
	2012/13	2013/14	2014/15				2015/16		2016/17	2017/18
Total payments and estimates	87 786	122 112	95 369	60 572	82 772	22 200	71 000	80 000	85 000	80 000

11.1.2 Summary of Economic Classification: AIDC

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16		2016/17
Current payments	70 232	56 113	52 905	47 430	39839	-7591	60 207	65 521	54 208
Compensation of employees	38 046	38 136	35 470	41 172	32 600	-8572	45 993	47 220	44 859
Goods and services	32 186	17 977	17 435	6 258	7239	981	14 214	18 301	9 349
Interest and rent on land		-	-						
Payments for capital assets	14 884	65 142	42 563	16 570	33333	+16763	19 793		
Buildings and other fixed structures	14 564	49 152	29 405	13 270	38 261	24 991	19 793	20479	25 792
Machinery and equipment	320	15 990	13 158	3 300	3 300				
Total economic classification	85 116	121 255	95 468	64 000	81 400	17 400	80 000	85 000	80 000

11.1.3 Long term capital requirements not on the budget at present

Site	Possible Tenant	Building size	Total Cost	2016/17	2017/18	2018/19	2019/20
Various	TBC	34 150	539 000 000	265 570 000	486 000 000	262 500 000	260 000 000

11.1.4 MTEF expenditure estimates

Various programmes – totalling R30m for 2016/17 specifically.

11.1.5 Performance and Expenditure Trends

The expenditure for the 2011/12 financial year amounted to R157 million and decreased to R149 million in the 2012/13 financial year. The expenditure for 2013/14 was increased to R158 million. This fluctuation is due to the AIDC fluctuations in payments for Water and Electricity utilized by tenants, in the Automotive Supplier Park. This is recovered from the tenants.

a. Expenditure trends:

	2011/12	2012/13		2013/14		2014/15	Variance
	R'000	R'000	Variance	R'000	Variance	R'000	
Total Expenditure	157 439	148 725	-6%	158 379	6%	161 749	2%

b. Total Revenue trends:

Total Revenue including capital grants received	2011/12	2012/13		2013/14		2014/15	Variance
	R'000	R'000	Variance	R'000	Variance	R'000	
	191 640	209 474	9%	205 382	-2%	197 566	-4%

c. Total MTEF Grant trends

Included in total Revenue:	2011/12	2012/13		2013/14		2014/15	Variance
	R'000	R'000	Variance	R'000	Variance	R'000	
Total Grants only, incl. Capital grants	110 418	116 513	6%	121 255	4%	97 749	-19%

11.1.6 Budget summary for 16/17

Over the 2015 MTEF, the total programme budget decreased from R82 million in 2015/16 to R71 million in 2016/17. Outer years 2017/18 are R 80 million.

All figures are VAT inclusive	2015/16	2016/17	2017/18	2018/19	2019/20
MTEF Budget	82 786 344	71 000 000	80 000 000	85 000 000	80 000 000
Variance year on year		-14%	12.6%	6%	-5.8%

The largest portion of the budget is allocated to the Nissan Incubation Centre situated at Nissan, as it is the matched funding commitment as per the contractual agreement with the Jobs Fund of AIDC. In the 2011/12 financial year, the budget for this project was R1,6 million and increased to 14,2 million in 2012/13 whilst in 2013/14, a significant increase of a total of R 49,1 million is reflected which is due to the construction of the Learning Centre. Over the 2015 MTEF the allocation decreases to R17 million in 2014/15, 2015/16 has R 29 million committed and R3.3 million in the 2016/17 financial year.

11.1.7 OPEX budget (including wages)

The company's manpower bill is partially funded by an Opex budget allocation, as follows: This Opex allocation from the MTEF budget covers about 45% of the salaries of staff, in the baseline year of 2015/16. The allocation reflected in the table includes VAT and includes related manpower costs¹:

Budget activity	2015/16	2016/17 Required allocation	2017/18	2018/19	2019/20
Project AIDC01 - Opex	R 32.4 million	R 41.2 million	R 47.1million	R 45.8million	R 47.1 million

¹ Note: Other project allocations are as per section 11.1.3

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

12 AIDC Programme Strategic Objective Annual Targets for 2014/19 and alignment

The table hereunder reflects on the AIDC's key operational objectives and their alignment its strategic goals and objectives – projects are grouped per strategic objective in Appendix A. These are aligned with the objectives of GGDA and DED.

The impact of the key operational objectives supporting the AIDC's strategic objectives, being pursued by the AIDC in the interests of further developing the automotive and allied sector – with a primary focus on Gauteng's Northern Corridor:				
Key operational objective number:	Activity	Output	Outcome	Impact
1. Providing support to key stakeholders in industrial strategy development. In support of Strategic objective 1.	Support strategy development; Support policy development; National and Provincial alignment; Growth nodes identified; Secure government and provincial buy-in. Collaboration with GGDA, DED and DTI.	Provide support towards a provincial industrial development policy with clearly defined aims, goals and objectives related to the expansion of the auto sector in GP primarily and nationally at a secondary level – this objective is linked to objective number 8. New vehicle technologies emerging strategy.	A redefined government incentive scheme that would attract additional OEMs with a resultant expansion of T1-5 activities. Target date: 2016/17	Gauteng becomes the preferred automotive hub in South Africa with resultant increase in FDI/DDI, increased manufacturing, higher levels of local content, exports and jobs.
2. Infrastructure development for expansion/growth. In support of Strategic objective 4.	Developing of attractive value propositions to attract FDI/DDI; Key focus is expanding the ASP, Rosslyn to its fullest potential; Development the 5th world auto city in the northern corridor of Tshwane Metropol (TAC).	Identified potential investors that can be influenced through a well-structured and argued value propositions with supporting economic impact assessments.	At least R1,5 billion in investment secured for the ASP's further development. R360m of this is for bulk infrastructure. A pipeline of investors/developers identified and contracted for the development of the TAC. This initiative commenced in 2012 and spans a 50 year development horizon.	Increased levels of manufacturing, supported with a well skilled pool of workers. Increased levels of job (thousands). Increased levels of socio-economic upliftment thus reducing poverty and redistribution of wealth.
3. Supplier Competiveness Improvement. In support of Strategic objectives 2 and 3.	The rolling out of various improvement projects in the Tier 1,2, and 3 supply chain that include: Total productive maintenance (TPM); Rapid Improvement Processes (RIP); Lean Manufacturing (LM); Continuous Improvement Programmes (CIP); Cleaner Production (CP).	22 automotive companies assisted on an annual basis. – for 16/17 the number is 40	The respective interventions achieve a collective of 10% efficiency in production. This programme commenced in 2009 and is based on a continuous interventions programme, benchmarked against international best practices (e.g. UNIDO and JICA).	This process enables Tier 1, 2 and 3 suppliers to be more competitive and thus be able to attract more business and thus expanding production that leads to increased levels of job creation.
4. Scarce and critical skill development. In support of Strategic objective 3.	Establish an accredited Gauteng Automotive Learning Centre in Rosslyn; Develop a curricula that addresses the scarce and critical skill of the auto and allied sector; All training and skill development and mentorship programmes form part of the accredited curricula of the Learning Centre.	To train, up-skill and mentor some 2500 people per annum.	An increased pool of skilled and trained people that can be absorb by the anticipated expansion of the autos sector's manufacturing output as a consequence of the various other programmes deployed in parallel. The AIDC had been involved in critical skills development since the mid-2000s and this is a continuous rolling programme. A dedicated Gauteng Automotive Learning Centre had been established in 2014 and will be fully operational as from quarter three 2015.	A readily available skilled worked force that can attend to the manufacturing and production needs and demands of and expanded auto sector. The readily availability of a skilled work force dramatically improve on manufacturers' start-up and output as there is a much shorter on-the-job learning curve involved.
5. Township development. In support of Strategic objectives 1,2 and 3.	To identify automotive related activities suitable for deployment and Operationalisation in	The Winterveld Enterprise Hub for body shop repairers is already operational with 8 BEE	A full feasibility on the ELV concept completed.	Radical transformation of the Townships, creating industrial and productive activities

