



NATIONAL NUCLEAR REGULATOR

For the protection of persons, property and the environment against nuclear damage.

STRATEGIC PLAN 2017 - 2021

EXECUTIVE SUMMARY

As with all State Owned Entities (SOEs), this Strategic Plan stipulates the aspirations and priorities of the Regulator in the short to medium term. These priorities are delineated into goals and objectives in order to address the breadth of the organisation's mandate.

The recent announcement of the Integrated Resource Plan (IRP) Draft Document has cast into light the possibilities regarding the envisaged nuclear new build programme. The Regulator has adjusted its planning to accommodate these changes and has cast both a global and local perspective on issues impacting its operations in the shorter and longer-term.

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

Was developed by the Board and management of National Nuclear Regulator and takes into account all the relevant policies, legislation and other mandates and accurately reflects the strategic outcome oriented goals and objectives which the National Nuclear Regulator (NNR) will endeavour to achieve over the planning period.



Signature

CHAIRPERSON OF THE BOARD

Dr TM Motshudi



Signature

CHIEF EXECUTIVE OFFICER

Dr MB Tyobeka



ACRONYMS

AFS	Annual Financial Statement	NVL	Nuclear Vessel Licence
AGSA	Auditor General of South Africa	PESTEL	Political, Environmental, Social, Technological, Environmental, Legislative
APP	Annual Performance Plan	PFMA	Public Finance Management Act
BRICS	Brazil, Russia, India, China, South Africa	PAIA	Promotion of Access to Information Act
CAE	Compliance Assurance and Enforcement	RADCON	Radiation Control
CAP	Compliance Assurance Plan	RERC	Regulatory Emergency Response Centre
CNS	Council for Nuclear Safety	RPO	Radiation Protection Officer
CNSS	Centre for Nuclear Safety and Security	SARA	Standards Authorisations, Reviews and Assessments
COE	Certificate of Exemption	SOE	State Owned Entity
COR	Certificate of Registration	SWOT	Strength, Weaknesses, Opportunities and Threats
ENE	Estimates of National Expenditure	TSO	Technical Support Organisation
DoE	Department of Energy		
EPREV	Emergency Preparedness Review		
IAEA	International Atomic Energy Agency		
ICT	Information Communication and Technology		
IMS	Integrated Management System		
INIR	Integrated Nuclear Infrastructure Review		
IRP	Integrated Resource Plan		
IRRS	Integrated Regulatory Review Service		
KPI	Key Performance Indicator		
MTEF	Medium Term Expenditure Framework		
NDP	National Development Plan		
Necsa	South African Nuclear Energy Corporation		
NISL	Nuclear Installation Site Licence		
NNR	National Nuclear Regulator		

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CONTEXT OF THE STRATEGIC PLAN

Framework for Strategic Plans for State Owned Entities

The National Nuclear Regulator of South Africa is a Schedule 3A entity. As such, it is subject to government-wide guidelines and stipulations in so far as strategic and financial planning are concerned.

This is important for two reasons:

- Using the framework assists the NNR's strategic plan to demonstrate alignment to the overall Energy Policy and the Department of Energy's strategy in both content and format.
- The extent to which the guidelines have been applied by entities is an auditable criterion by the Auditor-General of South Africa (AGSA) and thus the NNR must also demonstrate adherence to this.

¹The schematic below is as per the framework guidelines for entities' Strategic Plans.

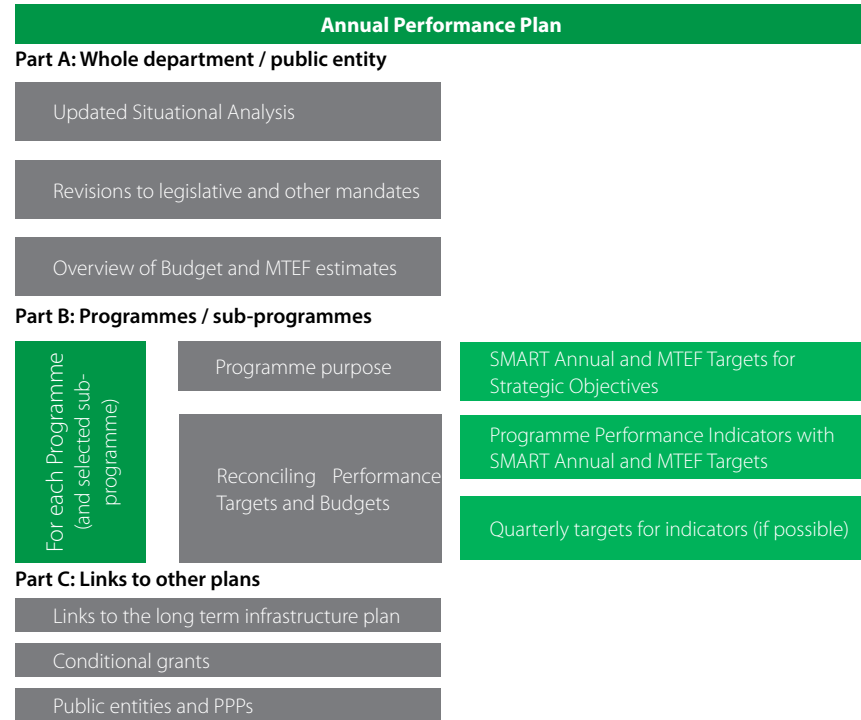
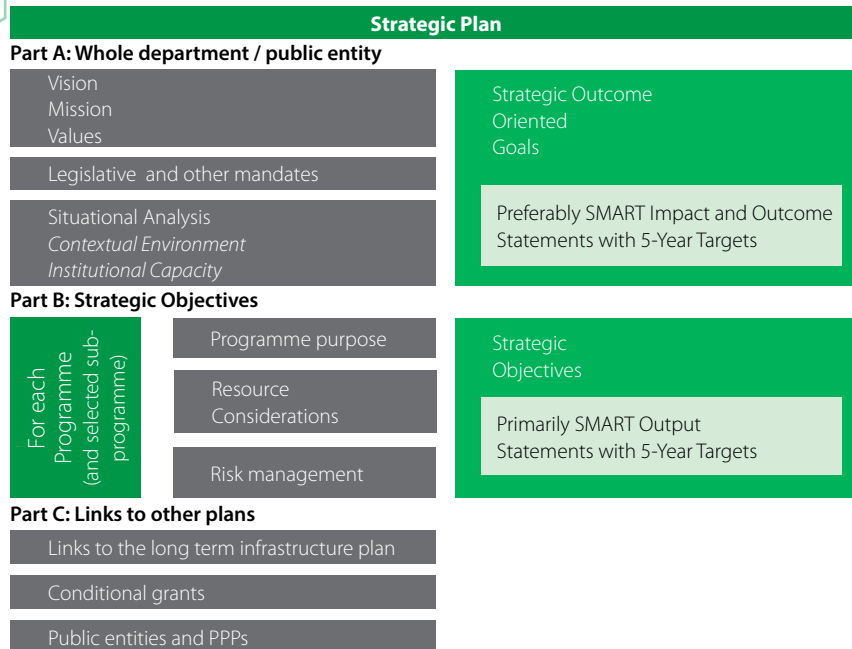


Figure 1: Framework for Strategic Plans and Annual Performance Plans for State Owned Entities/Companies

Context of theoretical frameworks

Theoretical frameworks are referenced in this document. The purpose of these is to demonstrate structure and objectivity of the content.

¹ The Framework for Strategic Plans and Annual Performance Plans, National Treasury, August 2010

STRATEGY OVERVIEW



1. STRATEGY OVERVIEW

The following were agreed as the strategy pillars for the NNR:

1.1 Vision

To be an independent leading nuclear regulatory authority.

1.2 Mission

To provide and maintain an effective and efficient national regulatory framework for the protection of persons, property and the environment against nuclear damage.

