



PPECB

Perishable Products Export Control Board



STRATEGIC PLAN 2008 - 2013



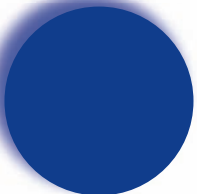
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Executive summary

This document outlines the strategic role of Perishable Products Export Control Board (PPECB) in the product quality, food safety, phytosanitary and cold chain of perishable products in South Africa for the next five years (2008–2013). It is intended to unpack the strategic role of PPECB, a departure from being just a follower in the environment in which it is operating, to rather a lead agent for some of the critical initiatives pertinent to the long-term sustainability of the Perishable Products Industry. The document is informed by impending policy development initiatives in the food safety and product quality environment in the country, as headed by the Department of Agriculture (DoA). It is also informed by the experiences of PPECB as statutory entity responsible for bringing about orderly and efficient exports of perishable products from the Republic as well as an assignee on behalf of the DoA in terms of the Agricultural Product Standards Act (APS).

The Plan sets out five key strategic objectives. These are:

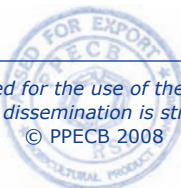
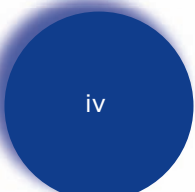
- (a) Enhancing the credibility of the South African Export Certificate
- (b) Supporting the export competitiveness of the South African perishable products industries
- (c) Strengthening PPECB's capacity as a credible source of strategic information for serving industries and stakeholders
- (d) Supporting Government in ensuring confidence in the quality assurance and food safety systems for local perishable product markets
- (e) Supporting Government in building systems to ensure compliance to South African quality and food safety standards for imported perishable products.

These objectives are supported by a set of success indicators over the next medium-term outlook. The strategy assumes a phased-in implementation approach, yielding to a fully integrated system with Government setting out a policy framework, monitoring and auditing standards and PPECB as a state agency, implementing such policy directives.

During this period, PPECB will be focusing on three identified enablers to the strategy:

- (a) Strengthening its regulatory capacity, both in terms of its human capital and regulatory system
- (b) Identifying and closing system gaps where these exist in the course of doing it's business
- (c) Working proactively with Government in contributing to a sustainable policy environment for food safety, phytosanitary, product quality and cold chain services.

Finally, it is expected that the implementation of this strategy will be achieved within the current, overall budget of running the business of PPECB as approved by its Board. A monitoring and evaluation system will be put in place to ensure that the Board monitors the progress in implementation at defined intervals.



1. Message from the Chairperson of the Board

I am proud to unveil PPECB’s five-year strategic plan, covering the period 2008–2013. This plan takes into account the experiences and existence of PPECB for the past 82 years and the current national and global challenges in the industry.

The plan will act as a guide to PPECB and the proposed review of both its mandate and services to improve efficiency and effectiveness for enhanced service delivery to all clients and stakeholders. In addition, this plan will not only be a document to be shared with partners but will also act as a guide for assessing the performance and achievements of PPECB over the next five years. The plan incorporates the necessary framework for the transformation of the PPECB to properly fulfil its mandate. We have registered key strategic objectives and we believe that the PPECB is well on course to stabilise and develop the necessary capacity required to meet its objectives. The plan has identified gaps and responsive intervention measures to the current food safety and quality systems.

In the preparation of this plan, the Executive team of PPECB consulted with the DoA, the PPECB Board and its employees to identify, analyse and prioritise the current and future challenges of PPECB. In view of this broad consultation and participation, it is expected that the stakeholders will claim ownership of the plan and support the process in its implementation—such as the vision, mission and values which will be instilled in every employee of the PPECB. Hopefully the plan will receive the support of all stakeholders as I believe it addresses the needs of the country and our entire industry.

I would like to take this opportunity to acknowledge the commitment and professionalism demonstrated by my fellow Board Members. All are busy people with diverse responsibilities who are willing to sacrifice their time and energy towards the challenging task of serving the interests of PPECB.