The impact of the key operational objectives supporting the AIDC's strategic objectives, being pursued by the AIDC in the interests of further developing the automotive and allied sector – with a primary focus on Gauteng's Northern Corridor:

Key operational objective number:	Activity	Output	Outcome	Impact
	Townships.	SMMEs operating through it. Several more township hubs might be further developed over the next three to five years, in collaboration with DED TER.	Several township hubs operationalised with automotive related activities and over time brought to an enterprise self-sustainability level managed and operated by the respective Township communities. By 2018/19 the AIDC anticipates that it will be operating and managing several township hubs.	that would create jobs and improve socio-economic conditions.
6. Incubation Programmes. In support of Strategic objective 1, 2, 3 and 4.	Create, establish, operate and maintain automotive incubation centres in collaboration with respective OEMs; Negotiating multi-party off-take agreements; Identifying, selecting and contracting BEE SMME entrepreneurs; Train and mentor these entrepreneurs to become self-sustainable business operators providing manufactured goods to the Tier 1 and OEMs; Employ operators and shop floor stewards.	One automotive incubation centre established and operated at Ford Silverton with 6 BEE SMME owners with a work force of around 180-200 with 4 off-take agreements. A second incubation centre at Nissan Rosslyn with up to 8 BEE SMME owners with an anticipated work force of around 200-250 (off-take agreements will only be signed towards the latter part of 2016/17).	Trained business entrepreneurs that learned about production processes and the manufacturing of automotive parts, as well as how to run such a business from a business owner perspective, including HR and payroll as well as OHS, and graduate out of the incubation programme after 4-5 years and start running their own businesses. The IC at Ford commenced operations in 2012 with the 2 incubatees graduating during 2015/16, with 2 replacement incubatees appointed. The Incubation Centre at Nissan will only be operational by 2017/18.	New Black owned business entrepreneurs enter the traditionally white (and often foreign) owned and operated automotive manufacturing sector at component and retail levels.
7. Implementation of SHEQMAN in response to green development. In support of Strategic objective 1 and 5.	Establish a formal SHEQMAN process for all the AIDC sites; Establish and contract security services at the AIDC Sites.	A SHEQMAN plan for ASP, ICF, GALC, ICN, WEH and all new township hubs ² . Establish and manage security services contracts for all AIDC sites. IC at NSA will be coming on board by August /September 2016.	Full compliance to OHS and SHE legislation Proper security at all sites. Full implementation as from 1 April 2015 – thereafter continuously maintained and upgraded.	Improve health and safety standards and as a result a reduction of IOD incidents, waste management contributing to less pollution and proper security services reduces the prospects of loss of government own assets due to theft and or vandalism.
8. Anticipated involvement in an Automotive export development support plan. In support of Strategic objective 2.	Develop an extensive an export promotion support strategy in collaboration with NAAMSA, NAACAM, the Automotive Export Council and the DTI sector desks. Establish bilateral trade agreements with identified selective African States in collaboration with the DTI and Foreign Relations – targeting Nigeria in particular.	An approved export promotion plan that details the roles and responsibilities of all parties as well as addressing expectations.	Commence increased export activities into SADC and later expanding into wider Africa. Implementation planning and strategy will commence in 2015. The feasibility of this planned objective will be tested against the needs and expectations of the auto sector.	Increased manufacturing output as a result, earning of forex, increased local content production, increased job and socio-economic conditions. GP becomes the automotive export hub into Africa.
9. Facilitate job creation. In support of Strategic objectives 1, 2 and 3.	Pro-actively search job placement opportunities, especially for the students, trainees and mentees from Learning Centre.	Being instrumental in job placements.	More people absorbed in the production sector with permanent jobs. Job creation initiatives already commenced years ago and will continue as on-going/rolling objectives.	General improvement of socio-economic conditions, poverty reduction, improvement of quality of life.
10. Management a modern world class standard developmental government agency. In support of Strategic objective 5.	Maintains a value system accepted by all staff; Management commitment to excellence; Maintains a M&E and ERM system; Maintains a performance management system;	Business plan targets are cascaded right through the whole company. Ensuring KPI targets are met through diligent M&E, ERM and management review	The AIDC receives recognition for its management excellence. BCTWF surveys with a consistent above average score. Staff being put in a position to achieve above average performance in order to	The AIDC receives regular accolades from external entities recognising its performance of excellence.

² ASP – Automotive Supplier Park, Rosslyn; ICF – Incubation Centre at Ford; GALC – Gauteng Automotive Learning Centre; ICN – Incubation Centre at Nissan; WEH – Winterveld Enterprise Hub

The impact of the key operational objectives supporting the AIDC's strategic objectives, being pursued by the AIDC in the interests of further developing the automotive and allied sector – with a primary focus on Gauteng's Northern Corridor:

Key operational objective number:	Activity	Output	Outcome	Impact
	Training and development of AIDC staff; Diversity training and change management action pursued pro-actively.	processes. Regular reporting to the EXEC and Manco of the AIDC, the Shareholder (GGDA) the ARC and the Board. Dedicated purposely designed training and skills development interventions.	be recognised through the performance bonus scheme for their individual contribution. The AIDC had over the years been awarded many accolades – maintain strive for excellence.	It regularly receives clean and unqualified audits. It regularly receives BCTWF ³ and national awards and /recognitions.

