



SALDANHABAY
INDUSTRIAL DEVELOPMENT ZONE

CORPORATE PLAN 2021 / 22

Saldanha Bay
IDZ Licencing Company
SOC Ltd

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EXECUTIVE AUTHORITY STATEMENT

We could not have expected the storm that would hit us with the Covid-19 pandemic in March 2020. In the 2019 Corporate Plan, the SBIDZ-LC, then entering its second five-year strategic phase, did not foresee such a threat, but it was not alone in this.

Fortunately, due to sound and stringent fiscal and corporate governance policies, the SBIDZ-LC had cash resources and commitments in place that enabled it to not only maintain operations, but also to provide relief to cash-strapped investors. Credit must go to the resilience, resoluteness and agility shown by the Board, the Chief Executive Officer, the Executive Management and the entire staff of the SBIDZ-LC in navigating this storm.

The basic thrust of policy priorities remained in place and stayed aligned with the Western Cape Governments' Vision Inspired Priorities. These are the establishment of a safe and cohesive community, to grow the economy and provide jobs, to empower the people within the community, to encourage and promote mobility, accelerate the spatial transformation and improve the lived environment, and to instill a culture of innovation. The SBIDZ-LC's strategy and objectives also fits into the broader national strategies and policies of the South African Government.

The SBIDZ-LC is on track to realise its commercial potential and has grown and secured an active investor pipeline, currently valued at over R21 billion. The SBIDZ-LC management must also be commended for strengthening its governance partnerships with the South African Government, the Western Cape Government, the Saldanha Bay Municipality and Transnet to achieve the desired outcomes as detailed in the Corporate Plan for 2021/22.



Mr David Maynier
Minister of Finance
and Economic Opportunities

ACCOUNTING AUTHORITY STATEMENT

As intimated in the Company's 2021 Corporate Plan, the next big push is to attain full operational capability and self-sufficiency, the latter by 1 April 2023. Given that all the basic building blocks are in place and having assessed shifts and trends in market conditions, considering our country's own fiscal and other challenges, we will have to adopt a more aggressive stance to capitalise on opportunities opening up around us.

This required a medium- to long-term re-assessment of the Company's commercial potential over the past year towards enhancing its attractiveness to investors and negation of any possible fiscal risks and non-dilution of its socio-economic development goals which remain. Practically speaking, the investor pipeline requires expansion in both quantity and diversification, investors need to be settled-in more speedily, investors need the lacking capacity within the port long promised under Operation Phakisa, and the exploration of alternative financing models to accelerate the Company's business proposition must be undertaken. All to ultimately enhancing investor confidence and actively managing the impact of the Covid-19 pandemic on the Company's business.

The Company has the mandate through its legislative framework to enable this strategic and pragmatic approach, and in effect, pioneer a different way of looking at special economic zones and ports. The SBIDZ-LC is after all the first SEZ Operator to be designated in a port, and therefore it can and must leverage that value towards establishing and operating an integrated industrial zone and port to capitalise on demand and need, a Marine and Energy Services Centre and not only an SEZ or Port, if you will.

Thus our intrinsic partnership within our port and with our Port Authority, the Transnet National Port Authority (TNPA), and the growing and deepening partnership with Transnet significantly bolsters the development and scope of operations of the Port, inclusive of planning, financing, transaction modelling and crucial additional quay areas to the benefit of all parties. Current processes underway will evolve the partnership into an enduring and long-term joint and balanced commercial and developmental venture, building on past formal agreements and lessons learnt over time.

Steps will thus be taken to build up the required maritime/shipyard and energy capacity, adapting those in response to, or in anticipation of, changing market conditions and operational requirements of investors. In addition, in concert with the mooted Innovation Campus, sophisticating our offering to the market, inclusive of digitised access, dynamic estate and client management, are expected to remain perennial issues for the Centre.

It follows that the current active investor pipeline, currently valued at around R21.9bn, be expeditiously managed, aiming to secure and settle investors soonest within the Centre, but in a manner where the whole is more than the sum of the parts. This will likely make the designated footprints of the SEZ and CCA a valuable, scarce commodity.

As the services/shipyard approach introduces necessary diversification and thus greater ancillary local business and employment possibilities, the Saldanha Bay Municipality's medium- to long-term spatial planning and its internal business practices, as those of the anticipated joint practices of Transnet and the Company will have to be adjusted and streamlined to attract and retain investors.

As in any industrial venture, but more so in terms of the magnitude at stake in the Saldanha Port environment, the necessary attention is being directed at finding sustainable environmental solutions and negating any unnecessary negative impacts. Steps to find such sustainable and affordable solutions to acquire space for expansion and sufficient energy sourcing, are essential as the current area and energy supply is under pressure to accommodate all expressed interests.

As space is opened and more investors occupy the Centre, additional capital and other resources are required. To realise such, active steps are currently underway to determine the most beneficial manner to bring in private sector partners to aid both investment confidence, financing and service delivery requirements, apart from endeavouring to access the current available resources housed within the National Government's infrastructure provisioning.

We intend to build on the good governance foundation laid over the years, this being recalibrated toward a stronger business orientation grounded in our socio-economic responsibilities towards our supporting communities and businesses. Arising out of this, is not only a sustainable commercial venture, but one that, if successful, can directly and indirectly literally create and sustain thousands of sustainable job opportunities over the next decade.

In synergy to this goal, Management will continue to endeavour to strengthen our governance partnerships with Transnet and more specifically TNPA, the Saldanha Bay Municipality and the Western Cape Government, as all of us have a vested and joint role to play to achieve the desired outcomes listed above. It is understood that such mutual collaboration, trust and consistency will not emerge by itself, but by developing mechanisms whereby we can effectively hold one another to account towards achieving the stated objectives.

It is necessary to bring in the necessary expertise and capital to make a success of the Centre and

perform the work that is needed within defined timelines, so as to give certainty to investors that we are all jointly committed to a common successful outcome in a volatile economic environment.

In closing, my sincere appreciation goes to our Shareholder and Executive Authority, represented by Minister David Maynier for his unstinting guidance and support. Also to the Executive Mayor of the Saldanha Bay Municipality, Marius Koen, the Municipal Manager, Mr Heinrich Mettler and his colleagues, the Group Chief Executive of Transnet, Ms Portia Derby, the Chief Executive of TNPA, Mr Pepi Silinga, the Head of the Provincial Department of Economic Development and Tourism, Mr Solly Fourie and his colleagues, the Head Official of the Provincial Treasury, Mr David Savage and his colleagues, the Head of the Department of Transport and Public Works, Ms Jacqui Gooch and her colleagues (notably those in the Roads Branch), the Director-General, Dr Harry Malila, and other key departments in the Provincial Government, our respected colleagues in the Department of Trade and Industry, the Industrial Development Corporation, SARS, GTAC and other key national institutions.

Also, to my Deputy Chair and Chair of our Investment Committee, Mr Thembisile Salman, all other fellow Board members who have held fast taking up their responsibilities so diligently for the journey that we've embarked on.

As always, for their achievements in trying times, strengthening of relationships with multiple stakeholders and rising to the occasion in realising the dynamic building blocks of the Centre, a special word of thanks to the team under the highly capable and energetic leadership of our CEO, Ms Kaashifah Beukes.



Mr Johann C Stegmann
Chairperson of the Board

OFFICIAL SIGN-OFF

It is hereby certified that this Corporate Plan:

- Was developed by the management of the Saldanha Bay IDZ Licencing Company SOC Ltd, under the guidance of the Board and Shareholder Representative, Minister David Maynier, Minister of Finance and Economic Opportunities.
- Was prepared in line with the current Strategic Plan of the Saldanha Bay IDZ Licencing Company SOC Ltd.
- Accurately reflects the performance targets which the Saldanha Bay IDZ Licencing Company SOC Ltd will endeavour to achieve, given the resources made available in the budget for 2021/22.

Mr Doug Southgate
Chief Operations Officer



Signature

Mr Herman Boneschans
Chief Financial Officer



Signature

Mrs Kaashifah Beukes
Chief Executive Officer



Signature

Mr Johann Stegmann
Accounting Officer



Signature

Minister David Maynier
Executive Authority



Signature

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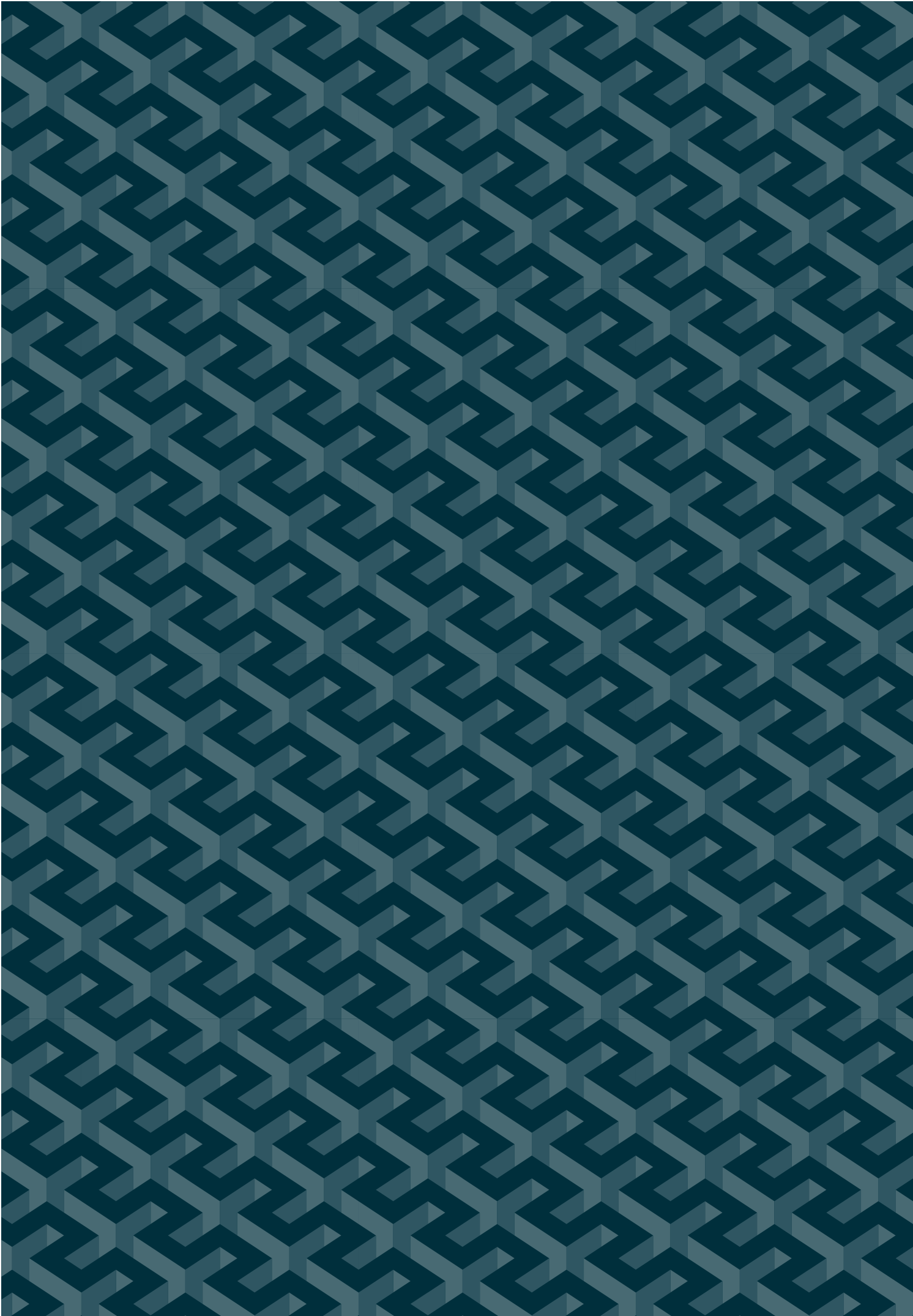
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LIST OF ABBREVIATIONS / ACRONYMS

AGSA	Auditor-General of South Africa
CCA	Customs Control Area
CHIETA	Chemical Industries Education and Training Authority
CSIR	Council for Scientific and Industrial Research
DEA&DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DLG	Department of Local Government
DOE	Department of Energy
DST	Department of Science and Technology
Dtic	Department of Trade Industry and Competition
EIA	Environmental Impact Assessment
EIR	Environmental Impact Report
EoDB	Ease of Doing Business
ESSA	Employment Services System of South Africa
GCIS	Government Communication and Information System
GDP	Gross Domestic Product
IDC	Industrial Development Corporation
IDP	Industrial Development Plan
IDZ	Industrial Development Zone
KPI	Key Performance Indicator
SBIDZ-LC	Saldanha Bay Industrial Development Zone Licencing Company SOC Ltd
MDA	Manufacturing Development Act
MEC	Member of Executive Council
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework

NDA	Non-Disclosure Agreement
O&G	Oil & Gas
OSSB	Offshore Supply Base
PASA	Petroleum Agency South Africa
PFMA	Public Finance Management Act
PICC	Presidential Infrastructure Coordinating Commission
PT	Provincial Treasury
RoFR	Right of First Refusal
RPL	Recognition of Prior Learning
SAIMI	South African International Maritime Institute
SAMREF	South African Marine Research and Exploration Forum
SAOGA	South African Oil and Gas Alliance
SAPS	South African Police Service
SARS	South African Revenue Services
SBIDZ	Saldanha Bay Industrial Development Zone
SBM	Saldanha Bay Municipality
SBMESC	Saldanha Bay Marine and Energy Services Centre
SCM	Supply Chain Management
SEZ	Special Economic Zone
SIP5	Strategic Integrated Project 5: Saldanha-Northern Cape Development Corridor
SOC	State Owned Company
TCP	Transnet Capital Projects
TETA	Transport Education and Training Authority
TNPA	Transnet National Ports Authority
TPT	Transnet Ports Terminal
WCDM	West Coast District Municipality
WCG	Western Cape Government





A

**OUR
MANDATE**

PART A: OUR MANDATE

1 Constitutional mandate

Constitution of the Republic of South Africa, 1996; Constitution of the Western Cape, 1997

The SBIDZ is linked to both the Constitution of the Republic of South Africa, 1996 and the Constitution of the Western Cape, 1997. In terms of Schedule 4 of the Constitution of the Republic of South Africa “industrial promotion” is a functional area of concurrent national and provincial legislative competence. The SBIDZ is a component of the “industrial promotion” functional area.

Section 81 of the Constitution of the Western Cape, 1997 provides that the Western Cape Government must adopt and implement policies to actively promote and maintain the welfare of the people of the Western Cape, including policies aimed at achieving the creation of job opportunities and the promotion of a market-orientated economy. The SBIDZ fulfils the purpose of a Special Economic Zone within the greater Saldanha Bay area and ensures compliance with the Constitution of the Western Cape by continuing to catalyse growth and development through the provision of an enabling, inclusive environment and to fully operationalise and become commercially sustainable.

2 Legislative and policy mandates

2.1 National legislative mandates

Special Economic Zones Act, 2014 (Act 16 of 2014)

The purpose of the Special Economic Zones Act, 2014 (Act 16 of 2014) (SEZ Act) is to provide for the designation, promotion, development, operation and management of Special Economic Zones, which includes the establishment of a provincial business enterprise to manage each SEZ. The SEZ Act also provides for the functions of the Special Economic Zones operator.

In terms of the SEZ Act, the SBIDZ is an economic development tool to promote national economic growth and export by using support measures in order to attract targeted foreign and domestic investments and technology. The purpose of the SBIDZ includes:

- attracting foreign and domestic direct investment;
- providing the location for the establishment of targeted investments;
- taking advantage of existing industrial and technological capacity, promoting integration with local industry and increasing value-added production;
- promoting regional development;
- creating decent work and other economic and social benefits in the region in which it is located, including the broadening of economic participation by promoting small, micro and medium enterprises and co-operatives, promoting skills and technology transfer; and
- the generation of new and innovative economic activities.

Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended by the BBBEE Amendment Act, 2013 (Act 45 of 2013)

The Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003) establishes a legislative framework for the promotion of black economic empowerment. Our vision is to promote sustainable economic growth and job creation within the broader Saldanha Bay Municipality (SBM). The SBIDZ has embraced the principles and objectives as set out in the BBBEE Act and Codes of Good Practice through the implementation of various enterprise, skills and supplier development interventions/programmes.

The regulatory framework for the Industrial Development Zone programme is furthermore enhanced by the following legislation:

- Section 21A of the Customs and Excise Act, 1964 (Act 91 of 1964).
- Relevant provisions of the Value Added Tax Act, 1991 (Act 89 of 1991).
- Report No. 14 promulgated by the International Trade Administration Commission in accordance with the Customs and Excise Act.

2.2 Provincial legislative mandates

Saldanha Bay Industrial Development Zone Licencing Company Act, 2016 (Act 1 of 2016)

In 2016 the Provincial Parliament of the Western Cape passed the Saldanha Bay Industrial Development Zone Licencing Company Act, 2016 (Act 1 of 2016). The Act regulates the operation of the entity and provides for the objects, functions, and governance of the entity. In terms of the Act, the objects of the entity are to establish and fulfil the purpose of a SEZ within the greater Saldanha Bay area, including, but not limited to:

- (a) promoting, managing and marketing the SBIDZ;
- (b) providing internal infrastructure in the SBIDZ area;

- (c) facilitating the ease of doing business in the SBIDZ area; and
- (d) acquiring and leasing land incidental to the Company's business.

Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996) as amended by the Western Cape Investment and Trade Promotion Agency Amendment Act, 2013 (Act 6 of 2013)

Wesgro was established to promote and support economic growth and related activity within the Western Cape Province, thus facilitating job creation by creating and keeping more businesses in the Western Cape as well as helping local companies to export to the rest of the African continent and the world. In line with the national InvestSA Initiative, the Department of Economic Development through its trade and promotion agency Wesgro has established the Cape Investor Centre. In light of the sector-specific competencies of Wesgro and the SBIDZ-LC, and both parties' desire to be a contributing agency in providing services to the Cape Investor Centre, Wesgro and the SBIDZ-LC have agreed to collaborate and co-operate with each other in providing services at the Cape Investor Centre for the purpose of creating an enabling investor environment.

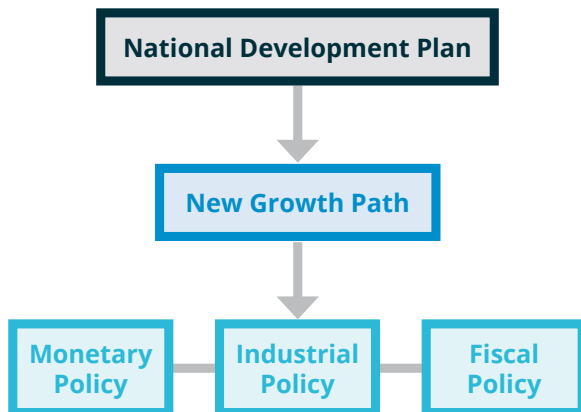
2.3 National policy context

In addition to the legislative mandates, the SBIDZ is linked to broader national strategies and policies, including:

- The National Development Plan;
- The National Infrastructure Plan;
- The Presidential Infrastructure Coordinating Commission (PICC) Rollout Programme;
- The Industrial Policy Action Plan;
- Operation Phakisa;
- National Infrastructure Plan (SIP5).

The SBIDZ in the National Policy Context:

The hierarchy of economic policy in South Africa can be portrayed as follows:



2.3.1 Overarching Policy Environment

National Development Plan: Vision 2030

The National Development Plan: Vision 2030 (NDP) states that the guiding principles of the plan is to “eliminate poverty and to sharply reduce inequality” and focus on inclusivity in the economy. Three of the top four policy proposals (of nine listed) in the NDP are directly addressed through the SBIDZ. These are:

- “create jobs and livelihoods”;
- “expand infrastructure”;
- “transform urban and rural spaces”.

The NDP also refers to the economic objectives of the New Growth Path.

2.3.2 Leading Economic Policy

New Growth Path (NGP)

The core drive of the New Growth Path (NGP) is the creation of employment in order to combat poverty and inequality in an inclusive economy and of the four areas of “drivers”, with the “Jobs Drivers” being number one. Similar to the NDP, infrastructure is highlighted as a key priority. The NGP also refers to the sectors prioritised in the Industrial Policy Action Plan.

2.3.2.1 Industrial Policy

Industrial Policy Action Plan (IPAP)

Dtic’s Industrial Policy Action Plan (IPAP) signals the country’s industrial policy intentions as a practical outflow of the National Industrial Policy Framework (NIPF). These action plans support the job-creation ambitions of the NDP and the NGP and lists Special Economic Zones as one of six “Transversal Focus Areas”. Under the “Sectoral Focus Areas”, the SBIDZ’s focus sector of Oil and Gas is expanded on as a major priority (as well as shipbuilding, which is part of the marine engineering activities proposed in the SBIDZ).

The IPAP is firmly entrenched in Government’s overall policy and plans to address the key challenges of economic and industrial growth and race-based poverty, inequality and unemployment. IPAP 2018 is a product of the Economic Sectors, Employment and Infrastructure Development (ESEID) cluster. The responsibility for its implementation lies with Government as a whole and a wide range of entities, including SOCs like the SBIDZ-LC.

IPAP 2018 focuses on the following 10 key themes which inform the work of the Dtic and act as a roadmap for the wider industrial effort:

- Grow the economy.
- Strengthen efforts to raise aggregate domestic demand – mainly through localisation of public procurement and intensified efforts to persuade the private sector to support localisation and local supplier development.
- Step up South Africa’s export effort.
- Create and reinforce policy certainty and programme alignment.
- Strengthen ongoing efforts to build a less concentrated, more competitive economic and manufacturing environment in which barriers to entry for new entrants are lowered.
- Build a stronger system of industrial finance and incentives to support and secure higher levels of private sector investment in the productive sectors of the economy and grow exports.

- Press ahead with technology-intensive, value-adding beneficiation projects which fully leverage SA's comparative resource endowment advantage into a global competitive advantage.
- Optimise technology transfer and diffusion and, working closely with the Department of Science and Technology, further ramp up the effort to commercialise "home-grown" R&D in key sectors.
- Support the further strengthening of energy-efficient production and carbon mitigation efforts and measures in a manner that allows for sustainable adaptation by all the energy-intensive sectors of the economy.
- Understand, grasp and prepare for the foreseeable effects of the Digital Industrial Revolution and emergent disruptive technologies, collaboratively adapting SA's productive and services sectors to meet the challenges, including those relating to employment displacement.