On behalf of the PPECB Board, we heartily thank our “fearless leader” for all his hard work as Chief Executive Officer of the PPECB since the beginning of 2008.

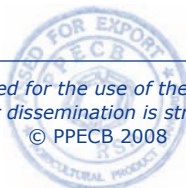
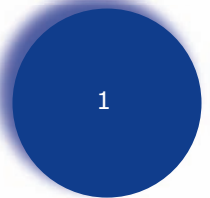
I would also like to thank all those who participated in preparing this strategic plan. This is the start of a dynamic and exciting phase of our entity.

Finally, we are once again thankful to the Minister for Agriculture and Land Affairs as well as the Parliamentary Portfolio Committee on Agriculture and Land for giving us an opportunity to present our *Strategic Plan 2008–2013*.

Thanking you

Andile Maxwell Hawes

CHAIRPERSON



2. CEO's overview

Our aim is to develop a world renowned good-practice organisation, capable of delivering on its legislative mandate in the most effective and efficient manner, thereby responding to the ever-changing needs of our clients. A critical enabler to this challenge is our ability to build resilient systems and processes, supported by our dynamic Knowledge Workers, reflective of the demographic realities of the South African society. We have in the past responded positively to these challenges, however, with global competitiveness being a daily reality in the business of our clients, it is time for our own organisation to reposition itself more responsively to that environment.

The next five years in the history of our organisation promises to be full of exciting initiatives necessary for us to position the PPECB as a true "Partner in the global competitiveness of the South African perishable product industries". We have adopted this vision, fully cognisant of its implications on how we engage our stakeholders and clients as well how the values our organisation identifies with mean to our staff.

Our five key "strategic objectives" have been thoroughly engaged with internally as a strategic response to our environment as well as an appreciation of future possible changes in the policy environment on food safety, product quality, phytosanitary and cold chain services.

Within the organisation, we have identified priority areas that are going to be critical in the immediate period. These are:

- Attending to employment equity and transformation challenges facing the organisation
- Building enough competitive capacity in our people in order to respond to the strategic objectives of the business; and
- Strengthening relationships that we have with our clients and international counterparts, while consolidating and building good relations with Government.

Baseline activities emerging from these identified priority areas have already been initiated, including the approval of the Equity Employment (EE) strategy with specific targets, the harmonisation programme for product quality inspections as well as setting-up standing committees between PPECB and the DoA to deal with the particular technical issues affecting statutory functions of the PPECB.

In the final analysis, all these efforts are geared towards re-affirming the PPECB as a true Partner and Thought Leader in the areas that it is operating in. Years of experience and internal capabilities will set us apart in realising these long-term goals.

Luvuyo Mabombo

CHIEF EXECUTIVE OFFICE



3. People at the PPECB

As a knowledge institution, the PPECB relies on its people for the execution of its mandate and its key strategic objectives. The organisation offers a conducive environment for dynamic and knowledgeable people, as well as those with an interest to acquire and expand their knowledge in the areas of product quality, food safety, phytosanitary and cold chain services. Our organisation is committed to transformation and employment equity in order to build a diverse workforce representative of the South African society. In support of its strategic objectives and the trajectory of the future role of the organisation, we will be investing considerably in human capital development, in particular in the previously disadvantaged individuals (PDIIs).

In partnership with Government, industries that we serve and local and foreign partners, the organisation will work towards the consolidation and upscaling of its Agriculture Export Technologist Programme (AETP—an accredited skills transfer programme) as a feeder to its ever-growing capacity needs. The organisation also intends to use this programme, and similar other capacity-building initiatives, to assist our clients with the requisite technical skills for the competitiveness of their own businesses.

During the next three years, the organisation will be targeting to train in excess of 30 AETP candidates per annum, therefore contributing to the available skills pool of immediately employable technical expertise in the areas of perishable product quality and cold chain services.

