

# Final Annual Performance Plan 2022 - 2023



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## **LIST OF ACRONYMS AND GLOSSARY OF TERMS**

APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BNG	Breaking New Ground
CSIR	Council for Scientific and industrial Research
CPI	Consumer Price Index
ERM	Enterprise Risk Management
EMHIH	Eric Molobi Housing Innovation Hub
GDP	Gross Domestic Products
HCPMA	Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998)
IBT	Innovative Building Technologies
ICT	Information and Communication Technology
ISO	International Organisation for Standardisation
KPA	Key Performance Area
LCE	Legal, Compliance and Enforcement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDHS	National Department of Human Settlements
NDP	National Development Plan
NHBRC	National Home Builders Registration Council
NT	National Treasury
PFMA	Public Finance Management Act, 1999 (Act No.1 of 1999)
PDHS	Provincial Departments Human Settlement
ROI	Return on Investment
SABS	South African Bureau of Standards
SAPOA	South African Property Owners Association
SP	Strategic Plan
SHE	Safety, Health and Environment
SHS	Sustainable Human Settlement
SONA	State of the Nation Address

## **EXECUTIVE AUTHORITY STATEMENT**

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As the economy continues to grow at a rate that is inadequate for the fiscus to meet our social needs, there is a need for government service delivery to do more with less. The Department of Human Settlements and its entities form a key pillar of this service delivery system. This means that there needs to be stability in all entities including the National Home Builders Registration Council so that they can better be able to carry out their mandate. The NHBRC has a statutory obligation to protect housing consumers' interests, provide quality assurance services and promote regulatory compliance in the residential building sector. I am pleased that the recently appointed council has started to steer the organisation towards stability.

The construction sector was severely and negatively affected by the Covid-19 pandemic. The effect of the decline of the construction on the NHBRC was such that the registrations have been declining in line with the declining construction sector. The NHBRC achieved 83% of its performance targets in the 2020/21 financial year which was an improvement of 2% from the

2019/20 financial year. However, due to the severe impact of the Covid-19 pandemic this improvement in performance has been reversed.

Going forward, and as part of the recovery, the NHBRC has to introduce internal efficiencies and innovative systems in order to have improved costs and a sustainable warranty fund in the long run. This includes developing and adopting an organizational structure that is fit for purpose and also capacitated with the right skills both at senior and a junior level. The council has already embarked on a process of filling up the vacancies at an executive level and this will go a long way towards improving the organizational performance.

I am encouraged by the fact that the NHBRC has also embraced the global transition to a carbon neutral society. In this regard, to achieve its mandate, the NHBRC has resolved to promote the use and uptake of Innovative Building Technologies (IBT) within the human settlements sector, and to ensure houses build using IBT systems comply with NHBRC technical requirements, National Building Regulations and Agrément South Africa performance criteria. The intention is to address the health and safety issues, climate change threats, promote social upliftment, market adoption and reduction of residential house construction costs.

Furthermore, the launch, in December 2021, of an online registration and renewal pilot project which enables new and existing homebuilders to access NHBRC services from anywhere in the country is welcomed development. I am eagerly awaiting the completion of the roll-out of the first phase of this project which is expected by the end of the first quarter of 2022/23 financial year. In addition to these services, the NHBRC is working towards implementing a digital complaints registration platform. This system will simplify and speed up housing consumers dispute registration.

Cognisant of the fact that South Africa has to use all its resources to tackle the triple challenges of poverty, unemployment and inequality, the NHBRC will play its part in this

effort. In this financial year, the NHBRC will provide 600 bursaries to TVET learners through the NHBRC Artisans Development Programme. This programme is aimed at upskilling talent and supporting youth in gaining relevant work experience and enhance chances of getting employment. Regarding, gender equality and women economic empowerment, the NHBRC Women Empowerment Programme will target 100 women contractors with business support and mentorship programmes.