2.4 Provincial policy context

In addition, by virtue of the Provincial Department of Economic Development and Tourism being the overseeing governing body, the SBIDZ is linked to broader provincial strategies and policies, including the Western Cape Infrastructure Framework and the Western Cape Spatial Development Framework. Specifically, the SBIDZ falls under Provincial Strategic Goal VIP2, focusing on exports, employment, and GDP, as per the recently concluded Western Cape Government Provincial Strategic Plan (PSP) 2019–2024. The SBIDZ also aligns with the Saldanha Bay Municipality Local Economic Development Strategy and the Growth Potential Study of Towns (GPS) 2014.

3 Institutional Policies and Strategies over the five-year planning period

3.1 Policies

Saldanha Bay Municipality 4th Generation Integrated Development Plan 2017–2022 2nd Amendment

The Saldanha Bay 4th generation 2017–2022 Integrated Development Plan (IDP) is the Municipality's principal five-year strategic plan that guides decision-making and deals with the most critical development needs of the municipal area as well as the most critical governance needs of the organisation. The IDP is adopted by the municipal council within one year after a municipal election and whilst it remains in force for the council's elected term (a period of five years), it is reviewed annually in consultation with the local community as well as interested organs of state and other role players. The IDP should guide and inform all planning and development that the Municipality undertakes within the municipal area towards the fulfilment of the Municipality's constitutional, legislative and developmental mandate.

The IDP reflects that the Municipality has identified as one of its 10 strategic objectives *"the diversification of the economic base of the municipality through industrialization, de-regulation, investment facilitation and tourism development whilst at the same time nurturing traditional economic sectors."*

Thus, clear linkages between this strategic objective can be drawn with the SBIDZ's stated purpose of (amongst others):

- attracting foreign and domestic direct investment;
- taking advantage of existing industrial and technological capacity, promoting integration with local industry and increasing value-added production;
- providing the location for the establishment of targeted investments.

Saldanha Bay Municipality Spatial Development Framework (SBM SDF)

The Saldanha Bay Municipal SDF, reviewed and adopted in 2019, is a core component of the IDP and thus the Municipality's economic, sectoral, spatial, social, institutional and environmental vision. It is the principal tool the municipality uses to achieve its desired spatial form. The SDF identifies the SBIDZ as part of a number of development initiatives that influenced industrial development and contributed to the broadening of the economic base of the municipal area.

As such, the SDF reflects that the "identification of areas for future industrial development" as a key strategy towards implementing part of its spatial vision relating to the "promotion of the industrial area, including high-tech economic development, to take advantage of global demand opportunities and encourage local employment and capacity building". This becomes especially pertinent when, taking into account the future growth of the port facility and expected pressures on the industrial land supply, given the potential of the growth in backward and forward linkages.

Saldanha Bay Municipal Infrastructure Growth Plan

The municipality compiled the Saldanha Bay Infrastructure and Growth Plan (IGP) due to the increased economic activities in the municipal area. The Saldanha Bay Municipality's IGP seeks to reflect the status of all infrastructure within each town, list possible major gaps and projects together with estimated cost and funding sources and provide a high-level assessment of the financial capacity of the Municipality with regard to the funding of capital projects. Ultimately, the purpose of the plan is to provide an overview of the infrastructure needs of Saldanha Municipality within the broader context of economic, developmental and human settlement-related factors. It is within this context that the Saldanha Bay municipal IGP views the SBIDZ and the envisioned developments in the Zone as a determining factor that will shape the economic and basic

service delivery infrastructure status, needs and management within the municipal area.

Western Cape Infrastructure Framework (WCIF)

The Western Cape Government is mandated to coordinate provincial planning under Schedule 5A of the Constitution. As part of this mandate, the Western Cape Infrastructure Working Group produced the WCIF, which was adopted in 2013. The WCIF intended to align the planning, delivery and management of infrastructure, provided by all stakeholders (national government, provincial government, local government, State-owned Entities and the private sector), to the strategic agenda and vision for the province. The WCIF identifies that the harbour and industrial development in Saldanha will create a need for a substantial transition in infrastructure coordination, administration and provision related to bulk water supply, energy generation, transportation and Information and Communications Technology (ICT).

Western Cape Provincial Spatial Development Framework (PSDF)

The Western Cape PSDF, adopted in 2014, sets out the basis for addressing the Province's spatial agenda. It is not a blueprint that can be implemented in the short term, but rather a framework within which:

- Coherent and consistent sector and area-based plans (e.g. for functional regions or municipalities) can be formulated and rolled out by the spheres of government and SOEs operating in the Western Cape; and
- Communities and the private sector have greater certainty over where development and investment is heading, and so can respond to opportunities arising.

The PSDF's spatial policies cover three interrelated themes, namely "resources", "space-economy" and "settlement". In adopting a strategic view of the provincial space-economy, the PSDF identifies three functional regions where significant development trends and/or development potentials are seen to exist. One of these identified functional regions is the

emerging Greater Saldanha Regional Industrial Complex, with the Saldanha Bay/Vredenburg growth centre at its heart. The PSDF proposes that the advancement of this functional region be supported by specifically targeting the oil and gas sectors as economic sectors, to support facilitating the development of a water demand management system for the region and lastly by seeking to encourage the flow of new regional and bulk economic infrastructure investment into the area in order to leverage private sector and community investments.

Integrated Urban Development Framework (IUDF)

The National Development Plan (NDP) indicated that by 2030 South Africa should observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements. To attain this goal, the Department of Cooperative Governance, has worked with various stakeholders and partners to develop the IUDF to transform and restructure South Africa's urban spaces. The Integrated Urban Development Framework (IUDF) is the South African government's policy position to guide the future growth and management of urban areas. In doing so, the IUDF aims to foster a shared understanding across government and society about how best to manage urbanisation in order to create resilient and inclusive cities and towns, such as Saldanha and Vredenburg. Ultimately, in relation to the mandate of the SBIDZ-LC the IUDF calls for government and society to adopt a more resolute, holistic and coordinated approach when deciding on the most appropriate locations for business and industrial development in their city or town.

3.2 Strategies

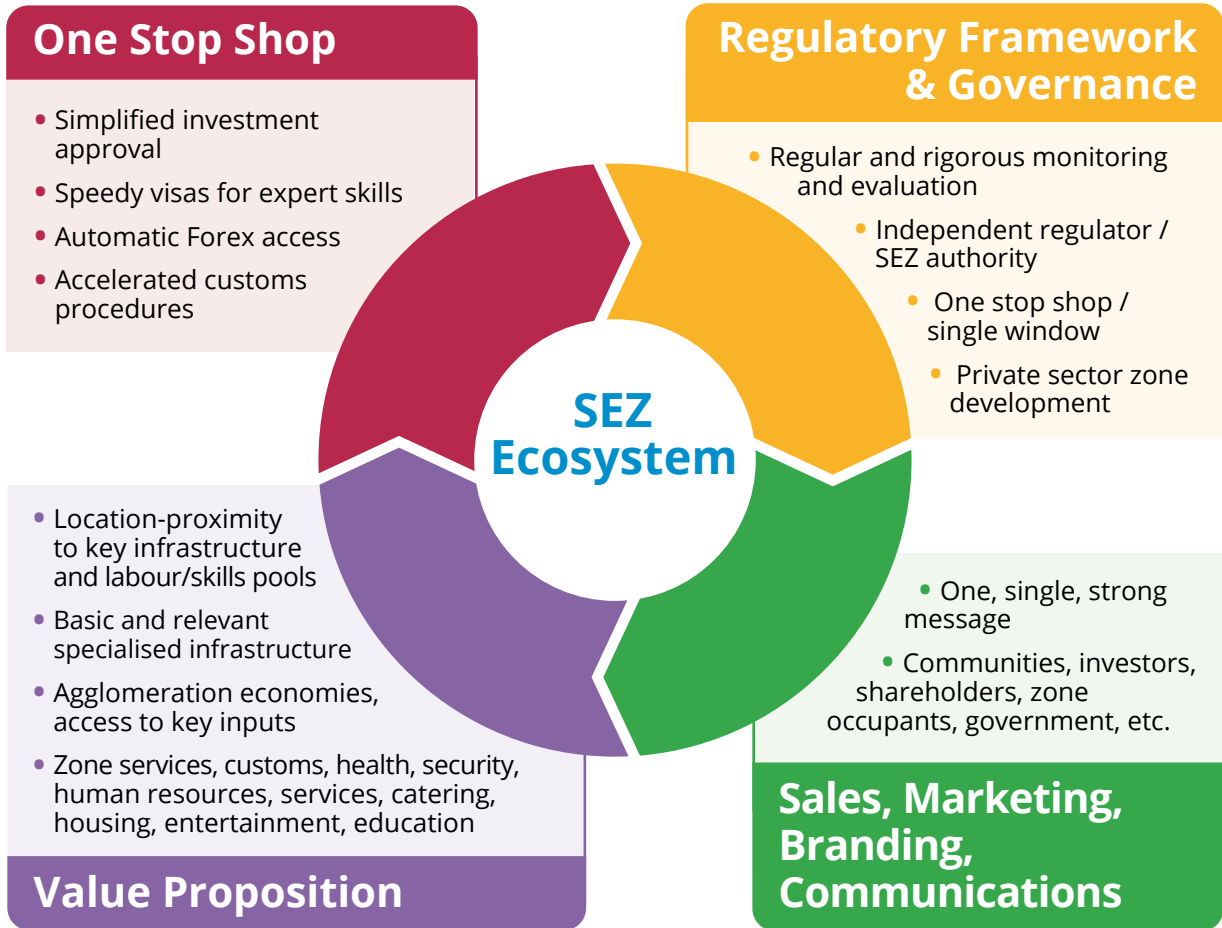
Dtic SEZ Strategic Framework 2020–2030: Draft

The draft SEZ Strategic Framework 2020–2030 draws on best practice research from the United Nations Conference on Trade and Development (UNCTAD), the World Bank, the United Nations Development Programme (UNDP), as well as SEZ case studies across the globe.

The framework notes the following:

“Provision of relevant and high-quality infrastructure, and competitive incentives, at a desirable location, is no longer sufficient for the South African SEZ programme to succeed... the probability of success is significantly increased when the SEZ implementation and delivery process is viewed as a portfolio or an ecosystem of linked and mutually dependent implementation actions, occurring in a dynamic environment. It is the effectiveness of these elements that are, as noted above, fast becoming an important deciding factor in terms of locational investment decisions.”

Figure 1: An optimum SEZ Industrial Ecosystem from Dtic's draft SEZ Strategic Framework 2020-2030



Sources: Adapted from UNCTAD, World Bank (2019); UNDP (2018); Malaysia (2016)

Thus, the framework has set the following draft vision:

“The South African SEZ programme will, through the development of competitive and world class SEZs in South Africa, have a significant and lasting impact on sustainable reduction in poverty and inequality, and increased inclusivity in the South African economy, improving the quality of life for all.”

With the enabling mission as follows:

“The South African SEZ programme will, by 2030, ensure that all designated SEZs and those in the current pipeline have been supported by means of infrastructure delivery, incentives delivery and zone services to the extent required to deliver measured economic, social and environmental

benefits to citizens. The programme will continue to identify SEZ opportunities annually, and will ensure economic and social inclusivity in all procurement and supply chains for black South Africans, and women in measurable ways.”

Seven strategies have been identified and proposed to fulfil the framework’s mission and move towards the determined vision. These include:

- **Strategy One** – Improve legal and regulatory environment to ensure South African SEZs are globally competitive by building in flexibility to the Act and to linked regulations in order to stay ahead, without compromising on good governance;
- **Strategy Two** – Deliver world class industry relevant infrastructure to target industries

and build low carbon and environmental compliance into all master plans. The SEZ programme will work directly with relevant South Africa sectors and their master plans for optimum planning and implementation outcomes;

- **Strategy Three** – Proactive opportunity and investor stance. This requires an opportunity scan annually, proactive and coherent marketing and information implementation nationally and at the SEZ level;
- **Strategy Four** – Stakeholder management and national buy-in. Ensure business, communities, politicians, academic institutions and other essential stakeholders are on board and in agreement and that all stakeholders are regularly engaged and consulted;
- **Strategy Five** – Improve funding capability. Introduce a fund wherein the Dtic SEZ fund is only one of a number of co-funders;
- **Strategy Six** – Build the essential ecosystem. SEZs are not only about location, incentives and infrastructure; and
- **Strategy Seven** – Invest in people. Skills, training and capacity need improved coordination and organisation to meet the needs of investors and their supply chains.

The framework, currently under review for comment, sets out a quintessentially integrated operational delivery environment for SEZ Operators. This new direction for the SEZ Programme recognises the backward, forward and sideways socio-economic potential of SEZs and therefore the associated responsibilities of SEZ Operators and the multitude of different stakeholders who have a contribution to make to realise the outcomes.

Western Cape Government Provincial Strategic Plan (PSP) 2019–2024

The PSP sets out the Western Cape Government's (WCG) vision and strategic priorities. It seeks to set out and define the WCG's approach to addressing the economic, social, and development challenges in the Province. These challenges are to be addressed through the WCG's five strategic priorities, known as Vision Inspired Priorities (VIPs). These are:

- **VIP 1:** Safe and Cohesive Communities;
- **VIP 2:** Economy and Jobs;
- **VIP 3:** Empowering People;
- **VIP 4:** Mobility, Spatial Transformation and Human Settlements; and
- **VIP 5:** Innovation and Culture.

Due to its mandate and nature of work, the SBIDZ sees itself as contributing primarily, but not exclusively to **"VIP 2: Economy and Jobs"**. This is done by focusing, amongst other things, on attracting direct investment, increasing employment and contributing to the Western Cape Province GDP through increasing value-added production and the generation of new and innovative economic activities specifically within the oil, gas and marine services industries.

The PSP recognises the oil, gas and marine services sectors as priority sectors based on their potential to create jobs and unlock further economic opportunities and comparative advantage. It is with this in mind that the PSP has identified SBIDZ as playing a catalytic role in unlocking the industrial and economic potential of the West Coast.

Western Cape Recovery Plan: Draft 1 (WCRP)

Covid-19 has had deep, overwhelmingly negative effects on the economic and social life of the Western Cape. The WCRP identifies the problems that require an urgent, whole-of-society response in order to create jobs, foster safe communities, and promote the well-being of all the residents of the Western Cape. The PSP remains the guiding document for the growth and development of the Province, and the problem statements that frame the five VIPs have not changed.

The WCRP is built on four themes of Covid-19 Recovery, Jobs, Well-being, and Safety, with dignity of the citizen, household and community and a life course approach being central to the above themes.

The SBIDZ resides within the **Jobs** theme, aligned to VIP 2, and in particular, contributes primarily to Focus Area 1: Increasing investment, Focus

Area 2: Building and maintaining infrastructure, and Focus Area 3: Growing the economy through export growth. This is evidenced by its investment promotion mandate and the investment pipeline established, where some investments are already realised and in operation in the Zone. In addition, the SBIDZ in its 5-Year Strategic Plan and Corporate Plans are committed to taking a more activist role with regard to enabling, catalytic marine infrastructure in the Zone and port, namely the Cost Benefit Analysis and Environmental Impact Assessment for marine services infrastructure currently underway. Lastly, investors in the Zone will be import and export facing, as their operations come online over the next years.

To a lesser degree, the SBIDZ contributes to Focus Area 4: Creating opportunities for job creation through skills development through its development programmes. This is to a lesser degree as the SBIDZ undertakes industry-targeted skills development as a strategic link between local citizens and the maritime and energy markets in the SBIDZ to create a pipeline of competent, accessible and competitive skills capacities. In the long term, through the Innovation Campus programme, the SBIDZ will also contribute to Focus Area 5: Creating an enabling environment for economic growth through resource resilience, as a just transition to lower carbon economies is enabled by competitive investment into research, design and innovation into lower carbon-needing and -producing technologies in industrial systems, such as those that will be located in the SBIDZ.

The SBIDZ reports and participates in the Jobs theme, contributing to the short- to medium-term MTEF 2021–24 response plan.

Saldanha Bay Municipality Local Economic Development Strategy

The SBM LED Strategy sought to provide an overarching long-term plan for the entire economy of Saldanha Bay to ensure that all stakeholders' efforts are prioritised and aligned for most beneficial effect on the SBM economy. The SBM LED strategy identified and focused on the key economic sectors that are key to economic growth within the municipal area.

From the seven key economic sectors identified by the SBM LED strategy, four of those economic sectors are directly linked to the SBIDZ:

- Oil and Gas storage and processing;
- Engineering, metal fabrication and manufacturing;
- Ports, freight, transport, logistics, services; and
- Property and infrastructure development and construction.

This theme of close alignment with the SBIDZ extends within the LED document to the actual strategies that the Municipality will seek to employ towards achieving its economic objectives. These are:

- **Strategy 4:** Attract new industrial investors by creating a more enabling environment
- **Strategy 5:** Maximise the competitive advantages from ports
- **Strategy 6:** Support local SME to access more opportunities
- **Strategy 7:** Credible vocational skills development and tertiary education available

It is thus clear, that a significant part of the Municipality's economic strategy is closely aligned to the mandate and work of the SBIDZ.

Growth Potential Study of Towns (GPS) 2014

The Western Cape Growth Potential Study of Towns was drafted in 2014 and sought to determine the growth potential and socio-economic needs of settlements in the Western Cape outside of the Cape Town metropolitan area using quantitative data (e.g. factors relating to socio-economic, economic, physical-environmental, infrastructure and institutional aspects). The GPS reflects that a cluster of very high and high potential settlements occurs in the Saldanha Bay region, with Vredenburg (very high growth potential) acting as the main node.

In addition, based on a qualitative component of the research that was done in drafting the GPS, regional interventions that would unlock latent development potential, and assist or influence the local, provincial and national government in making crucial and informed decisions on

where to invest in the future were identified. The GPS reflects “business, marketing and skills development” as a key lever towards unlocking the region’s development potential, with the growth of the Industrial Development Zone (IDZ) as a cornerstone and catalytic initiative. Lastly, “Infrastructure Development” related to expanding the regional transport network, increasing ICT coverage and upgrading the rail infrastructure is also reflected as a so-called “Big Idea” that would further enhance the functional region’s latent potential.

Saldanha Bay Municipal Economic Recovery Plan 2020 (MERP)

The pandemic has dealt a heavy blow to economic growth which caused a significant decline in the vibrancy of the economy and resulted into massive job losses. Following engagement at multiple levels, SBM has crafted a Municipal Economic Recovery Plan (MERP) with the objectives of:

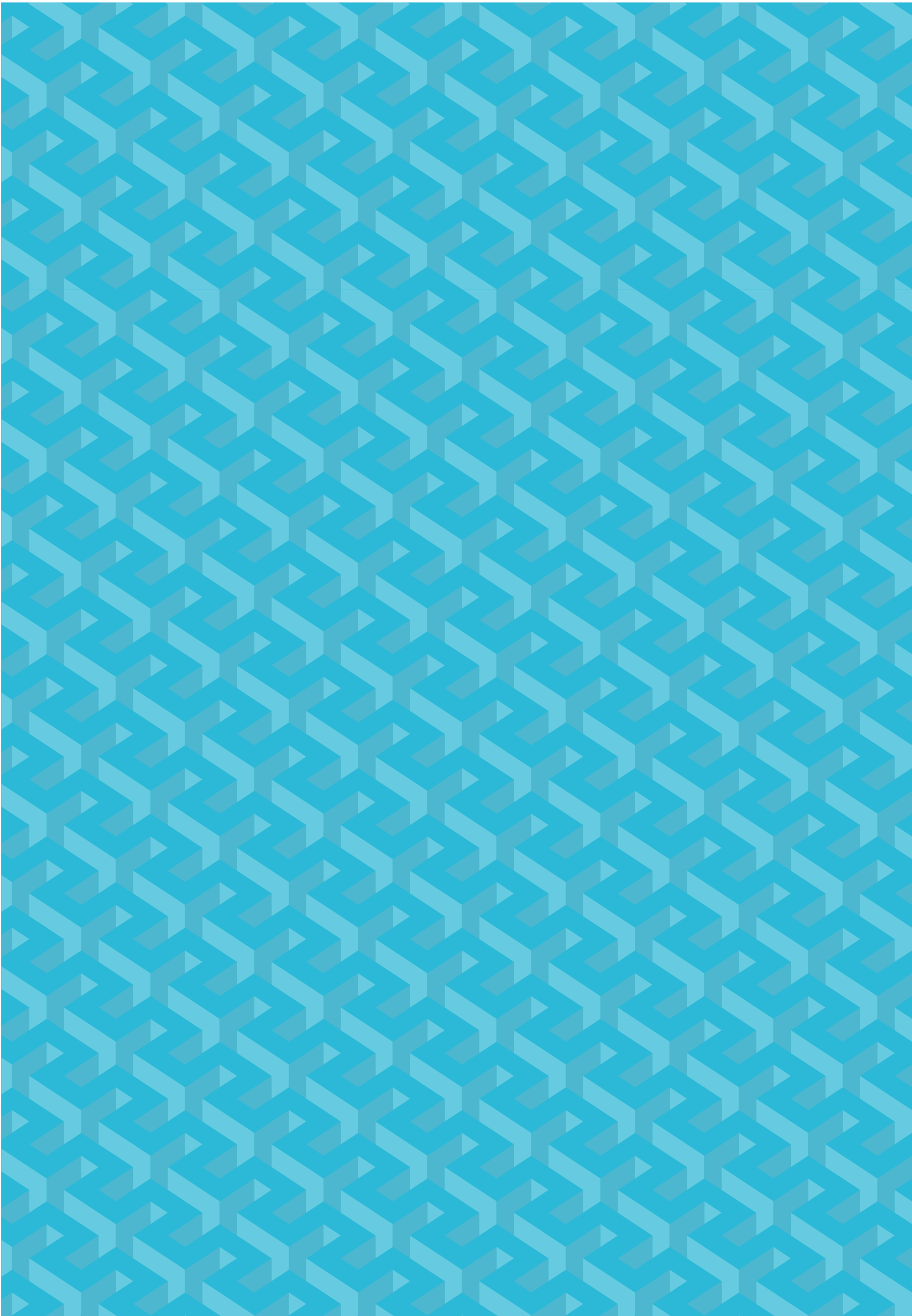
- To maintain a very high level of energy water supply and municipal services;
- Investment retention and promotion;
- Supporting local businesses;
- Creating business opportunities via localisation; and
- Direct job creation through EPWP and CWP.

