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National Nuclear Regulator
Strategic Plan and Budget for 2008 – 2011

DECEMBER 2007

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1. OVERVIEW FROM THE NNR CHIEF EXECUTIVE OFFICER

I am pleased to present the strategic plan and budget of the National Nuclear Regulator for the period 2008 – 2011.

This plan and budget reflects our commitment to fulfill our mandate and our ability to respond both to a changing external environment and internal constraints. This is reflected in our clearly defined goals within our five strategic objectives namely;

- Develop, review and implement appropriate regulatory policies, practices and effective compliance monitoring that provide for the protection of persons, property and the environment against nuclear damage.
- Build stakeholder confidence in South Africa's nuclear regulatory system.
- Fulfil international and regional obligations with respective to international instruments and other initiatives.
- Improve and strengthen internal business processes, aligned to best practices and responsive to environmental dynamics.
- Attract, develop and retain staff to maximise internal capacity.

These strategic objectives are covered in detail in this document.

The NNR embarked on a thorough review of the 2007-10 strategic plan and budget by conducting a situational analysis involving the scanning of both the internal and external environments. Through this exercise, a number of organisational challenges were identified based on environmental changes that might impede the achievement of our mandate. The identified primary challenges included the need to respond to the rising demand for nuclear power within the country, security concerns associated with radioactive material as well as effective stakeholder involvement in decision making just to mention a few.

The implication of the aforementioned challenges is that the NNR is required to effectively respond to our internal constraints like, safety and regulation framework, internal business process excellence and human resourcing in order to effectively implement these strategic goals.

The 2008-2011 strategic plan and budget has identified the key initiatives, with measurable goals and targets over the next three years that will have to be implemented in order to effectively respond to the identified challenges and internal constraints. These targets will be the key drivers of our internal operational plans to ensure the implementation of the strategy.

In line with the above impending strategy implementation, an increase of 2008/09 (11%) (R9.3m), 2009/10 (8%) (R7.6m), and 2010/11 (8%) (R7.9m) will be required to implement this strategic plan for 2008 to 2011.

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2. EXECUTIVE SUMMARY

2.1. INTRODUCTION

The National Nuclear Regulator (NNR) is mandated as the competent authority for nuclear regulation in South Africa, in terms of the National Nuclear Regulator Act, 1999 (Act 47 of 1999), to provide for the protection of persons (the public and workers), property and the environment against nuclear damage.

While the strategic plan for 2007-10 spans over 3 yrs, it is necessary for NNR to conduct annual strategic reviews to assess our ability to respond to a changing external environment. It is also necessary to conduct this annual review to ensure that our processes are efficient and effective in achieving our mandate.

NNR embarked on a strategic planning process in the course of this year which involved the following:

- An environmental analysis relating to key trends within the nuclear industry as well as the South African regulatory environment,
- A review of the current NNR strategic plan and other NNR relevant documentation.

The environmental scan and the benchmarking revealed that within the context of a potential resurgence in demand for nuclear power, as well as an increase in uranium mining - the challenge to effectively regulate the nuclear industry will intensify significantly in the medium to long-term. Internationally, there is an increasing public expectation regarding regulatory transparency and openness, as well as participation in decision making. Thus, the NNR will need to improve its ability to effectively engage its key stakeholders and enhance public confidence in its regulatory processes.

Further, this strategic plan takes into account the recently released government draft "National Nuclear Policy and Strategy" and looks at the National Nuclear Regulator's readiness to respond to this new policy direction.

This will involve taking steps to review our current frameworks, address internal capacity constraints and re-engineer business processes in order to effectively respond to the challenges that have been identified.

The purpose of this strategic plan is to clearly set out how the NNR will effectively respond to these challenges in a structured and well coordinated manner. It sets out the critical success factors that will affect the organisation's strategic trajectory and identifies the strategic objectives, goals and initiatives the NNR will need to focus on over the next three years in order to realise its vision and mandate. The key elements of this plan are set out herein.

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2.2. KEY ELEMENTS OF THE STRATEGIC PLAN

The strategic plan outlines NNR's mandate, challenges identified from the scanned environment, strategic focus areas, strategic objectives and goals, critical success factors and key performance indicators. Below is a summary of these key elements.

i. Mandate

The National Nuclear Regulator (NNR) is mandated to provide for the protection of persons (the public and workers), property and the environment against nuclear damage as the competent authority for nuclear regulation in South Africa through the National Nuclear Regulator Act, (Act No. 47 of 1999).

The NNR's regulatory practices include prescriptive and descriptive approaches, as appropriate, and focuses on holders of authorisations instituting appropriate processes for compliance with regulatory requirements.

ii. Vision

To be a leading impartial authority for the regulation of the safe use and handling of nuclear and radioactive materials.

iii. Mission

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

- Application of safety standards and regulatory practices, and
- Human resources and transformation practices best suited to the nuclear regulatory needs of the nation.

iv. Strategic Focus Areas

Four key strategic focus areas have been identified to ensure achievement of the mandate of the National Nuclear Regulator. Within each strategic focus area, key strategic objectives and supporting goals have been identified. These objectives and goals build on existing initiatives within the NNR and include newly identified initiatives that have been developed in response to the environmental changes that have been identified, including the new policy direction of the country. Further, performance indicators for each strategic objective are also outlined.

The four focus areas are:

- Safety and Regulation
- Stakeholder Management
- Internal Business Processes
- Human Resources

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The various focus areas are discussed in detail below.

a) Safety and Regulation

Strategic Objective 1: Develop, review and implement appropriate regulatory policies, practices and effective compliance monitoring that provide for the protection of persons, property and the environment against nuclear damage.

