

NRCS levy consultation 2011-2012

Electrotechnical Industry

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A large, stylized wave graphic in shades of orange and yellow, with a small orange circle above it, located in the bottom right corner of the slide.

PREVIOUS FEE INCREASES

Consultation	Gazetted	Effective	Payable
November 2008	8 December 2009	1 January 2010	1 July 2010
September 2009	August 2010	1 September 2010	January 2011
September 2010	May 2011	July 2011	January 2012

LEVY CALCULATION MODEL

1. Total costs per industry, including direct and support cost
2. Total number of inspectors
3. $1 / 2 =$ cost per inspector
4. Number of inspectors needed for a specific product
5. $3 \times 4 =$ Total cost needed to recover for a product to be regulated
6. Total number of products in the industry
7. $5 / 6 =$ Levy per product regulated

FUTURE FEE INCREASES

- 2011 will mark a total review of all levies and will be compared with the NRCS cost to maintain these products. The result may be that some products are under – and some are over charged.
- The model presented will be used.
- Will ensure that one product does not subsidize another product.
- Reason for recalculation:
 - SABS and NRCS became 2 entities:
 - NRCS allocation more in detail.
 - Costs different.
 - Cost, volume and number of inspectors have changed.
 - SABS Mark scheme

GENERAL FEE INCREASE PROPOSED

- Average CPI July 2009 – June 2010
5,7%
- Adjustment for salary and rental cost
0,5%
- Suggested increase 6,2%
- LOA application: To be paid upfront

Feedback on Markscheme

1. Selection: 70 of biggest levy payers selected
2. Forms send to levy payers with letter explaining the process
3. Result:
 1. 34 Received back
4. Based on the above the volume will increase with 14%.
5. Mark schemes will start to pay levies in 1 July 2011 or when their contract with the SABS expires.
6. Reduction of levies will be phased in over the same period that the mark scheme products previously excluded become applicable levy payment.

Feedback on Markscheme

Volume impact	#	% of products
0% Impact	11	38%
Volume impact < 50%	8	28%
Volume impact < 100%	1	3%
Volume impact < 200%	3	10%
Volume impact < 300%	3	10%
Volume impact > 300%	3	10%

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New Compulsory Specification levy: Lamp control gear

- Total cost required to recover from Industry
R3 769 860
 - Above include total cost (Direct and support)
 - Based on 4 inspectors needed to regulate the product
- Industry volume 6 309 259
- Cost per item 60
cents

New Compulsory levies: Single capped Florescent lamps

- Total cost required to recover from Industry
R3 769 860
 - Above include total cost (Direct and support)
 - Based on 4 inspectors needed to regulate the product

- Industry volume 22 297 557
- Cost per item 17 cents

Questions

THANK YOU

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