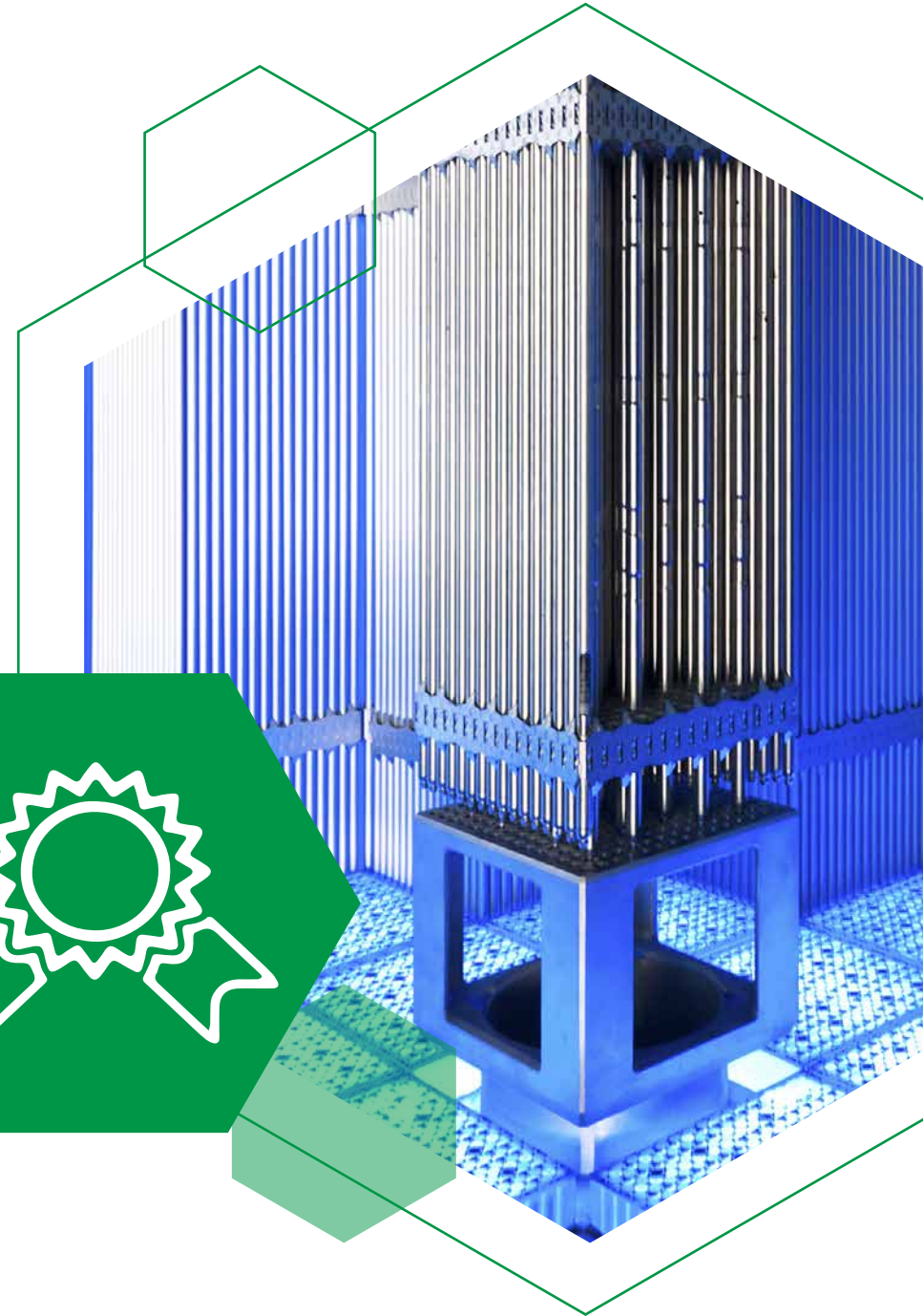
1.3 Values

The NNR subscribes to six key values. Each of the value descriptors are as follows:

Value	Description
Safety and Security	We endeavor to instill a culture of safety and security within the organisation and in our dealings with stakeholders
Integrity	Our understanding on integrity is having non-biased or fair, objective, consistent, honest, reliable, principled attitudes and attributes
Excellence	We will deliver outstanding quality of work, efficiently, effectively, innovatively and in a focused manner
Valuing People	We show impartiality and recognition by appreciating, valuing input and showing empathy to employees
Team Work	Being a cohesive team that works in collaboration to realise common goals in order to deliver exceptional results
Openness and Transparency	Sharing relevant information with internal and external stakeholders and creating a platform for receiving feedback

Table 1: The Values of the NNR

LEGISLATIVE & OTHER MANDATES



2. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandates

- National Nuclear Regulator Act of 1999
- National Environmental Management Act 107 of 1998
- National Radioactive Waste Disposal Institute Act 53 of 2008
- Promotion of Administrative Justice Act 3 of 2000
- Strategic Intelligence Act 39 of 1994
- Basic Conditions of Employment Act 75 of 1997
- Compensation for Occupational Injuries and Diseases Act 130 of 1993
- Electronic Communications and Transactions Act 25 of 2002
- Employment Equity Act 55 of 1998
- Regulation of Interception of Communications and Provision of Communications-Related Information Act 70 of 2002
- Labour Relations Act 66 of 1995
- National Archives Act 43 of 1996
- Occupational Health and Safety Act 85 of 1993
- Protection of Equality and Prevention of Unfair Discrimination Act 4 of 2000
- Protected Disclosures Act 26 of 2000
- Protection of Information Act 84 of 1982
- Skills Development Act 97 of 1998
- Skills Development Levies Act 9 of 1999

Other Relevant Legislation

- Tobacco Control Act 83 of 1993
- Broad Based Black Economic Empowerment Act 53 of 2003
- Government Immovable Assets Act 19 of 2007
- Pension Funds Act 24 of 1956
- Preferential Procurement Policy Framework Act 5 of 2000
- Public Finance Management Act 1 of 1999
- Promotion of Access to Information Act 2 of 1999
- Constitution of South Africa Act
- National Road Traffic Act 93 of 1996
- Companies Act 71 of 2008
- Use of Official Languages Act 2 of 2012
- Protection of Personal Information Act 4 of 2013
- Environment Conversation Act 73 of 1989
- Physical Planning Act 125 of 1991
- Space Affairs Act 84 of 1993
- South African Maritime Safety Authority Act 5 of 1998
- National Water Act 36 of 1998
- National Forest Act 84 of 1998
- Nuclear Energy Act 46 of 1999
- National Railway Safety Regulator Act 16 of 2002
- Mineral and Petroleum Resources

Other Relevant Legislation

- Development Act 28 of 2002
- Defence Act 42 of 2002
- National Environmental Management: Protected Areas Act 57 of 2003
- National Environmental Management: Biodiversity Act 10 of 2004
- National Environmental Management: Air Quality Act 39 of 2004
- National Ports Act 12 of 2005
- Intergovernmental Relations Framework Act 13 of 2005
- Civil Aviation Act 13 of 2009
- National Regulator for Compulsory Specifications Act 5 of 2008
- Standards Act 8 of 2008
- National Environmental Management: Integrated Coastal Management Act 24 of 2008
- South African National Space Agency Act 36 of 2008
- Intellectual Property Rights from Publicly Financed Research and Development Act 51 of 2008
- Income Tax Act 58 of 1962
- Prescribed Rate of Interest Act 55 of 1975
- The Non-Proliferation of Weapons of Mass Destruction Act

Table 2: Overview of relevant legislation and Policies regulating NNR

**RELEVANT
COURT RULINGS** &
**ORGANISATIONAL
ENVIRONMENT**



3. RELEVANT COURT RULINGS

In the current planning cycle, no new court rulings have been identified. The MacDonald case regarding development in zoned areas in 2011 remains the most recent ruling.