³ BCTWF = Best Company To Work For

PART C: LINKS TO OTHER PLANS

13 Links to the long-term infrastructure and other capital plans and external projects.

There are basically four major infrastructure programmes in the scope of the AIDC:

- 13.1 Finding/sourcing between R1,5bn to R2bn to further develop the Automotive Supplier Park in Rosslyn over the next 5 years – R360m plus is needed for bulk infrastructure (the latter is included in the R1,5-2bn estimation);
- 13.2 Finding/sourcing around R500bn to fully develop the Auto City situated towards the North of Tshwane over the next 50 years.
- 13.3 Township infrastructure to accommodate automotive related projects (e.g. WEH model). R15m per hub setting up and then 5 years Opex of R5m p.a.
- 13.4 The End-of Life of Vehicle (ELV) project, if proven feasible, will require between R45m and R100m for one project.

14 The AIDC annually reviews all its operations and draft individual operational plans for the following disciplines:

- 14.1 Industry Development: Supplier and Enterprise Development Department
- 14.2 Industry Development: Skills development and Training Department
- 14.3 Industry Development: Special Programmes Department
- 14.4 Industry Development: Incubations Programmes Department
- 14.5 Industry Development: Enterprise Development Department
- 14.6 Operations: Facilities Planning and Maintenance Department
- 14.7 Operations: Safety Health and Environment Quality Management Section
- 14.8 Operations: Soft Services Department
- 14.9 Operations: ICT Department
- 14.10 Human Resources Department
- 14.11 Finance Department (including Procurement and Payroll)
- 14.12 Business Development (including Marketing)
- 14.13 Monitoring, Evaluation and Enterprise Risk Management Department (also responsible for coordinating the above operational planning process)

15 The AIDC also develops and annually review the business plans of the following four sites, which need to be moved to higher levels of financial independence from MTEF funding:

- 15.1 ASP – Automotive Supplier Park;

- 15.2 ICF – the AIDC Automotive Incubation Centre at Ford;
- 15.3 WEH – the Winterveld Enterprise Hub; the
- 15.4 GALC – Gauteng Automotive Learning Centre, and the
- 15.5 ICN – Incubation Centre at Nissan (to follow once the IC commences operations in 2017/18).

16 **External projects of the AIDC for 2015/16 are as follows:**

- 16.1 Supplier and Enterprise Development Department (including the Transnet project – transport sector) and UNIDO (United Nations Industrial Development Organisation) programme for development of tier 2 automotive component suppliers);
- 16.2 Skills Development and Training – Gauteng Automotive Learning Centre (unpacking of curriculum with a sector needs alignment); including AIDC ESDA for the Siemens Project (energy sector).

Technical Indicator Description Table.

This table explains how targets as defined in Appendix A are interpreted when reporting actual performance against each one

17 Technical Indicator Description (TID) for 16/17 Scorecard under Appendix A.

A	B	C	D	E	F	G	H	I	J	K	L
INDICATOR TITLE & POA REF NO.	SHORT DESCRIPTION	PURPOSE/ IMPORTANCE	INDICATOR RESPONSIBILITY AND REPORTING OFFICIAL	SOURCE/ COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR OR EXISTING INDICATOR?	DESIRED PERFORMANCE <small>(as per APP KPIs = desired and SMART compliant)</small>
Strategic objective 1: Gauteng's economy radically transformed. Revitalised and modernised township economies reflecting radical transformation and re-industrialisation of Gauteng's economy.											
AIDC01a	WEH fully operational	Township development – information originates from the project owner and collected via email reporting	N Kessery	IPD Fin M&E	The formula for calculating the independence ratio (IR = a) looks as follows: Non exchange income (including all operational MTEF and other grants, excludes all capital grants) = 'x' Exchange income (includes all other external funding) = 'y' Total income (x+y) = 'z' Independence Ratio (IR) = 'y' divided by 'z' = 'a' Without or inadequate grants, i.e. 'x' then 'a' (IR) is not possible because the grants i.e. 'x' is the seed funding required to successfully operate the project from which other external income i.e. 'y' is derived. External income 'y' is leveraged from the 'x' (grant) funding.	Outcomes	Impact	Mathematical; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	Monthly – PoA Quarterly APP	Existing	35% independence ratio
AIDC1b	SMMEs operating through the hub	SMME development – information originates from the project owner and collected via email reporting	N Kessery	IPD M&E	Number of township SMMEs operating through or making use of HUB's facilities and training/mentoring	Outcomes	Impact	Physical job cards; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	Monthly – PoA Quarterly APP	Existing	8 SMMEs operating through the Hub
AIDC1c	Vehicles repaired at/through the hub	Skills and socio-econ development – information originates from the project owner and collected via email reporting	N Kessery	IPD M&E	Number of vehicles repaired at/through the HUB's facilities. The allocation of Gov. vehicles for repair at the Hub falls outside the control of the AIDC. The number of vehicles at the time of reporting that are in the Hub for repair will be counted as well as the present capacity of the Hub is for 8 light and 4 medium/major repairs.	Outcomes	Impact	Physical job cards; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	Monthly – PoA Quarterly APP	Existing	100 vehicles repaired through the Hub
AIDC1d	Training body repairers	Scarce skills	N Kessery	IPD/WEH M&E	People are receiving on the job practical training and mentoring	Outcome	Impact	Number of people – training registers and reports	Monthly – POA Quarterly – APP	Was previously reported under the Learning Centre	To train, mentor and upskill informal sector body shop repairers – 50 people.
AIDC2	Township development concepts	Township development – information originates	Z Jansen	BDD	ELV Feasibility study. The final end result falls outside the control of the	Outcomes	Impact	A document	Monthly – PoA	New	ELV feasibility study completed