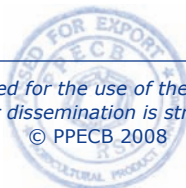


4. Strategic context and operating environment

The strategic context of the business of PPECB is expressed within a regulatory environment as an official certification agency on behalf of the South African Government to provide control over all perishable products as well as quality inspections on agricultural perishable products destined for exports. In doing so, the PPECB works on behalf of Government, while providing the requisite services for the competitiveness of the industries that it serves.

4.1 MANDATE OF THE PPECB

The PPECB derives its mandate from two legislative provisions. These are the PPECB Act, Act No. 9 of 1983 and the APS Act, Act No. 119 of 1990. The PPECB Act mandates the Board to provide control over perishable products intended for export, while the APS Act mandates the Board, as an assignee, to conduct quality inspections on agricultural perishable products destined for exports.

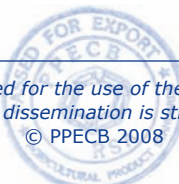


4.2 OUR VISION

“A Partner in Global Competitiveness of the South African perishable products industry”.

4.3 OUR MISSION

“To Build Competitive Capacity in our People and Systems and in the Industries that we serve in order to instil Worldwide Confidence in South African perishable products”.

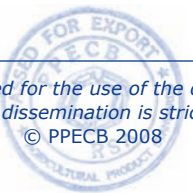


4.4 OUR VALUES

- Professionalism
- Accountability
- Passion
- Integrity
- Confidence



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4.5 OPERATING ENVIRONMENT

International marketing and trading forces affecting perishable products, e.g. "Product", "Price" and "Place" have a significant impact on the operations of the PPECB as an organisation. This requires the PPECB to be closely informed of developments in these areas, making it a better responsive service organisation to its clients. It is these practical realities that characterise PPECB as an organisation that is operating in an international environment. Key among these influencing factors that have a bearing on our operating environment, are:

Domestic

- The *Sector Plan for South African Agriculture*, November 2001
- The Accelerated and Shared Growth Initiative of South Africa (ASGISA), Government of the Republic of South Africa, February 2006
- Changes in cold chain logistics (conventional shipping vs containerised shipping)
- The pending policy review on Agricultural Products, Quality and Food Safety, Government of the Republic of South Africa
- Deregulation and its consequences not fully manifested as yet.

International

- Positive global competitiveness and competitive business intelligence in the international perishable product trade
- Developments at WTO and OECD
- Changes in cold chain logistics (conventional shipping vs containerised shipping)
- Consumer preference and international lobbyists.

4.5.1 Current operating responsibilities of the PPECB

The current activities defining the business of the PPECB are as follows:

- (a) The APS Act—product quality and food safety for regulated fruit and vegetable products destined for exports
- (b) Phytosanitary inspections for non-sensitive markets (EU)
- (c) Cold chain regulation—perishable products destined for exports
- (d) Cold chain regulation—special markets' protocols (phytosanitary)
- (e) Value-added services—services that enhance international competitiveness of fresh produce industries
- (f) Capacity building—partnership with donor agencies (EU)
- (g) Agriculture Export Technologist Programme.

4.5.2 Risk management framework

Risk management policy

Risk management at PPECB is a continuous and developing process which runs through the organisation's strategy and implementation of the strategy. It aims to address methodically all the risks involved in the organisation's activities.

The Board of Directors is responsible for protecting the organisation, people and assets against the adverse consequences of pure risk with a view to ensure that objectives are met. These key objectives include:

- To deliver on the mandate delegated by the DoA to the PPECB
- To protect the reputation of the PPECB
- To further develop good corporate governance
- To develop and grow relationships with our stakeholders

- To protect and develop our people and intellectual property
- To protect our assets

PPECB instils confidence in food by impartially delivering food safety and quality assurance services. The risk associated with this activity is very specific to the perishable product industry. The emphasis is placed on reducing or controlling our liability arising from professional errors and non-performance to our mandate, according to the expectations of the DoA and our stakeholders. The risks related to property damage and business interruptions are, therefore, relatively low when compared to commercial entities in the perishable product sector.