Strategic Goals

- Optimise the legislative and regulatory framework in order to improve regulatory efficiency and effectiveness.
- Enforce regulatory standards and practices to ensure that an acceptable levels of safety and compliance with conditions of nuclear authorisation and regulatory requirements is being maintained by the regulated operating organisations.
- Strengthen regulatory oversight related to protection of the environment.
- Strengthen the analytical verification capability and capacity of the NNR Laboratory
- Strengthen the regulatory enforcement regime.
- Strengthen the NNR's regulatory research programme in support of the regulatory processes
- Implement Process-Based Licensing (PBL).
- Ensure effective implementation of cooperative governance agreements.

b) Stakeholder Management

Strategic Objective 2: Build stakeholder confidence in South Africa's nuclear regulatory system

Strategic Goals

- Create an environment where the NNR is recognised as the credible custodian of public health and safety with regard to nuclear, radioactive materials and nuclear technology applications.
- Implement a communications policy to improve public understanding of the issues relating to the nuclear sector.
- Provide accurate and timely information about the safety performance of authorization holders to stakeholders.
- Enhance the efficacy and frequency of face-to-face stakeholder engagement processes.
- Address the public need for information and pressure for greater stakeholder involvement in decision-making.

Strategic Objective 3: Fulfil international and regional obligations with respective to international instruments and other initiatives

Strategic Goals

- Implement programmes to promote regional collaborations in support of NEPAD and African initiatives of the IAEA.

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- Participate in activities related to harmonization of international standards and practices in order to bring about regulatory effectiveness.
- Fulfil international obligations on behalf of the country with respect to international conventions and instruments on nuclear safety matters.

c) Internal Business Processes

Strategic Objective 4: Improve and strengthen internal business processes, aligned to best practices and responsive to environmental dynamics.

Strategic Goals

- Implement an integrated management system to ensure excellence in internal business processes.
- Ensure sound financial administration and good corporate governance.
- Develop and implement a knowledge management system for retention of corporate memory
- Develop and implement strategic alignment processes to assess and ensure effectiveness and efficiency of delivery against NNR mandate

d) Human Resources

Strategic Objective 5: Attract, develop and retain staff to maximise internal capacity

Strategic Goals

- Use of an innovative human resource management strategy to achieve a high quality, diversified workforce with the skills needed to achieve the NNR's vision.
- Reduce NNR reliance on external technical support by building capacity within the organisation.
- Realignment of policies, procedures and practices to take forward the transformation imperative.

v. Critical Success Factors

To achieve its mandate in the context of a constantly changing environment, the NNR needs to efficiently execute its core business, supported by sound HR practices and internal business processes. This will result in improved stakeholder confidence in the regulator.

Within that context, the following critical success factors have thus been identified:

- Strong regulatory capability
- Public confidence
- Efficient internal business processes
- Effective human resources management

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2.3. STRATEGIC ALIGNMENT AND CONTINOUS IMPROVEMENT INITIATIVE

To ensure that the NNR achieves its strategic objectives, alignment across the entire organisation is essential. In addition, during implementation of the strategic plan, the NNR will continuously assess the effectiveness and efficiency in the delivery of the NNR mandate. This will be achieved through reviewing NNR key focus areas, operational plans, measurements process and resource allocation and utilisation to ensure that these key elements are aligned to deliver on the NNR mandate.

The NNR will implement best practice strategic alignment methodologies, principles and tools currently being used by many public sector organisations to align organisational strategic and operational plans to its mandate.

2.4. YEARLY OPERATIONAL PLAN

This strategic plan and budget for 2008 - 2011 outlines the strategic objectives, goals and initiatives of the NNR for the next three years.

This strategic plan will form the core of the NNR's activities over the next three years. The strategic plan will be translated into a yearly operational plan which will include other day to day activities necessitated by the NNR's mandate. This will be cascaded throughout the organisation and ultimately tied to individual performance agreements.

The operational plans and scorecards will form the basis of quarterly reporting to the key stakeholders in fulfilling the stakeholder needs and PFMA requirements.

2.5. REVENUE AND EXPENDITURE PROJECTION

The revenue and expenditure projections underlying this strategic plan are as follows:

The overall budgeted expenditure and income for the financial year 2008/09 reflects an increase of 11% or R9 312 343 against the comparative 2007/08 budget of R80 983 014. In addition to the usual inflationary adjustment, this increase accommodates provisions needed for the organisation to implement its key strategic goals.

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3. OVERALL STRATEGIC VIEW OF NNR FOR 2008 - 2011

This strategic plan outlines the key strategic objectives, goals and initiatives the National Nuclear Regulator intends to execute over the next three years and is structured as follows:

Section	Description
3.1	Provides an overview of the NNR's purpose;
3.2	Evaluates the current strategic context in terms of key trends in the nuclear industry as well as current organisational challenges;
3.3	Identifies the critical success factors that should enhance the NNR's responsiveness and business performance;
3.4	Sets out the NNR's strategic focus areas, objectives, goals and initiatives over the next three years;
3.5	Outlines the balanced scorecard that will be used to measure the performance of the NNR;
4	Contains the revenue and expenditure projections over the next three years.

3.1. PURPOSE OF THE NNR

3.1.1 The Mandate of the NNR

The National Nuclear Regulator (NNR) is mandated to provide for the protection of persons (the public and workers), property and the environment against nuclear damage as the competent authority for nuclear regulation in South Africa through the National Nuclear Regulator Act, Act No 47 of 1999.

The NNR's regulatory practices include prescriptive and descriptive approaches, as appropriate, and focuses on holders of authorisations instituting appropriate processes for compliance with regulatory requirements.