A	B	C	D	E	F	G	H	I	J	K	L
INDICATOR TITLE & POA REF NO.	SHORT DESCRIPTION	PURPOSE/ IMPORTANCE	INDICATOR RESPONSIBILITY AND REPORTING OFFICIAL	SOURCE/ COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR OR EXISTING INDICATOR?	DESIRED PERFORMANCE (as per APP KPIs = desired and SMART compliant)
		form the project owner and collected via email reporting		M&E	AIDC.				Quarterly APP		
AIDC12	Bus sector development	MHCV / auto sector development – information originates form the project owner and collected via email reporting	SPD Manager	SPD M&E	Bus sector development report. The non-collaboration of role-players in this field during data collection falls outside the control of the AIDC.	Outcomes	Impact	A document	Monthly – PoA Quarterly APP	New	Bus sector report completed
AIDC3a	Maintain operation at the IC at Ford	SMME and Black industrialists development – information originates form the project owner and collected via email reporting	N Kessery	M&E	Graduate Incubatees out of the IC. The sustainability of these graduates in their respective business domains falls outside the control of the AIDC and is not a measurable the AIDC can be held responsible for.	Outcomes	Impact	Graduation	Monthly – PoA Quarterly APP	Existing	2 incubatees graduated into other business
AIDC3b	Maintain operation at the IC at Ford	SMME and Black industrialists development – information originates form the project owner and collected via email reporting	N Kessery	M&E	Replacement of graduated incubatees. The actual suitability of replacement incubatees becomes only visible after a period of 12 months' monitoring and evaluation in the IC's operations. Call-off production for the IC falls outside the control of the AIDC.	Outcomes	Impact	Graduation	Monthly – PoA Quarterly APP	Existing	2 incubatees appointed and commence operation under AIDC mentorship
AIDC3c	Training operators and incubatees	Critical skills	N Kessery	IPD/ICF M&E	People are receiving on the job practical training and mentoring	Outcome	Impact	Number of people – training registers and reports	Monthly – POA Quarterly – APP	Was previously reported under the Learning Centre	To train, mentor and upskill SMME owners and operators – 150 people in total
AIDC4a	Establishing an IC at NSA	SMME and Black industrialists development – information originates form the project owner and collected via email reporting	N Kessery	IPD/ICN M&E	Appointment SMME incubatees. The non-availability of suitable candidates that did not pass testing and scrutiny is outside the control of the AIDC as this may lead to an extended selection process due to it having to be repeated until successful aspirant candidates can be found. NSA changes to the IC plans falls outside the control of the AIDC. Non approvals of revised plans by Jobs Funds falls outside the control of the AIDC.	Outcomes	Impact	Contract of appointment as incubatee.	Monthly – PoA Quarterly APP	Existing	8 incubatees appointed and commence operation under AIDC mentorship
AIDC4b	Commence operationalisation of the IC at NSA	SMME and Black industrialists development – information originates form the project owner and collected via email reporting	N Kessery	M&E	Fitting out of IC with required production equipment. This is dependent on NSA deciding on what parts to be outsourced to the IC operators, this falls outside the control of the AIDC. NSA changes to the IC plans falls outside the control of the AIDC. Non approvals of revised plans by Jobs Funds falls outside the control of the AIDC.	Outcomes	Impact	Equipment procured	Monthly – PoA Quarterly APP	Existing	IC production equipment plan and layout done
AIDC4c	Training operators (and	Critical skills	N Kessery	IPD/ICN	People are receiving on the job	Outcome	Impact	Number of people – training	Monthly –	Was previously	To train, mentor and

A	B	C	D	E	F	G	H	I	J	K	L
INDICATOR TITLE & POA REF NO.	SHORT DESCRIPTION	PURPOSE/ IMPORTANCE	INDICATOR RESPONSIBILITY AND REPORTING OFFICIAL	SOURCE/ COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR OR EXISTING INDICATOR?	DESIRED PERFORMANCE (as per APP KPIs = desired and SMART compliant)
	incubatees when appointed)			M&E	practical training and mentoring – the latter will only start happening after their appointments			registers and reports	POA Quarterly – APP	reported under the Learning Centre	upskill SMME owners and operations – as and when appointed
AIDC6	Development of an Auto City	Northern Corridor auto sector development – information originates from the project owner and collected via email reporting	SPD Manager / Dr D Masondo	SPD CEO M&E	Development of master plan. These services are rendered by professional contractors to the AIDC. The allocation of budget by the CoT in July 2016 falls outside the AIDC's control as this may impact on the deliverables for Q3 & 4.	Outcomes	Impact	Master plan document	Monthly – PoA Quarterly APP	New	Master plan with precinct plan (latter subject to CoT funding confirmed)
Strategic objective 2: Gauteng's economy re-industrialised and modernised. Develop and support automotive SMMEs, township enterprises and cooperatives participation in the value chain of the automotive economic sector											
AIDC7a	Auto sector efficiency improvement	Efficiency improvement in auto sector – information originates from the project owner and collected via email reporting	N Ben-Mazwi	SEDD M&E	Auto sector companies are the primary target of this programme – other sector expressing similar needs will be assisted depending on MTEF priorities and AIDC's resources – the intervention could be one or a combinations of quality, productivity, lean and clean manufacturing, total production maintenance, rapid improvement. Companies or its management refusing this service is outside the control of the AIDC especially as they are required to partly fund these interventions on a pro-rata basis.	Outcomes	Impact	Reports and contracts / SLAs	Monthly – PoA Quarterly APP	Existing	40 auto sector companies assisted
AIDC7b	Auto sector efficiency improvement	Efficiency improvement in auto sector – information originates from the project owner and collected via email reporting	N Ben-Mazwi	SEDD M&E	The % improvement is based on the outcomes of the specific intervention that is preceded by a gap analysis process to determine the exact causes of problems. The non-commitment of companies intervened and advised and them not implementing the proposed improvements and actions falls outside the control of the AIDC. Private companies, a large portion of them foreign owned refuse open books analysis of the economic impact of the AIDC's interventions.	Outcomes	Impact	Reports	Monthly – PoA Quarterly APP	Existing	An average of 10% efficiency is achieved across all 40 companies
AIDC7c	Shop floor training in various efficiency improvement projects	Critical skills Enhance productivity Global competitiveness	N Ben-Mazwi and C Pillay	SEDD M&E	People are receiving on the job practical training and mentoring. Non-certificated training.	Outcome	Impact	Number of people – training registers and reports	Monthly – PoA Quarterly – APP	Was previously reported under the Learning Centre	To train, mentor and upskill SMME owners and operators, shop floor stewards – 260 people
Strategic objective 3: Skills development and training. Appropriately skilled human resource and business capacity that meet the needs of a radically transformed economy.											
AIDC5a	Train, upskill and mentor people in the auto sector	Scarce Skills development – information originates	N Nelson	Learning Centre M&E	To train, upskill and mentor people in scarce skills as per the approved curricula and development plans that	Outcomes	Impacts	Approved curricula; Training attendance registers, merSeta and where relevant	Monthly – PoA Quarterly	Existing	1125 people trained