Given all these developments I am confident that the NHBRC is embarked on a path to becoming a centre of excellence for the built environment. This will be part of the broader effort by our government towards creating a capable state.

Let me thank the recently appointed council for the effort they have put in steering the organisation in the right direction. Let me also thank the executives and the staff who have been working hard to keep the services to our people running at the NHBRC.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

**MT Kubayi, MP**

**Minister of Human Settlements**

## ACCOUNTING AUTHORITY STATEMENT

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The three-year term of the NHBRC Council ended on the 31<sup>st</sup> of August 2021. We would like to extend our appreciation to the previous council members, who recognised the importance of strong corporate governance and their responsibility in ensuring NHBRC's long-term sustainability. We thank them for dedicating their time and energy to fulfil the important role of being prudent stewards of our organization.

It has been a testing period for the country and the rest of the world. As with NHBRC, coping with the disruption caused by the pandemic while assessing the sustainability of the organization and the impact it had on our homebuilders as one of the key stakeholders for our existence.

The NHBRC provides a 5-year structural warranty cover on new homes and needs to work closely with its registered homebuilders to provide quality houses in both subsidy and non-subsidy markets. The impact of Covid-19 pandemic causes a major threat to the businesses owned by homebuilders who are required to provide structural cover before the NHBRC warranty can be utilised.

The NHBRC will in the 2022/23 financial year, intensify its homebuilder training while also assessing the impact of training offered in the previous years. The importance of training is to minimise the structural failures and ensure that homebuilders understand the homebuilding manual so that the housing consumer complaints can be reduced. This is supported by the registration process which ensures that technically competent and financially stable homebuilders are registered on the NHBRC database. An area that has been prioritised in this planning period is the creation of employment opportunities for all learners that have been trained by the NHBRC, this will be done in collaboration with other industry players as well as our sister entities within the Human Settlements sector.

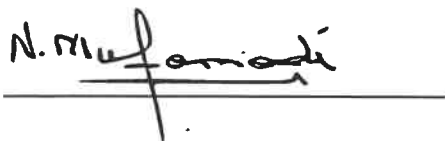
It is the NHBRC's endeavour to ensure that every house enrolled on its database is inspected during construction as a mitigating factor to identify and remedy structural defects while under construction. The NHBRC employs 188 inspectors and 9 supervisors that are responsible for quality assurance across the country and these inspectors work closely with municipal

inspectors and project managers on subsidy projects to ensure successful implementation of government programmes.

The NHBRC ensures improvement in the management of identified strategic risks through its risk monitoring activities and it is also committed to improving its risk performance on an ongoing basis, where high risk areas have been identified. The NHBRC has put in place risk mitigating factors to ensure the health and safety of employees now more than ever with the challenges posed by the pandemic.

The entire organisation is undergoing significant changes, driven mainly by the increasingly challenging external environment, which is characterised by volatility, uncertainty and the “new normal”, brought about by the COVID-19 pandemic. This has compelled Internal Audit to adapt and tailor its assurance and advisory services to continue to be effective in ensuring that the organisation has responsive governance, risk management and control processes in place for it to survive and thrive in the new normal.

This annual performance plan supports the Department of Human Settlement’s Medium-Term Strategic Framework and ministerial priorities. The Council and staff of the NHBRC reaffirms its commitment to achieving the set goals for the financial year 2022/23.

A handwritten signature in black ink, reading "N. Mufamadi", is written over a horizontal line.

**Ms. N Mufamadi**  
**Accounting Authority**  
**National Home Builders Registration Council**



## **ACCOUNTING OFFICER STATEMENT**

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The outbreak of Covid-19 brought the home building industry to a virtual halt from the end of March 2020, it is difficult to predict the long-term impact of this pandemic on our economy and the home building industry. We, however, remain committed to supporting our home builders and protecting our housing consumers while maintaining quality standards. We have seen an improvement in the value of final products for the 2021/22 financial year compared to the prior year and we anticipate that this trend will continue into the 2022/23 financial year. With the easing of the Covid-19 restrictions in the first quarter of the 2021/22 financial year, actual registrations and renewals exceeded the target by 32% and 20% respectively, and this is seen as a sign of recovery in the residential building sector.