The framework of action in the MERP has the overarching theme of Rebuilding the Economy, and has three action areas, namely: New Investment and Investor Retention, Localisation and SMME Support (working with local business organisations), and Value Chain Analysis and Support (enhancing longer-term competitiveness).

As the single most important development that will take place in the Saldanha Bay Municipal area over the next 10 to 20 years, the SBIDZ is a catalytic and critical short-, medium- and long-term recovery mechanism towards each of these action areas through its construction programme, the positive spill-over benefits between businesses in the Zone and outside of the Zone, job creation and the long-term wholesale restructuring of the economic structure towards a deep and solid industrial base.

4 Relevant Court Rulings

There are no court rulings which are relevant to the SBIDZ or may have a significant impact on its operations.





B

OUR
STRATEGIC
FOCUS

PART B: OUR STRATEGIC FOCUS

1 Vision

Vision for the Zone

A World-Class Marine and Energy Services Centre and Shipyard in Africa

Vision for the Organisation

We work with each other and others with integrity, clarity and respect, accepting that we work in the name of all citizens of Saldanha Bay and South Africa.

Vision for the Board

We are a cohesive, informed, decision-making body, working in partnership with Management to ensure the long-term success of the company and the short-term objective to operationalise and build an inclusive economy.

Vision for Partnerships

We are a community of equals, choosing to work together to fulfil our joint visions because we clearly understand the purpose and values of each partner.

2 Mission

Fostering responsible investment in the Centre, as an inclusive and sustainable economic catalyst.

3 Values

Pioneering: We know where we have come from and where we are heading. We dedicate ourselves to creating the conditions for our collective success. We achieve what is possible and overcome what others see as impossible.

Partnership Focused: We work together. We grow together. We show mutual respect.

Accountable: We take ownership of our actions. We hold ourselves accountable. We make the right decision and take the right action, to deliver sustainable growth to our organisations, communities and our country.

Sustainability-Driven: We believe in making a difference that matters and that sustains itself after our work is done. We create spaces for empowerment and self-development. Creating sustainable transformation for lives, businesses and economies.

4 Situational Analysis

4.1 Performance Delivery Environment

4.1.1 Local Environment Analysis

4.1.1.1 West Coast District Economy

The socio-economic context is summarised below, adapted from the Municipal Economic Review and Outlook (MERO) 2020 (Provincial Treasury, 2020).

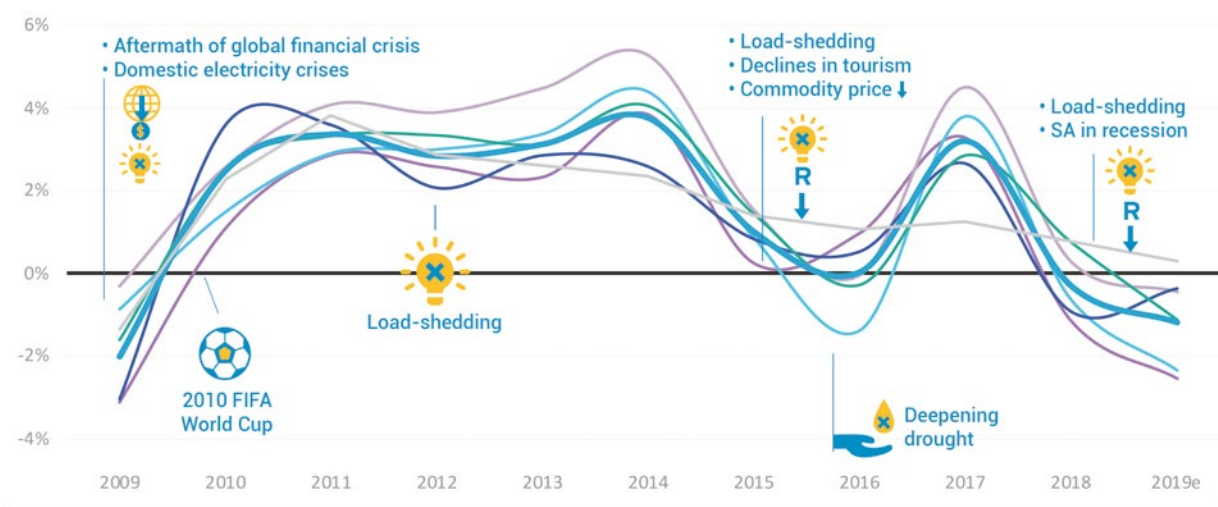
The West Coast District (WCD) economy was valued at R30.5 billion in 2018, contributing 5.2 per cent to the provincial economy. The WCD experienced an average annual growth rate of 1.5 per cent between 2014 and 2018, which was marginally higher than that of the provincial economy, which grew at 1.4 per cent over the same period (MERO, 2020). In the District, the two municipal areas that contributed the most to GDP in 2018 were the Saldanha Bay (30.7 per cent) and Swartland (27.3 per cent) municipal areas.

However, although Saldanha Bay contributed significantly to GDP, the municipal area realised an annual average growth rate of 1.2 per cent between 2014 and 2018, which was lower than that of the district (1.5 per cent) and provincial (1.4 per cent) economies for the period. This could be evidence of the effect of load-shedding, declines in tourism, the drought and the national

recession, as described in Figure 2.

Since the Saldanha Bay and Swartland municipal areas are the main contributors to GDP in the District, the contraction in growth in these municipal areas led to the overall contraction of the district economy, showing the importance of economic recovery in these municipal areas.

Figure 2: GDP Growth Per Municipal Area, West Coast District, 2009–2019



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e
Western Cape	-1.3%	2.3%	3.8%	2.9%	2.6%	2.4%	1.4%	1.1%	1.2%	0.8%	0.3%
West Coast District	-2.0%	2.5%	3.4%	2.9%	3.1%	3.8%	1.0%	0.0%	3.2%	-0.3%	-1.2%
Matzikama	-3.1%	1.1%	2.9%	2.6%	2.3%	3.8%	0.3%	1.0%	3.3%	-1.1%	-2.5%
Cederberg	-0.3%	2.6%	4.1%	3.9%	4.5%	5.3%	1.5%	0.0%	4.5%	0.3%	-0.4%
Bergrivier	-0.8%	1.5%	2.9%	3.0%	3.4%	4.4%	0.9%	-1.4%	3.8%	-0.6%	-2.3%
Saldanha Bay	-3.0%	3.6%	3.6%	2.1%	2.9%	2.6%	0.8%	0.5%	2.7%	-0.9%	-0.3%
Swartland	-1.6%	2.5%	3.3%	3.3%	3.1%	4.1%	1.4%	-0.3%	2.9%	0.8%	-1.1%

The main source of stagnation in the WCD's economy can largely be attributed to the contraction in the food and beverages subsector, which resulted in the poor performance of the agriculture, forestry and fishing sector. Moreover, since the agriculture, forestry and fishing sector is highly dependent on the availability of water, the drought in the WCD severely impacted the performance of the primary sector, resulting in a contraction of 6.3 per cent. The manufacturing sector is also a main source of stagnation in the WCD's economy. This could be largely attributed to the contraction in the

metals manufacturing subsector, which came as a result of the Saldanha Steel factory almost closing last year,¹ as well as the factory losing its structural competitiveness cost advantage to effectively compete in the export market.

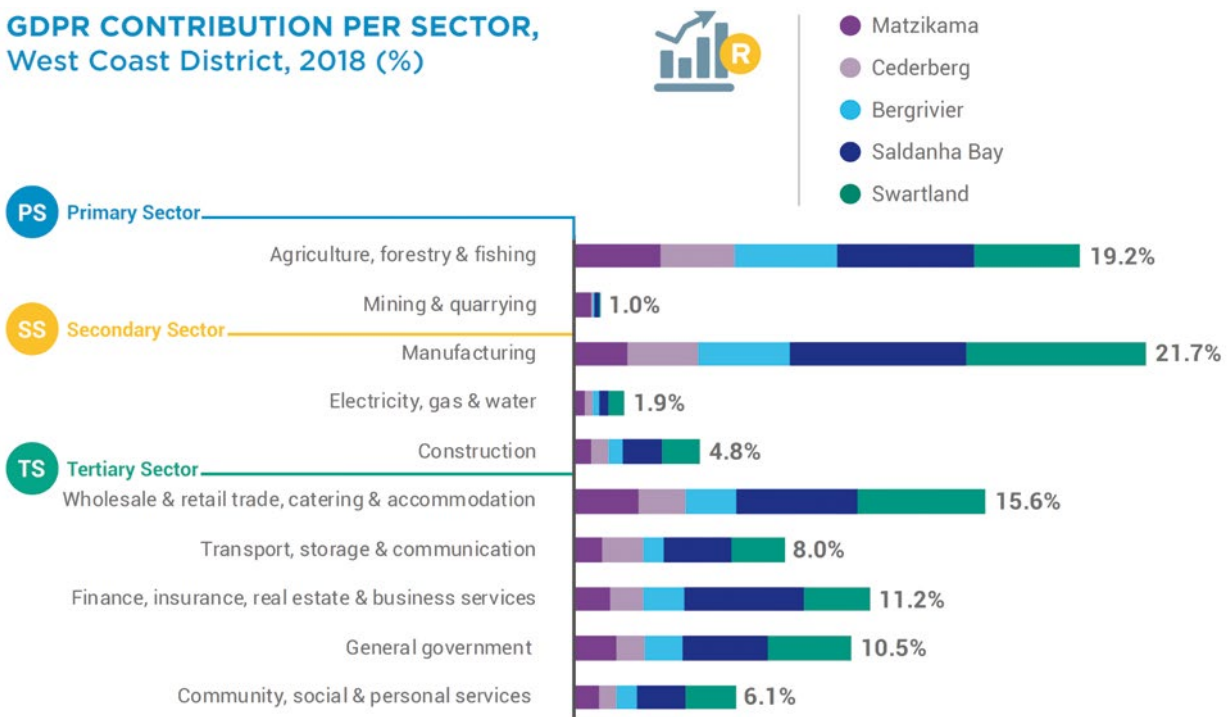
Saldanha Bay contributes the largest share to the WCD in agriculture, forestry and fishing and most manufacturing activity in the District takes place there as well (Figure 3). Saldanha Bay is also the top contributor to tertiary sector activities. This reinforces the catalytic role of Saldanha Bay in the District.

¹ Saldanha Steel went to care and maintenance status over late 2019 and early 2020.

In terms of employment context, the Saldanha Bay and Swartland municipal areas provide the bulk of the employment opportunities in the WCD, contributing 28.2 per cent and 25.4 per cent respectively to total employment. But in terms of job creation in the last five years, the Swartland municipal area created the most new jobs, with an average annual increase of 1 147 whilst Saldanha was second with 609, although

various economic shocks such as the industrial strikes and the drought affected key sectors that create jobs, such as the manufacturing and agriculture, forestry and fishing sectors. The estimates for 2019 indicate that the district economy shed 389 jobs, which was largely due to job-shedding in the Saldanha Bay municipal area, as per page 25.




Figure 3: GDPR Contribution Per Sector, West Coast District, 2018 (%)



In 2018, the unemployment rates of the WCD (10.8 per cent) were significantly lower than that of the Western Cape (18.0 per cent), with the Saldanha Bay (15.9 per cent) indicating the highest unemployment rate amongst all the municipal areas in 2018 regardless of its significant contribution to GDPR. The high unemployment in the Saldanha Bay municipal area is due to the poor performance of the steel factory in the municipal area.

As mentioned above, the labour force participation and absorption rates indicate a decrease from 2018 to 2019, which implies a lack of job opportunities in the labour market in the district economy. Moreover, the Saldanha Bay municipal area (72.4 per cent) experienced a significant decrease in the labour force participation rate in 2018 while the Swartland municipal area (63.2 per cent) experienced the least decrease.

Figure 4: Unemployment Profile, West Coast District, 2018 (%)

MUNICIPALITY	 Unemployment rate (%) 2018	2019	 Labour force participation rate (%) 2018	2019	 Labour absorption rate (employment to population ratio) 2018	2019
	● Matzikama	11.2	↑	66.6	↓	59.1
● Cederberg	7.2	↑	69.5	↓	64.5	↓
● Bergrivier	5.1	↑	67.3	↓	63.9	↓
● Saldanha Bay	15.9	↑	72.4	↓	60.9	↓
● Swartland	10.1	↑	63.2	↓	56.8	↓
West Coast District	10.8	↑	67.8	↓	60.4	↓
Western Cape	18.0	↑	68.5	↓	56.2	↓

4.1.1.2 Saldanha Bay Municipal Economy

The socio-economic context is summarised below, adapted from the Municipal Economic Review and Outlook (MERO) 2020 (Provincial Treasury, 2020) and the Socio-Economic Profile of the Saldanha Bay Municipality 2019 (Provincial Treasury, 2019).

The economy of Saldanha Bay was valued at R9.3 billion (current prices) in 2018, employing 51 924 people within the municipal area. The estimate for 2019 indicates that the economy was valued at R9.5 billion, employing 51 433

people in the municipal area. Moreover, it should be noted that growth in current prices is a result of inflation, and the economy indicates a contraction, which resulted in 491 jobs being shed in the municipal area as the economy stagnated.

The Saldanha Bay municipal area economy is expected to contract by 5.3 per cent in 2020 as a result of the Covid-19 pandemic. A slight recovery of 3.1 per cent is expected for 2021. Economic conditions will therefore remain challenging over the medium term considering that the economy was constrained prior to 2020.

Figure 5: Saldanha Bay Municipality Socio-Economic Profile

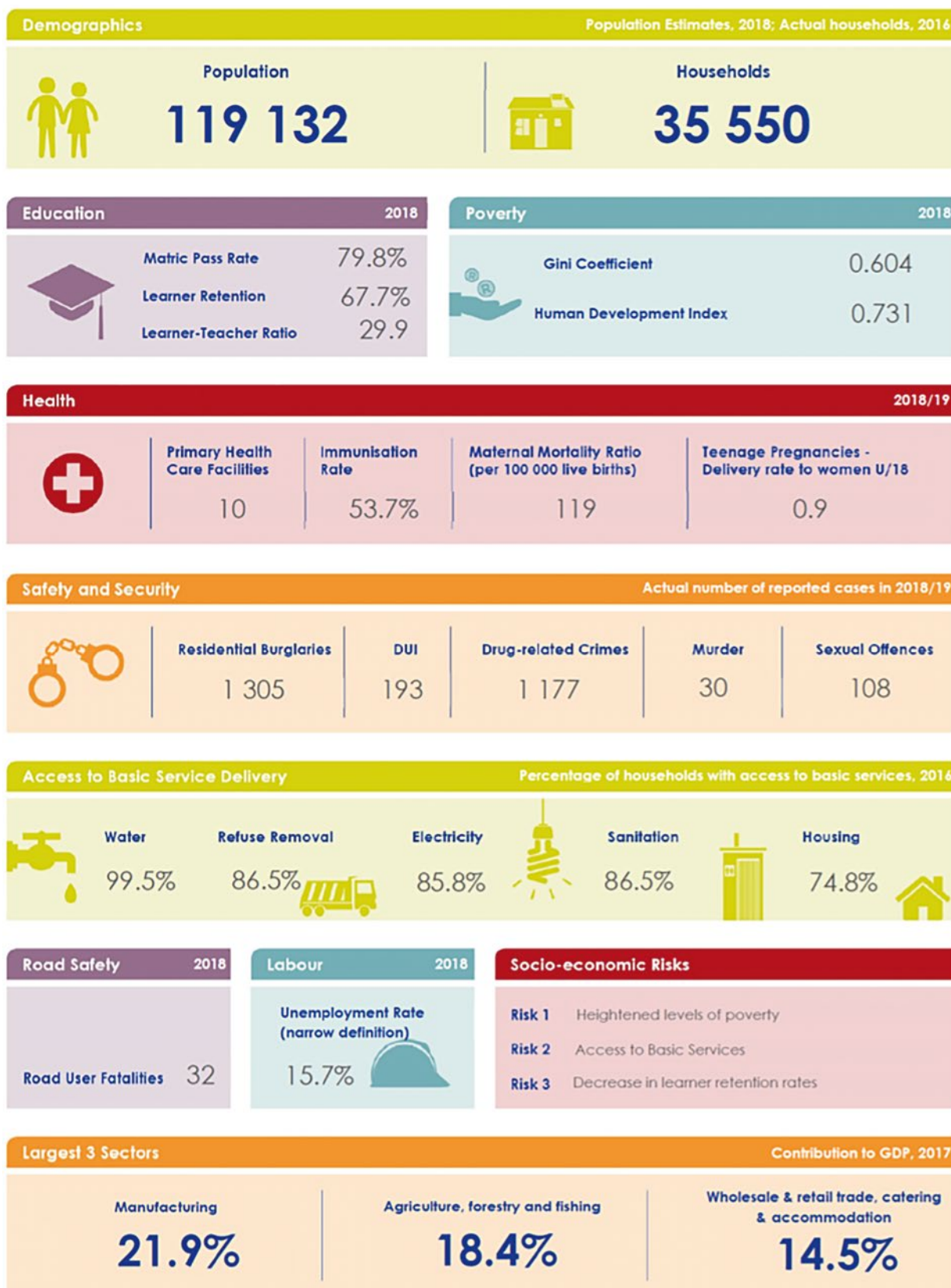


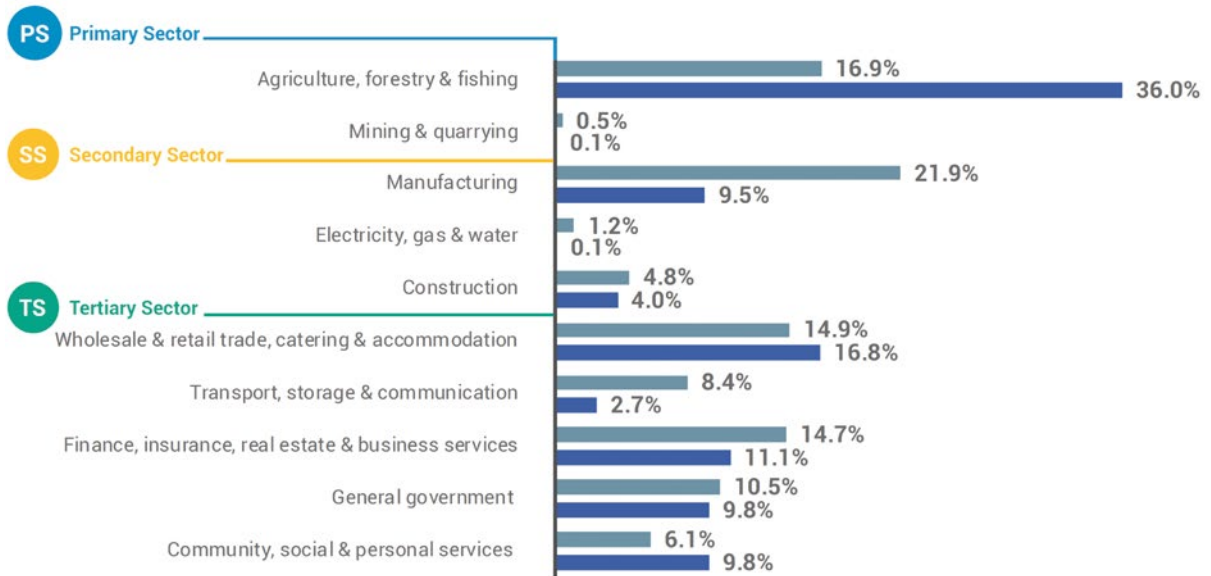
Figure 6: Sectoral GDPR and Employment Contribution, Saldanha Bay, 2018 (%)

**SECTORAL GDPR
AND EMPLOYMENT CONTRIBUTION,
Saldanha Bay, 2018 (%)**



● Contribution to GDPR


● Contribution to employment



The main industries contributing to GDPR in the municipal area were manufacturing (21.9 per cent), agriculture, forestry and fishing (16.9 per cent) and wholesale and retail trade, catering and accommodation (14.9 per cent) (Figure 6). Although manufacturing is the main contributor in terms of GDPR in the Saldanha Bay municipal area, the agriculture, forestry and fishing sector was also the largest contributor to employment in the municipal area, with a contribution of 36.0 per cent in the same year. The mining and quarrying sector was the

smallest, contributing 0.5 per cent to GDPR and 0.1 per cent to employment in the Saldanha Bay municipal area in 2018.

The manufacturing sector contributed 9.5 per cent to the WCD's employment in 2018, which reflects that the sector is capital intensive. Another important source of employment in the Saldanha Bay municipal area is the wholesale and retail trade, catering and accommodation sector, which contributed 16.8 per cent to total employment in the municipal area.

Figure 7: GDP and Employment Performance Per Sector, Saldanha Bay, 2019


SECTOR	GDP			Employment		
	R million value 2018	Trend 2014 – 2018	Real GDP growth 2019e	Number of jobs 2018	Average annual change 2014 – 2018	Net change 2019e
PS Primary Sector	R1 626.6	0.9%	-2.4%	18 751	-87	-461
Agriculture, forestry & fishing	R1 579.7	1.0%	-2.3%	18 702	-86	-458
Mining & quarrying	R46.9	-0.9%	-5.1%	49	-1	-3
SS Secondary Sector	R2 607.3	-0.1%	-3.5%	7 087	43	-376
Manufacturing	R2 048.5	-0.2%	-3.5%	4 949	-9	-202
Electricity, gas & water	R114.7	-0.1%	-3.0%	71	1	-1
Construction	R444.2	0.7%	-3.6%	2 067	51	-173
TS Tertiary Sector	R5 101.6	1.9%	1.6%	26 086	653	346
Wholesale & retail trade, catering & accommodation	R1 393.4	1.9%	0.5%	8 743	277	222
Transport, storage & communication	R788.5	-1.0%	-2.1%	1 390	-13	13
Finance, insurance, real estate & business services	R1 371.8	3.4%	4.0%	5 777	184	27
General government	R979.1	1.2%	1.7%	5 091	73	110
Community, social & personal services	R568.9	2.5%	1.7%	5 085	132	-26
Total Saldanha Bay	R9 335.5	1.2%	-0.3%	51 924	609	-491

Despite its important role in the local economy, particularly as one of the main sources of employment, the agriculture, forestry and fishing sector experienced below-average performance between 2014 and 2018 and is estimated to have contracted by 2.3 per cent in 2019. This contraction led to the loss of 458 jobs (Figure 7). The agriculture, forestry and fishing sector is still recovering from the provincial drought.