Section 5 of the NNR Act provides that the objectives of the Regulator are to:

1.	Provide for the protection of persons, property and the environment against nuclear damage through the establishment of safety standards and regulatory practices;
2.	Exercise regulatory control related to safety over the siting, design, construction, operation, manufacture of component parts, and decontamination, decommissioning and closure of nuclear installations;
3.	Exercise regulatory control over other actions, to which this Act applies, through the granting of nuclear authorisations;
4.	Provide assurance of compliance with the conditions of nuclear authorisations through the implementation of a system of compliance inspections;
5.	Fulfil national obligations in respect of international legal instruments concerning nuclear safety;
6.	Ensure that provisions for nuclear emergency planning are in place.

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Furthermore, the Act stipulates that the functions of the Regulator are to:

1.	Grant or amend nuclear authorisations;
2.	Employ assets and deploy resources (hire, purchase, acquire);
3.	Collaborate with other institutions for the collection and dissemination of scientific and technical information regarding nuclear energy;
4.	Collaborate with other institutions regarding provision of instruction for or training of persons required by the NNR;
5.	Provide financial and other assistance for the training of people to enable the NNR to perform its functions;
6	Insure itself against loss, damage, risk or liability;
7.	Advise the Minister on: a. Conditions that may cause nuclear damage b. Items the Minister has referred to the NNR c. What the NNR thinks necessary;
8.	Act as national competent Authority in connection with International Atomic Energy Agency's Regulations;
9.	Conclude contracts to enhance the value of the services rendered by the NNR;
10.	Prepare & submit annual report on the health & safety of workers, the public and environment associated with all sites.

3.1.2 Vision, Mission and Values

To give effect to this mandate, the NNR has adopted the following vision, mission and values:

Vision

To be a leading impartial authority for the regulation of the safe use and handling of nuclear and radioactive materials.

Mission

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

- Application of safety standards and regulatory practices, and
- Human resources and transformation practices best suited to the nuclear regulatory needs of the nation.

Values

The NNR's core values are:

Value	Description

Excellence	In all aspects of service delivery
Ethical Conduct	Evidenced by integrity, valuing cultural diversity, honesty, compassion, trustworthiness, respect and fairness
Professionalism	Displayed through commitment, questioning attitude, dedication, responsibility, accountability and being proactive
Credibility	commanded through consistency, objectivity, impartiality, confidence, transparency, competence and knowledge base

In order to realise this vision, the NNR must take cognisance of the current strategic context in which it operates and take into account the critical success factors it needs to focus on in order to optimise its performance. These issues are set out in more detail below.

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3.2. THE STRATEGIC CONTEXT

Over the past years, NNR identified four key strategic focus areas to anchor the strategic objectives, goals, and targets for the organisation, namely:

- Safety and Regulation
- Stakeholder Management
- Internal Business Processes
- Human Resources

The NNR conducted a situational analysis, in line with the above mentioned strategic objectives, to assess its ability to be more effectively and efficiently delivery on its mandate in a changing external environment. A number of challenges were identified and these have been categorised in the four focus areas.

3.2.1 Changes and Challenges in the Nuclear Industry

The nuclear landscape in South Africa is undergoing significant changes, reflecting the developments in the global nuclear industry, in particular a growing international trend towards a resurgence of nuclear power. These changes introduce many challenges which the NNR has to grapple with. These include:

Safety and regulation:

- The implications of the national policies such as the *National Nuclear Energy Policy and Strategy*, the white paper on energy, and the *National Waste Management Policy and Strategy* which amongst other things point to
    - ⇨ An expanding nuclear programme:
        - Envisaged increase in the number of nuclear power plants by Eskom
        - Envisaged programme by Necsa relating to beneficiation of uranium and other activities within the nuclear fuel cycle including the conversion of the SAFARI-1 reactor..
    - ⇨ Growth in uranium production in South Africa in response to an increasing global demand
- A new technology, the pebble bed modular reactor, is currently being pursued.
- The need for an optimised regulatory and legislative environment in light of current developments
- The need for enhanced regulatory oversight related to protection of the environment
- Increased security concerns, specifically, security of nuclear installations, radioactive sources, illicit trafficking of radioactive material and within the NNR
- Population development in South Africa, which has fuelled demand for land, which may be contaminated with radioactive material, to be used for purposes such as low cost housing and recreational facilities etc.
- Urban development in some areas has led to growing pressure to increase housing developments in and around the nuclear facilities, in particular Koeberg nuclear power station. This poses some challenges to emergency preparedness measures.

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- International resurgence of building of new nuclear power plants, which may put additional strain on the limited local resources.
- Harmonization of international standards and practices in order to bring about regulatory effectiveness.

Stakeholder Management:

- Increased public need for information and pressure for greater stakeholder involvement in decision-making.
- Increasing pressure on South Africa, as a major player in the African nuclear industry, to lead the setting of regional and continental nuclear standards. Furthermore, the NNR has increased responsibility to adhere to international conventions, standards and bi-lateral agreements that South Africa subscribes to.

Human Resources:

- A small national pool of appropriately skilled persons and local technical support organisations that is insufficient to sustain the nation's current and growing needs. This skills shortage cuts across all levels and spheres of the industry and is set to increase in the medium to long term as competition for expertise within the nuclear industry grows.

3.2.2 Implications for the NNR

These changes in the nuclear landscape pose significant challenges to the NNR and have a number of implications for the organisation with regards to its ability to continue to effectively and efficiently execute its mandate in the medium to long term, namely:

Implications on Safety and Regulation: The expanding nuclear program requires a re-evaluation of the existing regulatory framework in terms of regulations, requirements, guidelines and regulatory practices, taking into consideration past experience and international practice. This will also entail greater use of bilateral agreements, cooperative governance and international forums.

Implications on Human Resources: As the local nuclear industry expands and existing facilities begin to age, the scope of the NNR's oversight and breadth of its activities will broaden, exerting increasing pressure on its existing workforce. This in turn will exacerbate the organisation's need to rapidly build and maintain its technical capacity, even as competition for skilled expertise within the industry intensifies.