A	B	C	D	E	F	G	H	I	J	K	L
INDICATOR TITLE & POA REF NO.	SHORT DESCRIPTION	PURPOSE/ IMPORTANCE	INDICATOR RESPONSIBILITY AND REPORTING OFFICIAL	SOURCE/ COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR OR EXISTING INDICATOR?	DESIRED PERFORMANCE (as per APP KPIs = desired and SMART compliant)
		form the project owner and collected via email reporting			are aligned with the sector needs and approved by merSeta. The training, upskilling and/or mentoring can occur at the Learning Centre class rooms and its technical labs, or the ASP (for class room training). The number of people that are under and/or in training, as well as those that had finished training in the course of 16/17 are counted – training if done by either the AIDC or any other entity making use of the facilities. People that are under/in multi-year training and those that are rolled over from the previous year are also counted as 'people under/in training'. People's not commitment toward making progress, dropping out and not passing their respective programmes are beyond the control of the AIDC.			RMI and SAMBRA accreditation of training sites; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	APP		
AIDC5b	Train, upskill and mentor people in the auto sector	Scarce and critical Skills development – information originates form the project owner and collected via email reporting.	P Mkhabela	SD&T M&E	To train, upskill and mentor people in scarce or critical skills as per the approved curricula and development plans that are aligned with the sector needs and approved by merSeta. The training, upskilling and/or mentoring can occur at other places that the Learning Centre class rooms and its technical labs. The T6 and NSA simulator training is reported under this KPI. The number of people that are under /in training as well as those that had finished training in the course of 16/17 are counted. People that are under/in multi-year training and those that are rolled over from the previous year are also counted as 'people under/in training'. Training that is reported here includes Siemens, UNISA, ACMA and other external training programmes engaged in by SD&T.) People's not commitment towards making progress, drop-outs and not passing their respective progr. are beyond the control of the AIDC. 1 st right of use by FMCSA and NSA falls outside the AIDC's control.	Outcomes	Impacts	Approved curricula; Training attendance registers, merSeta and where relevant RMI and SAMBRA accreditation of training sites; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	Monthly – PoA Quarterly APP	New	1000 people under training
AIDC5c	Job placements	Reducing un-employment and addressing scarce skills gaps – information originates form the project owner and collected via	P Mkhabela	SD&T M&E	Placing of, either directly or indirectly causing jobless people to be placed into or taking up jobs as a result of them having received some levels of training, upskilling and mentoring as	Outcomes	Impacts	Record of employment – either a letter from the company, a salary note or an employment contract; non-cumulative for monthly and	Monthly – PoA Quarterly APP	Existing	95 people employed

A	B	C	D	E	F	G	H	I	J	K	L
INDICATOR TITLE & POA REF NO.	SHORT DESCRIPTION	PURPOSE/ IMPORTANCE	INDICATOR RESPONSIBILITY AND REPORTING OFFICIAL	SOURCE/ COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR OR EXISTING INDICATOR?	DESIRED PERFORMANCE (as per APP KPIs = desired and SMART compliant)
		email reporting			a result of the AIDC's programmes – only jobs of one year or longer will be counted and no students employed with stipends will be considered as employment. Poor economic conditions and market contraction with a reduced need for skilled people falls outside the control of the AIDC.			quarterly reports but cumulative for year-end reports.			
AIDC5d	Learning Centre (LC) fully operational	Economic independence of a state funded activity – information originates from the project owner and collected via email reporting	N Neslon	LC Fin M&E	The formula for calculating the independence ratio (IR = a) looks as follows: Non exchange income (including all operational MTEF and other grants, excludes all capital grants) = 'x' Exchange income (includes all other external funding) = 'y' Total income (x+y) = 'z' Independence Ratio (IR) = 'y' divided by 'z' = 'a' Without or inadequate grants, i.e. 'x' then 'a' (IR) is not possible because the grants i.e. 'x' is the seed funding required to successfully operate the project from which other external income i.e. 'y' is derived. External income 'y' is leveraged from the 'x' (grant) funding.	Outcomes	Impact	Mathematical; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	Monthly – PoA Quarterly APP	Existing	50% Independence ratio
Strategic objective 4: Infrastructure development. To establish, maintain and manage strategic infrastructure.											
AIDC8; 9 ; 14; 15; 16 and 17	Construction	Infrastructure development – information originates from the project owner and collected via email reporting	P Makgopelo	FMM Fin M&E	Construction of a mini factory, MSSL facilities, JCI facilities, Metalsa facilities and D&B Interior facilities in the ASP. The % progress reported is based on the actual payments made against payment certificates as a % of the budget allocated for the projects per annum. Poor contractor performance due to poor cash flow management and subsequent poor sub-contractors, appointed by the main contractor performance falls outside the control of the AIDC. So does poor weather conditions that delay construction progress.	Outcome	Impact	Progressive monitoring of completion; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	Monthly – PoA Quarterly APP	Existing	100% completed construction work for Mini factory at ASP and the IC at Nissan. For the other construction projects at ASP only 50% completion is planned for. Condition: The other construction projects at ASP subject to the respective

A	B	C	D	E	F	G	H	I	J	K	L
INDICATOR TITLE & POA REF NO.	SHORT DESCRIPTION	PURPOSE/ IMPORTANCE	INDICATOR RESPONSIBILITY AND REPORTING OFFICIAL	SOURCE/ COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR OR EXISTING INDICATOR?	DESIRED PERFORMANCE (as per APP KPIs = desired and SMART compliant)
											contractors be awarded production contracts by OEMs and that adequate funding for the construction is made available.
AIDC10	Maintain tenant occupancy at ASP	Infrastructure utilisation – information originates from the project owner and collected via email reporting	J Mashaba	BDD M&E	The percentage of lettable space being utilised by tenants and AIDC – calculated as the year-end average over four quarters. Poor economic conditions that impacts on the sustainability and profitability of tenants that are forced to terminate lease agreements fall outside the control of the AIDC.	Outcome	Impact	Mathematical; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	Monthly – PoA Quarterly APP	Existing	95% occupancy maintained
AIDC12	Establishing a trade test centre at ASP	There is a huge backlog with trade testing and certification of qualifying artisans	P Makgopelo (FMM) for renovation of existing building and Natalie Nelson (LC) for design layout trade testing process and accreditation with assistance SD&T.	FMM LC M&E	Progress weighed reports against set targets. There distinct activities in this KPI: 1. Identifying suitable space at ASP 2. Design the layout 3. Renovate the building and effect construction works as needed. 4. Trade test equipment per trade test testing point. 5. Tender scope for equipment. 6. Tender award and delivery and commissioning of equipment. It is unlikely that any trade tests will be conducted/possible in this year 16/17. Lack of adequate funding will delay operationalisation.	Outcome	Impact	Progress reports and tenders	Quarterly APP	New	Commence establishing a Trade test centre at the ASP
Strategic objective 5: Modernisation of government and governance. Modernisation of the public service - An efficient, effective and development oriented public service											
AIDC11	To maintain targets for BBBEE spend as a % of budget spend	Preferential procurement – information originates from the project owner and collected via email reporting	S vd Merwe	Procurement	Budget spend – average over the year – using the preferential points scoring as the basis of reporting. Poor BBBEE performance, misrepresentation, black listing Tax clearance certificates and fronting by tenderers/suppliers fall outside the control of the AIDC.	Outcome	Impact	Mathematical; non-cumulative for monthly and quarterly reports but cumulative for year-end reports.	Monthly – PoA Quarterly APP	Existing	80% BBBEE spent

APPENDIX A – AIDC Corporate Scorecard – Year **three of the Five Year Plan**

AIDC Strategic Objectives - annual targets for 2014/15 up until 2018/19 (MTEF).

Interpretation of targets are set out in the “TID” Table under par 17 above.