4. ORGANISATIONAL ENVIRONMENT

4.1 NNR Structure

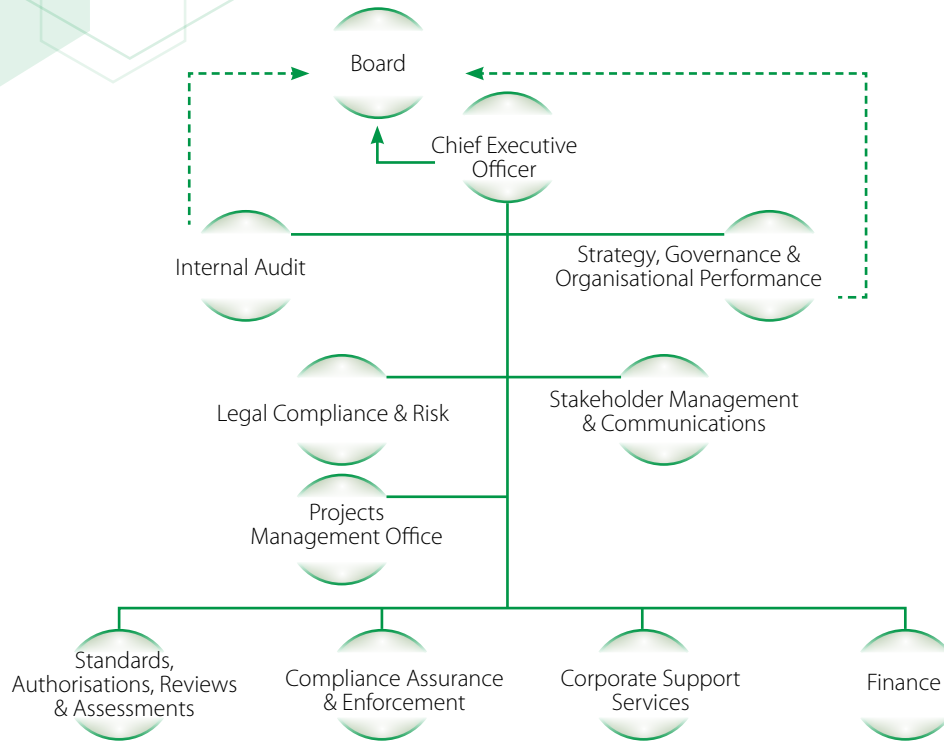


Figure 2: Overview of the NNR Management Structure

PROGRAMMES & HIGH-LEVEL RESOURCE CONSIDERATIONS



5. PROGRAMMES

Programme	Programme Purpose
Administration	<p>These programmes provide strategic organisational support through the following key functional streams:</p> <ul style="list-style-type: none"> • Corporate Support Services comprising of Human Capital Management, Facilities Management, Information Communication and Technology (ICT) and Occupational Health & Safety • Financial Planning, Management, Reporting and Supply Chain Management • Communications and Stakeholders Relations Management • Legal Services and Enterprise Risk Management • Strategic, Governance and Organisational Performance Management • Internal Audit
Standards Authorisations & Reviews Assessments (SARA)	<p>The Standards, Authorisations Reviews and Assessments (SARA) division provides strategic leadership and management in the following areas:</p> <p>Authorisations for Nuclear Vessel Licences (NVL), Nuclear Installations (NIL), Certificate of Registrations (COR) and Certificates of Exemption (COE). The programme produces standards related to the core themes such as risk analysis, structural analysis, nuclear engineering and structural engineering</p> <p>The Reviews and Assessments are conducted with regard to design safety, environmental and radiation protection, operational safety, emergency preparedness and nuclear security</p> <p>Managing of special projects such as the Fukushima project, Radiation Protection and Nuclear New Build</p> <p>Research and development is conducted on emerging issues regarding nuclear and radiation safety</p>
Compliance Assurance and Enforcement Division	<p>The Compliance Assurance and Enforcement (CAE) division provides strategic leadership and management of the compliance and enforcement activities, processes and programmes for all the regulated nuclear facilities and activities. The CAE division ensures the establishment of effective and efficient delivery systems related to the compliance assurance and enforcement activities in nuclear safety and security. This includes conducting compliance assurance inspections, audits, investigations, surveillances, environmental monitoring and sampling</p>

Table 3: Overview of the NNR Programmes

6. HIGH-LEVEL RESOURCE CONSIDERATIONS PER PROGRAMME

	Audited Outcome	Audited Outcome	Preliminary Outcome	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13-2015/16	
Administration	58 350	70 274	85 930	74 809	8.6%	48.3%
Standards Authorisations and Review Assessments	40 635	47 594	59 008	62 826	15.6%	34.9%
Compliance Assurance and Enforcement	21 249	22 819	25 159	31 739	14.3%	16.9%
Total expense	120 234	140 687	170 097	169 374	12.1%	100.0%

	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2016/17	2017/18	2018/19	2015/16-2018/19	
Administration	76 420	102 718	108 070	13%	46%
Standards Authorisations and Review Assessments	66 334	72 137	76 198	7%	35%
Compliance Assurance and Enforcement	34 934	39 099	41 367	9%	19%
Total Expense	177 688	213 954	225 635	10.03%	100.0%

Table 4: High level resource consideration per programme



SITUATIONAL ANALYSIS



7. SITUATIONAL ANALYSIS

The situational analysis takes a broad overview of the external and internal perspectives. In this case, the PESTEL and SWOT analysis methods were applied to paint a picture of the prevailing trends and issues impacting on the Regulator.

7.1 EXTERNAL ANALYSIS - PESTEL

The NNR conducted a situational analysis that had both external and internal perspectives. The PESTEL analysis was updated to highlight the following:

Political

- Global nuclear events and accidents increasingly influence government policy towards the nuclear industry
- National policy and approach to nuclear expansion has been reviewed as evidenced by the IRP Draft Document. Should the proposed scenarios be implemented, it will mean that the Regulator must adjust its planning in order to align with the new parameters
- Cabinet decision to appoint Eskom and the South African Nuclear Energy Corporation (Necsa) to drive the procurement for the Nuclear Build is noted. This does not necessarily change the role of the Regulator, only the processes that it will be engaged with regarding each stakeholder
- The possible review of the administration of State Owned Entities may mean changes in the reporting line of the NNR
- The planned transfer of the Radiation Control (RADCON) function from the Department of Health to the NNR will widen the scope of the Regulator and thus require further capacitation
- Developments around Brazil, Russia, India, China and South Africa (BRICS) agreement block may, to a limited extent, influence policy

Economic

- Volatile economic climate may impact adversely on some authorisation holders' ability to pay fees to the NNR, as well as compromising the safety culture of their operations
- Rand fluctuation and the lack of economic growth has contributed to the liquidation of some facilities
- The weakening Rand impacts on decommissioning and waste management funds
- Limited electricity supply hampers growth, thus impacting the ability to support government objectives
- Labour unrest at mines and service delivery protests in local mining communities adversely affects both the authorisation holders and communities surrounding the mines, economically and socially. The impact on the Regulator is that of fears or threats of physical safety of inspectors which may negatively impact on the inspections programme, as some inspections may be cancelled or postponed
- Limited funding i.e. State grant reduction and limitations to authorisation fees increases, has an adverse effect on the NNR's programmes and budgets

Social

- Unplanned land grabs are the new social threat, this may expose communities to hazards as there may not always be sufficient verification of the safety of some of the land i.e. it may contain radioactive material
- Negative perceptions, as a result of nuclear accidents, erode public trust and confidence in the nuclear sector/industry
- The negative perception of the industry may lead to a misunderstanding of the role of the Regulator, this needs to be addressed
- Currently, there are low levels of public awareness on nuclear safety and emergency preparedness
- Public demand for openness and transparency is growing and will have to be part of the organisation's programme
- Urban developments around nuclear installations may be a challenge

Technological

- Advancements in technology will continue to influence changes to nuclear safety and security. This is evidenced for instance by the use of drone technology
- Online Regulatory Management Systems are a growing trend
- The findings and recommendations of the Integrated Nuclear Infrastructure Review (INIR) and Emergency Preparedness Review (EPREV) reports have a major impact in the way the Regulator conducts its business
- Cyber Security is becoming an increasing threat that the Regulator must manage and guard against
- The envisaged beneficiation of Uranium will introduce new technologies into the South African market and for the Regulator
- Ageing management of facilities continues to warrant interventions, expertise and technologies to be applied

Environmental

- There is increased pressure to reduce carbon emissions and use of green technology. This is further buttressed by South Africa's own commitment to the global decarbonisation programme
- Management of high-level Radioactive Waste requires careful consideration
- Environmental contamination from Legacy sites and ownerless mines in South Africa, is still a challenge to regulate
- Disposal of radioactive waste will continue to be monitored by the Regulator and the new Institute for Radioactive Waste Disposal will focus on this
- There is increased focus on environmental protection which is in line with the Regulator's mission
- The Regulator involvement in urban planning needs to be considered so as to ensure that there is no undue impact on the emergency planning zones