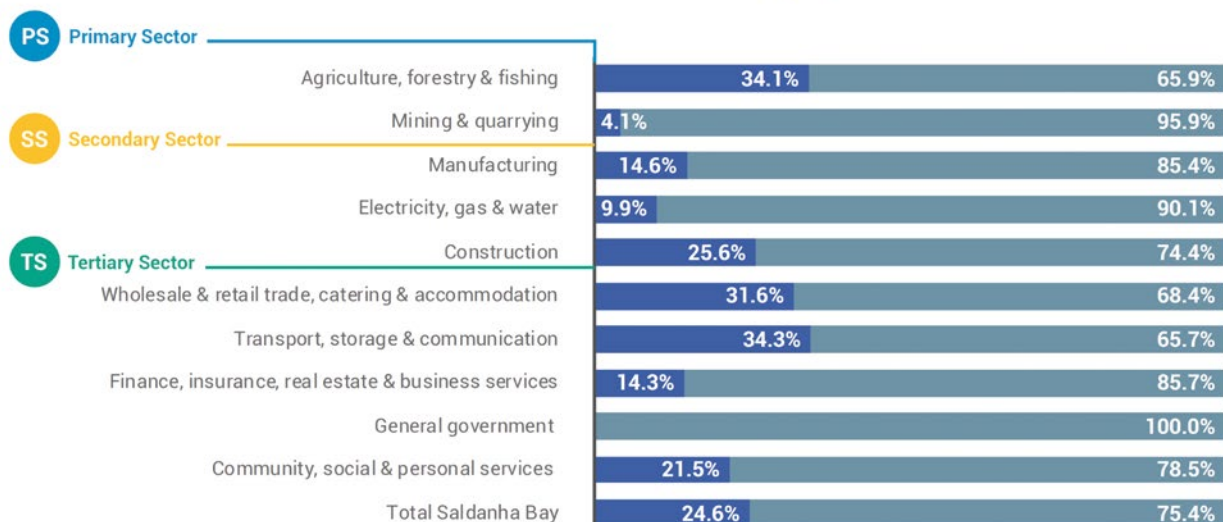
The manufacturing sector contracted by an average annual rate of 0.2 per cent between 2014 and 2018. The sector's performance is estimated to have worsened in 2019, contracting by 3.5 per cent. The decline in manufacturing can

be largely attributed to the possible closure of the ArcelorMittal South Africa plant in Saldanha Bay. The steel manufacturing industry is an important local industry that provides inputs to other sectors such as construction. It should be noted that the poor performance of the steel industry has a significant impact on value chain development, considering that construction is correlated with the manufacturing sector.

The municipal area mainly comprised formal employment (75.4 per cent), with 24.6 per cent of people employed in the municipal area being informally employed.

Figure 8: Informal Employment Distribution, Saldanha Bay, 2018 (%)**INFORMAL EMPLOYMENT DISTRIBUTION, Saldanha Bay, 2018 (%)**

- Proportion informal employment
- Proportion formal employment



The sector that comprised the largest proportion of informal employment was the transport, storage and communication sector, where 34.3 per cent of jobs were in the informal sector, followed by the agriculture, forestry and fishing sector (34.1 per cent) and the wholesale and retail trade, catering and accommodation sector (31.6 per cent). Moreover, the fishing industry in the District has not done so well in the last decade and this has had a major impact on the livelihoods of people within the municipal area. The continued decline in the fishing-related industry will result in a decline in formal employment for the agriculture, forestry and fishing industry. In the Saldanha Bay municipal area the informal sector incorporates a diverse range of economic activities and is a valuable contributor to employment creation and poverty alleviation (Figure 8).

The Saldanha Bay municipal area was characterised by semi-skilled and low-skilled workers in 2018; 41.4 per cent of workers were semi-skilled, while 40.5 per cent were low-skilled. In terms of the sector profile for the municipal area, the community, social and

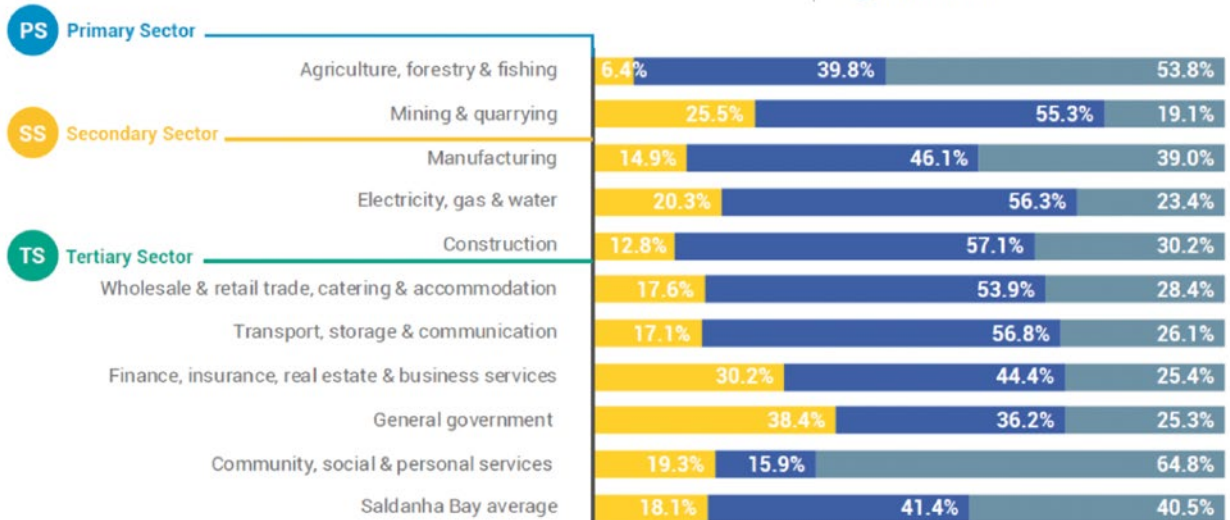
personal services sector comprised mainly low-skilled workers (64.8 per cent), followed by the agriculture, forestry and fishing sector (53.8 per cent).

All sectors within the Saldanha Bay municipal area comprised a large proportion of semi-skilled workers in 2018. The five sectors that predominantly consisted of semi-skilled workers were construction (57.1 per cent), electricity, gas and water (56.3 per cent), transport, storage and communication (56.8 per cent), wholesale and retail trade, catering and accommodation (53.9 per cent) and mining and quarrying (55.3 per cent).

Skilled employees are most prevalent within the general government sector (38.4 per cent) and the finance, insurance, real estate and business services sector (30.2 per cent). In 2018, only 18.1 per cent of workers in the Saldanha Bay municipal area were classified as skilled.

Figure 9: Skill Levels Per Sector, Saldanha Bay, 2018 (%)

SKILL LEVELS PER SECTOR, Saldanha Bay, 2018 (%)



4.1.1.2.1 Potential risks

The Saldanha Bay municipal area is four times denser than the district average and is the most populous within the WCD. The steel factory in Saldanha Bay is an important scale of manufacturing in the municipal area and the industry, and the possible closure of the factory could result in the loss of jobs for employees and also subcontractors. This closure could have a significant impact on the GDP and the loss of household income for Saldanha Bay and the District.

- High levels of economic activity, coupled with an ever-growing population, increase the demand for goods and services within Saldanha Bay, which in turn has put pressure on the existing economic and social infrastructure network.
- The scale of the manufacturing industry in Saldanha Bay is of importance to the municipal economy and its closure could cause a major dent in the manufacturing industry in the Saldanha Bay municipal area.

- The fishing-related industry, which has not done so well in the last decade, could affect the livelihoods of the people in the municipal area, considering that the fishing industry is an important economic contributor in the Saldanha Bay municipal area.

4.1.2 Market Environment Analysis

During 2019 the Company commissioned a study to undertake a situational analysis of the Global, African, South African and Western Cape Oil & Gas, and Marine Fabrication & Repair sectors to inform the 5-Year Strategic Plan and subsequent Corporate Plans.

The report included a current state analysis; prospects over a 10 year + horizon (trends and scenario synthesis); current and future risks and opportunities; expert insights through stakeholder interviews; high-level SWOT analysis; and a Decision-making Framework and Recommendations. The findings and conclusions of the study are summarised here, in addition to commentary on changes since 2019 due to the Covid-19 pandemic and associated global trends.

4.1.2.1 The Magnitude of the "Blue Economy"

The global ocean economy is worth approximately US\$3–6 trillion p.a. and provides for the livelihood of three billion people. Key types of services/capital are obtained from the Blue Ecosystem:

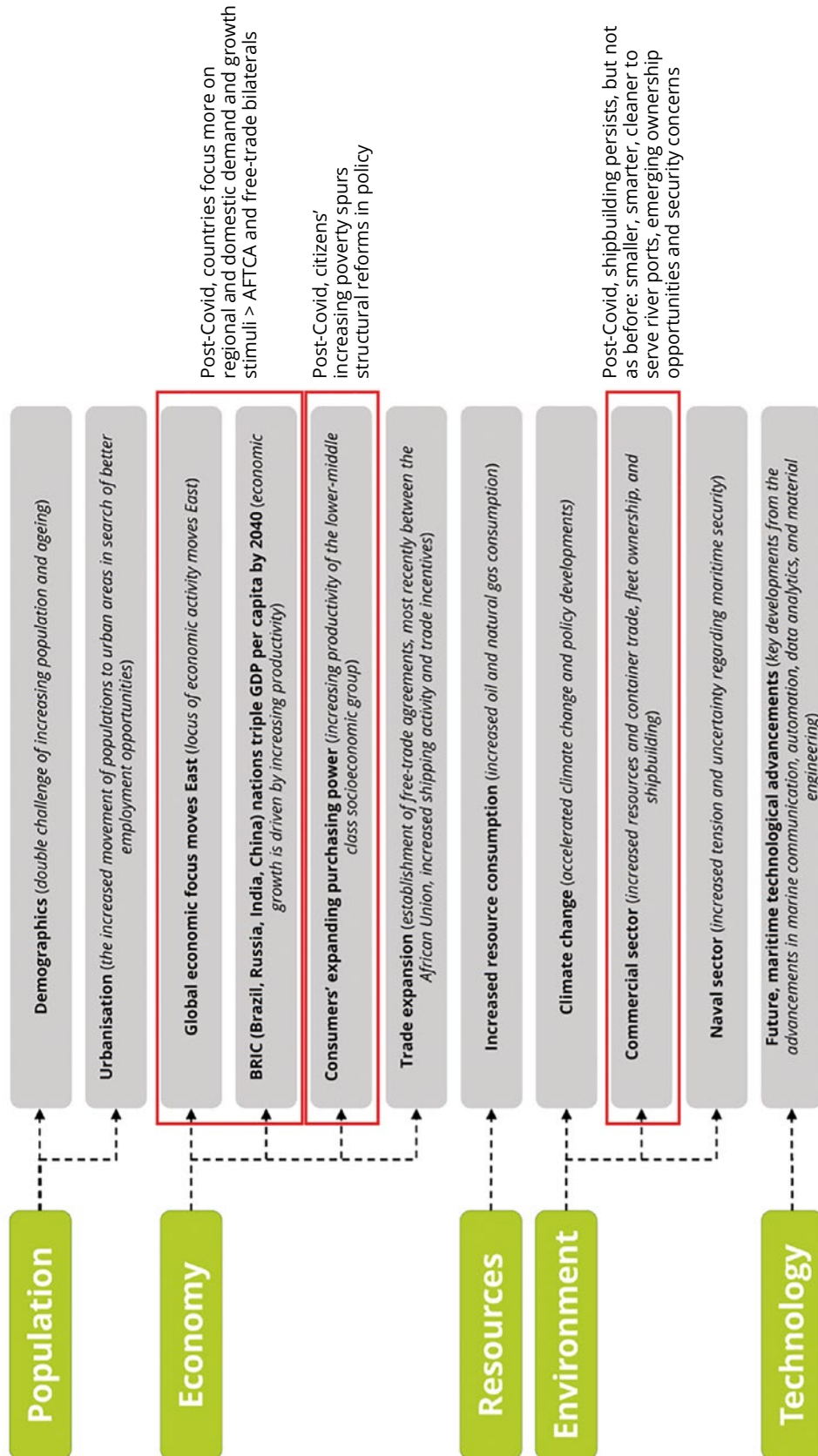
- Harvesting of living aquatic resources (seafood, plant marine organisms, and marine biotechnology);
- Extraction of non-living resources and generation of new energy resources;
- Commerce and trade in and around the ocean and rivers;
- Protection;
- Cultural and religious values; and
- Knowledge and information.

Currently, 26 per cent of the world's recoverable oil reserves (i.e. oil which can be extracted easily and affordably using present day technology)

remain offshore – that equates to approximately 41 billion tonnes of recoverable crude oil (Reliance on O&G, 2010). Oil consumption has increased by 70 per cent over the past three decades, and with PWC forecasting that global peak oil demand is "behind us" (Africa Oil and Gas Review 2020, PWC), one can foresee a global decrease in oil-based economies, but how this will play out will be very different for developing vs developed economies and those with high dependencies on the extraction of their reserves and those who have diverse economic bases.

There are over 50 000 merchant ships trading internationally, which belong to a global fleet which includes 150 nations and are manned by over one million seafarers of every nationality (ICS: Shipping and World Trade, 2019). The United Nations Conference on Trade and Development (UNCTAD) estimates that the operation of merchant ships contributes approximately US\$380 billion in freight rates within the global economy, which equates to 5 per cent of total world trade (ICS: World Seaborne Trade, 2019).

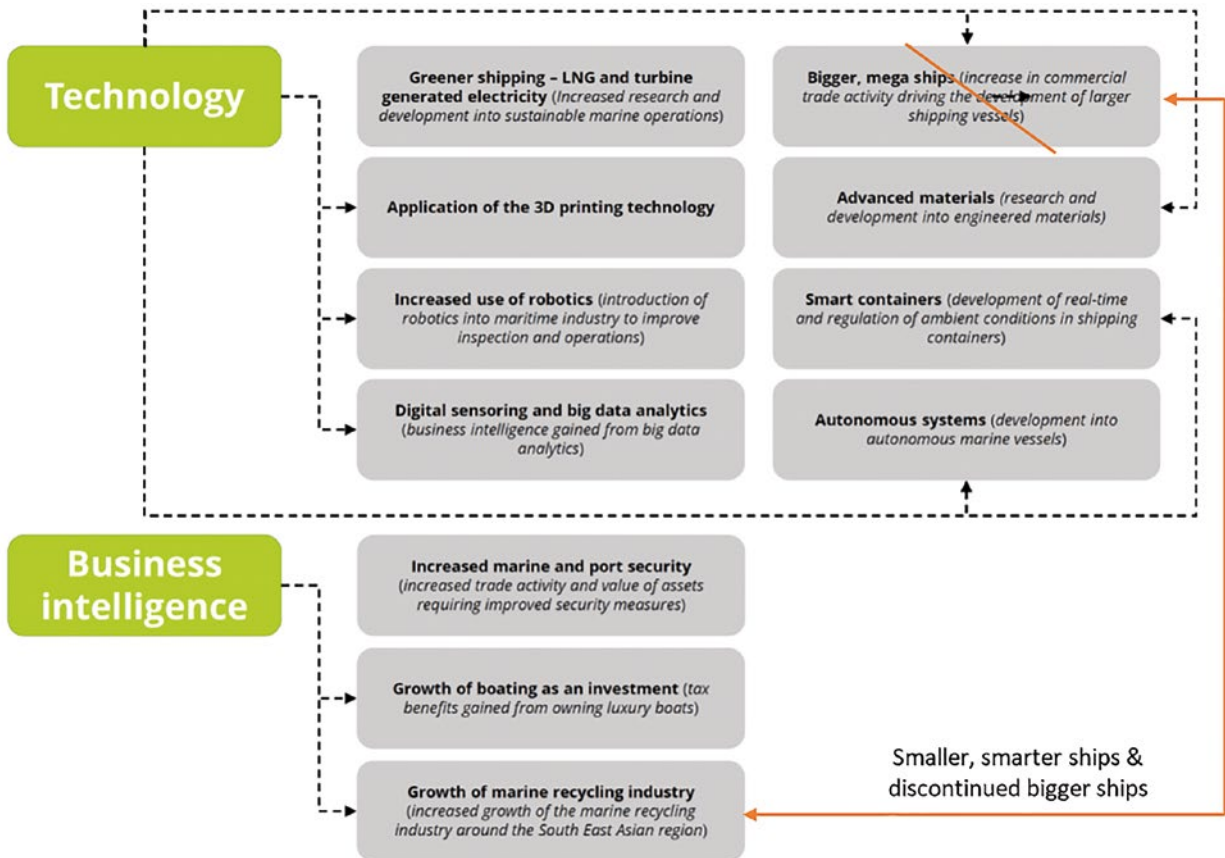
4.1.2.2 Global market trends for Oil, Gas & Maritime – pre- and post-Covid-19



The trends highlighted here are overall trends at the global scale pre-pandemic. They can be either positive or negative to the Company's business model, as they provide the context

of the sectors in which the Company operates. Post-pandemic indicative commentary is provided in the red blocks on page 34.

4.1.2.3 Maritime Market Dynamics – pre- and post-Covid-19

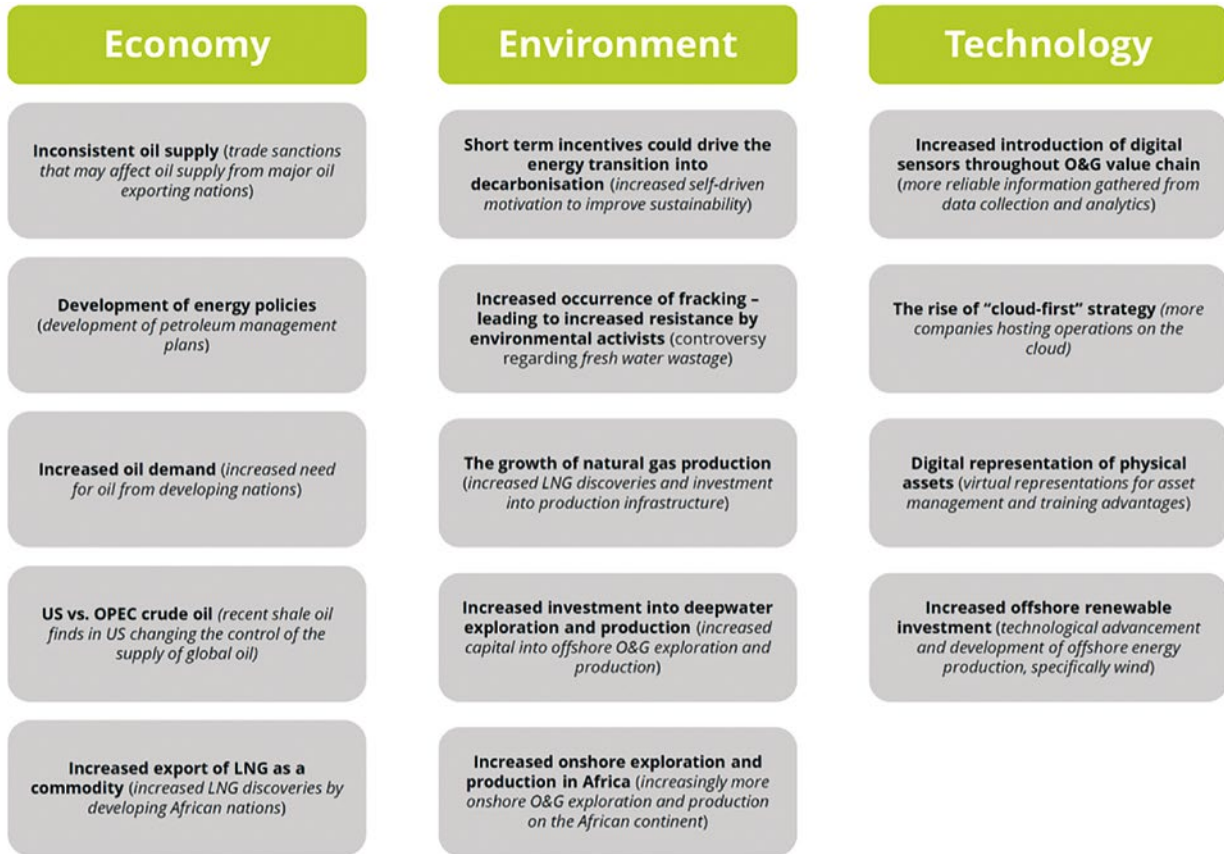


Key drivers in trends for the maritime market lie in greener shipping, autonomous systems and increased port and sea security.

The trends highlighted here are overall trends at the global scale pre-pandemic. They can be either positive or negative to the Company's business model, as they provide the context of the sectors in which the Company operates. Post-pandemic indicative commentary is provided in the orange amendments.

On the trend towards smaller vessels, this will always be highly dependent on the economies of scale by fleet owners that serve their customers and enable them to enter new markets.

4.1.2.4 Oil & Gas Market Dynamics – pre- and post-Covid-19



The main drivers of change in the O&G sector lie in tendency towards nationalist and protectionist policies to economy, environment and technology.

The trends highlighted here are overall trends at the global scale pre-pandemic. They can be either positive or negative to the Company's business model, as they provide the context of the sectors in which the Company operates.

Considering various market reviews on the oil and gas sector, the main drivers for trends

lie in nationalist and protectionist policies to economy, environment and technology, and importantly, the fine balancing thereof. Some countries may progress very fast towards low-carbon economies and near to “zero oil” if they have sufficient political will and resources (financial and natural) to do so.