The vaccination of workers by the construction companies has also improved the construction activities in quarters one and two of the current financial year, and we expect this recovery to continue to improve into the 2022/23 financial year. The data for plans approved from Statistics South Africa anticipates growth between 2.0% to 3.5% year on year.

Our revenue generation capacity is currently constrained although we see some improvement in the number of homes enrolled. The demand for new homes has increased in the housing range of R350k – R500k and R500k – R1 million.

The subsidy market assumptions are based on the housing delivery plans of the National Department of Human Settlements (NDHS) as well as the Provincial Departments of Human Settlements.

The memorandum of understanding (MOU) signed with the House of Traditional leaders will improve enrolments in rural areas and the registration of the builders in rural areas, this will ensure that the mandate of the NHBRC is extended to cover housing consumers in these parts of our Country.

The MOU signed with the South African Local Government Association (SALGA) will also assist in sharing information with Municipalities. NHBRC will have an information desk at municipal offices to gain access to the data of approved building plans.

The inspection of homes during construction lies at the heart of the NHBRC's mandate and the organisation views inspections as a mitigating factor from claims against the Warranty fund. The inspection model recommends that the NHBRC strengthens its quality assurance component by involving the homebuilder competent persons during the construction phase. Furthermore, the NHBRC has developed a hybrid inspection model to ensure the organisation can respond to the changes in the home building market because the dynamic home building industry's demand for inspections is cyclical. Management has reviewed the inspection policies and procedures and is currently aligning them with the new inspection model.

The housing construction sector has a potential to create considerable employment opportunities. To this end, NHBRC through its training programmes, focuses on training and building capacity for women, youth, military veterans, and people living with disabilities in order to broaden access to employment opportunities in the sector.

The project management office (PMO) continues to assist the provincial departments with forensic engineering assessment for blocked projects and projects that have started construction without enrolment. Placing of engineers in provinces has reduced late enrolments by the provincial department of Human Settlements. We are also planning on involving our engineers during the project planning stage by the Provincial Departments. We believe this will improve the project delivery model for both the NHBRC and the provincial departments.

In an effort to improve our service offering and quality of homes, the NHBRC will also establish a database of artisans, introduce the risk-based enrolment fee and the enrolment of additions and alterations.

To further enhance our service delivery channels and quality service to our stakeholders and customers, the NHBRC is introducing online services to reduce face-to-face interactions and walk-ins in our customer service centres. This process will enable our homebuilders to complete their registration applications from the comfort of their own homes or offices. The next phase will enable the enrolment of homes to also be done on the on-line platform. The first phase of the E-services will go live in April 2022.

As the Accounting Officer of the NHBRC I am committed to ethical behaviour and respect for corporate governance structures. We have embarked on creating an anti-fraud and anti-

corruption culture within the NHBRC. In line with this and in support of the approved Risk Management Framework, the organisation has established an Anti-fraud and corruption unit which reports to the Audit and Risk Committee

Our commitment is to ensure that all our targets for 2022/23 are achieved to realise our main target of meeting the 5-year strategic goals.

I wish to express our gratitude to our Minister of Human Settlements, Ms Mmamoloko Kubayi (MP) and the NHBRC Council as we plan for the 2022/23 financial year to continue creating value for all our stakeholders.

