



Automotive Industry Development Centre
Your partner in becoming globally competitive

Quarterly Report for the period January to March 2015
as approved by the Board in the meeting of 28 April 2015
held at GGDA, 124 Main Street, 19TH Floor Boardroom, Johannesburg

Quarter 4 Progress report for 2014/15

1STRATEGIC GOAL 1: To enable equitable economic development and inclusive growth through focused support to targeted sectors.														
Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	P/NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
ATEGIC GOAL 1:	1.2. Priority Sector Development to enable equitable economic development and inclusive growth.	Advanced manufacturing sector development increasing skills in automotive and allied-related 2Manufacturing sector efficiency improvement and productivity improvement programme	20 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects. Interventions completed and signed off	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	20 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects	20 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects. Interventions completed and signed off.	10 companies signed up under efficiency improvement projects.	13 companies signed up under efficiency improvement projects.	17 companies signed up under efficiency improvement projects	26 companies signed up under the efficiency programme and engaged with assistance through various types of efficiency improvement projects. Interventions completed and signed off.	Done better than anticipated	Over achieved	AIDC 1

¹ Baseline document date as approved dd 12 March 2014

² Allied-related refers to that part of the automotive sector that is not passenger vehicle focussed. This include for example busses, MHCV, heavy duty trailers, utility tracks, yellow goods related to construction and mining

1STRATEGIC GOAL 1: To enable equitable economic development and inclusive growth through focused support to targeted sectors.														
Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	P/NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		Increasing skills in Automotive sector T 6 Utilisation FET students trained in a 5 day vehicle assembly practical training course using Ford T6 simulator³	200 received training – recognition is provided according to the nature, depth and length of training – FET students receive recognition as part of the academic process	50 in training	120 in training	150 in training	200 received training – recognition is provided according to the nature, depth and length of training – FET students receive recognition as part of the academic process	0 in training	83 AIDC 30 Ford Staff Year to date total of 113	106 from Government FET's, 40 private FET's College Automotive Training Academy (ATA) and 35 Ford Staff. Year to date a total of 181	106 from Government FET's, 40 private FET's College Automotive Training Academy (ATA) and 202 Ford Staff trained at T6 Simulator at Ford. Year to date a total of 348	Ford has shut down the simulator as there are preparing for the production on their face lifting – simulator not accessible as from January 2015.	Considering the total utilisation then this project can be reported as 'Over achieved'	AIDC 2
		Automotive sector development Increasing skills in Automotive and allied-related sector Auto body repairer mentorship ⁴	Mentoring and training of 20 new mentees completed – 40 mentees from 13/14 continued and completed programme	Identification and selection and screening of 20 new mentees – 40 mentees from 13/14 continue with programme	Appoint and commence Mentoring training of 20 new mentees – 40 mentees from 13/14 continue with programme	Mentoring and training of 20 new mentees – 40 mentees from 13/14 continue with programme	Mentoring and training of 20 new mentees completed – 40 mentees from 13/14 continued and completed programme	40 Mentees from previous FY with new 20 mentees were selected for current Financial Year (FY).	40 mentees from previous FY with 20 new mentees are continuing with programme	40 mentees from previous FY with 20 new mentees are continuing with programme	40 mentees from previous FY completed the programme with 20 new mentees.	N/A	N/A	AIDC 3

³ The AIDC always has the responsibility to also and reasonably ensure that assets procured with state funding is properly utilised. This therefore includes Ford's utilisation statistics.

⁴ Mentorship is conducted over a three year cycle to get to a full "graduation" level. From this year the focus will include mentees from Winterveld in support of the WEH project

¹STRATEGIC GOAL 1: To enable equitable economic development and inclusive growth through focused support to targeted sectors.

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	P/NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
				Increasing skills in Automotive sector	Reported per project	Reported per project	Reported per project	Reported per project	Reported per project	Reported per project	373 people has been trained	870 people has been trained	1 105 People has been trained	1734 people has been trained
	Number of beneficiaries from Youth reskilling and training programme – artisans trade tests	40 apprentices finishing year 2 trade test - qualified	40 artisans continued training for Q1 and Q2	40 artisans continued training	40 artisans and commence finishing trade tests	40 artisans qualified	45 Apprentices are currently receiving training at host companies moved students between hosts to ensure that all modules are covered	45 apprentices in training 38 apprentices registered with merSETA to date with 5 Apprentices registered with Foodbev. 22 trade test application submitted to merSETA. Preparation for the trade test has commenced and 28 apprentices are currently preparing at Welkom and Jet Park for trade test. We have received 8 trade test dates from SETA.	45 apprentices in training 25 apprentices qualified to date 19 currently preparing for trade tests at PMI Welkom. 13 Diesel Mechanic students will be eligible to write trade tests from January to March 2015, 1 will be writing trade tests in December 2014. 1 Fitter was found not competent and second attempt application was submitted to merSETA – awaiting dates	44 apprentices has qualified to date. Statistical breakdown is as follows 12 Fitters, 13 Diesel Mechanics, 8 Welders and 11 Boiler Makers	The additional 4 are accommodated through funding from industry (Basil Read) and AIDC.	Over achieved	AIDC 4	