Strategic objective 1: <u>Gauteng's economy radically transformed.</u> Revitalised and modernised township economies reflecting radical transformation and re-industrialisation of Gauteng's economy.														
Strategic Objective	5 Year Target result statement	Performance Indicator	Base-line Estimate 2013/14	MTEF Targets					Annual Target 2016/17	Quarterly Targets				PI NO
				Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017-18	Year 5 2018-19		Q1	Q2	Q3	Q4	
To develop automotive projects in To develop various townships (as part of the TER strategy)(Note: This objective addresses specific plans for developing automotive projects in various townships (as part of the TER strategy) [Pillar 1: Radical economic transformation; Pillar 6: Modernisation of the Economy; Pillar 9: Re-industrialisation of GP]	Establish, maintain and operate at least 15 automotive-related township hubs	Establish, maintain and operate various automotive-related township hubs (Project: AIDC43)	WEH fully operational	WEH fully operational	10% independence ratio	35% independence ratio	60% independence ratio	80 independence ratio	35% independence ratio	10% independence ratio	15% independence ratio	20% independence ratio	35% independence ratio	AIDC 1 a
				5 SMME operating through the Hub	8 SMME operating through the Hub	8 SMME operating through the Hub	10 SMME operating through the Hub	8 SMME operating through the Hub	8 SMME operating through the Hub	8 SMME operating through the Hub	8 SMME operating through the Hub	AIDC 1 b		
					100 vehicles repaired or under repair	100 vehicles repaired or under repair	100 vehicles repaired or under repair	100 vehicles repaired or under repair – this is a yearend target only	15 vehicles repaired or under repair	25 vehicles repaired or under repair	30 vehicles repaired or under repair	30 vehicles repaired or under repair – by year-end - 100 in total	AIDC 1 c	
					50 body repairers trained	50 body repairers trained	50 body repairers trained	50 body repairers trained	30 body repairers trained	10 body repairers trained	5 body repairers trained	5 body repairers trained for Q4 – but for the year 60.	AIDC1d	
Establishing of BEE SMME automotive incubation centres and to provide assistance to the			New Township hubs (as from 14/15) (Project: AIDC 44 /1)	Do 2 concepts – desk top studies only	Develop 3 concepts, for automotive-related projects for townships with and under the directives of GGDA	ELV feasibility study completed	Further concepts and feasibilities undertaken as and when required/viable	Further concepts and feasibilities undertaken as and when required/viable	ELV feasibility study completed	Publish tender and award contract	First progress report	First draft report submitted and reviewed by AIDC	Final feasibility study received	AIDC 2

Strategic objective 1: Gauteng's economy radically transformed. Revitalised and modernised township economies reflecting radical transformation and re-industrialisation of Gauteng's economy.

Strategic Objective	5 Year Target result statement	Performance Indicator	Base-line Estimate 2013/14	MTEF Targets					Annual Target 2016/17	Quarterly Targets				PI NO
				Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017-18	Year 5 2018-19		Q1	Q2	Q3	Q4	
auto sector manufacturers to improve efficiencies and global competitiveness	MHCV sector development	Developing the bus sector (development plan) (AIDC Project 45)	MHCV study report done			Bus sector report completed	Development plans formulated	Developmental action implemented	Bus sector report completed	First progress report submitted	Second progress report submitted	First draft report submitted	Final study report submitted.	AIDC 12
	Maintain and operate at least two Automotive Incubation Centres	Number of BEE SMMEs incubated at the AIDC Automotive incubation centre (ICF), Ford Silverton (Project: AIDC05)	6 SMMEs maintained operations at the IC	6 BEE SMMEs maintained operations at the IC	6 BEE SMMEs operating from the IC	2 graduations	No graduation this year	1 graduated	2 graduation	Preparations for 1 st graduation	1 x graduation completed	Preparation for 2 nd graduation	1 x graduation completed	AIDC 3 a
				And 2 new BEE Incubatees recruited as replacements.	And 2 new BEE Incubatees recruited as replacements.	N/a	1 new BEE Incubatees recruited as replacements.	2 new BEE Incubatees recruited as replacements	Commence establishing a pipeline for selecting replacements	Selecting of possible candidates	Pre-incubation induction	Appointment of 2 new Incubatees	AIDC3 b	
				Mentoring and training of SMME owners and their operators – 150 in total	Mentoring and training of SMME owners and their operators – 150 in total	Mentoring and training of SMME owners and their operators – 150 in total	Mentoring and training of SMME owners and their operators – 150 in total	Mentoring and training of SMME owners and their operators – 150 in total	Mentoring and training of SMME owners and their operators – 40 in total	Mentoring and training of SMME owners and their operators – 40 in total	Mentoring and training of SMME owners and their operators – 40 in total	Mentoring and training of SMME owners and their operators – 30 for Q4 - but 150 in total	AIDc3c	
		Number of BEE SMMEs incubated at the Automotive incubation centre (ICN), at Nissan Rosslyn (Project: AIDC22/3) One part of	0	Establish the Incubation Centre	8 candidates identified and shortlisted for incubation	Up to 8 candidates identified for establishing in the IC to commence production in 2017/18	Up to 8 Incubatees commence production with full shared services provided by AIDC (HR, Payroll, Fin, SCM and ICT)	Up to 8 candidates operating from the incubation centre with production with full shared services provided by AIDC (HR, Payroll, Fin, SCM and ICT)	Up to 8 candidates identified for establishing in the IC to commence production in 2017/18	Commence discussion with NSA and Tier 1 entities with regards to off-take and incubation	Develop criteria for incubatee selection and place advertisement	Interviews and selection process completed	Appointment of 8 candidates into Pre-Incubation Programme	AIDC 4 a

Strategic objective 1: Gauteng's economy radically transformed. Revitalised and modernised township economies reflecting radical transformation and re-industrialisation of Gauteng's economy.

Strategic Objective	5 Year Target result statement	Performance Indicator	Base-line	MTEF Targets					Annual Target	Quarterly Targets				PI NO
			Estimate 2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017-18	Year 5 2018-19	2016/17	Q1	Q2	Q3	Q4	
		the NISP with DBSA)				Factory/ incubator production line designs and determination of final equipment requirements – for issuance of tenders for equipment.	Operational – with 8 incubatees in various stages of production output	Operational – with 8 incubatees in various stages of production output	Factory/incubator production line designs and determination of final equipment requirements – for issuance of tenders for equipment.	Identification of production machinery requirements	Request for technical information of possible equipment suppliers	Design first order production layout	Final production layout with a final list of machinery and equipment compiled for issuance of tenders	AIDC 4 b
						Mentoring and training of incubatees – once appointed (2017)	Mentoring and training of incubatees and their operators – 150 in total	Mentoring and training of incubatees and their operators – 200 in total						AIDC4c
To Establish a World Class Automotive City Pillar 1: Radical economic transformation; Pillar 6: Modernisation of the Economy; Pillar 9: Re-industrialisation of GPJ	To Establish a World Class Automotive City	Completed TAC Development Framework, Master Plan, Precinct Plans with Design Guidelines (AIDC Project 46)	Pre-concept study completed	No funding this year – pursuing partnership with CoT	Completion of the TAC Development Framework (non-MTEF funded)	Completed TAC Master Plan and first draft of the Precinct Plan	Completed Precinct Plans and commence with TAC Design Guidelines and TAC Central Administration Office Establishment	Attraction of additional Automotive Investment within the TAC	Completed TAC Master Plan and first draft of the Precinct Plan	Initiation of the TAC Master Plan Phase (progress report)	Completion of the TAC Master Plan Phase	Initiation of the TAC Precinct Plan Phase (progress report)	Completion of the first draft of the TAC Precinct Plan Phase	AIDC 6