Sincerely,



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**Mr. Songezo Boo**  
**Accounting Officer**  
**National Home Builders Registration Council**

## **OFFICIAL SIGN-OFF**

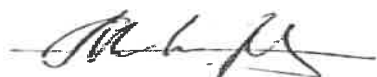
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It is hereby certified that this Annual Performance Plan 2022/2023:

- Was developed by management of the NHBRC under the guidance of Council as the Accounting Authority and the Minister of Human Settlements as the Executive Authority.
- Considered the NHBRC mandate, relevant policies and applicable legislation.
- Accurately reflects the impact and outcomes NHBRC plans to achieve over the financial period 2022/2023.



**Ms. Nurse Chavalala**  
**Acting Executive Manager: Corporate Services**



**Mr. Craig Makapela**  
**Acting Executive Manager: Business Service**




**Ms. Sharon Cembali**  
**Acting Head: Centre for Research & Housing Innovation**



**Ms. Molebogeng Taunyane**  
**Acting Head: Marketing & Communications**

## OFFICIAL SIGN-OFF

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**Mr. Andile Yabo**

**Acting Executive Manager: Legal Compliance & Enforcement**



**Ms. Tamlyn Bouwer**

**Acting Chief Financial Officer**



**Ms. Mathebe Kumalo**

**Head: Strategy, Monitoring and Evaluation**



**Mr. Siyanda Mqadi**

**Acting Chief Audit Executive**



**Mr. Bongani Monareng**

**Acting Chief Risk Officer**

**OFFICIAL SIGN-OFF**

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**Mr. Songezo Boo**  
**Chief Executive Officer**



**Ms. Nomusa Mufamadi**  
**Accounting Authority**



**MT Kubayi, MP**  
**Minister of Human Settlements**

**Date** 05/04/2022

## **PART A: OUR MANDATE**

This annual performance plan is based on assessment of the current socio-economic, political environment, ministerial national priorities, National Development Plan 2030 to eradicate poverty, inequality and unemployment and transformation of the South African society. The NHBRC is mindful of the Constitutional right of South Africans to housing or shelter which is a basic need, especially for the poor, this plays a critical role in the development of the South African Citizenry.

In the context of targets set by the Minister, relating to NDP's Outcome 8, sustainable human settlements, and an improved quality of household life, the NHBRC is obliged to fulfil its mandate as prescribed in the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998).

This Annual Plan outlines the NHBRC strategic outcomes, the deliverables for the period and resource requirements necessary to deliver on the mandate.

### **1. UPDATES TO THE RELEVANT LEGISLATIVE & POLICY MANDATES**

The NHBRC has a statutory obligation to protect housing consumers' interests, provide quality assurance services and promote regulatory compliance in the residential building sector. Our prominent housing consumer safeguard is warranty protection against defined poor workmanship. In addition to enrolments and inspections, other services we offer include:

- Educating housing consumers and homebuilders on their rights and responsibilities within the home construction industry;
- Introducing innovative and environmentally friendly building technologies;
- Training, assessing and regulation of homebuilders to conform to approved standards

In light of the above-mentioned obligations, the NHBRC contributes to MTSF Priority 5: Spatial Integration, Human Settlements and Local Government and specifically to the outcome "Adequate Housing and Improved Living Environments". For this outcome in 2022/2023 financial year, the NHBRC focuses on improving regulatory compliance through home enrolments and inspections. For further details on these indicators and targets refer to programme 2 and 3 on this annual performance plan.

## 2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

In this financial year, we will continue to implement our home owner education programme, Zenzeleni which is included in our Communication Plan.

MTSF Indicator	MTSF contribution by entity	Comments
94 area-based integrated multisectoral development plans for priority development areas completed by 2024	Develop a multi-year project enrolment programme	We have a project enrolment indicator on programme 3
100% of new projects validated for implementation readiness and implementation status of existing projects assessed prior to funding approvals	Validate and report on the readiness of housing development projects	We have a project enrolment indicator on programme 3
	Ensure all housing development projects are enrolled	We have project enrolment indicator on programme 3
12 000 Community Residential Units (CRU) completed	Ensure that CRU new built are enrolled	All complete enrolment application will be processed within 15 days. We have subsidy enrolment indicator on programme 3
450 000 housing units and 300 000 serviced sites delivered through subsidy mechanism to households earning R0 to R3500 per month	Enrol and inspect that buildings are designed and constructed according to prevailing regulations as well as norms & standards	All complete enrolment application will be processed and inspected. We have subsidy inspection indicator on programme 2
Number of persons in the target market exposed to education programmes on	Implement a borrower, homeownership (Zenzeleni, help-me-buy- a-home scheme)	We will implement all activities under our communication plan this