¹STRATEGIC GOAL 1: To enable equitable economic development and inclusive growth through focused support to targeted sectors.

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		Establish incubator centre and a Gauteng automotive learning centre and simulator based at Rosslyn.	900 finished training	200 in training Note: 150 are carried over from previous financial year.	400 in training	900 in training	900 finished training	218 in training	Year to date 455 people received training	Year to date 536 people received training	Year to date 914 people received training	Poor performance of contractor led to delays in the signing off of the buildings. The above led to limited utilisation due to the occupancy certificate not being issued.	There is a delay in the release of the performance guarantee which in turn delays the appointment of another contractor to finish outstanding de-snagging work. OHS issues resolved.	AIDC 5 a
The AG stated that it was difficult to measure achievement or not as there were two targets in one. The request was that this should be avoided in future plans.														
		Number of SMMEs operating from the AIDC Incubator Programme.	⁵ 6 BEE SMMEs maintained operations at IC	6 BEE SMMEs maintained operations at IC	6 BEE SMMEs maintained operations at IC	6 BEE SMMEs maintained operations at IC	6 BEE SMMEs maintained operations at IC	6 BEE SMMEs maintained at IC.	5 BEE SMMEs operating at IC	5 BEE SMMEs operating at IC +1 will be operationalised in Q4, but only accepted the offer in Dec.'14	6 BEE SMMEs are operating at IC.		Achieved	AIDC 6

⁵ These BEE SMME are – 4 production, 1 logistics and 1 canteen operator

STRATEGIC GOAL 2: To strategically position the province as a globally competitive city region and create an enabling environment for trade and investment.														
Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
STRATEGIC GOAL 2:	2.1. Viable foreign & local investment directly facilitated.	Arrange and host Auto Industry Conference	Arrange and host auto industry conference [SAAW Event in Oct 2014, hosted by AIDC ⁶]	Commence all procurement actions. Appoint match-making service provider; Radio advertising Appoint event management company	Appoint medical service provider; Appoint photography; Airport welcome desk setup; Workshop planning; Pay venue balance; Appoint MC	Opening event – Oct '14; Draft report; Settle trade show account	Close out report	Quotations received for SAAW outstanding event items. The match Making meetings programme will proceed as planned however it will be run by Inkanyezi. Radio advertisement excluded on scope on due to SAAW budget cut.	All plans and arrangements are on track for the event to be held at Gallagher Estates 13-17 Oct 2014.	Staged SAAW 2014 event from 14-17 Oct including the following activities: • Industry Conference attended by MEC • COT hosted cocktail function • SAAW Site Tours to ASP, AIDC Incubation Centre and BMW Business Match-making Meetings	No further actions to report, except for the dispute from Inkanyezi which is under arbitration at the moment	N/A	Achieved	AIDC 7

⁶ Risk - The reduction of the R8m funding from GGDA (MTEF) forced the AIDC to down scale the event – now faced with a dispute and resultant arbitration from the appointed event organisers, Inkanyezi.

STRATEGIC GOAL 2: To strategically position the province as a globally competitive city region and create an enabling environment for trade and investment.

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
			New Township development initiatives			2 concept studies commence (desk top)	2 concept studies completed	N/A	N/A – only approved 17 Sep 2014	Commenced with development of two concepts: 2 nd hand Tyre Regrading and Vehicle Disassembly	Two concepts – desk top studies (a) 2 nd hand Tyre Regrading and (b) Vehicle Disassembly	Draft reports ready for further analysis and assessment	Achieved	New (20)
		UAE added back in Q3 at request of the Board	UAE – the training comes to an end 31 March 2015	21	19	19	19	21	19	19	16	19 returned on 29/3/15 - 3 returned earlier in Feb.'15. Project closed.	Achieved	New (21)

STRATEGIC GOAL 2: To strategically position the province as a globally competitive city region and create an enabling environment for trade and investment.