Strategic objective 2: Gauteng's economy re-industrialised and modernised. Develop and support automotive SMMEs, township enterprises and cooperatives participation in the value chain of the automotive economic sector

Strategic Objective	5 Year Target result statement	Performance Indicator	Base-line Estimate 2013/14	MTEF Targets					Annual Target 2016/17	Quarterly Targets				PI NO
				Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017-18	Year 5 2018-19		Q1	Q2	Q3	Q4	
To improve auto sector companies' efficiencies DED Pillar 1 – Radical economic transformation; Pillar 6 = Modernisation of the economy; Pillar 9 – Re-industrialisation of GP.	To improve around 100 of auto sector companies' efficiencies	Number of Auto industry companies provided with on-site efficiency enhancement techniques to improve their productivity, quality and competitiveness (Project: AIDC36)	20 companies signed up under the efficiency programme	20 companies signed up under the efficiency programme	22 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	40 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	40 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	40 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	40 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	10 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	15 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	10 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	Last 5 plus all Close-outs of efficiency improvement projects for 15/16 with intervention completed signed off by 40 companies	AIDC7 a
					10% efficiency improvement measured per intervention per company	10% efficiency improvement measured per intervention per company	10% efficiency improvement measured per intervention per company	10% efficiency improvement measured per intervention per company	10% efficiency improvement measured per intervention per company	Gap analysis for contracted companies, commence implementation at contracted companies	Gap analysis for contracted companies, commence implementation at contracted companies	Gap analysis for contracted companies, commence implementation at contracted companies	10% efficiency improvement measured per intervention per company	AIDC7 b
					Included in Learning Centre stats	To train and upskill 260 people in efficiency improvement	To train and upskill 250 people in efficiency improvement	To train and upskill 250 people in efficiency improvement	To train and upskill 260 people in efficiency improvement	To train and upskill 20 people in efficiency improvement	To train and upskill 100 people in efficiency improvement	To train and upskill 100 people in efficiency improvement	To train and upskill 40 people in efficiency improvement – total of 260	AIDC7c

Strategic objective 3: Skills development and training. Appropriately skilled human resource and business capacity that meet the needs of a radically transformed economy

Strategic Objective	5 Year Target result statement	Performance Indicator	Base-line	MTEF Targets	Year 2	Year 3	Year 4	Year 5	Annual Target	MTEF Targets Q1	Q2	Q3	Q4	PI NO
			Estimate 2013/14	Year 1 2014/15	2015/16	2016/17	2017-18	2018-19	2016/17					
<p>Develop scarce and critical skills: Science, technology, engineering and mathematics (“STEM” skills) in accordance with long term requirements emanating from the automotive sector’s needs.</p> <p>To train, mentor and up-skill students, mentees and trainees for the automotive sector.</p> <p>DED Pillar 1 – Radical economic transformation; Pillar 6 = Modernisation of the economy; Pillar 9 – Re-industrialisation of GP.</p>	<p>To train, mentor and up-skill around 7,000 students, mentees and trainees and to place around 1,300 students / trainees in jobs.</p> <p>The above will be achieved through the utilisation of the Learning Centre Internal and external useage), SD&T, SEDD and IPD Depts.</p>	Number of people trained or under training at or through the Learning Centre and its various training sites (Project: AIDC22/1a)	Learning Centre operational with 729 trained	910 in training – with 300 merSeta applications prepared.	1595 people trained or under training	1125 people trained or under training	1300 people trained or under training	1500 people trained or under training	1125 people trained or under training	110 people trained or under training	584 people trained or under training	250 people trained or under training	181 people trained or under training – a total of 1125 for the year	AIDC 5 a
		Number of people under training, mentoring or testing by SD&T (Project: AIDC22/1b)			1000 people under training, mentoring or testing	1500 people under training, mentoring or testing	1500 people under training, mentoring or testing	1000 people under training, mentoring or testing	250 people under training, mentoring or testing	300 people under training, mentoring or testing	150 people under training, mentoring or testing	300 people under training, mentoring or testing – 1000 in total	AIDC5b	
		Number of students / trainees placed in jobs (including Host Employment) by SD&T (Project AIDC22/2)		239 people placed in jobs	95 people placed in jobs (including Host Employment)	350 people placed in jobs	350 people placed in jobs	95 people placed in jobs (including Host Employment)	No activity – people in training	No activity – people in training	Place 5 adverts, lobbying with various auto sector entities (including Host Employment)	95 people placed in jobs (including Host Employment)	AIDC 5 c	
		Drive the Learning Centre toward full Financial self-sustainability (Project AIDC 22/6)		n/a	50% independence ratio	75% independence ratio	80% independence ratio	50% independence ratio	12% independence ratio	25% independence ratio	35% independence ratio	50% independence ratio	AIDC 5 d	

Strategic objective 4: Infrastructure development. To establish, maintain and manage strategic infrastructure.

Strategic Objective	5 Year Target result statement	Performance Indicator	Base-line	MTEF Targets					Annual Target 2016/17	Quarterly Targets				PI NO	
			Estimate 2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017-18	Year 5 2018-19		Q1	Q2	Q3	Q4		
To develop manufacturing infrastructure for the auto sector and to maintain it DED Pillar 2 – Decisive spatial transformation; Pillar 6 = Modernisation of the economy; Pillar 9 – Re-industrialisation of GP; Pillar 10 – Taking the lead in Africa's new industrial revolution.	All infrastructure projects have been completed and maintain and occupancy of at least 95% per annum is maintained in the ASP and Incubation centres	Construction Progress on and Completion of mini factory (10 & 11) at the ASP (Project: AIDC13)	Phase 1 modular construction commenced (mini factory 10)	Mini factory (10) phase 1 100% completed progress based on payment certificates	Mini factory 11 (Phase 2) Construction 50% complete progress based on payment certificates measured against the budget for the year	Mini factory 11 (Phase 2) Construction 100% complete progress based on payment certificates measured against the budget for the year	n/a	n/a	Mini factory 11 (Phase 2) Construction 100% complete	Construction 70% completed	Construction 100% completed	De-snagging completed Issuance of occupancy certificate and hand over	n/a	AIDC 8	
		Construction Progress on and Completion of Incubation Centre at Nissan (Project: AIDC22/3)	Commence construction of the Incubation Centre – however Nissan product launch delayed till 2018	Commence with site preparation and earthworks	Construction 50% complete based on payment certificates measured against the budget for the year	Construction 100% complete progress based on payment certificates measured against the budget	n/a	n/a	Construction 100% complete	Construction 80% completed	Construction 100%	De-snagging completed Issuance of occupancy certificate and hand over	n/a	AIDC 9	
		Maintain occupancy in ASP	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	95% of rentable space is occupied	AIDC 10
		Establish a Trade Test Centre at ASP (Project: AIDC47)				Commence establishing a trade test centre at ASP	Commence fitting out the trade test centre at ASP	Operating trade test centre at ASP	Commence establishing a trade test centre at ASP	Identify suitable building and commence renovation	Do trade test equipment analysis and compile tenders	Tenders advertised and renovation at 80%	Renovation and preparation of facility is complete and tender for first batch of equipment awarded		AIDC 13

Strategic objective 4: Infrastructure development. To establish, maintain and manage strategic infrastructure.