Risk categories

Each risk of the PPECB falls within one of four broad risk categories:

- Compliance risks: These include potential exposures arising from non-adherence to the corporate governance code and non-adherence to relevant regulatory requirements.
- Strategic risks: These include strategic execution, implications of change, reputation risk and governance structures not being aligned with business objectives.
- Operational risks: These include the ability to deliver according to the mandate, expectations, standards, infrastructure and security, continuity and efficiency.
- Financial risks: These include the ability to invoice and collect, manage accounts receivable and to align actual results to budgets.

The risk management process

An ongoing systematic, multi-tiered and organisation-wide risk assessment process supports the risk management philosophy. This ensures that risks and opportunities are not only adequately identified, evaluated and managed at the appropriate level in PPECB, but also that their individual and joint impact on the entire organisation is taken into consideration.

The Board, executives and middle managers carry out a self-assessment of risk. This process identifies critical business, operational, financial and compliance exposures facing PPECB and the adequacy and effectiveness of control factors at all levels. The assessment methodology takes into account the severity and probability of occurrence and applies a rating based on the quality of control, thereby ranking risks and setting of priorities. The top risks are addressed through action plans that are put in place with responsibilities assigned. The variable risk tolerance levels depend on the nature, scope and size of the business. The tolerance levels are not only based on financial impact, but also on the potential threat to the integrity of the business as a going concern, its reputation and the wellbeing of employees and other stakeholders.

The internal audit department oversees the process from the perspective of strategic direction, ongoing improvement in methodology and process, and technical assistance. The independent external financial auditors, PriceWaterhouseCoopers, and internal auditors, KPMG, check for robustness and thoroughness and comment thereon in their own assessment reports.

Risk monitoring

Controls put in place to mitigate risks are monitored and assessed for their effectiveness. The control monitoring process is largely carried out by the PPECB's internal audit processes. Risks are recorded and form the basis of agendas for each internal audit compliance meeting.

The role of insurance

Insurance is one part of responses to transfer risk to a third party. Where appropriate, insurance is a compensating control for risks that potentially have a large impact but generally a low likelihood of occurring.

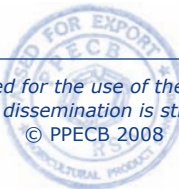
The PPECB indemnified its directors and officers against claims, provided that at all times such directors and officers were acting in good faith and in accordance with the law.





PPECB strategic objectives (2008-2013)

Strategic objectives	Indicators
5.1 Enhance the credibility of the South African Export Certificate	(a) Percentage reduction in incidences of a quality and phytosanitary nature reported by our counterparts (b) Reduction of claims instituted against the PPECB (c) FVO audit results and maintenance of EU 1148 status (d) Reviewed policy environment for food-safety and product quality standards (including legislative environment)
5.2 Support the export competitiveness of South Africa's perishable product industries	(a) Capacity building and competitive knowledge transfer to the industry that PPECB serves (b) Percentage successful integration of emerging farmers into the mainstream export fraternity (c) Percentage annual increase in research and development
5.3 Strengthen PPECB's capacity as a credible source of strategic information for serving industries and stakeholders	(a) Service delivery of 2% above accuracy on information SLAs signed with clients (b) Access information on website as measured by number of website registrations
5.4 Support Government in ensuring confidence in quality assurance and food safety systems for local perishable product markets	(a) DoA Policy on "Food Safety and Product Quality"
5.5 Support Government in developing systems to ensure compliance with South African food safety and quality standards for imported perishable products	(a) DoA Policy on "Food Safety and Product Quality"