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		Increased number viable value propositions to attract foreign and domestic investors for the ASP	Completed one value proposition with EIA for one prospective customer for the ASP	Project plan developed – potential investor list developed	Economic impact assessments in process for 1 potential investor	Commence drafting of value proposition	Completed one value proposition with EIA for one prospective customer for the ASP	Project scope determined GGDA meeting took place and clarity received. Charter was finalised. Investor pipeline updated	Project approval from CEO's office end Aug 2014. Mid-September New timeline approved end Nov 2014 by Exec.	First draft delivered end November 2014 Second draft in Dec.'14 Test VP model on 1 potential tenant end December 2014	One value proposition has been completed with one potential customer.		Achieved	AIDC 8

STRATEGIC GOAL 3: To stimulate employment-led growth and development through the facilitation of strategic economic development interventions.

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
STRATEGIC GOAL 3:	3.1. Strategic economic infrastructure projects implemented.	Enhanced Infrastructure at Automotive Supplier Park ASP Infrastructure (Mini Factory 10&11)	Phase 1 of mini factory 100% completed ⁷	Finalise first phase of mini factory 100% – secure tenants	Work on second phase 30% completed - commences with construction milestone 1 – 35% completed	construction milestone 1 - 75% completed	Second phase of mini factory at 50% completed of construction milestone 1 and partly construction milestone 2 – 50% completed	70% of Phase 1A	Milestone 1 - 79% of Phase 1 A and Phase 1B is at 50% The bulk earthworks for Phase 2 had been completed.	Milestone 1- 90% of phase 1A completed and Phase 1B is at 70% The bulk earthworks for phase 2 had been completed with the Earthworks during phase 1	Phase 1 (Mini Factory 10) completed. Phase 2 (Mini Factory 11) – the 50% construction not achieved (only 18% achieved). However an overall 59% into total project completion, also based on spent vs budget.	The non-completion of the construction of Phase 2 is attributable to budget constraints. Note: The AG only did a mathematical calculation on progress by only using the budget as it was too difficult to quantify all aspects as related to the reported overall project progress	Considering the overall project progress this KPI is reported as 'Achieved'	AIDC 9
			Second phase of mini factory at 50% completed of construction milestone 1 and partly milestone 2 – 50% completed	Phase 2 is an on-going activity as the contract for the full factory was signed in 2013, subject to availability of funding – 30% completed		construction milestone 2 – 35% completed								

⁷ Due to budgetary constraints the mini factory had to be planned in phases. Phase 1A (of Phase 1) will be a warehouse/factory. Phase 1B is the offices block inside the warehouse/factory – Eastern side - and Phase 2 will be the remainder warehouse/factory. Construction progress reports are hence provided for each of the three phases.

STRATEGIC GOAL 3: To stimulate employment-led growth and development through the facilitation of strategic economic development interventions.														
Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		Construction of Incubation Centre (Nissan) Nissan announced a 30 month delay in new product launch	30% - earth-works completed, commencing preparation for foundations	10% - tendering process for earth-works-prepare the design concept. Drafting legal agreement for review.	20% - tenders for demolition and earth-works issued, design concept submitted for appr. by NSA and AIDC. Legal agreement reviews in process.	25% progress with demolition and earthworks, design concept signed off together will all legal agreement signed off.	30% - earthworks completed commence preparation for foundations	Contractor for Demolition appointed. BAC sat and approved the tender for the demolition tender on the 5th June 2014. The tender document for the earthworks approved on the 12th.	Tenders for the demolition and earthworks have been processed and evaluated, appointment delayed subject to Design and Construction Agreement being signed with Nissan.	Both demolition- and earthworks tender approved by Bid Adjudication Committee.	All legal agreements signed. Overall progress made on this project is at 5%, based also on spent vs budget. However in terms of total progress it is estimated that a 15% completion in terms of total work was achieved, if progress on legal agreements, design and tenders are considered. Demolition could not commence due to outstanding OHS matters which means the earthworks could also not commenced as planned.	The demolition work was unforeseen initially. The product launch and the delays in the signing of the legal agreements and the finalisation of the design concept contributed to a delay in the physical construction work. Note: The AG only did a mathematical calculation on progress by only using the budget as it was too difficult to quantify all aspects as related to the reported overall project progress	Unforeseen delays will take this project into 2016 for completion. Project required to be handed over to DED.	AIDC 10 ⁸

⁸ Note that the b/plan made provision for two KPIs – AIDC10a was the construction and AIDC10b the Incubatee process. AIDC10b was deleted after the deviation approval. This is due to the delay in the project caused by the delayed product launch.

STRATEGIC GOAL 3: To stimulate employment-led growth and development through the facilitation of strategic economic development interventions.