4.1.2.4.1 Overall positioning

As PWC indicates, Africa has an upside in filling the oil and gas revenue gap, should it purposefully pursue an energy *and economic* transition:

“By positioning African countries’ mining policy and capacity, advantage can be taken of the demand for commodities required to support the global energy transition. Africa is a resource rich continent and as global demand for oil and gas exports decline in the long-term, opportunities may lie in the pivot of the mining and extractive sector to focus on alternative commodities associated with the energy transition” – (Africa Oil and Gas Review 2020, PWC)

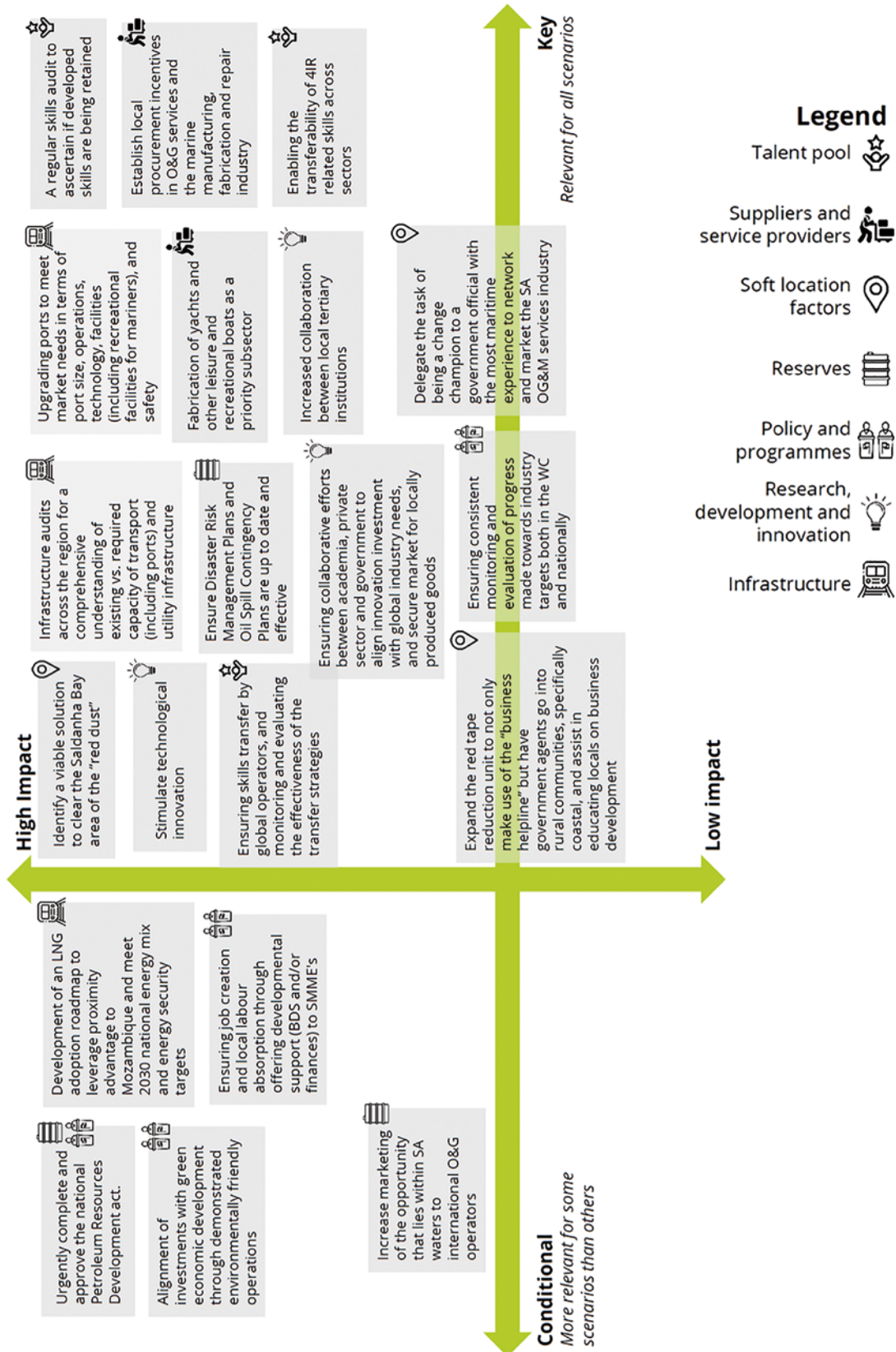
Saldanha Bay then, with its increasing industrial base through the Centre and its export-orientation of the ports, is positioned to be a

valuable contributor to Africa and South Africa’s energy transition when this is taken up with earnest.

Focusing then on the opportunities within the maritime and energy sectors as a stepping stone to be bigger picture of industrial resilience and long-term positioning of an integrated industrial ecosystem between zone, port and society, government and business, the Situational Analysis provides 15 unique key recommendations and 5 unique conditional recommendations.

Some have been taken up in the Company’s 5-Year Strategic Plan and supporting business framework. Others for engagement with government, business & society, and forms part of the broader approach across multiple units in the Company towards external stakeholders.

Figure 10: There are 15 Unique Key Recommendations and 5 Unique Conditional Recommendations



4.2 Internal Environment Analysis

4.2.1 Accounting Authority

Policy formulation and oversight

The Board is committed to the highest standards of integrity and ethical behaviour. The code of conduct outlines the values and behaviours that govern their way of working across the business. It fosters values-based decision-making and demonstrates how the policies and practices align with the values. The values define the way the Board and employees think, work and act. The Company is committed to shared growth which means having a positive impact on society and delivering shareholder value. This is an indication of good corporate citizenship.

Strong ethical leadership and corporate governance is driven through the Board Charter, which is the foundation of the governance principles and related practices. The charter clearly sets out the matters reserved for the Board. Board members' roles are clearly articulated and outlines the mandate of all board and sub-committees. All company policies are discussed and approved by the Board.

Supervising management

Through the Board and its three sub-committees, the Board is able to provide the necessary management supervision. The various committees are able to provide the required focus on specific areas of the Company, namely the: Audit, IT and Risk Committee; Human Resources, Remuneration, Social and Ethics Committee; and Investment Committee.

The internal governance framework has been defined to manage risks. Independent internal audit provides internal assurance to the Board regarding effectiveness of internal controls and governance. External auditors provide assurance on the Company's capability. Financial reporting is provided to the Board and reviewed in the Audit, IT and Risk and Investment Committees. The Audit, IT and Risk Committee is responsible for financial results and annual budgets.

Ensuring accountability

The Board and sub-committees aim to meet quarterly. The responsibilities of the Committees' mandates include internal controls, operational risk, compliance, internal and external audit, accounting and external reporting. External auditors also provide assurance to the users of the annual financial statements, owners, regulators and legislators. External auditors are appointed and are accountable to the Board. The Chairperson and Chief Executive Officer lead engagements with the regulators and Shareholder.

The Board is accountable to the Shareholder and is responsible for creating and delivering shareholder value. The right balance is ensured in promoting long-term growth and delivering short-term performance.

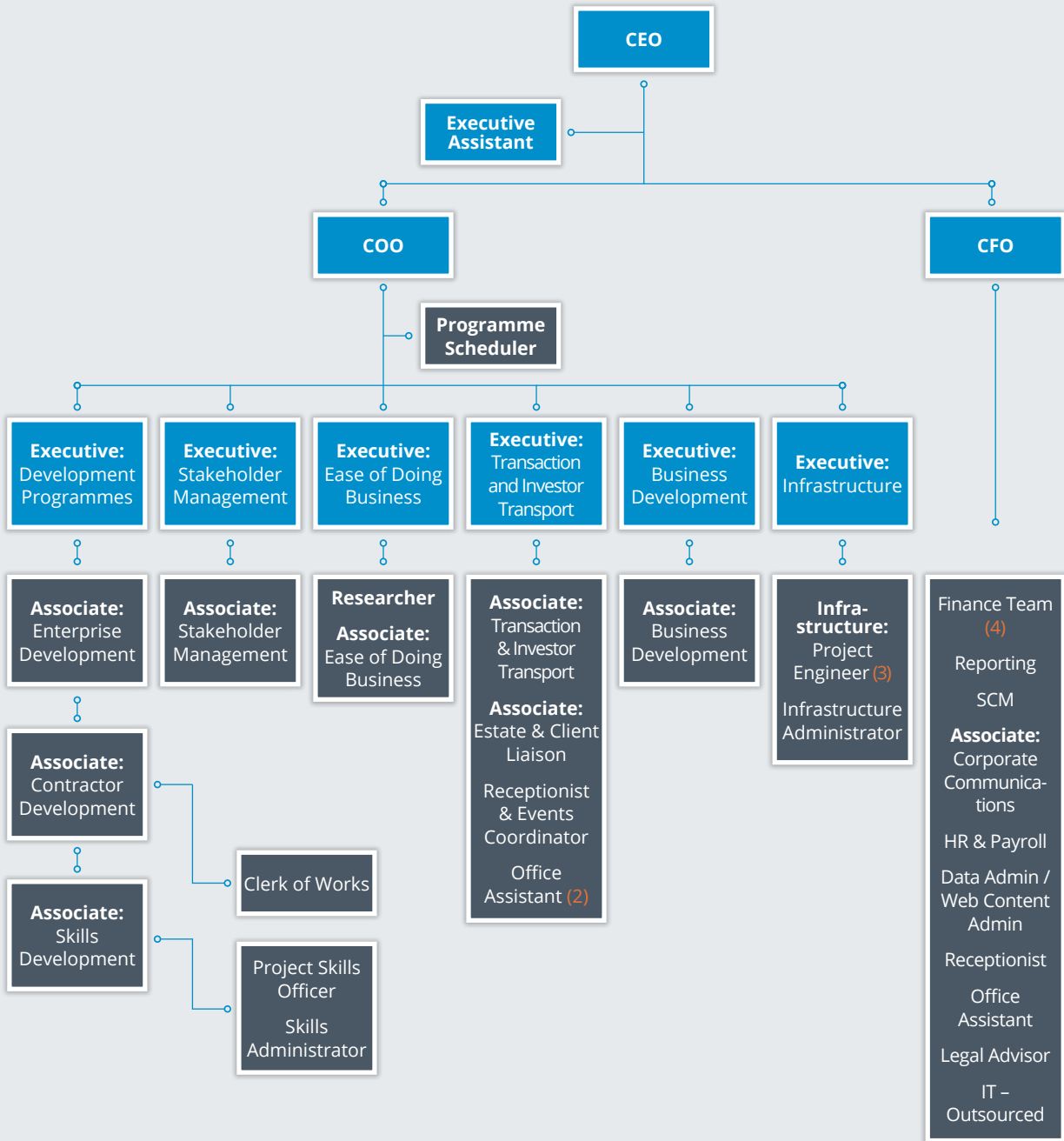
4.2.2 Human Resources

Human resources are structured to ensure setting up the Centre effectively and efficiently. There are two programmes in the Company, namely, Administration and Operations. The goals and objectives of each are clearly documented and aligned with the strategic goals of the Company.

Going forward, it is anticipated that the number of staff may marginally increase, particularly once the Centre becomes fully functioning and will require the necessary competence and capabilities to remain a world-class services centre and shipyard. This process will take place gradually over the period 2020/21 to 2024/25, with due responsiveness to the Company's ability to deliver against its strategic priorities and its fiscal environment.

The current organogram is included on the next page.

Figure 11: Company Organogram



4.2.3 Information Communication and Technology

The Audit, IT and Risk Committee governs technology and information in a way that supports the Company's setting and achieving of its strategic objectives. The Committee's responsibilities include overseeing results of management's implementation. This includes integration, business resilience, monitoring for responsiveness to cyber security and social media risks, third-party and outsourced service provider risks, value delivered from technology investments and projects, disposal of obsolete technology and information, ethical and responsible use and compliance with laws.

The Information Technology policy and frameworks are approved by the Board and reviewed every three years to ensure that it is in keeping with industry best practice.

4.2.4 Financial Resources

A fundamental financial objective of the foreseeable future is to achieve self-sustainability. Tied to the aforementioned, is the equally important objective of operating an efficient Centre to facilitate the attraction of domestic and international investors.

The Administration Programme has the overarching objective of implementing best practice governance in support of the operations. The programme has a complex role due to its need to balance the business needs and requirements of the operations, whilst at the same time undertaking a crucial governance function within the Company as a state-owned company, providing a treasury function to ensure optimum spending and utilisation of financial resources.

Functions of the unit include: budget maintenance, supplier maintenance, audit maintenance, tax management, annual financial statements, ensuring compliance with SCM legal framework and other relevant legislation, fixed assets management, cash management, financial management, securing funding for operational needs and capital projects and reporting to stakeholders. The reports issued by the Company enable stakeholders to make informed assessments of the Company's performance, and its short-, medium- and long-term prospects. The successful execution of these functions will continue to improve the drive to commercial self-sustainability.

The budget for fiscal year 2021/22 is as follows:

Table 1: Medium-term Company Budget Summary

Description	Audited 2018/19	Audited 2019/20	Estimated outcome 2020/21	2021/22	2022/23	2023/24
	R'000	R'000	R'000	R'000	R'000	R'000
Operational Expenditure	41 024	66 739	77 046	78 784	82 280	85 272
Capital Expenditure	111 330	248 116	188 388	181 451	380 679	117 553
Total Expenditure	152 354	314 855	265 434	260 235	462 959	202 825
Staff complement	37	48	48	50	50	50

Table 2: Medium-term Programme 1: Administration Budget Summary

Description	Audited	Audited	Estimated outcome			
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	R'000	R'000	R'000	R'000	R'000	R'000
Operational Expenditure	19 550	21 823	24 435	20 851	21 177	21 756
Capital Expenditure	490	948	1,005	686	773	810
Total Expenditure	20 040	22 771	25 440	21 537	21 950	22 566
Staff complement	17	20	20	20	20	20

Table 3: Medium-term Programme 2: Operations Budget Summary

Description	Audited	Audited	Estimated outcome			
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	R'000	R'000	R'000	R'000	R'000	R'000
Operational Expenditure	21 474	44 916	52 611	57 933	61 103	63 516
Capital Expenditure	110 840	247 168	187 383	180 765	379 906	116 743
Total Expenditure	132 314	292 084	239 994	238 699	441 009	180 260
Staff complement	20	28	28	30	30	30

4.3 Strategic Priorities over 5-Year Planning Period

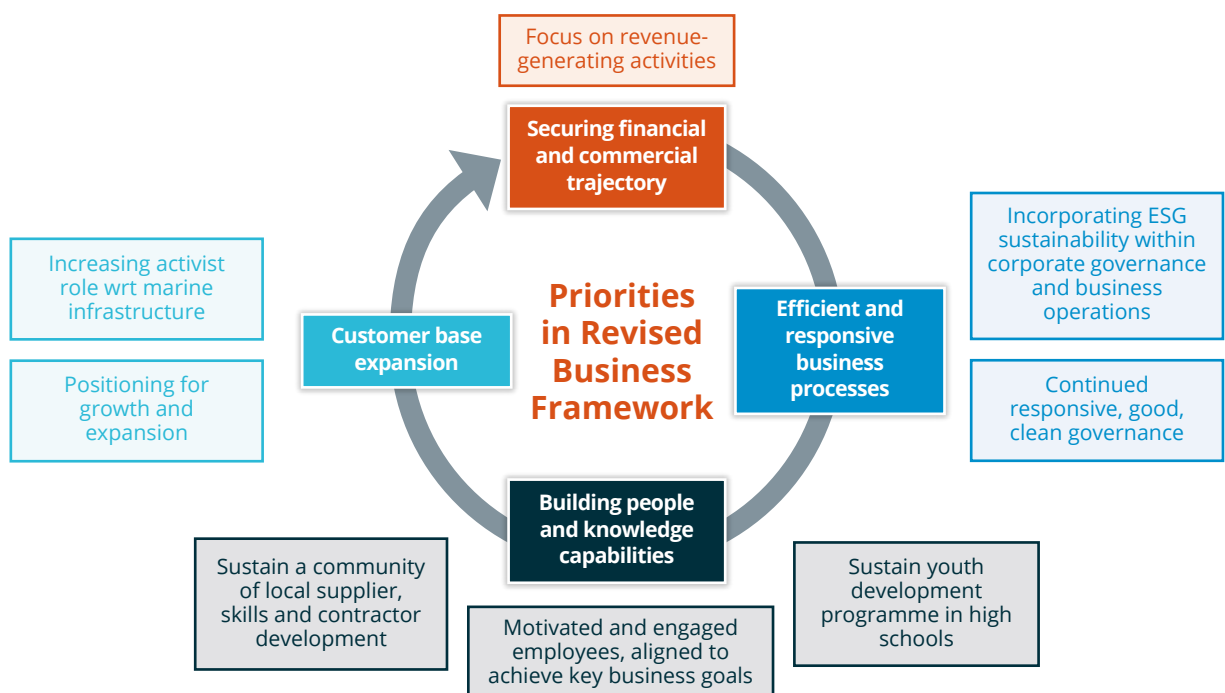
The 5-Year Strategic Plan of the Company remains relevant, despite the onslaught of the pandemic, as the Plan considered had sufficient robustness to withstand the needed changes due to the pandemic. Nonetheless, a revised business

framework has been tabled and accepted by the Board for 2021 onwards. Figure 12 depicts the framework. The Strategic Priorities of the Company remain and are now accompanied by result/impact statements. These have been incorporated into Management's performance management system under eight business goals within a balanced scorecard approach (Figure 13).

Figure 12: Revised Business Framework

Mission	Fostering responsible investment in the Centre, as an inclusive and sustainable economic catalyst			
Values	Pioneering	Partnership Focused	Accountable	Sustainability-Driven
Vision	A World-Class Oil & Gas and Maritime Services Centre and Shipyard in Africa			
Strategic Priority	Commercial Self-Sustainability	Catalytic Infrastructure & Facilities	Local & Industry Readiness	Business, Government & Society Partnerships
Strategic Result	Increasing value created for Shareholders & Stakeholders alike, for years to come.	Increasing contribution to local & regional productivity and employment.	Strong & competitive local & regional value chains for the energy & maritime services industry.	Accountable, professional business relationships. Reinvigorated brand based on successes in inclusivity & transformation

Figure 13: Revised Business Goals in Balanced Scorecard



4.3.1 Policy and Priority Alignment

The Province has put forth a comprehensive policy response and holistic approach to economic development, as put forward in the PSP and the Western Cape Recovery Plan, and within those two strategies, the theme of VIP2 and Jobs.

The Company supports the intended wider outcomes of the PSP and the Recovery Plan, particularly with reference to the Centre's long-term potential to support economic growth and development in the West Coast, and draws the following to attention:

Firstly, the four strategic priorities of the Company, taken together, will create a conducive, enabling business environment in and around the Centre, and will facilitate positive value-adding outcomes and impacts to the local and provincial economy and societies. Narrowing in on VIP2 alignment, this addresses key challenges of an unclear and inefficient regulatory environment and difficult access to key resources, services, facilities, both public and private, in a proactive manner.

Within the context of constrained provincial economic growth and increasing pressures for public services, the Company is committed to becoming independent of provincial funding over the period is indicative of policy and priority alignment to the condition of the public fiscus, and speaks to the Company's values of being a responsible, accountable public corporate citizen, but also to its vision of becoming a pioneering entity for generations to come in Saldanha Bay and beyond.

4.3.2 Enablers

To achieve our strategic priorities, we require the following:

4.3.2.1 External Enablers

- An enabling environment with funding support from relevant departments and institutions specifically in respect of SEZ Funding, provincial operational funding, funding for developmental programme

initiatives, and project financing from development financing institutions, as applicable.

- Strong relationships with the primary partners, specifically, DEDAT, DEA&DP, Saldanha Bay Municipality, Transnet/TNPA, the Dtic, and Treasury (both Provincial & National).
- Accessible and competitive future and current port infrastructure, such as new jetties, piers and associated marine terminal equipment, all on the principle of decided berths for the marine manufacturing and services sectors.
- A fully operational Freeport over the designated Customs Control Area, with standard operating protocols in place with SARS, Department of Home Affairs, Department of Labour, and TNPA Port Security.
- Access to national SEZ and Dtic investment incentives for investors.
- The implementation of the Zone Labour Charter between Trade Unions and Centre tenants and operators.

4.3.2.2 Internal Enablers

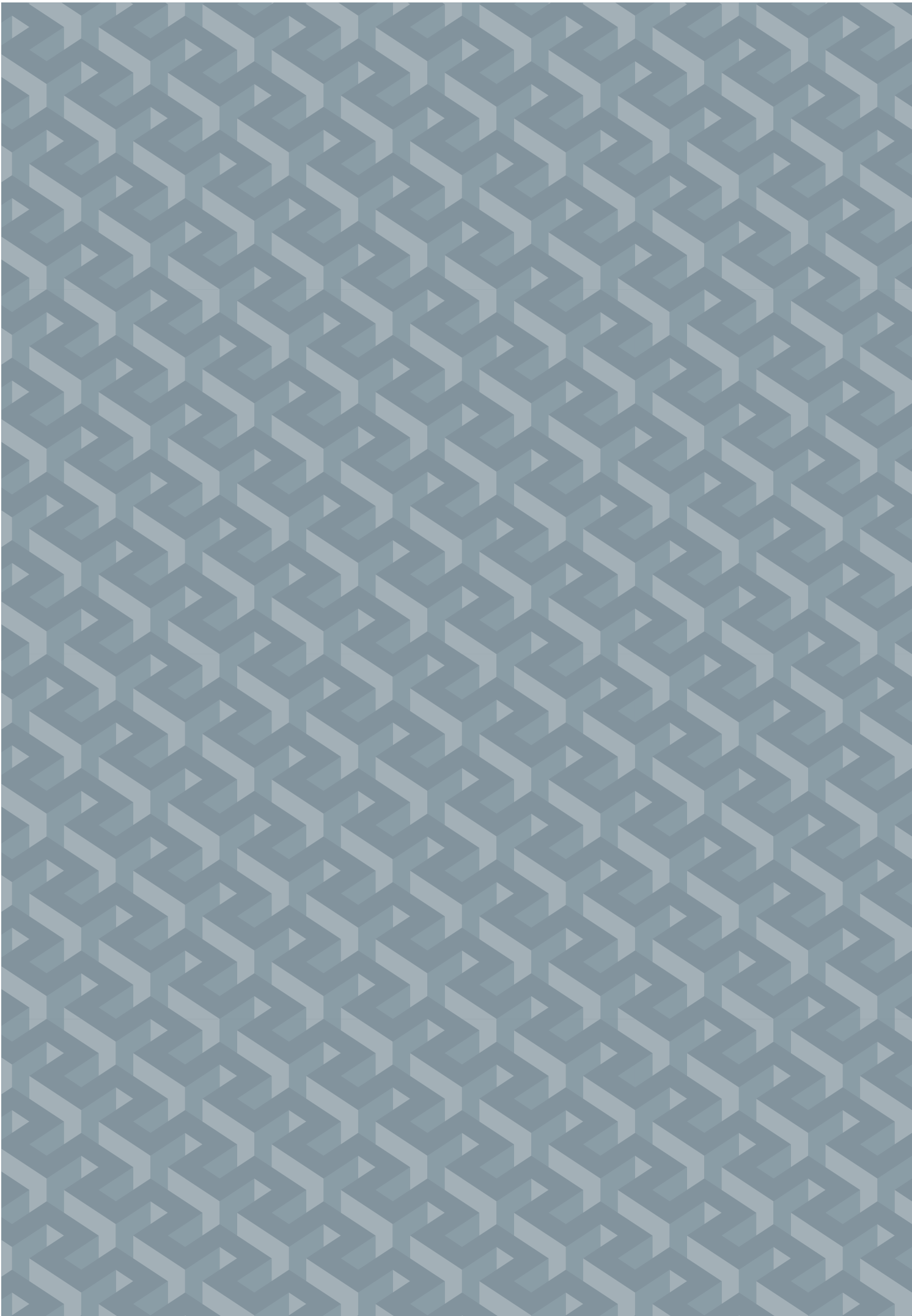
- Ensuring good corporate governance, with robust strategic planning and risk management.
- Strategically positioning to international and local investors.
- Maintaining and growing the current high-performance team by ensuring continued investment in human capital.
- Continued measurement of performance targets by the use of an appropriate economic model.
- Ensuring effective integration between the business units by use of internal management structures, such as the Executive Committee, the Executive Team, the joint operations control, and the use of appropriate technology.