Legislative

- The promulgation of the amendments of the NNR Act and implementation of the new funding model will bring a new dimension to internal administration
- New technology used internationally impacting on legislative requirements
- Increasing regulations to improve nuclear safety and security post-Fukushima accident
- Implementation of cooperative agreements is increasingly becoming an imperative for the Regulator
- Impact of international instruments on the operational mandate

7.2 SWOT ANALYSIS

Strengths

- The NNR Regulatory Framework is established and robust
- The NNR mandate is legislated and unambiguous
- Skilled personnel are a key feature of the Regulator
- There is an established structure to deliver the current mandate
- Stimulating, challenging and wide scope of career opportunities

Weaknesses

- Organisational stakeholder communication needs improvement
- Effectiveness of changed management process is to be a key focus area in this cycle
- Inadequacy of office space requires attention
- Under capacity in some skills and staff, hampers appropriate planning



Opportunities

- Industry growth leading to training opportunities as a result of increasing scope of work
- Stakeholder engagement has improved and opportunities to enhance it further exists
- Bilateral relationships assist NNR to keep abreast of global nuclear regulatory developments
- There is opportunity for the NNR to ensure more effective regulation of sources
- Although the structure is functional, it should be further optimised

Threats

- Inability to publish own regulations
- Since the NNR is already under-capacitated, resignations and retirements of key personnel may provide serious challenges
- Inability to regulate illegal mining activities is a serious threat to the country
- Non-paying authorisation holders (bad debts) will ultimately hamper the Regulator's functions, if there is no intervention
- Conflicted appeal process (Independence) in instances where both parties, e.g. the operator and the Regulator report to the same Authority
- Board members appointment process is slow, and sometimes affects governance adversely
- Policy uncertainty in the area of a nuclear expansion, challenges planning

KEY DRIVERS FOR THE STRATEGIC PLAN



8. KEY DRIVERS FOR THE STRATEGIC PLAN



Figure 3: Situational Analysis – Key Drivers

9. KEY DRIVERS EXPLAINED

The NNR team identified nine key strategy drivers for this cycle. These were articulated in the following terms:

9.1 Governing Legislation

This continues to be a key driver in 2017/18 until the promulgation takes place. It was previously noted that there is room for additional provisions in the proposed amendments to the NNR Act of 1999 and accompanying Regulations. Given these indications, consideration should be given to augmenting what has already been submitted for promulgation. The Department of Energy (DOE) strategic plan and APP for 2015-2020 indicates that the promulgation process will span 2016-2017, providing a short but adequate time for the NNR to include the additional provisions to the amendments.

9.2 Regulatory Independence

The issue of independence of the regulatory function from the promotion function is well known to the Department of Energy and the Government. This has been highlighted in the results of the international peer review missions, including the INIR report. This has been a continuing point of discomfort in South Africa's reporting pursuant to the Convention on Nuclear Safety, as the view is that the Regulator is independent de jure but not de facto. It is appreciated that the Regulator is part of the government apparatus and therefore cannot be completely independent of established governance structures, notwithstanding, an optimum arrangement should be found. It is anticipated that the imminent Integrated Regulatory Review Service (IRRS) mission will also pronounce a view regarding this matter.

9.3 NNR Funding

The NNR funding is still a source of concern, particularly as government grants continue to be drastically reduced, whilst on the other hand, there is a limit placed to the extent to which authorisation fees can be increased. The NNR's funding and operations have been misrepresented and misunderstood, for an organisation that is neither lavish nor

fully staffed. The NNR needs to determine what it should do to mitigate the impact of Parliament's decision on government-wide budget cuts.

9.4 New Build: Implications for the Regulator

The recently published Draft IRP (November 2016) has highlighted different perspectives and possible delays in the implementation of the once anticipated due build programme. The Regulator continues to align with these policy changes as required.

9.5 Communication of regulatory processes and decisions

One of the key drivers for the regulatory effectiveness is the communication of processes and decisions of the Regulator to stakeholders. The NNR has a wide array of stakeholders with varying needs regarding the types of information required. This will increase as the nuclear industry grows and as the regulatory scope widens. What is apparent is that the Regulator needs to communicate more clearly about its role and mandate.

9.6 Maintenance of Relationships with other Organs of State

Some areas of the Regulator's mandate require cooperation and collaboration with other parties. The Regulator is desirous to focus on optimising these through the necessary channels, including the resuscitation of the Cooperative Agreements with relevant entities.

9.7 Capacitating the NNR

Over the years, the Regulator has been operating on a bare minimum staff capacity. This strain is exacerbated by normal attrition processes and current capacity has become a key area of challenge. Furthermore, it is anticipated that in the medium term, the NNR will increase its scope to cover RADCON and the regulation of Group 4 Sources, if unaddressed, this will undoubtedly put further strain on an already dire situation.

9.8 Optimisation of the Structure

Whilst it is acknowledged that the NNR structure is established and to a reasonable degree functional, a number of challenging institutional arrangements relating to issues such as safety culture within the Regulator, regulatory independence, the qualification and certification of inspectors, dual career progression/path, openness and transparency, the management of interfaces with various stakeholders, the management of risk and litigation, and optimisation of the organisational design, need to be addressed, to ensure optimum delivery of the mandate.

9.9 Enhance Employee engagements

As a key stakeholder in the delivery of the mandate, the NNR staff is acknowledged as a one of the key drivers. In this planning cycle, the organisation plans to rollout a number of initiatives aimed at improving the quality of engagements within the organisation.

STAKEHOLDER MAP



**STRATEGIC GOALS &
OBJECTIVES**



10. STAKEHOLDER MAP

The strategy is most useful and effective when aligned with stakeholder needs. The NNR has for that reason engaged in a stakeholder mapping exercise and defined the types of linkages that the organisation has with various stakeholder groupings, as per the diagram below

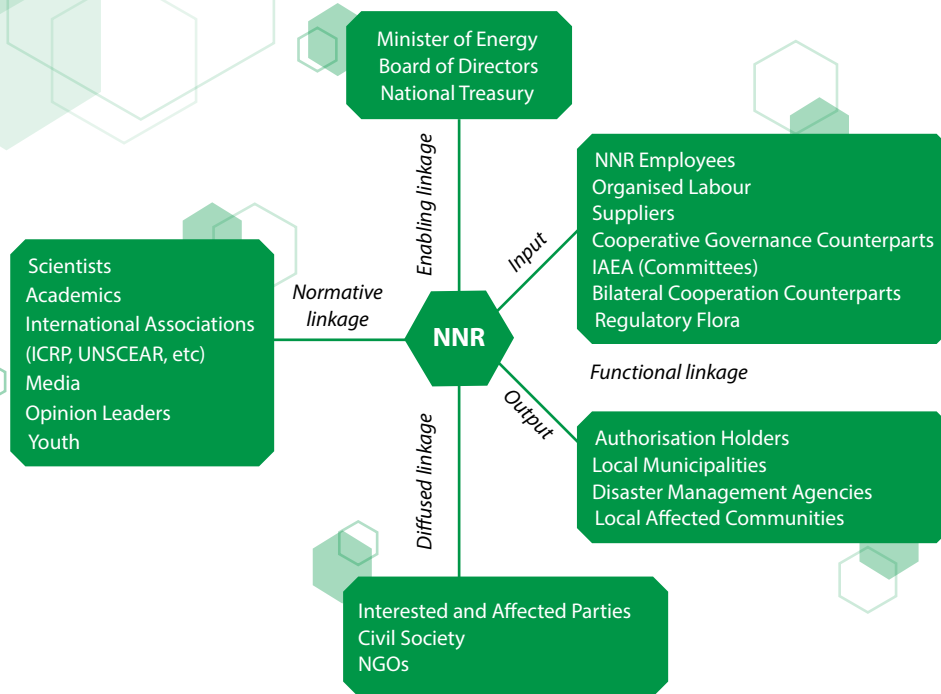


Figure 4: NNR Stakeholder Map

- 1. Enabling stakeholders** have some control and authority over the organisation and could include the board of directors, legislators and regulators, among others. The NNR is reliant on these stakeholders for decision-making, guidance and directives necessary for the NNR to operate.
- 2. Normative linkages** are those groups with whom the organisation has a common interest and shares similar values, goals or problems. They may include competitors. There is sharing and exchange of information, knowledge, practices, etc.
- 3. Diffused linkages** are those stakeholders who become involved based on the actions of the organisation and often the organisation does not have regular interaction with them. They could include the community, activists and special interest groups. These are interested parties who may have a similar goal of safety as the Regulator but may vary on their views regarding processes. The Regulator needs to share as much information with this group in line with the key driver on communicating regulatory processes and decisions.
- 4. Functional linkages** are essential for the functioning of the organisation. Some are involved in the input of the organisation, such as, employees and suppliers, and others form part of the output of the organisation, such as, consumers and retailers. The stakeholders provide outputs of various natures for review, assessment and inspection by the Regulator. These stakeholders expect approval, guidance and regulations. The second group of stakeholders, still under functional linkages, provide inputs to the Regulator and these include internal stakeholders as well as partners