Strategic Objective	5 Year Target result statement	Performance Indicator	Base-line	MTEF Targets					Annual Target 2016/17	Quarterly Targets				PI NO
			Estimate 2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017-18	Year 5 2018-19		Q1	Q2	Q3	Q4	
To develop manufacturing infrastructure for the auto sector and to maintain it DED Pillar 2 – Decisive spatial transformation; Pillar 6 = Modernisation of the economy; Pillar 9 – Re-industrialisation of GP; Pillar 10 – Taking the lead in Africa's new industrial revolution.	All infrastructure projects have been completed and maintain and occupancy of at least 95% per annum is maintained in the ASP and Incubation centres	Construction Progress on and Completion of MSSL facilities at the ASP (Project: AIDC48)				Construction 50% complete	Construction 100% completed	n/a	Construction 50% complete	On hold				AIDC 14
		Construction Progress on and Completion of the JCI facilities at ASP (Project: AIDC49)				Construction 100% complete	Construction 100% completed	n/a	Construction 50% complete	Tender scoping and award	Construction 10% progress	Construction 30% progress	Construction 50% complete	AIDC 15
		Construction Progress on and Completion of the Metalsa facilities at ASP (Project: AIDC50)				Construction 50% complete	Construction 100% completed	n/a	Construction 50% complete	Tender scoping and award	Construction 10% progress	Construction 30% progress	Construction 50% complete	AIDC 16
		Construction Progress on and Completion of the B&D Interiors facilities at ASP (Project: AIDC51)				Construction 100% complete	Construction 100% completed	n/a	Construction 50% complete	Tender scoping and award	Construction 10% progress	Construction 30% progress	Construction 50% complete	AIDC17

Strategic objective 5: Modernisation of government and governance. Modernisation of the public service - An efficient, effective and development oriented public service.

Strategic Objective	5 Year Target result statement	Performance Indicator	Base-line	MTEF Targets					Annual Target 2016/17	Quarterly Targets				PI NO
			Estimate 2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017-18	Year 5 2018-19		Q1	Q2	Q3	Q4	
<p>To enhance public accountability; high standards of corporate governance and efficient resource utilisation.</p> <p>This entail also enhanced financial accountability and compliance with prescribed financial regulations and guidelines.</p> <p>DED Pillar 4 – Transformation of state and governance;</p> <p>Pillar 5 – Modernisation of the public service and guidelines.</p>	Total number of Financial Support packages provided to SMEs, Cooperatives and Informal Businesses, through procurement.	To maintain targets for BBBEE spend as a % of spend (year to date) ¹	+ 75%	80% budget spend – average over the year	80% budget spend – average over the year	80% budget spend – average over the year	80% budget spend – average over the year	80% budget spend – average over the year	80% budget spend – average over the year	80% budget spend	80% budget spend	80% budget spend	80% budget spend	AIDC 11

¹ Excluding non-discretionary spend

18. Project budgeted cash flow table

Commercial confidential.

19. Break down of effective implementation of the Group's BBEE strategy

Programme Performance Indicator		Audited/Actual Performance			Estimated Performance	Medium-Term Targets and Estimated Budget		
Per Strategic Objective part of KPI AIDC11 above		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
a	% Compliance to BBEE Preferential Procurement targets per annum	43%	69%	70%	HDI: 80%	HDI: 80%	HDI: 80%	HDI: 80%
		17%	22%	25%	Women: 30%	Women: 30%	Women: 30%	Women: 30%
		6%	10%	12%	Youth: 10%	Youth: 10% **	Youth: 10% **	Youth: 10% **
		0.12%	0.10%	0.11%	PWD: 5%	PWD: 5% **	PWD: 5% **	PWD: 5% **
b	Percentage spend on local procurement	-	-	-	Local Contracting: 75%	Local Contracting: 75%	Local Contracting: 75%	Local Contracting: 75%

** It should be noted that Youth and PWD is not indicated on BBEE level certificates, and is not measured as per the dti's BEE codes. Therefore this is not possible to be measured by entities. Special emphasis on this is however implemented.

20. AIDC training targets per quarter for 2016/17 – with forecasts up till 2018/19

Depts	Q1	Q2	Q3	Q4	Total
- SD&T	250	300	150	300	1000
- SEDD	20	100	100	40	260
- ICF	40	40	40	30	150
- WEH	30	10	5	5	50
- LC	120	583	250	172	1125

21. AIDC **GEYODI training** targets for 2016/17 FY

22. AIDC job targets (GEYODI) for 2016/17 FY

DIVISION/ SUB	TYPE OF TRAINING /MENTORSHIP/ LEARNERSHIP	PERFORMANCE INDICATORS	16/17 ANNUAL TARGET	QUARTER 1 TARGET	QUARTER 2 TARGET	QUARTER 3 TARGET	QUARTER 4 TARGET	Women over 35yrs TARGET	female Youth (under 35yrs) TARGET	Male over 35 yrs TARGET	Male Youth (under 35yrs) TARGET	People with Disabilities (please specify gender and age) TARGET	Military Veterans (please specify if pwd)	2016/17 ANNUAL TARGET	2017/18 ANNUAL TARGET	2018/19 ANNUAL TARGET												
As per par 20 above	Training, Skills development and Mentoring.	No of people trained at or through the various training interventions across the AIDC's projects.	2585	465 trained	700 trained	878 trained	542 trained	(13%)	(12%)	(46%)	(29%)	0	0	2585	3000	3500												
Male Youth under 35				Female Youth under 35				Male over 35				Female over 35				Military Veteran				PwD				Total Permanent Jobs				
A	I	C	W	A	I	C	W	A	I	C	W	A	I	C	W	A	I	C	W	A	I	C	W	A	I	C	W	
13	0	0	0	2	1	1	0	44	1	7	8	15	1	0	2	0	0	0	0	0	0	0	0	0	0	0	0	95