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		Phase completion of Winterveld Township Enterprise Hub	Auto Hub fully operational	Auto Hub fully operational business plan developed	Auto Hub fully operational	Auto Hub fully operational	Auto Hub fully operational	80% WEH operational	80% WEH operational	80% WEH operational	WEH fully operational	Occupancy certificate remain outstanding but all OHS related Inspections and findings have now been completed and awaiting final inspection, by the Fire dept where-after the OC will be issued.	Achieved	AIDC 11

Strategic Goal 4: To enhance public accountability; high standards of corporate governance and efficient resource utilisation.														
Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
STRATEGIC GOAL 4:	4.2. Enhanced financial accountability and compliance with prescribed financial regulations and guidelines.	Sound Corporate Governance and Internal Control	Unqualified Audit	Clean audit	Audit tracker developed	Ongoing management towards clean audit	On-going management towards clean audit Clean audit for previous FY	Clean audit	Audit tracker developed at ARC and GGDA IA level	On-going management towards clean audit – on-going interactions with GGDA IA	On-going management towards clean audit Clean audit for previous FY ARC meeting on 16/7/15 confirmed a clean audit	N/A	N/A	AIDC 12
	4.3. Enhanced business and operational processes	Stakeholder relationship management	Stakeholder Survey – KPI removed by GDDA – approved by the Board in September 2014										AIDC-13	
	4.3. Enhanced business and operational processes.	Optimal occupancy of precinct	95% ⁹	95%	95%	95%	95%	96%	96%	97%	98%		Achieved	AIDC 14
		Growth and expansion of the precinct	10 marketing events for ASP, as well as GALC and WEH	2 marketing events for ASP, as well as GALC and WEH	5 marketing events for ASP, as well as GALC and WEH	8 marketing events for ASP, as well as GALC and WEH	10 marketing events for ASP, as well as GALC and WEH	2 marketing events for ASP	9 Marketing Events for ASP	11 Marketing Events for ASP	16 marketing events this include publications for ASP		Over achieved	AIDC 15

⁹ 95% is the industry norm set by the Shareholder

Strategic Goal 4: To enhance public accountability; high standards of corporate governance and efficient resource utilisation.

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		Enhanced business integration and organisational effectiveness	All policies reviewed and approved for Financial year	0	0	Review and approval of policies	Revise all policies for adoption in 2015/16	0	Various GGDA policies under review – should be completed in Q3	All HR and ICT Polices have been reviewed to date.	All policies have been reviewed and submitted to GGDA for approval	None	Achieved	AIDC 16
		Effective Monitoring and Evaluation of Organisational Performance	4 Q reports submitted	1 Q report submitted	2 Q reports submitted	3 Q reports submitted	4 Q reports submitted	Q 1 report submitted	Q2 report submitted	Q3 report submitted	4 Q report submitted		Achieved	AIDC 17
		Implement an organisational performance management (PM&E) system.	Final performance assessment for 2014-15 completed in May 2015	Finalise 13/14 performance assessment scores 2014/15 performance contracts developed and signed	On going monitoring of the performance contracts and PDP implementation	2014-15 mid-year assessments are conducted	100% implementation of performance management system On going monitoring of the performance contracts implementation	To date 99 % annual performance assessments have been received. 82% of 2014/2015 Performance Contracts submitted to HR. 26 are still outstanding.	To date 99 % annual performance assessments have been received. 82% of 2014/2015 Performance Contracts submitted to HR. 3 are still outstanding.	To date 100% annual performance assessments have been received. 100% 2014/2015 Performance Contracts submitted to HR.	To date 100% annual performance assessments have been received. 100% 2014/2015 Performance Contracts submitted to HR.		Achieved	AIDC18

Strategic Goal 4: To enhance public accountability; high standards of corporate governance and efficient resource utilisation.

Strategic Goal	Strategic Objective	Performance Indicator	Annual Target 2014/15	Quarterly Targets				Quarterly Performance				Reason for deviation	Corrective action	PI NO
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		To increase BBEE spend through internal budget	80% budget spend	80% budget spend	80% budget spend	80% budget spend	80% budget spend	97%	109%	104%	104%	BEE Spend is calculated based on each and every expenditure incurred at the time of reporting, against the Supplier's BBEE Recognition level - so it can get to over 100%. E.g. Level 1 BEE contributor = Spend amount x 135%.	Achieved	AIDC 19
	Jobs created		70	0	0	0	70	68	70	82	106 temporary (Construction jobs) and fixed term contracts Jobs created with the automotive sectors, including interns	Not a dedicated KPI but it appears on the APP business plan's score card		