11. STRATEGIC GOALS AND OBJECTIVES

Goal 1: To Provide Efficient and Effective Nuclear Regulatory Services

1. To authorise nuclear and radiation facilities and activities through reviews and assessments and the development of safety and security standards.
2. To position the NNR to respond to initiatives relating to nuclear expansion taking into account the transition between licensing stages.
3. To undertake applied research, training and development to meet the regulatory needs.
4. To fulfil international obligations related to nuclear and radiation safety and security.
5. To provide assurance of the effectiveness of emergency preparedness and readiness to respond to nuclear and radiological emergencies.
6. To foster development of regulatory and technical services.
7. To provide assurance of compliance with regulatory requirements through a system of compliance assurance inspections, audits and exercises, and take appropriate enforcement actions.

Goal 2: Improve Awareness of the NNR and Strengthen Stakeholder Relations

1. Improve public communications and face-to-face stakeholder engagement.
2. Strengthen national and international cooperation.

Goal 3: High Performance Culture

1. Define and establish an integrated management system and programme.

Goal 4: Ensure Financial Viability and Sustainability of the Organisation

1. Ensure that the NNR remains a financially viable entity, i.e. adequate revenue to meet strategic objectives.
2. Ensure sound and compliant financial management within the NNR.

Goal 5: Develop and Maintain Sound Organisational Infrastructure

1. Develop and maintain an adequate and stable organisational infrastructure.

Goal 6: Enhance Good Governance

1. Manage and implement the organisational governance programme in line with relevant protocols.
2. Improve and maintain an effective system of internal controls.

Goal 7: Effective Human Capital Management

1. Implement an integrated talent management system.





RISK MANAGEMENT



12. RISK MANAGEMENT

The understanding is that risk management permeates all areas of the organisation and is central to all governance activities. The risk management philosophy and strategy of the organisation has been defined and a framework for risk management exists as depicted below:



Figure 5: The Governance Framework

The risks are assessed annually at both strategic and operational levels and monitored continuously, with quarterly reports status produced. In striving to improve on integrated reporting, the risk action plans have in the current year and going forward been incorporated into the Annual Performance Plan. The risks have been identified in the risk register below, as follows:

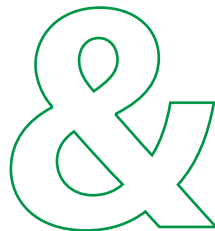
12.1 Risk Register

Goal aligned with	Context	Risk Description	Consequence Description	Inherent Rating	Residual Rating	Actions to Mitigate the Risk
Goal 1	Core Verification/ Enforcement	Inability to perform independent verification	<ol style="list-style-type: none"> 1. NNR forced to use licence holder (Nesca) to analyse samples 2. Delays in obtaining results to make timely regulatory decisions 3. Members of public potentially exposed to radiation 4. Negative Reputation 	20	12	<ol style="list-style-type: none"> 1. Validation and verification of methods and procedures 2. Revise the current regulatory guidance procedure for environmental sampling
Goal 1	Core Verification/ Enforcement	Lack of readiness to respond to nuclear expansion	Delays in the licensing process of nuclear new build facilities	20	9	<ol style="list-style-type: none"> 1. Review the funding proposal for the new build 2. Build up technical capacity for the nuclear programme 3. Stakeholder engagement regarding regulatory issues
Goal 1	Core Verification/ Enforcement	NNR may not effectively respond to emergencies experienced by license holders	<ol style="list-style-type: none"> 1. Harm to reputation/Loss of credibility. 2. Possible exposure to radiation by members of the public 3. NNR may not be able to provide sufficient advice and assurance to stakeholders on the way the emergency was addressed by the holder 	16	8	<ol style="list-style-type: none"> 1. Finalise the establishment of the Regulatory Emergency Response Centre (RERC). 2. Review/self-introspection by NNR on emergency exercises held to determine improvements to be implemented by NNR 3. Implement recommendations from the IRRS & EPREV missions 4. Provide training to staff on approved processes
Goal 2	Communications and Stakeholders	Cooperative Governance agreements not optimised	Duplicated regulatory efforts/gaps in regulatory coverage	20	20	Optimise and implement the NNR Cooperative Governance and Intergovernmental Relations Project Plan for Monitoring and Control of Radioactive Materials and Nuclear Hazards (2015-2018)

Goal aligned with	Context	Risk Description	Consequence Description	Inherent Rating	Residual Rating	Actions to Mitigate the Risk
Goal 2	Communications and Stakeholders	Low Public Awareness	Lack of understanding of the NNR's roles and responsibilities	15	8	<ol style="list-style-type: none"> 1. Obtain free media profiling for the NNR 2. Develop and implement a plan to communicate via local community radio stations
Goal 3	Knowledge & Information Management	Organisational processes not fully documented and not integrated	<ol style="list-style-type: none"> 1. Harm to reputation/Loss of credibility 2. Ineffective business processes 3. Legal non-compliance 4. Loss of corporate information and memory 5. Rework (duplication of efforts) 	20	9	Implement IMS plan
Goal 4	Financial	Inability to collect Authorisation Fees	<ol style="list-style-type: none"> 1. Inadequate cash flow to honour financial obligations 2. Bad debts written off (financial loss) 	15	8	<ol style="list-style-type: none"> 1. Enforce legal debtors' collection 2. Strategic engagements with the holders
Goal 4	Financial	Hacking Financial Systems	<ol style="list-style-type: none"> 1. Financial loss 2. Business interruption 3. Reputational damage 	20	9	<ol style="list-style-type: none"> 1. Annual security testing for financial systems 2. Develop action plans to address identified gaps, from the annual testing report 3. Regular review of systems management functions
Goal 5	Human Resources	Insufficient capacity (skills, number of staff)	Inadequate fulfilment of the regulatory mandate	16	9	<ol style="list-style-type: none"> 1. Development of corporate training plan aligned to gaps in competency profiles and identified priorities for the financial year 2. Development of the staffing model 3. Finalise competency profiles
Goal 6	Project Management	Late delivery of projects	<ol style="list-style-type: none"> 1. Costs escalation 2. Poor organisational performance 	20	15	<ol style="list-style-type: none"> 1. Enforce PMO process in terms of documentation 2. Monitor progress and escalate projects that are behind

Table 6: Risk Register

**ALIGNMENT WITH
GOVERNMENT
PRIORITIES**



**SHORT TO
MEDIUM-TERM
PRIORITIES
OF THE NNR**



13. ALIGNMENT WITH GOVERNMENT PRIORITIES

As with all state owned entities, the NNR's strategic plan must be aligned with government priorities. These priorities, though enduring, are refined on an annual basis. In addition, the broader provisions of the National Development Plan (NDP) and the priorities of the Department of Energy where the NNR reports, are also taken into consideration.

²Medium Terms Strategic Framework 2014-2019

This Medium Term Strategic Framework (MTSF) is Government's strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local governments.