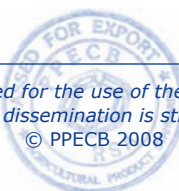


6. Key performance indicators and targets

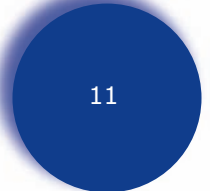
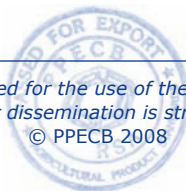
Strategic objective	Key performance indicators	3 Year roll-out action plan					
		Year 1: 2008/09		Year 2: 2009/10		Year 3: 2010/11	
		Target	Action plan/ activities	Target	Action plan/ activities	Target	Action plan/ activities
1. Enhance the credibility of the South African Export Certificate	Alignment of delivery capability with globally recognised methodologies	Investigate with DoA alternative sampling plans, system design to build up a risk databank	Data collection for risk profiling Engage DoA on quality assurance methodologies Investigate and benchmark alternative sampling plans internationally	Risk plan and pilot initiation	Present risk profile and QA methodology to DoA Document processes and procedures Impact analysis on existing BPs and finances	Service delivery on a risk basis Redeploy additional capacity to alternate service types where required	SLAs with affected clients Redeploy additional capacity to alternate service types where required
	Increased effectiveness of our current statutory responsibilities	Assist in designing the National Food Safety Control Plan Enhance requirements to support the credibility of the Export Certificate	Collaborate with DoA wrt National Control Plan Continuous engagement with DoA on the accuracy of the FBO Database Assist DoA in the development of mycotoxin risk strategy	Increased compliance to food safety standards Enhance requirements to support the credibility of the Export Certificate	Contribute to the review of food safety standards Internal audits and continuous process of improvements	Increased compliance to food safety standards Enhance requirements to support the credibility of the Export Certificate	Ongoing collaboration with DoA wrt food safety standards Internal audits and continuous process of improvements Support the implementation of the mycotoxin risk strategy



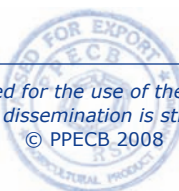
Strategic objective		Key performance indicators	3 Year roll-out action plan					
			Year 1: 2008/09		Year 2: 2009/10		Year 3: 2010/11	
			Target	Action plan/ activities	Target	Action plan/ activities	Target	Action plan/ activities
1. Enhance the credibility of the South African Export Certificate (cont.)			Assist DoA in the MRL risk profiling and streamlining of processes Engage with DoA on verification of information on addenda and unique pallet IDs		Assist DoA in the MRL risk profiling and streamlining of processes		Assist DoA in the MRL risk profiling and streamlining of processes Introduce pallet IDs and EDI protocols as industry standard	
		Conclude inputs to the review of Regulations governing cold chain activities	Establish a project team Evaluate impact on PPECB activities	Conclude inputs to the review of Regulations governing cold chain activities	Implements new Regulations	Implement new Regulations		
		Establish an in-service training programme as a feeder programme to limit risk exposure	Define training roles. Assign responsibility to trainers	Reduction in the use of contract workers by 50%	Transfer contract budget re permanent employee budget	Move to full capacity by reducing default risk to max. 5%	Maintain 95% staff competency through harmonisation programme Plot 5% to reduce risk strategically	
		Review, benchmark and map a harmonisation programme	Desk top study of international programmes	Introduction of port activity auditing	Introduce quality control auditing at all ports	Leverage	Explore synergies with similar needs within special market programmes	
		Harmonisation programme to ensure consistent application of standards						



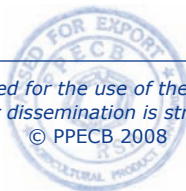
Strategic objective		Key performance indicators	3 Year roll-out action plan					
			Year 1: 2008/09		Year 2: 2009/10		Year 3: 2010/11	
			Target	Action plan/ activities	Target	Action plan/ activities	Target	Action plan/ activities
1.	Enhance the credibility of the South African Export Certificate (cont.)			Analyse and support consistent and high-quality internal functional training Develop additional measurement tools for application Establish, document and implement process flow Establish communication and reporting lines		Assign roles and responsibilities Establish and implement feedback loop Link communication and process flow to inland activities for continuous improvement Inject measures for consistency into internal audit		Align capacity for additional need Market capacity to effectively reduce "down time"
2.	Support the export competitiveness of South Africa's perishable product industries	Increase investment in R&D initiatives within cold chain	Improve container airflow	Commercialise results of improved airflow in back-to-back trials in all fruit kinds	Improve container airflow	Increase commercialisation of results of improved airflow in back-to-back trials in all fruit kinds	Improve container airflow	Increase commercialisation of results of improved airflow in back-to-back trials in all fruit kinds
			Improve packaging designing	Make available outcomes packaging redesign to packaging companies	Improve packaging designing	Make available outcomes packaging redesign to packaging companies	Improve packaging designing	Make available outcomes packaging redesign to packaging companies