The introduction of new nuclear technologies necessitates additional skills and expertise, which the NNR must develop or acquire in order to meet the challenges of licensing such technologies. Moreover, the resurgence of uranium mining will require additional resources to process the expected increase in authorisation applications from prospective applicants.

As a matter of priority then, the NNR needs to proactively engage in strengthening its in-house capacity, identifying strategic initiatives that will enable it to attract and retain scarce human resources, as it simultaneously develops the technical expertise of its human resources.

Notwithstanding these challenges, the NNR has a good standing in the international community such as the IAEA and other regulators. This offers the NNR opportunities and scope for further capacity

development and technical support, which will enable the organisation to maintain a leading role in Africa and abroad.

Implications on Internal Business Process: Potential growth in the South African nuclear industry and the resultant increase in the responsibilities and workload of the NNR will also put pressure on its existing internal processes. The NNR will require increasingly streamlined and optimal business processes and systems to enable it to more efficiently and effectively carry out its core business within its resource constraints, even as it serves an increasing number of new entrants into the market place.

This will include strengthening its corporate governance and financial administration, to help it manage any budgetary constraints and improve its relationship with its key government stakeholders.

Implications on Stakeholder Management: Increased public need for information and pressure for greater stakeholder involvement in decision-making will inevitably increase the interest and concerns of the public with regards to nuclear safety and public health. It will also raise the profile of the NNR as its efficiency in carrying out its role as the regulator comes under increasing scrutiny.

The NNR will thus need to actively engage its diverse array of stakeholders in order to manage their concerns and address their needs. In addition, the NNR will need to elevate itself to a position where it is recognised as a credible custodian of public health and safety.

3.3. CRITICAL SUCCESS FACTORS OF THE NNR

The above analysis suggests that it is imperative for the NNR to address the following critical success factors in order to boost its operational effectiveness in the short to medium-term:

- Strong regulatory framework and infrastructure
- Public confidence
- Efficient internal business processes
- Effective Human Resources Management

The external drivers and the internal constraints outlined above both inform the NNR's critical success factors. This inter-relationship is illustrated below:

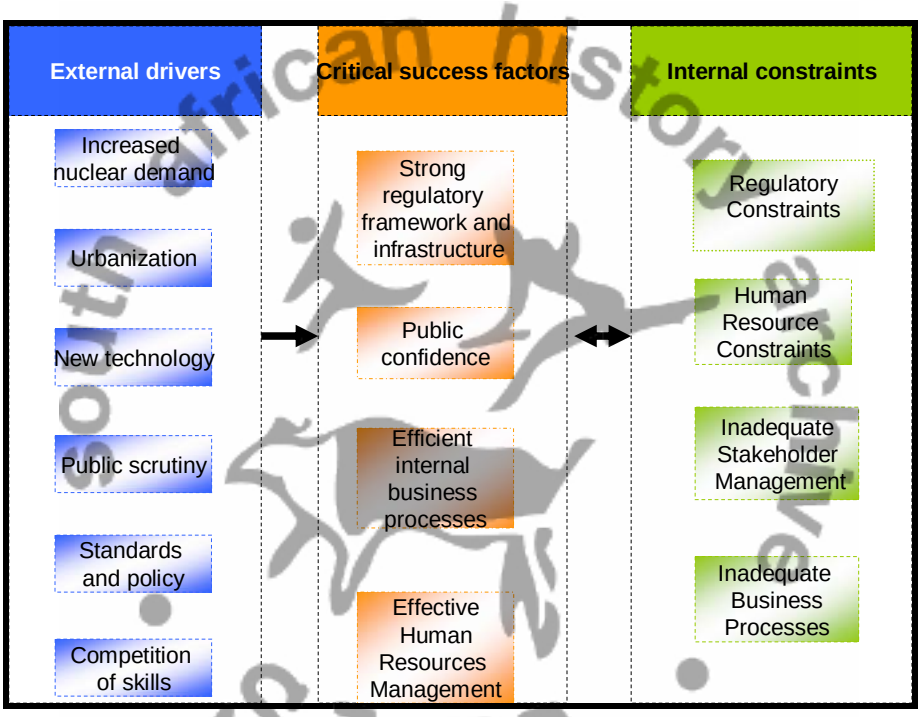

Figure 1: The NNR's Critical Success Factors

These critical success factors have been used to inform the strategic objectives of the NNR over the next three years.

3.4. REALISING THE VISION: THE STRATEGIC OBJECTIVES AND GOALS OF THE NNR

In order to respond to its external and internal challenges, the NNR has identified the following four key strategic focus areas aligned to its critical success factors, namely:

- Safety and Regulation
- Stakeholder Management
- Internal Business Processes
- Human Resources

Within each strategic focus area, a key strategic objective and supporting goals have been identified, namely:

Strategic Focus Area (a): Safety and Regulation

Strategic Objective 1: Develop, review and implement appropriate regulatory philosophy and framework (including standards policies, practices and effective compliance monitoring) that provide for the protection of persons, property and the environment against nuclear damage

Strategic Goals

- Optimise the legislative and regulatory framework in order to improve regulatory efficiency and effectiveness.
- Enforce regulatory standards and practices to ensure that an acceptable levels of safety and compliance with conditions of nuclear authorisation and regulatory requirements is being maintained by the regulated operating organisations.
- Strengthen regulatory oversight related to protection of the environment.
- Strengthen the analytical verification capability and capacity of the NNR Laboratory
- Strengthen the regulatory enforcement regime.
- Strengthen the NNR's regulatory research programme in support of the regulatory processes
- Implement Process-Based Licensing (PBL).
- Ensure effective implementation of cooperative governance agreements.