- Provision of infrastructure for civil engineering services in the Centre, investor buildings, the Project Leasing Facility, the Access Complex and Innovation Campus by use of contractor and professional panels.
- Ensuring sufficient bulk utilities infrastructure for both short- and long-term planning by way of the utilities demand model closely linked to the investor model.
- Ensuring access to suitable land, by pre-zoning and conducting enabling environmental authorisations, and ensuring the provision of utilities to individual sites, as well as security and maintenance services over the Zone.
- Ensuring dynamic tenant management with appropriate rental models.
- Supporting the Innovation Campus, in order for it to become a world-class research and development hub through partnerships with local and internal industry, community, academia and government, as applicable.
- Ensuring inclusion through development programme initiatives that match industry requirements with local employment opportunities by way of skills training, enterprise development, contractor support, the SMME Co-Lab and by supporting local content.

4.3.3 Assumptions

Key assumptions to the Strategic Plan are as follows:

- Continuity of government funding for the medium and long term, as applicable. The SEZ Fund is pivotal to achieving our priorities over the next 5 years.
- Continued support of the strategic government partners to the SBIDZ-LC and the establishing and operating of a world-class, integrated, industrial zone and port Marine and Energy Services Centre.
- Future investment in port infrastructure enabled through diligent project packaging and preparation for financing and implementation.
- Appropriate interpretation and continued access of the Free port model and its incentives (inclusive of industry-aligned and SEZ programme incentives) via the Customs Control Area legislative and regulatory framework, to the SBIDZ-LC and its investors and users.
- Continued support of organised labour through the Zone Labour Charter framework, to give effect to sound labour relations within the Centre.





C

MEASURING
OUR
PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

1 Institutional Performance Information

1.1 Impact

To create an enabling inclusive, sustainable environment by fostering responsible investment in the Centre, as an inclusive and sustainable economic catalyst.

1.2 Overall for the Company

1.2.1 Outcomes, Outputs, Performance Indicators and Targets

For the Western Cape, it is estimated that the Centre would contribute R9.0 billion to direct regional Gross Domestic Product (GDPR) and R28.1 billion to total GDPR. On average 4 300 direct jobs would be sustained annually with a further 6 000 indirect and induced jobs, so that on average 10 300 total jobs would be sustained in the province.

In terms of specific strategic outcomes, the Centre would create an enabling environment to promote sustainable economic growth and job creation by:

- Facilitating a cumulative contribution to the National GDP by investment within the Centre of R34.9 billion by the end of the financial year 2024/25;
- Facilitating a cumulative contribution to the Western Cape GGP by investment within the Centre of R28.1 billion by the end of the financial year 2024/25;
- Facilitating the creation on average of 12 400 direct, indirect and induced jobs throughout South Africa by the end of the financial year 2024/25.

Table 4: Company Medium-term Outcome and Targets

Outcomes	Output	Output Indicator	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
To promote sustainable economic growth and job creation	GDP	A cumulative contribution to the National GDP by investment within the Centre by the end of the financial year 2024/25.	-	-	-	R1 020m	R2 134m	R3 685m	R7 500m
	GGP	A cumulative contribution to the Western Cape GGP by investment within the Centre by the end of the financial year 2024/25.	-	-	-	R833m	R1 717m	R2 954m	R5 921m
	Jobs	The creation of direct, indirect and induced jobs throughout South Africa by the end of the financial year 2024/25.	-	-	-	1 788	3 817	6 631	10 658

Table 5: Company Medium-term Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
1.1	A cumulative contribution to the National GDP by investment within the Centre by the end of the financial year 2024/25.	R2 134m	-	-	-	R2 134m
1.2	A cumulative contribution to the Western Cape GGP by investment within the Centre by the end of the financial year 2024/25.	R1 717m	-	-	-	R1 717m
1.3	The creation of direct, indirect and induced jobs throughout South Africa by the end of the financial year 2024/25.	3 817	-	-	-	3 817

1.3 Programme 1: Administration

1.3.1 Purpose

Administration has the overarching objective of implementing best practice governance in support of the operations.

The programme has a complex role due to its need to balance the business needs and requirements of the operations; whilst at the same time undertaking a crucial governance function within the Company as a state-owned company, it provides a treasury function to ensure optimum spending and utilisation of financial resources as well.

Further, the Administration programme is required to be agile and support a world-class approach to doing business, whilst at the same time balancing the legislative requirements of a public entity. It is a skill to achieve this balance, which is vital to the optimal performance of the overall programme.

1.3.2 Programme Structure

The programme is structured to include the following functions:

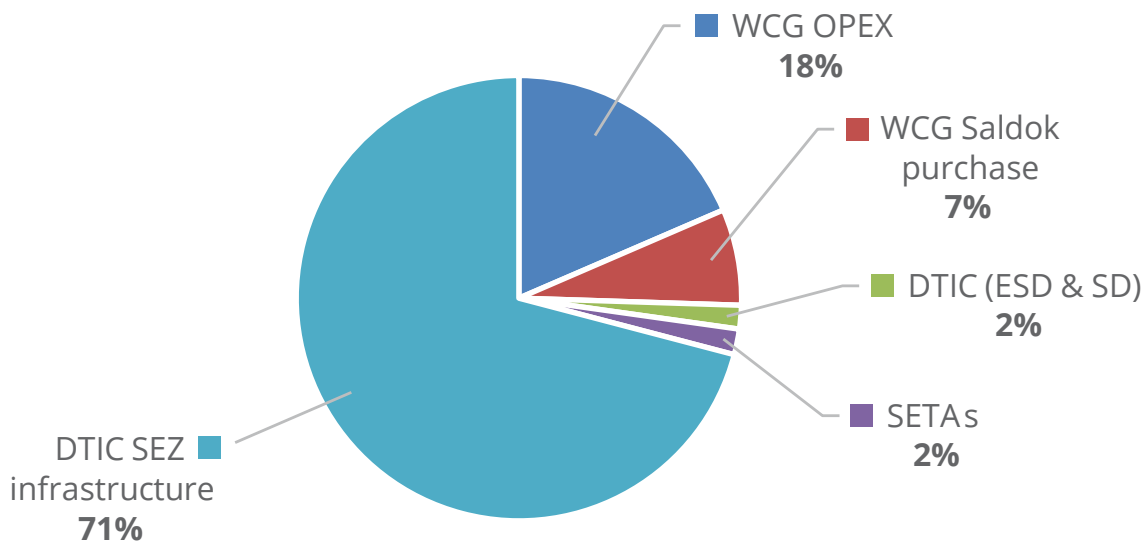
- Governance
- Legal
- Financial Management
- Human Resource
- Supply Chain Management
- Information Technology
- Corporate Communications

1.3.3 Funding

Operations are funded by the Western Cape Government, whilst infrastructure is funded by the National Government by way of the SEZ Fund. Western Cape Government also funded the purchase of the Saldok land from the IDC.

Development programmes are funded from various sources as it does not form part of the formal funding programme. Figure 14 depicts the Company's funding model.

Figure 14: Company Funding Model



1.3.4 Governance

The operations and management of the Company is governed primarily by the provisions of the Companies Act and the accompanying regulations, the Saldanha Bay Industrial Development Zone Licencing Companies Act (Provincial Legislation), the Company's Memorandum of Incorporation (MOI) and Shareholder's Compact. The SBIDZ-LC is also subject to and regulated by the PFMA and the Special Economic Zones Act.

The SBIDZ-LC has a Board of Directors (Board) which is responsible for the governance, management and control for the Company's business affairs.

The Board is the Accounting Authority and fulfils the fiduciary responsibilities as provided for in the PFMA and the Companies Act. The Board also gives effect to the Company's Strategic Plan and annual Corporate Plan. To ensure that it complies with its duties, the Board has delegated the necessary authority to management to handle the day-to-day operations, whilst the Board monitors overall performance.

1.3.4.1 Composition of the Board of Directors

In response to the Board's new focus, a decision was taken by the Shareholder to reconstitute the Board as follows:

- Five institutional representatives (officials), one each from the Dtic, IDC, TNPA, SBM and WCG, of adequate calibre and also non-conflicted as the core members of the Board, representing the public sector interest;
- One person from the Saldanha Social community, adequately representative and of due calibre;
- One person from the Saldanha Economic community, adequately representative of the broader business sector and of due calibre;
- One representative from the SAOGA Board of Directors with the requisite sector-specific expertise;
- Two proven accomplished broader business practitioners with relevant expertise;

- Two executive directors, the CEO and the other the CFO, which is in line with King IV to improve collective accountability.

The reconstituted Board is still in line with what was agreed between National Government and the WCG, namely, that the structure of the Board should be representative of the three spheres of government.

1.3.4.2 Board Remuneration

In terms of the SBIDZ Act, the Provincial Minister responsible for Economic Development in consultation with the Provincial Minister for Finance shall determine the remuneration, allowance and reimbursements payable to the Directors not in government service, which will be reviewed on an annual basis. Provincial Treasury rates are used to compensate the Board and Committee members, as such, not in government service.

1.3.4.3 Board Committees

The Board is authorised to form committees as and when necessary to facilitate efficient decision-making, and to assist the Board in the execution of its duties. The committees do not perform any management functions or assume any management responsibilities.

Currently, the Company has three committees; namely the Audit, IT and Risk Committee, the Human Resources, Remuneration and Social and Ethics Committee and the Investment Committee.

1.3.4.3.1 Human Resources, Remuneration and Social and Ethics Committee

The Human Resources, Remuneration and the Social and Ethics (HRRS&E) Committee consists of four non-executive directors, two executive directors and two independent committee members. The HRRS&E Committee has a clearly defined Terms of Reference for both components.

The purpose of the Human Resources & Remuneration (HR&R) Committee is to provide support and make recommendations to the

Board regarding any human resources and remuneration matter impacting the Company. The aim of the HR&R Committee includes providing oversight of the policies and practices relating to employee relations, human resources and remuneration activities. The Committee will be an available resource to provide input into strategy and policy matters, relating to human resources, that affect the Company.

The Social and Ethics (S&E) Committee monitors the company's activities having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to social and economic development, including the Company's standing in terms of the goals and purposes of:

- The 10 principles set out in the United Nations Global Compact Principles
- The OECD recommendations regarding corruption
- The Employment Equity Act
- The Board-Based Black Economic Empowerment Act

The S&E Committee also ensures that the ethics of the Company is managed in a way that supports the establishment and upkeep of an ethical culture within the Company.

1.3.4.3.2 Investment Committee

The Investment Committee consists of four non-executive directors and two executive directors and has a clearly defined Terms of Reference. The Committee considers investments proposed by management in accordance with the Board's approved delegation of authority policy and makes such recommendations as it considers appropriate to the Board. The Committee also ensures that investment and disposal and acquisition of assets are in line with the Company's overall strategy and make business sense. The Committee also monitors current markets and policy developments and makes such recommendations as is appropriate, to the Board.

The Committee shall report to the Board any matter identified during the course of carrying out its duties that it considers significant.

1.3.4.3.3 Audit, IT & Risk Committee

The Audit, IT and Risk Committee consists of three non-executive directors and two independent committee members and has a clearly defined Terms of Reference. The purpose of the Committee is to assist the Board in discharging its duties in relation to financial reporting, asset management, risk management, supply chain management, information technology issues, internal control systems, processes and procedures, and to measure the quality of both the external and internal audit functions. In advising the Board, the Committee provides structured, systematic oversight of the Company's governance, risk management and internal control practices.

The Committee examines and reviews the annual financial statements of the Company and other relevant financial reports.

The Internal Auditors and External Auditors, as well as certain members of the Executive Management, are invited to attend meetings.

(a) Internal Audit

The Board is responsible for the appointment of the Internal Auditor. The Internal Auditor operates under the direction of the Audit, IT and Risk Committee which approves the scope of work to be performed. Significant findings are reported to the Executive Management and the Audit, IT and Risk Committee. Corrective action is taken to address internal control deficiencies identified in the execution of the work.

(b) External Audit

The Auditor-General of South Africa (AGSA) is responsible for performing the annual audit of the Company.

(c) Internal Control

The Company maintains internal controls and systems designed to provide reasonable assurance of the integrity and reliability of the Annual Financial Statements and to safeguard, verify and maintain accountability for its assets. Such controls are based on established policies and procedures and are implemented with appropriate segregation of duties.

The Board acknowledges its responsibility for ensuring that the Company implements and monitors the effectiveness of internal, financial and operating controls to guard against material misstatements and losses.

The internal and external auditors independently appraise the adequacy and effectiveness of the internal controls.

1.3.4.4 Risk Management Plan

The Accounting Authority has overall accountability for ensuring effective risk management and sets strategic direction and determines risk appetite. It maintains oversight of the top risks facing the Company through periodic review to satisfy itself that the risks are being adequately mitigated. This oversight is managed by the Audit, IT and Risk Committee as appropriate to the subject area.

The overall strategic direction on risk management is set centrally, with the Accounting Authority responsible for guiding management through the risks facing the organisation. The Accounting Authority revises the risks register at least once a year. The Audit, IT and Risk Committee co-ordinates a once-yearly assessment process on all Strategic Business Units per their top risks identified.

This bottom-up and top-down approach enables the organisation to consider the potential impact of different types of risks on processes, activities and stakeholders. Successful enterprise risk management can positively affect the likelihood and consequences of risks materialising, as well as deliver benefits related to better informed decision-making. The Company will continue the initiative to embed risk management in standard processes and strategy. In addition, a structured risk data collection and analysis process as well as improving alignment of assurance activities, will be implemented.

Risk management is incorporated into the management of each section within the Company. The following policies and documentation are in place to assist in risk management:

- Shareholder's Compact
- Board Charter and Committee Terms of Reference
- Code of Conduct and Ethics
- Materiality Framework
- Risk Assessment
- Financial Regulations
- Delegation of Authority
- Personnel
- Procurement
- I.T. Policy
- Budget
- Memoranda of Agreement and Service Level Agreements
- Fraud Prevention Plan
- Financial Plan (as per income and Expenditure Estimates)
- Integrated Business Plan

1.3.4.5 Fraud Prevention Plan

The objectives of Fraud Risk Management Strategy are:

- To reduce the risk of fraud and corruption from occurring;
- To provide for mechanisms of detection of fraud and misconduct when it occurs;
- To outline corrective actions and remedy the harm caused by fraud and misconduct;
- To raise awareness of the principles and benefits of an effective fraud risk management process and to obtain staff commitment to the principles of fraud risk management.
- To outline actions to be taken to address fraud and corruption at structural and operational level.

As instances of fraud remain a constant threat to public trust and confidence, it becomes essential to recognise fraud risk management as an integral part of strategic management, and the Company is therefore adopting a comprehensive approach to the management of fraud risks.

Management's agenda is to focus on efforts to:

- Understand the fraud risks that can undermine the institution's business objectives;
- Determine whether fraud prevention programmes and controls are actually effective in reducing instances of fraud;
- Gain insight into better ways of designing and evaluating controls to prevent, detect and respond appropriately to fraud.

1.3.4.6 Company Secretary

In terms of the Companies Act all companies must appoint a person to serve as Company Secretary. The Company appointed a Company Secretary on 24 August 2016.

The Company Secretary's duties include, but are not restricted to:

- (a) providing the directors of the Company collectively and individually with guidance as to their duties, responsibilities and powers;
- (b) making the directors aware of any law relevant to or affecting the Company;
- (c) reporting to the Board any failure on the part of the Company or a director to comply with the Memorandum of Incorporation or rules of the Company in accordance with the Companies Act;
- (d) ensuring that minutes of all Shareholder's meetings, Board meetings and the meetings of any Committees of the directors are properly recorded in accordance with the Companies Act;
- (e) certifying in the Company's annual financial statements whether the Company has filed required returns and notices in terms of the Companies Act, and whether all such returns and notices appear to be true, correct and up to date;
- (f) ensuring that a copy of the Company's annual financial statements is sent, in accordance with the Companies Act, to every person who is entitled to it; and
- (g) carrying out the functions of a person designated in terms of section 33(3) of the Companies Act.

In addition to various statutory functions, the Board Secretariat with the assistance of the Company Secretary ensures that the Board is provided with induction training as well as guidance on duties and responsibilities.

In consultation with the Board Chairperson, the Board Secretariat ensures that the contents of the agenda are relevant to the Board's decision-making. The information required for each Board meeting is sent to the directors in a timely manner to enable them to acquaint themselves with the information and to consider Company information in terms of their statutory and fiduciary responsibility.

The Board Secretariat acts as the primary point of contact between the Board of Directors and the Company.

1.3.4.7 Materiality Framework

This framework establishes standards and provides guidance on the concepts of materiality and significance with regard to sections 50(1) (c), 55(2) and 54(2) of the PFMA and Treasury Regulation 28.3.

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1.5 per cent of total income recognised. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.3.5 Outcomes, Outputs, Performance Indicators and Targets

Table 6: Programme 1: Administration Medium-term Outcome and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
To promote sustainable economic growth and job creation	Unqualified Audit Opinion	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report
	Institutional agreements monitored	Number of institutional agreements reviewed	4	4	2	3	3	3	3
	Number of frameworks created and/or reviewed to monitor and manage tenant lease agreements	Number of frameworks reviewed	1	1	1	5	4	4	4
	Website performance	Number of page views on the SBIDZ website	-	-	-	36 000	24 000	24 000	24 000

Table 7: Programme 1: Administration Medium-term Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2	Unqualified Audit Report	Unqualified Audit Report	-	Unqualified Audit Report	-	-
3	Number of institutional agreements reviewed	3	-	-	-	3
4	Number of frameworks reviewed	4	-	-	-	4
5	Number of page views on the SBIDZ website	24 000	6 000	12 000	18 000	24 000

Summary of provincial payments and estimates by economic classification: Saldanha Bay IDZ Licencing Company (SOC) Ltd					
Economic classification R'000	Outcome	Estimate	Medium-term estimate		
	Audited 2019/20	Outcome 2020/21	2021/22	2022/23	2023/24
Revenue					
Revenue and interest	8,369	9,496	18,922	30,115	69,615
Rental revenue	3,839	7,036	16,412	25,057	64,256
Interest	4,530	2,460	2,510	5,058	5,359
Transfers received *	343,419	282,315	265,282	492,423	192,316
Department of Economic Development and Tourism	64,510	37,014	34,830	36,502	-
Earmarked conditional grants and working capital	31,741	32,997	24,922	23,968	59,579
Department of Trade and Industry	247,168	212,304	205,530	431,953	132,737
Total revenue	351,788	291,811	284,204	522,539	261,931
Expenditure					
Current expenditure	66,739	77,046	78,784	82,281	85,272
Compensation of employees	32,755	34,028	34,993	34,993	34,993
Salary & Wages	32,755	34,028	34,993	34,993	34,993
Goods and services	33,984	43,018	43,791	47,288	50,279
Administrative fees	2,204	1,730	1,339	1,196	1,267
Advertising	924	61	1,550	2,053	1,556
Minor Assets	13	10	50	53	56
Audit cost: External	1,343	1,500	1,500	1,590	1,685
Catering: Departmental activities	200	113	18	19	20
Communication (G&S)	239	295	246	261	276
Computer services	1,237	2,354	2,428	2,610	2,805
Consultants and professional services	3,091	6,765	5,234	5,548	5,881
Legal services	-	159	150	100	100
Entertainment	22	-	-	-	-
Fleet services	29	52	30	32	34
Consumable supplies	33	138	360	382	404
Consumable: Stationery, printing and office supplies	438	448	340	360	382
Operating leases	19,552	27,167	25,341	27,555	29,964
Property payments	1,147	1,476	4,222	4,475	4,743
Travel and subsistence	3,119	408	734	778	825
Training and development	271	340	250	276	280
Venues and facilities	122	-	-	-	-
Capital Expenditure	248,116	188,388	181,451	380,679	117,553
Software and other intangible assets	458	-	-	-	-
Machinery and equipment	490	1,005	686	773	810
Infrastructure	247,168	187,383	180,765	379,906	116,743
Total expenditure	314,855	265,434	260,236	462,959	202,825

* Transfers received disclosed excluding VAT

Summary of provincial payments and estimates by economic classification: Saldanha Bay IDZ Licencing Company (SOC) Ltd - Administration					
Economic classification R'000	Outcome	Estimate	Medium-term estimate		
	Audited 2019/20	Outcome 2020/21	2021/22	2022/23	2023/24
Revenue					
Revenue and interest	4,530	2,460	2,510	5,058	5,359
Interest	4,530	2,460	2,510	5,058	5,359
Transfers received *	96,251	70,011	59,752	60,470	59,579
Department of Economic Development and Tourism	64,510	37,014	34,830	36,502	-
Earmarked conditional grants and working capital	31,741	32,997	24,922	23,968	59,579
Total revenue	100,781	72,471	62,262	65,528	64,938
Expenditure					
Current expenditure	21,823	24,435	20,851	21,177	21,756
Compensation of employees	12,194	13,258	12,047	12,047	12,047
Salary & Wages	12,194	13,258	12,047	12,047	12,047
Goods and services	9,629	11,178	8,804	9,130	9,709
Administrative fees	1,819	1,224	1,129	973	1,031
Advertising	183	50	50	53	56
Minor Assets	13	10	-	-	-
Audit cost: External	1,343	1,500	1,500	1,590	1,685
Catering: Departmental activities	29	55	18	19	20
Communication (G&S)	239	249	210	223	236
Computer services	1,157	2,334	2,428	2,610	2,805
Consultants and professional services	715	1,589	200	212	225
Legal services	-	159	150	100	100
Entertainment	4	-	-	-	-
Fleet services	26	44	30	32	34
Consumable supplies	33	138	60	64	67
Consumable: Stationery,printing and office supplies	404	359	298	316	335
Operating leases	2,762	2,816	2,223	2,357	2,498
Property payments	468	409	310	328	348
Travel and subsistence	398	129	168	178	189
Training and development	36	112	30	76	80
Capital Expenditure	948	1,005	686	773	810
Software and other intangible assets	458	-	-	-	-
Machinery and equipment	490	1,005	686	773	810
Total expenditure	22,771	25,440	21,537	21,950	22,566

* Transfers received disclosed excluding VAT

1.4 Programme 2: Operations

1.4.1 Purpose

The Operations Programme delivers on the implementation of the Company, thus enabling the overarching business imperative of developing and operating the Centre to its strategic priorities of commercial self-sustainability, catalytic infrastructure and facilities, local and industry readiness and business, government and society partnerships.