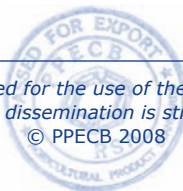
Strategic objective		Key performance indicators	3 Year roll-out action plan					
			Year 1: 2008/09		Year 2: 2009/10		Year 3: 2010/11	
			Target	Action plan/ activities	Target	Action plan/ activities	Target	Action plan/ activities
2. Support the export competitiveness of South Africa's perishable product industries (cont.)	Expand development initiatives of PPECB	Improve standards for pallets	Draft standard specifications for fruit pallet	Improve standards for pallets	Implement standards for fruit pallet	Improve standards for pallets	Implement certification for fruit pallet standards	
		Consolidate an interim plan for SA PIP II	Interact with the DoA and the EU for 2 nd phase of the programme	Implement "SA PIP II"	Establish a PMU for "SA PIP II"	"SA PIP II" in operation	Compliance to finance agreements	
		Roll out interim plan and appoint a manager	Develop "SA PIP II" strategy in line with DoA and stakeholders	Increase initiatives with "donor" institutions	Establish "donor" development institutions database	Increase initiatives with "donor" institutions	Conduct at least 3 "donor" development funded projects	
External capacity building, for knowledge and skills transfer	Establish an academy of excellence for product quality and food safety evaluation standards	Increase partnership initiatives with "donor" development institutions	Conduct at least 2 "donor" development funded projects in the SADC Region	Roll out the model	Ensure accreditation of course materials	Increase awareness to beneficiary industries and stakeholders	Increase the roll-out by 15–20% uptake	
		Develop a conceptual framework model for the academy of excellence						



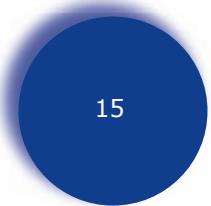
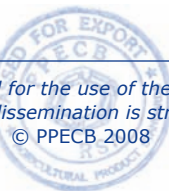
Strategic objective		Key performance indicators	3 Year roll-out action plan					
			Year 1: 2008/09		Year 2: 2009/10		Year 3: 2010/11	
		Target	Action plan/ activities	Target	Action plan/ activities	Target	Action plan/ activities	
2. Support the export competitiveness of South Africa's perishable product industries (cont.)			Establish competency base for trainers Develop accredited courses in focus areas Establish partnerships with relevant institutions Appoint a training coordinator		Introduce the academy to relevant industries Conduct accredited courses in focus areas		Conduct accredited courses in focus areas	
		Increase the scope of accreditations to enter other markets	Achieve and maintain accreditations for new scope Maintain customer loyalty Build capacity and competency of skilled personnel	Increase the scope of accreditations	Maintain accreditations Build capacity and competency of skilled personnel	Increase the scope of accreditations	Maintain accreditations Build capacity and competency of skilled personnel	
		Increase services in support of the competitiveness of the SA perishable product industries						