<b>MTSF Indicator</b>	<b>MTSF contribution by entity</b>	<b>Comments</b>
various aspects of owning and renting a home	and tenant education programme	includes home-owner awareness campaigns
	Monitor and report on the number of persons exposed to education programmes on owning or renting a home	
Transactional Support Programme implemented	Establish a presence in transactional support sites	This is done through enrolment of homes. We have subsidy enrolment indicator on programme 3
	Monitor and report on transaction support programmes	
Consumer protection programmes implemented	Monitor that home building projects within the priority development areas are enrolled	This is done through enrolment of homes. We have subsidy enrolment indicator on programme 3
	Report on number of home building projects and units registered	Database of enrolments is maintained. We have subsidy enrolment indicator on programme 3
	Inspect enrolled home building projects and units to ensure that the prevailing building regulations are observed	We have inspection indicator on programme 2
	Report the number of projects and units inspected	We have inspection indicator on programme 2

<b>MTSF Indicator</b>	<b>MTSF contribution by entity</b>	<b>Comments</b>
	Number of consumer disputes submitted and resolved within 90 days	We ensure disputes are resolved within 90 days and have a dispute resolution indicator on programme 2
Transformation of the residential property market	In collaboration for DHS develop an implementation strategy with targets for the transformation of the residential property sector	
18 000 social housing units delivered	Enrol and inspect social housing projects	Non-subsidy enrolment includes social housing units and explained in the technical indicator description.

### **3. UPDATES TO RELEVANT COURT RULINGS**

None

## **PART B: OUR STRATEGIC FOCUS**

### **1. UPDATED SITUATIONAL ANALYSIS**

Over the past several months, COVID-19 pandemic and emergency health response brought about a severe global economic downturn. Strengthening South Africa's competitiveness in a post-pandemic world will require a new social compact, decisive action to stabilise debt and narrow the budget deficit as well as the determined implementation of reforms to improve the structure of the economy. In combination, these measures will enable millions of South Africans to participate in building a more productive and prosperous society.

The trade in construction materials has been affected by South Africa's prolonged economic stagnation and the ongoing weakness in the building and construction sectors.

Building materials are a key input for residential and commercial building, as well as large civil engineering projects. The construction materials trade, with sales nearing R200bn in 2021, employs over 45,000 people and has important linkages with downstream mining and manufacturing. Players face rising competition and an increasingly challenging trading environment due to low economic growth and the decline of the construction sector.

Building materials retailers have described their operating environment as very challenging and their revenue growth, which averaged over 10% in 2019, has declined markedly in the past two years. Operating margins are under pressure and organic growth at existing stores has fallen due to reduced contractor demand, low building activity, and constrained consumer spending. With the recovery of the construction sector, the demand for building supplies is expected to increase so as competition amongst the material supplies companies.

After recording four consecutive quarters of positive growth, real GDP slumped<sup>1</sup> by 1.5% between July and September 2021, eroding some of the gains the country had made since Covid-19 hit SA in 2020.

Data released by Stats SA in December 2021 attributed the slump to the impact of the July 2021 civil unrest combined with the Covid-19 restrictions amid the third wave of the pandemic.

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<sup>1</sup> StatsSA GDP 3<sup>rd</sup> Quarter 2021 – December 2021

At the end of third quarter of 2021, the level of GDP had regressed to levels similar to first quarter of 2016.