Specifically, the Operations programme focuses on the key deliverables and work-streams that drive the activities within the SBMESC, in order to attract and retain key investors in the upstream oil, gas (energy) and marine repair, fabrication, logistics and related servicing industries.

1.4.2 Programme Structure

The programme is structured within the following work-streams:

- Ease of Doing Business
- Business Development
- Transaction and Investor Support
 - Innovation Campus
 - Access Complex
 - Project Leasing Facility
- Infrastructure Development
- Stakeholder Management
- Development Programmes
 - Skills Development
 - Enterprise Development
 - Contractor Development

The main focus areas of each work-stream are described below.

1.4.2.1 Ease of Doing Business

Depending upon context, location and business interest, the term the *ease of doing business* can hold very different meanings for different people. The World Bank flagship publication, *Doing Business Report*®, ranks business regulation for domestic firms in 190 economies. A country's rank conveys its responsiveness to

markets and the notion of doing business in that country. The *ease of doing business* offering is thus a value proposition across many sectors, institutions and government departments in an effort to attract investors and customers.

Ease of Doing Business (EoDB) in the Centre is fundamental to its purpose and mandate as an SEZ, and the Company has utilised this as an ethos with which it conducts all of its business innovation and service offering to its targeted markets. This approach provides both bureaucratic red tape reduction, as well as value-added services with long-term, systemic solutions to doing business in the Centre, the Port of Saldanha Bay, in the West Coast and in South Africa.

A dedicated Ease of Doing Business unit responds to the needs of our investors, by intimately understanding their business needs and pain points in order to provide bespoke services. Customers include vessel fleet owners and operators seeking a location for maintenance, repairs and logistics services; tenants seeking to lease land and office space in a clustered ecosystem that supports the maritime and energy industry in fabrication, construction, logistics and supplies; and the local business community and workforce.

EoDB delivers:

- (1) A one stop shop service for the marine and energy sectors;
- (2) Systemic models to ensure that processes are consistent and provide certainty to customers;
- (3) Effective and efficient interventions on behalf of investors; and
- (4) The ease of access to information, services, workforce and infrastructure for investors.

This is undertaken with the goal of addressing the six key factors in investment decision-making, as established through our groundbreaking 5x5 Voice of the Customer Global Best Practice Benchmarking study from 2015 (Figure 15). Our promise is to help clients grow their businesses and augment their profits by addressing these key factors; it shapes the focus of the entire Operations programme.

Figure 15: Six key factors in investment decision-making

CCA / Freeport

On 19 July 2019, some 70 per cent of the Centre was designated a Customs Control Area (CCA) in terms of section 21A of the Customs and Excise Act, Act 91 of 1964. This was made possible through a well-established relationship with SARS and the shared vision to find a common way to enable ease of attracting business from the passing traffic off our coast.

The CCA environment, or the Freeport, is a universal benchmark for ports and zones in our markets. The benefits of a CCA/Freeport include:

- (1) Time savings with less onerous customs procedures for goods that move into, within and out of the CCA meant for export destinations.
- (2) Storage of goods without time limitations.
- (3) Cost savings with no upfront 15 per cent VAT payment on parts and equipment coming in

for repairs and maintenance, and no import and or export duty levied on goods imported, value added and re-exported from the CCA.

Businesses can register as a CCAE (Customs Control Area Enterprise) and be eligible for the incentives above for export-focused trade if they are located in the CCA.

A guide is available on our website on the SEZ and CCAE incentive regimes as there are nearly 26 possible transactions for businesses which import, value add, store and re-export their products. These guides have simplified explanations and will aid businesses in understanding what is available and how their business and operations can qualify and make use of the available incentives.

The associated visa and work permit requirements have also been well documented in a concise reference guide for operations in the Centre, and is also found on our website.

One Stop Shop

Further to this the SBIDZ will have a One Stop Shop, as defined by the SEZ Act, in the Access Complex which will:

- Create an entry point for investors in need of regulatory compliance;
- Provide pre-approval information to investors (i.e. market data, costs, incentives, project approval, visits, local partners, etc.);
- Provide facilitation services to investors (i.e. permits, approvals, import equipment & raw materials, work permits, etc.);
- Offer access to incentives; and
- Establish a collaborative interface between senior-level government agents and investors.

A Service Level Agreement is in place with the local authority, the Saldanha Bay Municipality, offering a red carpet service to investors in the Centre in respect of Building Plan Approval Applications, Building Completion Certification; Business Licencing, Permits and Registrations that fall within the municipal by-laws. The Ease of Doing Business unit facilitates these engagements as a value-added service to investors. Consistency has been built into the processes to provide efficiency gains for investors.

The EoDB also works hand-in-hand with TNPA to bring about marine operations and security interface efficiencies.

To this end, the Company is in the process of obtaining approvals as an ISPS (International Ship and Port Security) node, thus providing for maximum security and IMO (International Maritime Organisation) standards when it comes to seaborne trade and port security standards, which will give all customers the peace of mind they need to get on with their business in a safe environment. Further, the EoDB is also facilitating streamlined application processes for out of gauge/abnormal loads activities.

1.4.2.2 Business Development

The Business Development work-stream focuses on investment promotion activities in the Centre, as well as on concluding key memorandum of agreements with a specific focus on increasing the value proposition and future investment into the Centre.

The Company has established a robust and growing tenant pipeline and will continue to drive the diversification for resilience of the pipeline and the market positioning of the Centre.

1.4.2.3 Transaction and Investor Support

Transaction and Investor Support (T&IS) fulfils a vital role in realising the commercial interests of the business investor and the Company. In synergy with the business development and the infrastructure development process, T&IS undertakes targeted tenant support activities, such as investments into generic top structures and estate management functions to unlock the pipeline further and support the revenue generating potential of the Company, building on the best practice leasing model developed previously.

Key areas of focus for the work-stream will be the development and tenancing of the Innovation Campus, the Access Complex and the Project Leasing Facility over the coming years.

1.4.2.4 Infrastructure Development

Infrastructure Development previously focused on the provision of the relevant external and internal bulk services to establish the Centre's value proposition. This included conducting and obtaining a blanket Environment Authorisation on certain common activities for the sectors and investing in local and internal infrastructure.

Going forward, the work-stream will work in synergy with T&IS and Business Development to support the delivery of tenant structures as quickly and reliably as possible. This depends highly on the continued accessibility to the SEZ Fund for this capital programme in the near term, whilst alternative financial avenues are sourced.

Table 8: Infrastructure Projects

#	Project name	Programme	Project Description	Outputs	Project Start Date	Project Completion Date	Total Estimated Cost	Estimate outcome 2020/21
1	Tenant Facility	Infrastructure	5 200 m ² factory building and associated office space	Industrial building	Jul-20	Jun-21	R72 million	R54 million
2	Tenant Facility	Infrastructure	5 500 m ² factory building and associated office space	Industrial building	Nov-20	Nov-21	R74 million	R30 million
3	Tenant Facility	Infrastructure	5 000 m ² factory building and associated office space	Industrial building	Apr-21	Mar-22	R73 million	R0
4	Tenant Facility	Infrastructure	4 500 m ² factory building and crane facility	Industrial building	Apr-21	Mar-22	R83 million	R0
5	Tenant Facility	Infrastructure	Topside infrastructure to enable fabrication & assembly, maintenance, repair and logistics activities	Hardstand, warehouses, internal services	Sep-21	Mar-23	R348 million	R0
6	Tenant Facility	Infrastructure	Upgrade of existing municipal bulk sewer system	Sewerage pump station and rising main	Feb-21	Nov-21	R12 million	R0

1.4.2.5 Stakeholder Management

The Stakeholder Management work-stream is responsible for engaging with and facilitating relationships with key stakeholders, as well as for assisting the Company in managing stakeholder approaches.

Given the need to create a prospering and inclusive economic hub for the marine and energy sectors, it is imperative that the Centre attracts a variety of investors. In addition, the Company must establish mechanisms to engage civil society at large on matters related to inclusive and human development, as applicable. This, together with the formal legislative framework within which the Company

operates, means that there is a vast number of stakeholder relationships developed and managed for the sustainable implementation of the Company and its mission. Each of these stakeholder relationships needs to be defined and managed in the most effective manner to ensure the longevity of key partnerships, and mutual accountability to outcomes and impacts.

The longer-term aim is to increasingly meet the environmental, social, governance and economic responsibilities as a responsible corporate citizen of the greater Saldanha area and West Coast District. With this in mind, the Stakeholder Management work-stream will build on its efforts during the financial year by working, in partnership with the WCDM, SBM,

Transnet and DEA&DP, to forge agreement around a terms of reference for an ecological regenerative study. Through such a study, stakeholders within Saldanha will be able to co-create an appropriate strategic argument that recognises the need for inclusive and sustainable economic models, business cases and guiding frameworks that allows for society and nature to flourish together.

In addition, during the financial year the Company will continue to proactively and strategically engage with trade unions towards the conclusion of the Zone Labour Charters. These charters serve as the bedrock upon which the Company will strive to establish and foster coherent agreement between trade unions and business in the Centre in terms of sound labour relations that enable inclusive economic growth. To this end, during the subsequent financial years, the Company will work with relevant stakeholders to draft a bespoke Centre labour model that serves to operationalise the concluded Zone Labour Charters.

1.4.2.6 Development Programmes

The Development Programmes work-stream aims to maximise local economic development and empowerment, through increased participation and beneficiation of citizens and businesses in Saldanha Bay. The three central pillars of its focus are skills development, enterprise development and contractor development, in a demand-driven context and informed by the opportunities that emerge from the global maritime and energy sectors and value chains: the work-stream aims to ready the workforce and business community appropriately to deliver world-class services to these global markets.

The work-stream is highly partnership focused, particularly with regard to fundraising, recruitment and selection of persons and businesses for initiatives, and ultimately implementing any development programme initiative. Partnerships developed across the local community, such as the Community Skills and Training Committee and the various business associations, will continue to be a key element of the work-stream. In addition to continued partnerships with various SETAs, private and public training and development service providers and many other practitioners and regulators in this field.

1.4.3 Outcomes, Outputs, Performance Indicators and Targets

Table 9: Programme 2: Operations Medium-term Outcome and Targets

Outcomes	Outputs	Output Indicator	Annual Targets						
			Audited Actual Performance			Estimated Performance	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Promote sustainable economic growth and job creation	Operationalisation of the Customs Control Area regime with key partners, such as the TNPA, SARS, DOL & DHA	Number of standard operating protocols in place	-	-	-	1	2	3	3
	Maintain and improve the outcomes of the EoDB SLA with SBM	Turn-around time on building plans	-	-	-	42 days	28 days	14 days	14 days
	Tenant and operator leases signed	Number of signed tenant and operator lease agreements	-	-	-	8	8	8	8
	Maintain contractor and professional panels	Number of contractor and professional panels maintained	-	-	-	2	2	2	2
	Develop strategic partnerships for development programmes initiatives	Number of partnership agreements established	-	-	-	3	3	3	3
	Operationalisation of the Zone Labour Charter with trade unions, tenants and operators	Number of generic agreements agreed by trade unions for negotiation with investors	-	-	-	1	1	1	1
Promote sustainable commercial business	Operationalisation of the Access Complex, Project Leasing Facility	Percentage available space tenanted	-	-	-	25%	50%	50%	50%
	Commercial self-sustainability	Zero dependency on provincial operational financial support	-	-	-	100%	100%	100%	0%

Table 10: Programme 2: Operations Medium-term Indicators, Annual and Quarterly Targets

No.	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
6	Number of standard operating protocols in place	2	-	-	-	2
7	Turn-around time on building plans	28 days	-	-	-	28 days
8	Number of signed tenant and operator lease agreements	8	-	-	-	8
9	Number of contractor and professional panels maintained	2	-	-	-	2
10	Number of partnership agreements established	3	-	-	-	3
11	Number of generic agreements agreed by trade unions for negotiation with investors	1	-	-	-	1
12	Percentage available space tenanted	50%	-	-	-	50%
13	Zero dependency on provincial operational financial support	100%	-	-	-	100%

Summary of provincial payments and estimates by economic classification: Saldanha Bay IDZ Licencing Company (SOC) Ltd - Operations					
Economic classification R'000	Outcome	Estimate	Medium-term estimate		
	Audited 2019/20	Outcome 2020/21	2021/22	2022/23	2023/24
Revenue					
Revenue and interest	3,839	7,036	16,412	25,057	64,256
Rental revenue	3,839	7,036	16,412	25,057	64,256
Transfers received	247,168	212,304	205,530	431,953	132,737
Department of Trade and Industry	247,168	212,304	205,530	431,953	132,737
Total revenue	251,007	219,340	221,942	457,010	196,993
Expenditure					
Current expenditure	44,916	52,611	57,933	61,103	63,516
Compensation of employees	20,561	20,770	22,946	22,946	22,946
Salary & Wages	20,561	20,770	22,946	22,946	22,946
Goods and services	24,355	31,840	34,987	38,157	40,570
Administrative fees	385	506	210	223	236
Advertising	741	11	1,500	2,000	1,500
Minor Assets	-	-	50	53	56
Catering: Departmental activities	171	58	-	-	-
Communication (G&S)	-	47	36	38	40
Computer services	80	21	-	-	-
Consultants and professional services	2,376	5,176	5,034	5,336	5,656
Entertainment	18	-	-	-	-
Fleet services	3	9	-	-	-
Consumable supplies	-	-	300	318	337
Consumable: Stationery, printing & office supplies	34	88	42	45	47
Operating leases	16,790	24,351	23,117	25,198	27,466
Property payments	679	1,067	3,912	4,147	4,396
Travel and subsistence	2,721	279	566	600	636
Training and development	235	229	220	200	200
Venues and facilities	122	-	-	-	-
Capital Expenditure	247,168	187,383	180,765	379,906	116,743
Infrastructure	247,168	187,383	180,765	379,906	116,743
Total expenditure	292,084	239,994	238,699	441,009	180,260

2 Risk Management

2.1 Top Strategic Risks

Strategic risk is defined as risks that affect or are created by an organisation's business strategy and strategic objectives, or lack thereof (Deloitte, 2013).

Table 11: Top Strategic Risks

Risk	Cause	Effect	Impact	Mitigation Measure
Lack of investment from entire quad-helix model (i.e. government, academia, industry, community)	Lack of communication, co-operation and financial support between each party – in particular the WCG, TNPA, the Dtic and SBM.	Misunderstanding and misalignment regarding the needs and requirements from each party.	Zone cannot reach full potential and achieve all objectives.	Effective secretariats to manage relationships with key government partners, with regular meaningful engagement.
A heightened energy crisis in South Africa	Inability of Eskom to supply the energy needs of economy.	Inconsistent energy supply results in industry not being able to operate at maximum efficiency.	OG&M industry cannot operate at maximum profitability	Mitigate by policy that allows investors redundancy within the Zone.
Lack of OG&M policy, regulation and practice	Formal O&G regulations are foreign to South Africa because of infancy of OG&M sector.	Bureaucracy and ambiguity result in increased red tape and time to process operations.	OG&M industry loss of operation time.	Effective secretariats to manage relationships with key stakeholders and partners, with regular meaningful engagement around key legislative issues and regulatory interpretation.
A heightened acceleration towards lower carbon-based economies, also beset with uncertainty on which transition will work/will be applied	Growing environmental consciousness of global society. Decreased demand but supply ongoing due to supply contracts.	Decreased preference for fossil fuels. Decrease in the price per barrel of oil.	Decreased investment into O&G operations.	Limit exposure to investors relying solely on the oil price for their business model, i.e. diversity into fabrication, processing, repair and logistical support, and conversion and decommissioning, oil to gas shifts, and ship recycling.
Uncertainty on global economic landscape, post-Covid-19, raises exposure to underperforming markets and industries	Geo-political instability, low credit rating of SA.	Decreased FDI into South Africa.	Decreased financial capital to invest in OG&M service industry.	Make sure that the offering is world class and also dollar-based where possible.

2.2 Top Tactical Risks

Tactical risk is the probability of loss due to changes in business conditions in real time, or over the short term (less than a year) (Spacey, 2015).

Table 12: Top Tactical Risks

Risk	Cause	Effect	Impact	Mitigation Measure
Lack of interest in innovation development by OG&M industry at Saldanha Bay	Innovative capabilities of international clusters outclass the capabilities of Innovation Campus.	Loss of interest in Saldanha Bay.	Decreased investment into Innovation Campus initiatives.	Implement an appropriate business model which leverages community, international governments and the private sector in the operation of the innovation space. The High School Programme initiated.
In-migration of foreign workers	Foreign, or outsider, skilled workers being preferred for OG&M service industry jobs.	Community instability and mistrust.	Community disapproval of OG&M operations and the SBIDZ-LC.	Continue partnerships to promote local recruitment. Effective development programmes (e.g. apprenticeships) and partnerships linked to technology and a focus on education and awareness. Operationalise the ZLC.
Increased marine vessel traffic	Increased exploration in SA and Africa and increased maintenance and repair services offered from Zone.	Disruptions for other existing port users, the local community and the environment.	Increased pollution, service time, and decreased priority of the Zone for other existing port users.	Compliance to existing environmental legislative and regulatory frameworks as SBIDZ Operator and port tenant.
Untested deep waters of SA	Lack of experience with deep water rigs needed in SA.	No to slow preparedness for domestic and foreign OG&M operators intending to operate in SA.	Increased breakages, thus delays, decreased economic activity could trickle down towards the Zone.	Effective development programmes & partnerships linked to technology and a focus on education and awareness.
Corruption	Lack of established regulation in South Africa regarding OG&M exploration.	Loss of financial investment.	Decreased FDI into zone initiatives.	Ensure good corporate governance, and an ethical organisation. Stakeholder management and engagement towards effective and ethical legislation and regulations in upstream petroleum development industry.

2.3 Top Implementation Risks

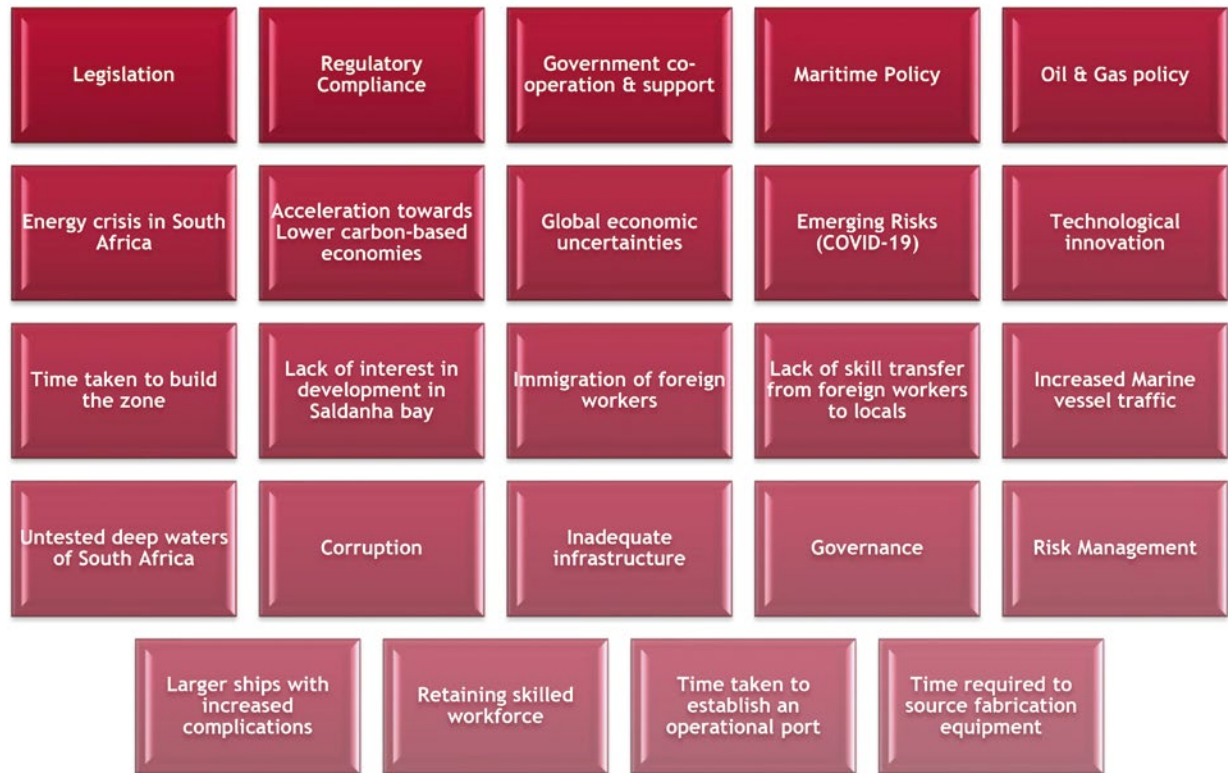
Implementation risk is the potential for a development or deployment failure (Spacey, 2017).