Strategic objective		Key performance indicators	3 Year roll-out action plan					
			Year 1: 2008/09		Year 2: 2009/10		Year 3: 2010/11	
			Target	Action plan/ activities	Target	Action plan/ activities	Target	Action plan/ activities
3. Strengthen PPECB's capacity as a credible source of strategic information for serving industries and stakeholders	Achieving accurate SLA business and statistics information	Extent of diffusion of PPECB's standard codes through service providers	Implement tools and review procedures for information collection	Improve access to PPECB's information	Create PPECB web portal with tools for any user to access required info	Receive 90% of data on fruit products electronically	Use pallet IDs and EDI protocols as industry standard	
		Standardise codes for activities in fruit industry						
4. Support Government in ensuring confidence in quality assurance and food safety systems for local perishable product markets	DoA Policy on "Food Safety and Product Quality"	Review of the DoA "Food Safety and Product Quality" Policy	Contribute in the review and/or development of country "Food Safety and Product Quality" Policy	Review of the DoA "Food Safety and Product Quality" Policy	Contribute in the review and/or development of country "Food Safety and Product Quality" Policy	Implementation of the DoA "Food Safety and Product Quality" Policy	Contribute in the implementation and/or development of country "Food Safety and Product Quality" Policy	
		Development of minimum country capacity to monitor local perishable product market	Contribute in the assessment and establishment of "minimum" capacity to monitor local perishable product market				Contribute in the implementation of "minimum" capacity to monitor local perishable product market	



Strategic objective		Key performance indicators	3 Year roll-out action plan					
			Year 1: 2008/09		Year 2: 2009/10		Year 3: 2010/11	
			Target	Action plan/ activities	Target	Action plan/ activities	Target	Action plan/ activities
5. Support Government in building systems to ensure compliance with South African food safety and quality standards for imported perishable products		DoA Policy on "Food Safety and Product Quality"	Review of the DoA "Food Safety and Product Quality" Policy	Contribute in the review and/or development of DoA "Food Safety and Product Quality" Policy	Review of the DoA "Food Safety and Product Quality" Policy	Contribute in the review and/or development of country "Food Safety and Product Quality" Policy	Implantation of the DoA "Food Safety and Product Quality" Policy	Contribute in the implantation and/or development of the countries' "Food Safety and Product Quality" Policy
							Development of country capacity to monitor imports of perishable products	Contribute in the assessment and establishment of country capacity to monitor imports of perishable products



PERISHABLE PRODUCTS EXPORT CONTROL BOARD

Finance and budgets: Projected Income Statement

FINANCIAL YEARS 2008 TO 2012

	Notes	Budget (R) FY 2008/09	Forecast (R) FY 2009/10	% p	Forecast (R) FY 2010/11	% p	Forecast (R) FY 2011/12	% p
Income								
Statutory	Note 1	106 989 208	117 684 028	10	128 409 702	9	141 714 866	10
Value Added	Note 2	9 310 086	10 241 095	10	11 265 204	10	12 391 725	10
Other	Note 3	6 387 085	6 706 439	5	7 041 761	5	7 393 849	5
		122 686 379	134 631 562	10	146 716 667	9	161 500 440	10
Expenditure								
Employment	Note 4	77 722 172	84 717 167	9	91 494 541	8	100 643 995	10
Activity	Note 5	21 788 861	24 621 413	13	27 329 768	11	30 336 043	11
Development	Note 6	3 185 385	3 503 924	10	3 924 394	12	4 395 322	12
Other	Note 7	19 989 961	21 789 058	9	23 967 963	10	26 125 080	9
		122 686 379	134 631 562	110	146 716 667	9	161 500 440	10
Surplus/shortfall		-0	0		0		0	

Notes

1. Inflationary levy increases and volume growth result in a 10% increase in stat income 2009–10. Increases in the following years are 9% and 10% for the same reasons.
2. A 10% growth in income year on year as a result of average annual 8% increase and client growth.
3. An average growth of 5% is expected.
4. Inflationary increases are expected with the exception of 2011–12 (10%) whereby new appointments shall be made.
5. Activity cost is expected to increase 13% in 2009–10, and 11% in the years following. This greater than inflationary growth is a result of increased pressure on accommodation costs, fuel prices and other activity costs.
6. Average annual increases in development costs of 10%, 12% and 12% has been forecast due to an anticipated increase in projects.
7. An average inflationary increase year on year with the exception of 2010–11 whereby 10% growth in spend is expected. This is a result of training and skills development.