Strategic Focus Area (b): Stakeholder Management

Strategic Objective 2: Build stakeholder confidence in South Africa's nuclear regulatory system Strategic Goals

- Create an environment where the NNR is recognised as the credible custodian of public health and safety with regard to nuclear, radioactive materials and nuclear technology applications.
- Implement a communications policy to improve public understanding of the issues relating to the nuclear sector.
- Provide accurate and timely information about the safety performance of authorization holders to stakeholders.
- Enhance the efficacy and frequency of face-to-face stakeholder engagement processes.
- Address the public need for information and pressure for greater stakeholder involvement in decision-making.

Strategic Objective 3: Fulfil international and regional obligations with respective to international instruments and other initiatives

- Implement programmes to promote regional collaborations in support of NEPAD and African initiatives of the IAEA.

- Participate in activities related to harmonization of international standards and practices in order to bring about regulatory effectiveness.
- Fulfil international obligations on behalf of the country with respect to international conventions and instruments on nuclear safety matters.

Strategic Focus Area (c): Internal Business Processes

Strategic Objective 4: Improve and strengthen internal business processes, aligned to best practices and responsive to environmental dynamics

Strategic Goals

- Implement an integrated management system to ensure excellence in internal business processes.
- Ensure sound financial administration and good corporate governance.
- Develop and implement a knowledge management system for retention of corporate memory
- Develop and implement strategic alignment processes to assess and ensure effectiveness and efficiency of delivery against NNR mandate

Strategic Focus Area (e): Human Resources

Strategic Objective 5: Attract, develop and retain staff in order to maximise internal capacity

Strategic Goals

- Use of an innovative human resource management strategy to achieve a high quality, diverse work force with the skills needed to achieve the NNR's vision
- Reduce NNR reliance on external technical support by building capacity within the organisation
- Realignment of policies, procedures and practices to take forward the transformation imperative

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3.5. MEASURING OUR SUCCESS

What gets measured gets done. Hence, the NNR has developed a balanced scorecard whereby strategic initiatives have been identified for each strategic goal and specified performance measures assigned to each strategic initiative, with the aim of providing the NNR with an unambiguous way of evaluating its performance against its strategy. These measures strike the appropriate balance between outcomes (lagging measures) and outputs (the performance drivers that constitute an organisation's leading measures

The NNR balanced scorecard is underpinned by the cause and effect principle inherent in the balanced scorecard framework. In terms of this cause and effect relationship, it is essential to have sound human resources practices and effective internal business processes in order to achieve the safety and regulation outcomes and the stakeholder satisfaction goal of the NNR.

In terms of the weight allocation process, the NNR allocated weights per perspective according to the importance and order of priority based on the challenges facing the NNR and internal constraints that must be overcome to ensure the realisation of the goals.

- Safety and regulation (30%): The majority of the challenges identified from the scanned environmental revealed that there is a need to review and update the NNR licensing philosophy and approach. This exercise will require considerable effort and may necessitate the updating of the legislation, requirements and guidelines in line with the philosophy
- Human resources (30%): The NNR currently has a relatively high vacancy rate as a result of the skill shortage and its inability to retain and attract skilled personnel. The expansion of scope based on the above and resurgence in demand for nuclear products, services, and facilities will result in additional strain on resources. This requires a dedicate effort in order to effectively meet its goals
- Stakeholder management (20%): The NNR already has certain initiatives in place in order to manage and engage with stakeholders, however, the scope needs to expand in order to put more effort in engaging stakeholders. A greater focus needs to be directed at internal stakeholders in order to ensure better alignment.
- Internal business process (20%): The NNR will be initiating the development and implementation systems to ensure integration of processes and improve efficiency

Timelines have also been ascribed to each measure along with relative weightings – with the total weighting value of 100 being divided across each objective as follows:

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Strategic Objective	Weighting
Develop, review and implement appropriate regulatory policies, practices and effective compliance monitoring that provide for the protection of persons, property and the environment against nuclear damage	30
Build stakeholder confidence in South Africa's nuclear regulatory system	10
Fulfil international and regional obligations with respective to international instruments and other initiatives	10
Improve and strengthen internal business processes, aligned to best practices and responsive to environmental dynamics	20
Attract, develop and retain staff to maximise internal capacity	30

The weighting factor is a measure of the relative significance of the various outcomes.

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3.5.1 SAFETY AND REGULATION SCORECARD

The high level requirements are indicated in the table below.

	Strategic Objective: (a)	Develop, review and implement appropriate regulatory philosophy and framework (including standards policies, practices and effective compliance monitoring) that provide for the protection of persons, property and the environment against nuclear damage			
	Strategic Goals	**Initiatives**	**Measures**	**Targets**	**Weighting**
1.	Optimize the legislative and regulatory framework in order to improve regulatory efficiency and effectiveness.	• Review and update the NNR licensing philosophy and approach	• Updated regulatory philosophy and approach based on past experience and best international practice.	• Framework for updating philosophy and approach and implementation plan developed. • Implementation according to the plan and timelines to be completed by Dec 2010.	5
		• Review and update the legislation, requirements and guidelines in line with the philosophy	• Updated legislation, requirements and guidelines. • Develop a suite of internal guidance documents and procedures	• Proposal for the updated legislation in line with the implementation plan to be finalised by 2010 • Updated requirements and guidelines document in line with the implementation plan	
2.	Enforce regulatory standards and practices to ensure that an acceptable level of safety and full compliance with conditions of nuclear authorisation and regulatory requirements is being maintained by the regulated operating organisations	• Develop and implement a harmonized system of safety indicators (including specific measures regarding administrative compliance)	• Harmonised system of safety indicators in place	• Updated harmonised system in place by Dec 2010	5
			• % compliance in terms of reporting by regulated operating organisations	• 100% compliance annually	
3.	Strengthen regulatory oversight related to protection of the environment	• Develop a harmonised compliance assurance policy and programme for the regulatory oversight related to the protection of the environment	• Policy developed	• Framework for the protection of environment and implementation plan for development of policy by September 2008 • Policy developed in accordance with the plan	4