The alignment with the rest of the of the government priorities is presented in the figure 6 below:

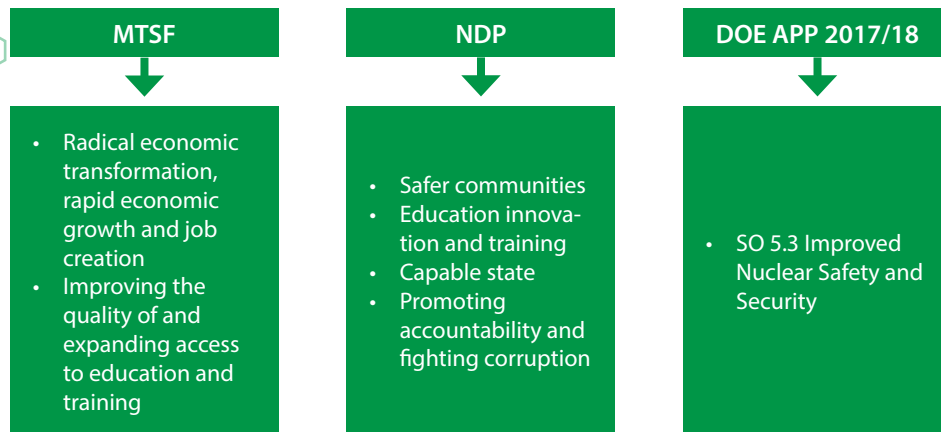


Figure 6:

NNR alignment with Government Priorities

² Medium Terms Strategic Framework 2014-2019

14. SHORT TO MEDIUM-TERM PRIORITIES OF THE NNR

The following have been identified as the priorities for the strategy cycle. These have been allocated appropriately in the APP for 2017/18 and will be reviewed annually.

1. Implementation of the Strategy for Legacy Sites
2. Training and Qualification for Inspectors
3. Integrated Management Systems
4. Re-organisation of the functional and management structure
5. Harmonisation of Radiation Sources
6. Capacity Building and Training
7. Strengthening Cooperative Agreements

FORECASTED PERFORMANCE PLAN



ANNUAL PERFORMANCE PLAN 2017-18



15. FORECASTED PERFORMANCE PLAN (FIVE-YEAR)

Strategic Objective	Performance Indicator	Audited/actual performance		Planned Performance Targets 2017-18	Medium-Term Targets			
		Year 2014-15	Year 2015-16		Year 2018-19	Year 2018-19	Year 2019-20	Year 2020-21
1. To authorise nuclear and radiation facilities and activities through reviews and assessments and the development of safety and security standards	RM1a: Review and assessments undertaken	100%	97.5%	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities
	RM1b: Updated regulatory framework	100%	100%	100% of identified strategic activities	100% of the project plan	100% of the project plan	100% of the project plan	100% of the project plan
	RM1c: IRRS Mission Plan implementation	(New KPI 17/18)	(New KPI 17/18)	100% of identified strategic activities	100% of activities as per plan	100% of activities as per plan	100% of activities as per plan	100% of activities as per plan
2. To position the NNR to respond to initiatives relating to nuclear expansion, taking into account the transition between licensing stages	RM2: NISL reviews and assessments undertaken	New KPI 17/18)	(New KPI 17/18)	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities
3. Undertake applied research, training and development to meet the regulatory needs	RM3: Research studies undertaken	(New KPI 17/18)	(New KPI 17/18)	100% of funded research initiatives	100% of funded research initiatives	100% of funded research initiatives	100% of funded research initiatives	100% of funded research initiatives
4. Fulfil international obligations related to nuclear and radiation safety and nuclear security	RM4a: Level of participation in the CNS meeting	(New KPI 17/18)	(New KPI 17/18)	100% participation	100% participation	100% participation	100% participation	100% participation

Strategic Objective	Performance Indicator	Audited/actual performance		Planned Performance Targets 2017-18	Medium-Term Targets			
		Year 2014-15	Year 2015-16		Year 2018-19	Year 2018-19	Year 2019-20	Year 2020-21
	RM4b: Submission of Joint Convention Report	100%	100%	100% participation	100% participation	100% participation	100% participation	100% participation
5. Provide assurance of the effectiveness of emergency preparedness and readiness to respond to nuclear and radiological emergencies	RM5a: Regulatory response during an emergency	(New KPI 17/18)	(New KPI 17/18)	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities
	RM5b: Emergency exercises and inspections conducted	100%	100%	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities
6. Foster development of regulatory and technical services	RM6a: Development of the CNSS	(New KPI 17/18)	(New KPI 17/18)	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities
	RM6b: Established criteria for approval of technical services providers (dosimetry, calibration, labs, instrumentation and RPO)	(New KPI 17/18)	(New KPI 17/18)	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities	100% of identified strategic activities
	RM6c: Laboratory operationalisation	98.36%	100%	100% of the plan	100% of the plan	100% of the plan	100% of the plan	100% of the plan



Strategic Objective	Performance Indicator	Audited/actual performance		Planned Performance Targets 2017-18	Medium-Term Targets			
		Year 2014-15	Year 2015-16		Year 2018-19	Year 2018-19	Year 2019-20	Year 2020-21
7. Provide assurance of compliance with regulatory requirements through a system of compliance assurance inspections, audits and exercises and take appropriate enforcement actions	RM7a: Compliance Assurance Plan implementation	Inspections 364/420 (100%) Audits 19/20 (95%)	Inspections 420/420 (100%) Audits 24/24 (100%)	Inspections (296) NPP: 56 NTWP: 144 NORM: 80 NucSec: 16 Audits (16) NPP: 2 MTWP: 6 NORM: 6	Inspections (296) NPP: 56 NTWP: 144 NORM: 80 NucSec: 16 Audits (16) NPP: 2 MTWP: 6 NORM: 6	Inspections (296) NPP: 56 NTWP: 144 NORM: 80 NucSec: 16 Audits (16) NPP: 2 MTWP: 6 NORM: 6	Inspections (296) NPP: 56 NTWP: 144 NORM: 80 NucSec: 16 Audits (16) NPP: 2 MTWP: 6 NORM: 6	Inspections (296) NPP: 56 NTWP: 144 NORM: 80 NucSec: 16 Audits (16) NPP: 2 MTWP: 6 NORM: 6
	RM7b: Inspector training manuals developed	(New KPI 15/16)	85%	100% of the project plan	100% of the project plan	100% of the project plan	100% of the project plan	100% of the project plan
8. Improve public communications and face-to-face stakeholder engagement	RM8a: Implement information sharing sessions	(New KPI 17/18)	(New KPI 17/18)	6 sessions	6 sessions	6 sessions	6 sessions	6 sessions
	RM8b: Implement the activity schedule	100%	100%	100% of the activity schedule	100% of the activity schedule	100% of the activity schedule	100% of the activity schedule	100% of the activity schedule
9. Strengthen national and international cooperation	RM9: Implement the activity schedule	100%	100%	100% of the activity schedule	100% of the activity schedule	100% of the activity schedule	100% of the activity schedule	100% of the activity schedule
10. Ensure that the NNR remains a financially viable entity, i.e. adequate revenue to meet strategic objectives	FM1: Adequacy of funding for regulatory activities	100%	89%	Adequacy of funding	Adequacy of funding	Adequacy of funding	Adequacy of funding	Adequacy of funding

Strategic Objective	Performance Indicator	Audited/actual performance		Planned Performance Targets 2017-18	Medium-Term Targets			
		Year 2014-15	Year 2015-16		Year 2018-19	Year 2018-19	Year 2019-20	Year 2020-21
11. Ensure sound and compliant financial management within the NNR	FM2: Unqualified report	100%	100%	Unqualified report	Unqualified report	Unqualified report	Unqualified report	Unqualified report
12. Develop and maintain an adequate and stable organisational infrastructure	PM1: Implementation of the Cape Town office construction project plan	90%	100%	100% of the plan	100% of the plan	100% of the plan	100% of the plan	100% of the plan
13. Define and establish an integrated management system and programme	PM2: % of agreed deliverables as per plan	(New KPI 15/16)	30%	100% delivery of key milestones	100% delivery of key milestones	100% delivery of key milestones	100% delivery of key milestones	100% delivery of key milestones
14. Manage and implement governance programme in line with the King Code, governance protocols and NNR strategy management programme	PM3: Implementation of the governance and strategy programme	(New KPI 17/18)	(New KPI 17/18)	100% of identified strategic initiatives	100% of identified strategic initiatives	100% of identified strategic initiatives	100% of identified strategic initiatives	100% of identified strategic initiatives