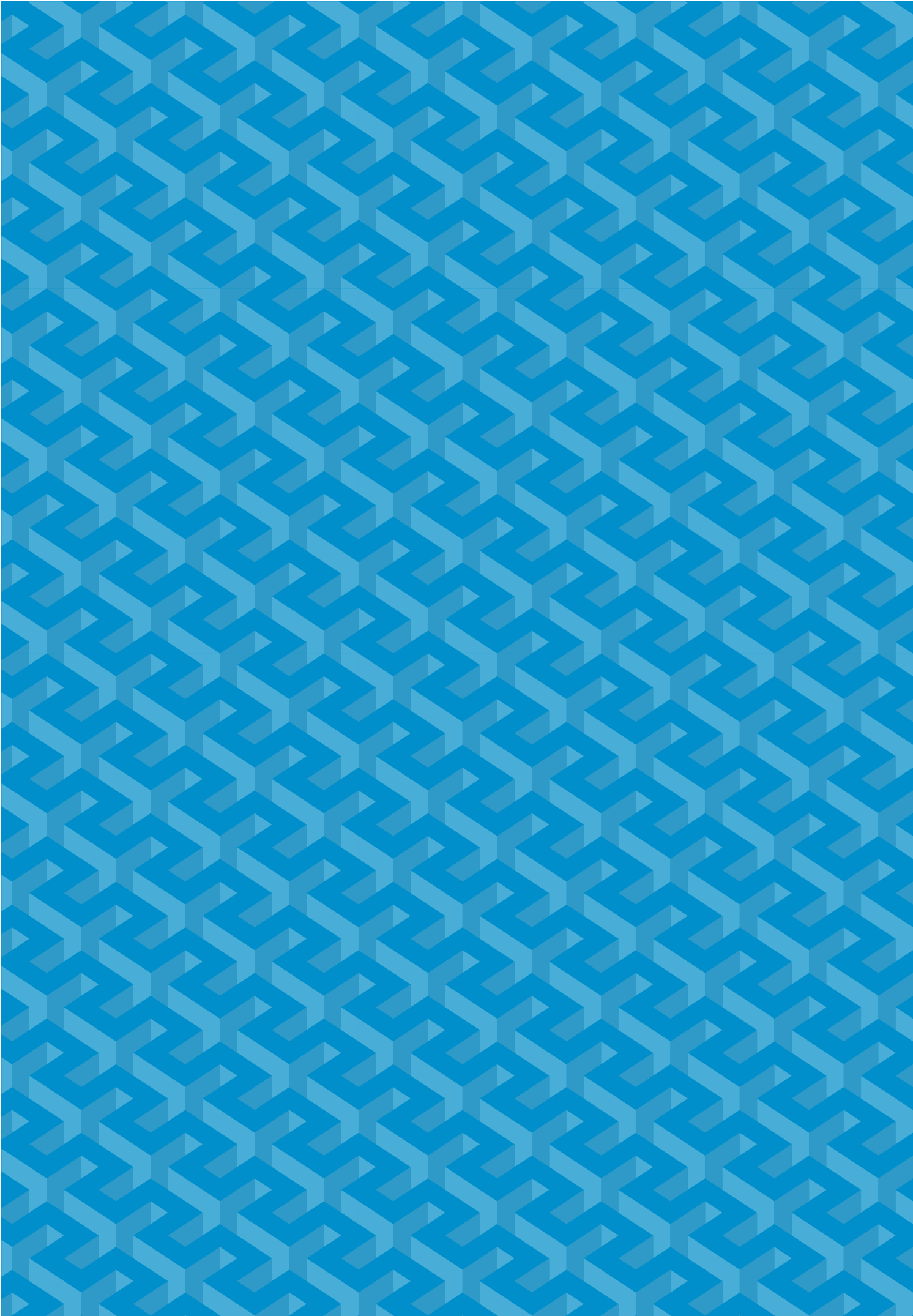
Table 13: Top Implementation Risks

Risk	Cause	Effect	Impact	Mitigation Measure
Technological innovation	Digital disruption improving productivity while keeping costs low.	Increased automation and mechanisation.	Less than expected job opportunities within the OG&M services industry for the community.	As a relatively new industry to SA all jobs will be new and will have taken the 4IR into account. Concentrate on readiness of local skills to take advantage of new opportunities.
Time taken to build the Zone and its services	Slow service delivery by contractors.	Delayed implementation of zone initiatives.	Zone suffers financial loss for each working day/month its facilities and services are not operational.	Contractor panels for faster delivery. Consultant panels for faster delivery. Smart integrated systems to track and manage critical paths.
Inadequate infrastructure (e.g. skills, resources)	Infancy of OG&M sector within South Africa.	Lack of skills and knowledge of services to meet the requirements of OG&M industry.	Outsourcing of OG&M industry needs to international sources.	Support the knowledge transition through development programmes facilitated.
Larger ships = larger complications = more specialised / technical skills and materials required	South Africa's inability to supply growing OG&M service needs.	Outsourcing of OG&M industry needs to international sources.	Lower domestic investment, and foreign, into the Zone.	New industry to SA so all expansion, however small is an opportunity to leverage for development and participation over time.
Retaining skilled workforce (long enough for skills transfer)	Generational (i.e. millennial) influence of younger workforce.	Skills and knowledge are lost rather than transferred.	Outsourcing of employees to meet OG&M service industry needs.	Support the knowledge transition through development programmes facilitated. The Innovation Campus and High School Programme initiated.
Time required to source fabrication equipment / fabricated parts	Lack of fabrication skills and resources in SA.	Outsourcing of OG&M industry needs to international sources.	Decreased investment into the Zone.	Effective development programmes, with partners from other mature but struggling sectors, e.g. mining OEMs, to facilitate transversal skills and resources development.
Time taken to establish an operational port infrastructure model (e.g. min. 5-9 years)	Bureaucracy and acquiring of resources required to establish port infrastructure.	Increased time before accumulation of revenue.	OG&M industry loss of operation time.	Proactively partner with TNPA and national government to deliver the correct infrastructure faster and smarter with appropriate business models.

2.4 Key Overall Risk Areas

Figure 16: Key Overall Risk Areas







D

**TECHNICAL
INDICATOR
DESCRIPTIONS**

PART D: TECHNICAL INDICATOR DESCRIPTIONS

1 Overall for the Company

Indicator number	1					
Indicator title	Promote sustainable economic growth and job creation.					
Short definition	<p>The SBIDZ would create an enabling environment to promote sustainable economic growth and job creation by:</p> <ul style="list-style-type: none"> Facilitating a cumulative contribution to the National GDP by investment within the IDZ by the end of the financial year 2024/25; Facilitating a cumulative contribution to the Western Cape GGP by investment within the IDZ by the end of the financial year 2024/25; Facilitating the creation of direct, indirect and induced jobs throughout South Africa by the end of the financial year 2024/25. 					
Purpose	Measure the contribution made to the South African economy overall through the SBIDZ programme and the prioritisation of the Saldanha Bay region.					
Source of data	Statistical data from the SBIDZ SAM Economic Model.					
Method of calculation	Jobs created that can be directly attributed to the economic impact of the SBIDZ initiative.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target	On target X	Lower than target			
Indicator responsibility	Chief Executive Officer					
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay Municipality				

Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A			
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link
Assumptions	Capital and operating expenditure over the five-year financial period by the SBIDZ-LC, the Western Cape Government, Transnet and tenants and customers of the Zone represents flows of the economic transactions that take place within the economy.			
Means of verification	Report from consultants.			
Data limitations	Information required from consultants.			
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery X	Yes, Indirect Service Delivery	No
	Is this a Demand Driven Indicator?		Yes, Demand Driven X	No, Not Demand Driven
Strategic link to the PSP	VIP No.:	2	Focus Area:	1
	Output(s):		Intervention(s):	
Covid-19 linkage	Yes X	No		
	Hotspot Theme:		Hotspot Area:	
AOP Reference	Company Repository			

2 Programme 1: Administration

Indicator number	2					
Indicator title	Unqualified Audit Report.					
Short definition	An opinion expressed by the AGSA on their annual audit of the various transactions, systems and policies of the company that determines that all governance arrangements are in place and sufficient.					
Purpose	To ensure that entity delivers on its mandate effectively and efficiently. Strengthens governance structures.					
Source of data	Signed-off audit report from the AGSA.					
Method of calculation	Signed-off audit report from the AGSA.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target	On target X	Lower than target			
Indicator responsibility	Chief Financial Officer					
Spatial transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay Municipality				
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A					
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link		
Assumptions	An unqualified audit opinion conveys credibility in the entity's corporate governance, financial management and arrangements and sustainable operations.					
Means of verification	Signed Audit Report by the AGSA.					
Data limitations	None.					
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery X	Yes, Indirect Service Delivery	No		
	Is this a Demand Driven Indicator?	Yes, Demand Driven X	No, Not Demand Driven			
Strategic link to the PSP	VIP No.:	2	Focus Area:	1		
	Output(s):		Intervention(s):			
Covid-19 linkage	Yes	No X				
	Hotspot Theme:		Hotspot Area:			
AOP Reference	Company Repository					

Indicator number	3					
Indicator title	Number of institutional agreements reviewed.					
Short definition	To ensure that the required conditions relating to the agreements signed with institutional partners are effectively monitored.					
Purpose	To ensure the entity delivers on its mandate.					
Source of data	Agreements and subsequent reports.					
Method of calculation	Simple count.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target	On target X	Lower than target			
Indicator responsibility	Chief Financial Officer					
Spatial transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay Municipality				
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A					
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link		
Assumptions	Legal compliance of agreements is a critical factor of good corporate governance.					
Means of verification	Reviewed agreements and subsequent reports.					
Data limitations	None.					
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery X	Yes, Indirect Service Delivery	No		
	Is this a Demand Driven Indicator?	Yes, Demand Driven		No, Not Demand Driven X		
Strategic link to the PSP	VIP No.:	2	Focus Area:	1		
	Output(s):		Intervention(s):			
Covid-19 linkage	Yes	No X				
	Hotspot Theme:		Hotspot Area:			
AOP Reference	Company Repository					

Indicator number	4					
Indicator title	Number of frameworks reviewed to monitor and manage tenant lease agreements.					
Short definition	To ensure that frameworks are not outdated and irrelevant to changing dynamics of the industry and SEZ environment.					
Purpose	To ensure the entity delivers on its mandate effectively and efficiently. Strengthens good corporate governance.					
Source of data	Frameworks.					
Method of calculation	Simple count.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target	On target X	Lower than target			
Indicator responsibility	Chief Financial Officer					
Spatial transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay Municipality				
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A					
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link		
Assumptions	Regular assessments support competitive positioning in the cases of changing dynamics of legislation, e.g. Upstream petroleum industry and the African Continental Free Trade Agreement.					
Means of verification	Approved Frameworks.					
Data limitations	None.					
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery X	Yes, Indirect Service Delivery	No		
	Is this a Demand Driven Indicator?	Yes, Demand Driven X	No, Not Demand Driven			
Strategic link to the PSP	VIP No.:	2	Focus Area:	1		
	Output(s):		Intervention(s):			
Covid-19 linkage	Yes	No X				
	Hotspot Theme:		Hotspot Area:			
AOP Reference	Company Repository					

Indicator number	5			
Indicator title	Number of page views on the SBIDZ website.			
Short definition	To ensure consistent website performance and value-add to the industry.			
Purpose	To determine the utilisation of the website.			
Source of data	Google analytics performance report.			
Method of calculation	Done by Google analytics.			
Calculation type	Cumulative Year-end	Cumulative Year-to-date X	Non-cumulative	
Reporting cycle	Quarterly X	Bi-annually	Annually	Biennially
Desired performance	Higher than target X	On target	Lower than target	
Indicator responsibility	Chief Financial Officer and Chief Operating Officer			
Spatial transformation	Spatial transformation priorities: N/A Description of spatial impact: N/A			
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations
	Extent:			
	Provincial	District	Local Municipality X	Ward Address
	Detail / Address / Coordinates:		Saldanha Bay Municipality	
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A			
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link
Assumptions	Regular assessments of the website usage.			
Means of verification	Google analytics report.			
Data limitations	None.			
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery	Yes, Indirect Service Delivery X	No
	Is this a Demand Driven Indicator?	Yes, Demand Driven		No, Not Demand Driven X
Strategic link to the PSP	VIP No.:	2	Focus Area:	1
	Output(s):		Intervention(s):	
Covid-19 linkage	Yes	No X		
	Hotspot Theme:		Hotspot Area:	
AOP Reference	Company Repository			

3 Programme 2: Operations

Indicator number	6			
Indicator title	Number of standard operating protocols delivered.			
Short definition	The SBIDZ is creating a conducive business environment for customers and the workforce in the Zone.			
Purpose	Phased implementation of the CCA regime to support the ease of doing business value proposition.			
Source of data	Issued standard operating protocols per partner.			
Method of calculation	Simple count.			
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X	
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially
Desired performance	Higher than target	On target X	Lower than target	
Indicator responsibility	Chief Operations Officer and Executive: Ease of Doing Business			
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>			
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations
	Extent:			
	Provincial	District	Local Municipality X	Ward Address
	Detail / Address / Coordinates:		Saldanha Bay	
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A			
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link
Assumptions	Industry views the responsibilities of TNPA, SARS, DoL, DHA and their respective interfaces as critical to their goal of setting up business and operating in the Zone of Saldanha Bay.			
Means of verification	Issued standard operating protocols.			
Data limitations	None.			
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery X	Yes, Indirect Service Delivery	No
	Is this a Demand Driven Indicator?	Yes, Demand Driven X		No, Not Demand Driven
Strategic link to the PSP	VIP No.:	2	Focus Area:	1
	Output(s):			Intervention(s):
Covid-19 linkage	Yes	No X		
	Hotspot Theme:		Hotspot Area:	
AOP Reference	Company Repository			

Indicator number	7					
Indicator title	Turn-around time on building plans.					
Short definition	The SBIDZ and SBM have established an EoDB service level agreement to allow for the joint development of solutions to reduce red tape, unnecessary bureaucracy, slow timelines related to various permits and registrations in SBM's responsibility.					
Purpose	Maintain and improve the various SOPs and processes developed jointly by SBM and SBIDZ.					
Source of data	Building plan submissions.					
Method of calculation	Weighted average.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target	On target X	Lower than target			
Indicator responsibility	Chief Operations Officer and Executive: Ease of Doing Business					
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay				
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A					
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link		
Assumptions	Industry views the responsibilities of SBM and their respective interfaces with industry as critical to their goal of setting up business and operating in the Zone in Saldanha Bay.					
Means of verification	Building plan submissions.					
Data limitations	Dependent on SBM resources.					
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery X	Yes, Indirect Service Delivery	No		
	Is this a Demand Driven Indicator?	Yes, Demand Driven X		No, Not Demand Driven		
Strategic link to the PSP	VIP No.:	2	Focus Area:	1		
	Output(s):			Intervention(s):		
Covid-19 linkage	Yes	No X				
	Hotspot Theme:			Hotspot Area:		
AOP Reference	Company Repository					

Indicator number	8					
Indicator title	Number of signed tenant and operator leases signed.					
Short definition	Number of tenants and operators with signed lease agreements with the SBIDZ.					
Purpose	Formalising agreements with tenants and operators will result in revenue generation and economic activity.					
Source of data	Signed leases.					
Method of calculation	Simple count.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target	On target X	Lower than target			
Indicator responsibility	Chief Operations Officer and Executive: Business Development					
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay				
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A					
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link		
Assumptions	Signed leases enables the SBIDZ to forecast, manage and enable revenue generation, economic activity and infrastructure and land requirements.					
Means of verification	Signed leases.					
Data limitations	None.					
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery X	Yes, Indirect Service Delivery	No		
	Is this a Demand Driven Indicator?	Yes, Demand Driven X		No, Not Demand Driven		
Strategic link to the PSP	VIP No.:	2		Focus Area:	1	
	Output(s):			Intervention(s):		
Covid-19 linkage	Yes	No X				
	Hotspot Theme:			Hotspot Area:		
AOP Reference	Company Repository					

Indicator number	9					
Indicator title	Number of contractor and professional panels maintained.					
Short definition	Contractor and professional panels of service providers to the SBIDZ.					
Purpose	The panels provide the SBIDZ with professional and construction services, which in turn the entity offers to its tenants, should they require it, to enable the conclusion of material technical aspects and financing on the investments.					
Source of data	Signed contracts.					
Method of calculation	Simple count.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target	On target X	Lower than target			
Indicator responsibility	Chief Operations Officer and Executive: Infrastructure					
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay				
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A					
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link		
Assumptions	The panels provide the SBIDZ with quicker turnaround and cost stability on designing and construction of tenant and operator structures and utilities.					
Means of verification	Signed contracts.					
Data limitations	None.					
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery	Yes, Indirect Service Delivery X	No		
	Is this a Demand Driven Indicator?	Yes, Demand Driven X		No, Not Demand Driven		
Strategic link to the PSP	VIP No.:	2	Focus Area:	1		
	Output(s):			Intervention(s):		
Covid-19 linkage	Yes	No X				
	Hotspot Theme:			Hotspot Area:		
AOP Reference	Company Repository					

Indicator number	10					
Indicator title	Number of partnership agreements established.					
Short definition	Strategic partnerships with various stakeholders to enable initiatives to take place.					
Purpose	To ensure citizens and businesses have the know-how to compete effectively and meet the targeted sector's needs.					
Source of data	Signed agreements.					
Method of calculation	Simple count.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target X	On target	Lower than target			
Indicator responsibility	Chief Operations Officer and Executive: Development Programmes					
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay				
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A					
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link		
Assumptions	Partnerships will produce initiatives that meet the needs of industry and local communities and businesses alike.					
Means of verification	Signed agreements.					
Data limitations	None.					
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery	Yes, Indirect Service Delivery X	No		
	Is this a Demand Driven Indicator?	Yes, Demand Driven		No, Not Demand Driven X		
Strategic link to the PSP	VIP No.:	2	Focus Area:	1		
	Output(s):			Intervention(s):		
Covid-19 linkage	Yes	No X				
	Hotspot Theme:			Hotspot Area:		
AOP Reference	Company Repository					

Indicator number	11			
Indicator title	Number of generic agreements agreed by trade unions for negotiation with investors.			
Short definition	The SBIDZ is creating a conducive business environment for customers and the workforce in the Zone.			
Purpose	Phased implementation of the Charter to support the ease of doing business value proposition.			
Source of data	Signed-off discussion documents and/or standard operating protocols per partner.			
Method of calculation	Simple count.			
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X	
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially
Desired performance	Higher than target	On target X	Lower than target	
Indicator responsibility	Chief Operations Officer and Executive: Stakeholder Management			
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>			
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations
	Extent:			
	Provincial	District	Local Municipality X	Ward
Detail / Address / Coordinates:		Saldanha Bay		
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A			
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link
Assumptions	Operationalisation of the Charter will facilitate a sustainable and fair labour relations environment.			
Means of verification	Standard operating protocols per partner.			
Data limitations	None.			
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery	Yes, Indirect Service Delivery X	No
	Is this a Demand Driven Indicator?	Yes, Demand Driven X		No, Not Demand Driven
Strategic link to the PSP	VIP No.:	2	Focus Area:	1
	Output(s):			Intervention(s):
Covid-19 linkage	Yes	No X		
	Hotspot Theme:		Hotspot Area:	
AOP Reference	Company Repository			

Indicator number	12					
Indicator title	Percentage available space tenanted.					
Short definition	The SBIDZ is creating a conducive business environment for customers and stakeholders.					
Purpose	The SBIDZ is creating a conducive business environment for customers and stakeholders.					
Source of data	Signed agreements with identified stakeholders and partners in the PLF and Access Complex.					
Method of calculation	Weighted average – PLF 30% and Access Complex 70%.					
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X			
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially		
Desired performance	Higher than target	On target X	Lower than target			
Indicator responsibility	Chief Operations Officer and Executive: Transaction & Investor Support					
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>					
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations		
	Extent:	Provincial	District	Local Municipality X	Ward	Address
	Detail / Address / Coordinates:	Saldanha Bay				
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A					
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link		
Assumptions	Operationalisation of the facilities will promote the intended impact.					
Means of verification	Signed agreements.					
Data limitations	None.					
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery	Yes, Indirect Service Delivery X	No		
	Is this a Demand Driven Indicator?	Yes, Demand Driven X		No, Not Demand Driven		
Strategic link to the PSP	VIP No.:	2	Focus Area:	1		
	Output(s):			Intervention(s):		
Covid-19 linkage	Yes	No X				
	Hotspot Theme:			Hotspot Area:		
AOP Reference	Company Repository					

Indicator number	13			
Indicator title	Western Cape Government (WCG) Funding.			
Short definition	Funding allocated from the WCG through DEDAT.			
Purpose	To ensure zero dependency on operational funding from the WCP commencing 1 April 2023.			
Source of data	Signed agreements.			
Method of calculation	Percentage of agreed amount.			
Calculation type	Cumulative Year-end	Cumulative Year-to-date	Non-cumulative X	
Reporting cycle	Quarterly	Bi-annually	Annually X	Biennially
Desired performance	Higher than target	On target X	Lower than target	
Indicator responsibility	Chief Financial Officer			
Spatial transformation	<p>Spatial transformation priorities: Securing biodiversity by implementing the Saldanha Strategic (Biodiversity) Offsets Strategy.</p> <p><i>The Saldanha Strategic (Biodiversity) Offsets Strategy of the Western Cape Government has now been put in place to unlock development potential in the Saldanha/Vredenburg growth node, specifically around the Port of Saldanha and the Saldanha Bay Industrial Development Zone (SBIDZ), whilst ensuring that conservation targets for the ecosystem types in the Greater Saldanha Bay area can be met and maintained properly.</i></p> <p>Description of spatial impact: Creating a spatially, environmentally and economically vibrant and sustainable growth point in the Zone.</p>			
Spatial Context (Relevant where products and services are delivered, specifically to the public)	Number of locations	Single location X		Multiple locations
	Extent:			
	Provincial	District	Local Municipality X	Ward Address
	Detail / Address / Coordinates:		Saldanha Bay	
Disaggregation of beneficiaries (Human Rights groups, where applicable)	Target for women: N/A Target for youth: N/A Target for people with disabilities: N/A Target for older persons: N/A			
Recovery Plan Focus Areas	Jobs X	Safety	Well-being & dignity	No link
Assumptions	Operationalisation of the Centre will support the intended impact.			
Means of verification	Signed agreements.			
Data limitations	None.			
Type of indicator	Is this a Service Delivery Indicator?	Yes, Direct Service Delivery	Yes, Indirect Service Delivery X	No
	Is this a Demand Driven Indicator?	Yes, Demand Driven X		No, Not Demand Driven
Strategic link to the PSP	VIP No.:	2	Focus Area:	1
	Output(s):			Intervention(s):
Covid-19 linkage	Yes	No X		
	Hotspot Theme:		Hotspot Area:	
AOP Reference	Company Repository			



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