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			• Compliance assurance programme developed and implemented	• Compliance assurance programmes developed in accordance with the implementation plan timescales	
4.	Strengthen the analytical verification capability and capacity of the NNR Laboratory	• Establish new laboratory	• New laboratory established	• September 2008	3
			• Fully functional laboratory in place	• March 2009	
		• Accreditation of new laboratory	• New laboratory accredited	• March 2010	
5.	Strengthen the regulatory enforcement regime	• Develop and apply an effective Enforcement Policy	• Enforcement policy to be in place • Implement enforcement policy	• Draft proposal for implementation upon promulgation of the amended legislation by April 2008 • 100% achievement of milestones planned from May 2008 - 2011	3
6.	Strengthen the NNR's regulatory research programs in support of the regulatory process	• Develop and implement a regulatory research plan	• Plan developed	• July 2008	4
			• Numbers of research projects completed against plan	• 100% achievement of milestones against plan	
7.	Implement Process-Based Licensing (PBL)	• Roll-out PBL implementation at authorization holders	• % implementation of PBL at holders • % of milestones met against plan	• 30% by April 2008 • 100% by 2008	3
		• Develop a tool to measure the efficiency of implementation (PBL efficiency index) and monitor its output	• % PBL efficiency index	• 30% by April 2008	
8.	Ensure effective implementation of Cooperative Governance agreements.	• Implement the cooperative agreements	• Cooperative agreement implemented	• Schedule and confirm agreements meetings by end of April 08,09,10 respectively	3
				• Meetings held to implement the agreements as per schedule	
					30/100

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3.5.2 STAKEHOLDER MANAGEMENT SCORECARD

	Strategic Objective: (b)	**Build stakeholder confidence in South Africa's nuclear regulatory system**			
	Strategic Goals	**Initiatives**	**Measures**	**Targets**	**Weighting**
1.	Create an environment where the NNR is recognized as a credible custodian of public health and safety with regards to nuclear and radioactive material and nuclear technology applications	• Implement a profile building initiative	• % of profile building milestones met	100% achievement of milestones planned for each financial year (2008/09/10/11)	2
2.	Implement an effective communications policy to improve public understanding of the issues related to nuclear and radiation safety	• Update and implement the current communication policy	• % policy complete and approved	• 100% by June 2008	2
3.	Enhance the efficacy and frequency of face-to-face stakeholder engagement processes	• Implement a stakeholder engagement plan	• Stakeholder engagement plan implemented	100% achievement of milestones planned for each financial year (2008/09/10/11)	2
4.	Provide accurate and timely information about the safety performance of authorization holders to stakeholders	• Collect necessary and accurate information regarding safety performance of authorization holders • Prepare and submit reports in timely fashion	• Reports factually correct	• 100% achievement of milestones planned for each financial year (2008/09/10/11)	2
			• Reports submitted on time	• 100% achievement of milestones planned for each financial year (2008/09/10/11)	
5.	Address the public need for information and pressure for greater stakeholder involvement in decision-making.	• Review the public participation process document • Implement the public participation process	• Approved public participation process • Public participation process implemented	• Process approved by April 2008 • 100% achievement of milestones planned for each financial year (2008/09/10/11)	2
					10/100
	Strategic Objective: (c)				
	Strategic Goals	Initiatives	• Measures	Targets	Weighting
6.	Implement programmes to promote regional collaborations in support of NEPAD and African	• Develop and implement plan to facilitate NNR initiatives in support of	• Plan developed	• December 2008	4

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	initiatives of the IAEA.	NEPAD	• Plan implemented	• 100% achievement of milestones planned for each financial year (2009/10/11)	
		• Establish an African Regulators Forum	• Forum established	• March 2009	
		• Actively participate in African initiatives of the IAEA e.g. AFRA, RaSSIA missions etc.	• Participation in response to IAEA requests	• 100% of compliance with IAEA request for each financial year (2009/10/11)	
7.	Participate in activities related to harmonization of international standards and practices in order to bring about regulatory effectiveness.	• Compile and implement a plan for participation in activities related to forums such as the IAEA Safety Standards Committees, the Multinational Design Evaluation Programme (MDEP), bi-lateral meetings with other regulators etc.	• Plan compiled	• April 2008	3
8.	Fulfil international obligations on behalf of the country with respect to international conventions and instruments on nuclear safety matters.	• Compilation of National Reports the IAEA Conventions	• Report for the Convention on Nuclear Safety presented at the 4th Review Meeting	• April 2008	3
			• Report for the Joint Convention on the Management of Radioactive Waste and Spent Fuel	• October 2008	
					10/100

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3.5.3 INTERNAL BUSINESS PROCESSES SCORECARD

	Strategy Objective (d)	**Improve and strengthen internal business processes, aligned to best practices and responsive to environmental dynamics**			
	Strategic Goals	**Initiatives**	**Measures**	**Targets**	**Weighting**
1	Develop and implement an integrated management system to ensure organisational excellence in internal business processes .	• Development and implement and integrated and accredited management system, covering safety, quality, corporate, etc. o Business requirements identified o Systems selected o Implementation initiated	• % of management system implementation milestones met	• 75% by March 2009 100% by March 2010	5
		• Implement the NNR's ICT strategy, including developing and implementing an effective Electronic Document Management System (EDMS) and library management system	• % of ICT strategy implementation milestones met	• 50% by March 2008 • 75% by March 2009 • 100% by March 2011	
2	Ensure sound good corporate governance and financial administration	• Implementation an effective system of internal control (financial)	• % compliance with financial targets	• 100% Annually	5
		• Implement sound corporate governance	• % compliance to PFMA requirements • % compliance with King II	• 100% compliance annually • 100% compliance by 2010	
3	Develop and implement a knowledge management system including retention of corporate memory	• Implement a knowledge based system organisation wide • Key processes and technical detail documented	• Process maps for key activities • Technical manuals compiled	• 50% by March 2009 • 75% by March 2010 • 100% by March 2011	5
4	Develop and implement strategic alignment processes to assess and ensure effectiveness and efficiency of delivery against NNR mandate	• Develop strategic map outlining strategic objectives in line with the NNR mandate • Translate strategic objectives into measurable goals and targets • Ensure operational plans, performance management systems and budget are aligned to the strategic plans	• Planned milestones achieved per year	• April 2008 • June 2008 • September 2008	5
					20/100