Strategic Objective	Performance Indicator	Audited/actual performance		Planned Performance Targets 2017-18	Medium-Term Targets			
		Year 2014-15	Year 2015-16		Year 2018-19	Year 2018-19	Year 2019-20	Year 2020-21
15. Improve and maintain an effective system of internal controls	PM4a: Compliance with applicable legislation and policy framework	93.8%	97.2%	4 quarterly reports	4 quarterly reports	4 quarterly reports	4 quarterly reports	4 quarterly reports
	PM4b: Effective execution of the risk management	100%	100%	100% of the agreed actions	100% of the agreed actions	100% of the agreed actions	100% of the agreed actions	100% of the agreed actions
	PM4c: Effective implementation of the internal audit plan	(New KPI 17/18)	(New KPI 17/18)	10 audits	10 audits	10 audits	10 audits	10 audits
16. Implement an integrated talent management system	LM1a: Implementation of the talent management plan	(New KPI 15/16)	100%	100% of the plan	100% of the plan	100% of the plan	100% of the plan	100% of the plan
	LM1b: Staffing strategy developed	(New KPI 17/18)	(New KPI 17/18)	100% of identified strategic actions	100% of identified strategic actions	100% of identified strategic actions	100% of identified strategic actions	100% of identified strategic actions

16. ANNUAL PERFORMANCE PLAN 2017-18

The Annual Performance Plan for 2017-18 is made up of the seven strategic goals, 16 objectives and corresponding Key Performance Indicators (KPIs) and targets.

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4	Target Context
To provide efficient and effective nuclear regulatory services	1. To authorise nuclear and radiation facilities and activities through reviews and assessments and the development of safety and security standards	RM1a: Reviews and assessments	RM1a: reviews and assessments undertaken	100% of identified strategic activities	100% of agreed schedule (the schedule of work is reprioritised and agreed with operators on a quarterly basis)	100% of agreed schedule	100% of agreed schedule	100% of agreed schedule	The NNR and the operators work on the basis of a prioritised list for their reviews and assessment. This plan cannot be anticipated and it is agreed upon quarterly depending on operational requirements of the facility. It must be borne in mind that sometimes there are ad-hoc unplanned occurrences that may add to the already existing list. Thus the specific figures can only be viewed on the quarterly report post the planning period and are reviewed on a quarterly basis and audited accordingly.
		RM1b: Regulatory framework	RM1b: Updated regulatory framework		Site remediation and release from regulatory control - Document Preparation Profile	Site remediation and release from regulatory control – Team draft	Site remediation and release from regulatory control - management review	Site remediation and release from regulatory control – stakeholder review	

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4	Target Context
					Safety Assessments of NORM facilities and activities Document preparation profile	Safety Assessments of NORM facilities and activities – team draft	Safety Assessments of NORM facilities and activities- management review	Safety Assessments of NORM facilities and activities – stakeholder review	
					Physical protection systems for NORM facilities	Physical protection systems for NORM facilities – team draft	Physical protection systems for NORM facilities – management review	Physical protection systems for NORM facilities- stakeholder review	
					Control of dosimetry, analytical and calibration services	Control of dosimetry, analytical and calibration services- team draft	Control of dosimetry, analytical and calibration services- management review	Control of dosimetry, analytical and calibration services- stakeholder review	
					Conduct of operators and operator requalification	N/A	Conduct of operators and operator requalification- management review	Conduct of operators and operator requalification- stakeholder review	

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4	Target Context
		RM1c: IRRS Mission Action Plan	RM1c: IRRS Mission Plan implementation		100% of activities as per plan	100% of activities as per plan	100% of activities as per plan	100% of activities as per plan	The IRRS mission completed in December 2016. The final report is due in April 2017, after the planning period. However it is anticipated that there will be follow actions from this mission, hence the 100% planned for those actions.
	2. To position the NNR to respond to respond to initiatives relating to nuclear expansion taking into account the transition between licensing stages	RM2: NISL Applications	RM2: reviews and assessments undertaken	100% of identified strategic activities	Technical Review: Drafting the Preliminary Safety evaluation Report	Technical Review : Detail review of the site safety Report	Technical Review; Drafting final Safety Evaluation Report	Final Board Decision	
	3. Undertake applied research, training and development to meet the regulatory needs	RM3: Research Projects	RM3: research studies undertaken	100% of funded research initiatives	Identify areas of regulatory research	Develop the resource plan for research activities	N/A	Finalise research areas	
	4. Fulfil international obligation related to nuclear and radiation safety and nuclear security	RM4a:Participation in the CNS Review Meeting	RM4a:Level of participation in the CNS Meeting	100% participation	Participation in the CNS Review Meeting	N/A	N/A	N/A	
		RM4b:Joint Convention Report	RM4b:Submission of Joint Convention Report	100% participation	N/A	N/A	Submit Joint Convention Report	N/A	

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4	Target Context
	5. Provide assurance of the effectiveness of emergency preparedness and readiness to respond to nuclear and radiological emergencies	RM5a: Emergency preparedness	RM5a: Regulatory response during an emergency	100% of identified strategic activities	100% of actions as per plan	100% of actions as per plan	100% of actions as per plan	100% of actions as per plan	Can only be specified at the end of March 2017 which is past the planning period.
		RM5b: Emergency preparedness	RM5b: emergency exercises and inspections conducted	100% of identified strategic activities	100% of actions as per plan	100% of actions as per plan	100% of actions as per plan	100% of actions as per plan	
	6. Foster development of regulatory and technical services	RM6a: CNSS establishment	RM6a: strategic initiatives for the development of the CNSS undertaken	100% of identified strategic activities	100% of actions as per plan	100% of actions as per plan	100% of actions as per plan	100% of actions as per plan	The CNSS Director resumed duties in February of 2017, after the planning period. 100% is put in anticipation of the plan she will develop.
		RM6b: Regulatory and technical services	RM6b: Established criteria for approval of technical services providers (dosimetry, calibration, labs, instrumentation and RPO)	100% of identified strategic activities	N/A		Established criteria for approval	N/A	
		RM6c: Independent verification	RM6c: Laboratory operationalisation	100% of the plan	50% of the verification plan	50% of the verification plan	60% of the verification plan	60% of the verification plan	

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4	Target Context
	7. Provide assurance of compliance with regulatory requirements through a system of compliance assurance inspections, audits and exercises and take appropriate enforcement actions	RM7a: Compliance assurance activities	RM7a: CAP implementation	Inspections NPP (56)	10	25	10	11	
				NTWP (144)	36	36	36	36	
				NORM (80)	20	20	20	20	
				NucSec (16)	4	4	4	4	
				Audits NPP (2)	1	N/A	N/A	1	
				NTWP (6)	N/A	2	2	2	
		NORM (8)	2	2	2	2			
		RM7b: Inspector training programme	RM7b: inspector training manuals developed	100% of the project plan	100% of the plan	100% of the plan	100% of the plan	100% of the plan	
Improve awareness of the NNR and strengthen stakeholder relations	8. Improve public communications and face-to-face stakeholder engagement	RM8a: NISL Public Participation	RM8a: Implement information sharing sessions	6 sessions	2 community sessions	3 community sessions	1 community sessions	N/A	
	9. Strengthen national and international cooperation	RM8b: Public Outreach	RM8b: Implement the activity schedule	100% of activity schedule	3 public outreach	4 public outreach	1 public outreach	2 public outreach	
		RM9: Bilateral and international obligations	RM9: Implement the activity schedule	100% of activity schedule	100% of activity schedule	100% of activity schedule	100% of activity schedule	100% of activity schedule	100% of activity schedule

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4	Target Context
Ensure financial viability and sustainability of the organisation	10. Ensure that the NNR remains a financially viable entity, i.e. adequate revenue to meet strategic objectives	FM1: Financial management	FM1: adequacy of funding for regulatory activities	Adequacy of funding	Implement the annual budget	Prepare MTEF	Mid-term budget adjustments	ENE submission	
	11. Ensure sound and compliant financial management within the NNR	FM2: External audit outcomes	FM2: Unqualified report	Unqualified report	Prepare and submit AFS	Facilitate audit and Annual Report	Develop and implement post audit findings resolution plan	Develop and implement the financial year-end plan	
Develop and maintain sound Organisational infrastructure	12. Develop and maintain an adequate and stable organisational infrastructure	PM1: Actual versus plan of the Cape Town Office Construction	PM1: Implementation of the Cape Town office construction project plan	100% of the plan	100% implementation as per plan	100% implementation as per plan	100% implementation as per plan	100% implementation as per plan	The project plan is articulated in the Quarterly Report in detail.
High Performance Culture	13. Define and establish an integrated management system and programme	PM2: Knowledge management strategy	PM2: % of agreed deliverables as per plan	100% delivery of key milestones	Develop knowledge management strategy	Conduct knowledge management self-assessment	Report on self-assessments results and identify gaps	Develop plan to implement strategy	

STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4	Target Context
Enhance good governance	14. Manage and implement the organisational governance programme in line with relevant protocols	PM3: Independent and effective governance structures	PM3: Implementation of governance & strategy programme	100% of identified strategic initiatives	Implementation of Board calendar for meetings Board strategic planning session Submission of financial disclosures Governance evaluation of internal structures and committees	Implementation of Board calendar for meetings Conduct in-house Governance training for management	Implementation of Board calendar for meetings Management strategic planning APP finalisation Board evaluation	Implementation of Board calendar for meetings	
	15. Improve and maintain an effective system of internal controls	PM4a: Quarterly reports on legislation and policy framework	PM4a: Compliance with applicable legislation and policy framework	4 quarterly reports	1 quarterly report	1 quarterly report	1 quarterly report	1 quarterly report	
		PM4b: Risk management plan	PM4b: Effective execution of the risk management of risks	100% of the plan	100% implementation of the plan	100% implementation of the plan	100% implementation of the plan	100% implementation of the plan	The risk management plan is updated quarterly with very specific detail.
		PM4c: Internal audit plan	PM4c: Effective implementation of the internal audit plan	10 audits	2 audits	3 audits	3 audits	2 audits	



STRATEGIC GOAL	STRATEGIC OBJECTIVE	MEASURE	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	Q1	Q2	Q3	Q4	Target Context
Effective human capital management	16. Implement an integrated talent management system	LM1a: Talent management Annual Plan & HR Processes	LM1a: Implementation of the talent management plan	100% of the plan	100% implementation of the plan	100% implementation of the plan	100% implementation of the plan	100% implementation of the plan	This is dependent on the approval of the resource plan and budget by the Board. It includes recruitment, training, implementation of the internship program for the year. The Board will only be able to consider this in Q1 (April 2017).
		LM1b: Staffing strategy	LM1b: Develop staffing strategy	100% of identified strategic actions	N/A	N/A	N/A	100% staffing model in place	

**RESOURCE
IMPLICATIONS**

&

**NOTES ON
FINANCIALS**



17. RESOURCE IMPLICATIONS–DETAILED FINANCIALS

Table A.3 National Nuclear Regulator

Statement of financial performance	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Preliminary outcome	Budget estimate	Revised estimate	Outcome Budget Average %	Average growth rate %	Expenditure total: Average %	Medium-term estimate			Average growth rate %	Expenditure total: Average %
R thousand	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17			2017/18	2018/19	2019/20	2016/17 - 2019/20	
Revenue																
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	120 348	135 939	137 149	146 679	147 887	159 873	161 052	174 534	82.4%	8.7%	83.0%	198 145	184 901	194 484	637%	84.6%
Sale of goods and services other than capital assets	118 773	115 411	136 581	132 065	143 739	147 443	156 676	156 676	80.8%	10.7%	74.1%	170 776	180 339	190 438	6.7%	78.6%
<i>of which:</i>																
Administrative fees	118 773	115 411	136 581	132 065	143 739	156 676	156 676	156 676	80.8%	10.7%	74.1%	170 776	180 339	190 438	6.7%	78.6%
Sales by market establishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	1 575	20 528	568	14 614	4 148	12 430	4 376	17 858	1.5%	-4.5%	8.9%	27 369	4 562	4 046	-39.0%	6.0%
Interest, dividends and rent on land	1 575	3 569	568	4 199	2 648	4 429	2 794	2 794	1.1%	-7.8%	2.1%	2 934	3 098	2 500	-3.6%	1.3%
Transfers received	48 360	31 012	33 697	33 697	21 487	21 487	16 636	40 936	17.6%	9.7%	17.0%	38 573	16 510	43 095	1.7%	15.4%
Tax benefit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	168 708	166 951	170 846	180 376	169 374	181 360	177 688	215 470	100.0%	8.9%	100.0%	236 718	201 411	237 579	3.3%	100.0%
Expenses																
Current expenses	168 708	140 687	170 846	170 115	169 374	193 079	177 688	215 470	100.0%	15.3%	100.0%	236 718	201 411	237 579	3.3%	100.0%
Compensation of employees	96 951	87 889	106 952	105 284	108 716	122 353	116 228	118 428	62.4%	10.5%	60.7%	138 156	139 063	146 851	7.4%	59.2%
Goods and services	60 366	36 868	49 689	46 446	42 205	52 028	44 820	80 402	28.8%	29.7%	29.4%	84 675	72 561	75 853	-1.9%	34.3%
Depreciation	5 031	9 763	8 373	12 316	13 090	12 774	11 886	11 886	5.6%	6.8%	6.6%	9 801	10 369	10 950	-2.7%	4.7%
Interest, dividends and rent on land	6 360	6 167	5 832	6 069	5 363	5 924	4 754	4 754	3.3%	-8.3%	3.3%	4 086	3 718	3 926	-6.2%	1.8%
Interest	6 360	6 167	5 832	6 069	5 363	5 924	4 754	4 754	3.3%	-8.3%	3.3%	4 086	3 718	3 926	-6.2%	1.8%
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	168 708	140 687	170 846	170 115	169 374	193 079	177 688	215 470	100.0%	15.3%	100.0%	236 718	225 711	237 579	3.3%	100.0%
Surplus (Deficit)	-	26 264	-	10 261	-	(11 719)	-	-	-	-100.0%	-	-	(24 300)	-	-	-

Subsequent to the finalisation of the Estimates of National Expenditure (ENE) database from which these figures were extracted, an additional 3% increase on authorisation fees was approved for 2016/17 financial year. The carry through effect of this increase is estimated to R3,5 million, R7,9 million and R12,8 million in 2017/18, 2018/19 and 2019/20 respectively. These changes will be effected into the ENE the 2017/18 budget adjustment process in October 2017.

Table 7: 2017-18 Financials

18. NOTES ON FINANCIALS

Administration

The allocation on this programme will increase by 34% from 2016/17 financial year to R102 million in 2017/18 financial year. This increase, however, is measured from an unprecedented low and unsustainable base of R76 million in 2016/17, which was a 24% drop from 2015/16 financial year. The increase is therefore effectively only 2% from 2015/16 to 2017/18 financial years accordingly. This will continue to increase marginally over the Medium Term Expenditure Framework (MTEF) period.

Standards Authorisations and Review Assessments (SARA)

This programme funding increased significantly by 63% from the 2015/16 financial year to the 2016/17 financial year, against a major drop of government funding to the NNR in the same period. This increase is attributed to a special allocation of R24 million made available to the NNR for processing of Eskom's Nuclear Installation Site Licence lodged during March 2016. This special allocation will result in a drop in government funding in 2018/19 financial year budget allocation, at which point, Eskom as the applicant would be funding the activities through application fees charged against work done.

Through this funding, the programme will increase capacity for the additional workload by a combination of permanent staff appointments and consultants supplied by our contracted Technical Support Organisation (TSO). The activities of the TSO are targeted for incorporation into the newly launched Centre for Nuclear Safety and Security (CNSS) during the MTEF period, thereby phasing out use of consultants in this regard.

Compliance Assurance and Enforcement (CAE)

Funding for CAE is targeted to increase by 12% to R39 million from 2016/17 to 2017/18 financial years accordingly. This allocation will enable the organisation to execute the Compliance Assurance Programme (CAP) without any contingency provision for emergencies that may occur during the period. The programme will complete the review and realignment of our inspector training programme during the MTEF period, this is crucial to ensure a robust programme, aligned to international best practices.

The inspector training programme is aimed at capacitating the Regulator with much needed technical skills and will be delivered through the established Centre for Nuclear Safety and Security.





NOTES:

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