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3.5.4 HUMAN RESOURCES SCORECARD

	Strategy Objective (e)	**Attract, develop and retain staff**			
	Strategic Goals	**Initiatives**	**Measures**	**Targets**	**Weighting**
1.	Use of an innovative human resource management strategy to achieve a high quality, diverse work force with the skills needed to achieve the NNR's vision	• Develop and implement a pipeline management strategy to address skills gaps	• % of pipeline management strategy milestones met	• 100% achievement of milestones planned for each financial year (2009/10/11)	10
			• Pipeline management strategy implemented	• 100% achievement of milestones planned for each financial year (2009/10/11)	
		• Develop and implement a robust retention strategy which includes succession planning	• Succession plans in place for critical positions and Exco Committee Members completed	• April 2008	
		• Improve existing management capacity	• 360 Assessment for Management and Exco Committee Members completed	• June 2008	
		• Research, develop and implement a dual career path program (Managerial and Technical)	• Feasibility study completed • Detailed program developed • Dual career paths implemented	• April 2009 • Sept 2009 • Dec 2009	
2.	Reduce NNR reliance on external technical support by building capacity within the organisation	• Develop and implement a comprehensive capacity building plan to strengthen in-house technical capacity as part of employee Personal Development Plans (PDP)	• Updated PDP's annually based on actions from capacity building plan	100% achievement of actions from capacity building plan planned for each financial year (2009/10/11)	5
3.	Realignment of policies, procedures and practices to take forward the transformation imperative	• Review organisational policies and procedures in line with legislative requirement	• % completion of review	• 100% by June 2008	5
					20/100

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3.5.5 SUBMISSION TO MINISTER OF DME IN RESPECT OF REGULATIONS UNDER NNR ACT

In addition to the strategic commitments made in the NNR score cards, the NNR is expected to comply with requirements in respect of regulations under the NNR Act. The NNR must annually make submission under various regulations for approval by the Minister of Department of Minerals and Energy. The table below gives the requirements to be submitted annually in terms of the National Nuclear Regulator Act:

Section	Provision	Deliverable	Submission date
7(1)(j)	7(1)(j) produce and submit to the Minister an annual public report on the health and safety related to workers, the public and the environment associated with all sites including, but not limited to, the prescribed contents.	Annual Report	30 August
15(6)(d)	15(6) The chief executive officer must— (d) complete a report on the activities of the Regulator for each financial year in accordance with the Reporting by Public Entities Act, 1992 (Act No. 93 of 1992), and submit the report to the board for approval;	Report against strategic objectives	Quarterly
15(6)(e)	15(6) The chief executive officer must— (e) each financial year, after consultation with the board and with the approval of the Minister, publish and distribute a plan of action for the activities of the Regulator.	Strategic Plan and Budget	31 September
22 (1)	22. (1) Any person wishing to engage in any action described in section 2(1)(c) may apply in the prescribed format to the chief executive officer for a certificate of registration or a certificate of exemption and must furnish such information as the board requires.	Recommendation for the prescribed format for an application for Certificate of Exemption in term of section 22 (1) by the Board to the Minister	31 December
28(a) and (b)	28 The Minister may, on the recommendation of the board and in consultation with the Minister of Finance and by notice in the Gazette, determine the fees payable to the Regulator in respect of— a) any application for the granting of a nuclear authorisation; b) an annual nuclear authorisation fee.	Recommendation for the granting of a nuclear authorisation and an annual nuclear authorization fee by the Board for the Minister	31 December
29(1)and (2)	29 (1) The Minister must, on the recommendation of the board and by notice in the Gazette, categorise the various nuclear installations in the Republic, based on the potential consequences of a nuclear accident. (2) The Minister must, on the recommendation of the board and in consultation with the Minister of Finance and by notice in the Gazette, determine— a) the level of financial security to be provided by holders of nuclear installation licenses in respect of each of those categories; and b) the manner in which that financial security is to be provided, c) in order for the holder of a nuclear installation licence to fulfill any liability which may be incurred in terms of section 30.	Recommendation for the categorization of the various nuclear installations by the Board to the Minister	31 December
38 (4)	38 (4) The Minister may, on recommendation of the board and in consultation with the relevant municipalities, make regulations on the development surrounding any nuclear installation to ensure the effective implementation of any applicable emergency plan.	Recommendation for new regulation on the requirements for development surrounding a nuclear installation and siting of nuclear installations in terms of section 38 (4)	31 May 2008

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4. PROJECTIONS OF REVENUE AND EXPENDITURE

The overall budgeted expenditure and income for the financial year 2008–09 reflects an increase of 11% or R9 312 343 against the comparative 2007/08 budget of R80 983 014. Our strategic plan spans over the three years, thus a budget for the entire three periods. The budget is expected to increase from the 2008/9 by inflation and personnel expenditure over the entire three year period. In addition to the usual inflationary adjustment, this increase accommodates provisions needed for the organisation to implement the following:

- ⇨ Optimization of the legislative and regulatory environment in order to improve regulatory efficiency and effectiveness
- ⇨ Adoption of an inclusive, balanced and effective approach in addressing stakeholder needs, including openness and transparency by implementation of an effective communication strategy
- ⇨ Use of an innovative human resource management strategy to achieve a high quality, diverse work force with the skills needed to achieve the NNR's vision
- ⇨ Improvement and strengthening internal business processes, aligned to best practices and responsive to environmental dynamics by:
  - Developing and implementation a knowledge management system including retention of corporate memory
  - Implementation of ICT strategy to build sound IT infrastructure to support core business

The budget increase is broken down over a three year period into following line items:

	2008/9 R	2009/10 R	2010/11 R
⇨ Personnel Expenses	6 971 549	4 918 858	5 213 989
⇨ Subsistence and travel	309 452	493 061	357 603
⇨ Expenditure General	1 537 035	1 636 664	1 734 863
⇨ Operational Expenses	360 438	382 064	404 988
⇨ Capital Expenditure	133 869	208 836	221 366

The budgets for 2009/10 and 2010/11 are both projected to increase by 8%. However, these have not factored in the full costs associated with the ESKOM expansion programme as these will only become clear in the next financial year. Provision has been made in the budget for resources to undertake preparatory work for the new build programme

Revenue

The NNR currently generates revenue from two sources, namely:

- Government funding

- Authorization fees collected from authorization holders (existing and new)

Any shortfall not covered by Government funding is recovered through fees from authorization holders. This may lead to fee increases that are above inflation.

Figure 2 below provides a detailed budgeted expenditure and revenue for 2008 - 2011

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Fig. 2 NNR Budgeted Expenditure and Income FY 2008/9 – 2010/11

Expenditure

COST ITEM	Proposed Budget 2008/2009 R	Forecast Budget 2009/2010 R	Forecast Budget 2010/2011 R	Approved Budget 2007/2008 R	Var 2008/2009 vs 2007/2008	Var 2009/2010 vs 2008/2009	Var 2010/2011 vs 2009/2010
PERSONNEL EXPENSES	57,702,314	62,621,172	67,835,161	50,730,765	14%	9%	8%
SUBSISTENCE AND TRANSPORT	5,466,988	5,960,049	6,317,652	5,157,536	6%	9%	6%
GENERAL EXPENSES	17,277,726	18,914,389	20,649,252	15,740,691	10%	9%	9%
OPERATING EXPENSES	6,367,737	6,749,801	7,154,789	6,007,299	6%	6%	6%
CAPITAL EXPENDITURE	3,480,592	3,689,427	3,910,793	3,346,723	4%	6%	6%
TOTAL BUDGET	**90,295,357**	**97,934,839**	**105,867,648**	**80,983,014**	**11%**	**8%**	**8%**

Income

SOURCE	Proposed Budget 2008/2009 R	Forecast Budget 2009/2010 R	Forecast Budget 2010/2011 R	Approved Budget 2007/2008 R	Var 2008/2009 vs 2007/2008	Var 2009/2010 vs 2008/2009	Var 2010/2011 vs 2009/2010
AUTHORISATION FEE ESKOM	32,712,413	34,675,158	38,812,387	30,198,014	8%	6%	12%
AUTHORISATION FEE PBMR	11,029,751	11,713,404	12,416,208	10,051,926	10%	6%	6%
AUTHORISATION FEE NESCA	6,947,000	7,380,606	7,823,442	6,388,041	9%	6%	6%
AUTHORISATION FEE VAALPUTS	2,488,775	2,608,959	2,765,497	2,322,924	7%	5%	6%
AUTHORISATION FEE FUEL PLANT	2,524,177	2,668,345	2,828,446	2,365,159	7%	6%	6%
AUTHORISATION FEE MINES-Existing Facilities	8,160,000	8,587,949	9,103,226	7,657,282	7%	5%	6%
AUTHORISATION FEE MINES-New Facilities	1,582,240	1,677,174	1,777,805	0	0%	6%	6%
INTEREST	4,200,000	4,371,163	4,633,433	3,670,668	14%	4%	6%
OTHER	318,000	337,080	357,305	300,000	6%	6%	6%
TOTAL BEFORE STATE CONTRIBUTION	69,962,357	74,019,839	80,517,748	62,954,014	11%	6%	9%
STATE CONTRIBUTION	20,333,000	23,915,000	25,349,900	18,029,000	13%	18%	6%
GRAND TOTAL	**90,295,357**	**97,934,839**	**105,867,648**	**80,983,014**	**11%**	**8%**	**8%**

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5. ABBREVIATIONS

AG	–	Assessment Group
ALARA	–	As Low As Reasonably Achievable
CB1-7	–	Core Business Strategic Objectives 1 to 7
CSS	–	Corporate Support Services
EE	–	Employment Equity
HR	–	Human Resources
HR1-4	–	Human Resource Strategic Objectives 1 to 4
IAEA	–	International Atomic Energy Agency
IBP1-5	–	Internal Business Process Strategic Objectives 1 to 5
IRRT	–	International Regulatory Review Team
KPI	–	Key performance indicator
mSv	–	miliSievert
NECSA	–	South African Nuclear Energy Corporation
NGO	–	Non-Governmental Organisation
NNR	–	National Nuclear Regulator
NNRA	–	National Nuclear Regulator Act
NTNS	–	Nuclear Technology and Natural Sources
PAIA	–	Promotion of Access to Information Act
PBMR	–	Pebble Bed Modular Reactor
PFMA	–	Public Finance Management Act
PRD	–	Power Reactor Division
RASSC	–	Radiation Safety Standards Committee
RaSSIA	–	Radiation Safety Infrastructure Appraisal
RSD	–	Regulatory Strategy Division
SAR	–	Safety Analysis Report
SS1-3	–	Stakeholder Satisfaction Strategic Objectives 1 to 3
SWOT	–	Strength Weakness Opportunities and Threats

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