Six of the 10 industries recorded a decline in production in the third quarter, with agriculture, trade and manufacturing the hardest hit.

The agriculture industry recorded its biggest drop in production since 2016, contracting by 13.6% and contributed -0,4% to GDP growth.

Stats SA noted, that together with a decline in the production of animal products, the industry in KwaZulu-Natal was dealt a major blow by the civil disorder in July 2021. Maize, citrus and sugar cane farms recorded losses from fires set during the upheaval.

The trade industry decreased by 5,5% and contributed -0,7% to GDP growth.

The manufacturing industry decreased by 4,2% and contributed -0,5% to GDP growth.

Please see our NHBRC SWOT analysis on the next page:

## NHBRC SWOT analysis:

Strengths	Weaknesses
<ol style="list-style-type: none"> <li>1. Mandate derived from the Act, to regulate home building industry and protect housing consumers</li> <li>2. NHBRC self-funds through revenue generated from own services</li> <li>3. Strong and healthy warranty fund</li> <li>4. High retention rate of critical staff with strong sector experience</li> </ol>	<ol style="list-style-type: none"> <li>1. Inadequate cover for high-value houses</li> <li>2. Limitations within the current legislation impacts the extension of coverage</li> <li>3. Negative perception about NHBRC effectiveness</li> <li>4. Gaps in system integration between critical business units.</li> </ol>
Opportunities	Threats
<ol style="list-style-type: none"> <li>1. Promulgation of the Housing Consumer Protection Bill to improve effectiveness</li> <li>2. Opportunities to extend the service net to cover non-subsidy rural, aging and millennial market segments</li> <li>3. Influence on land acquisitions for Human Settlements</li> <li>4. Identify solutions to service and assess self-taught, limited formal education artisans</li> <li>5. Develop a system for the accreditation of bricklayers</li> <li>6. Build interdepartmental co-operation and alignment in the delivery of services</li> <li>7. In house research partnerships with universities, TVETS and standards bodies</li> <li>8. Introduction of innovative building systems (including 4<sup>th</sup> industrial revolution)</li> <li>9. Empowerment of youth, women and people with disabilities through skills training initiatives</li> </ol>	<ol style="list-style-type: none"> <li>1. Delays in the passing of the new proposed Bill</li> <li>2. Potential increase in claims against NHBRC</li> <li>3. Rapid changes and innovation within the building industry</li> <li>4. Rapid land release programme of government and illegal occupation of land</li> <li>5. Diversion of strategic focus and resources from the core mandate to activities outside NHBRC mandate.</li> <li>6. Declining economic growth</li> <li>7. Covid-19 impact on business operations</li> <li>8. Declining revenues</li> </ol>

## **2. EXTERNAL ENVIRONMENTAL ANALYSIS<sup>2</sup>**

### **Economic performance**

The South African Reserve Bank has forecast economic growth at a low rate of potential growth and GDP is expected to grow by 1.7% in 2022. The deceleration in growth from 2021 to 2022 is primarily a result of the fading rebound from the pandemic and July 2021 unrest, alongside a climbdown from high export prices. GDP growth is forecast to be 1.8% in 2023 and 2.0% in 2024.

More recently, the pandemic has led to job losses and fewer construction projects going ahead because of the hard lockdown.

### **South African construction industry in 2022 Outlook**

As the world continues to weather the ongoing effects of the COVID-19 pandemic. For the construction industry, the pandemic has spurred certain unique and daunting challenges that are, by now, unfortunately, familiar to industry players. These challenges include skyrocketing material prices, supply chain disruptions and labour shortages.

Between 2022 and 2025, South Africa's construction industry is expected to experience an average yearly growth of 3.4%, as the government increases its focus on infrastructure and energy sector investment initiatives.

The project management office (PMO) assists the provincial departments with forensic engineering assessment for blocked projects and projects that have started construction without enrolment. The NHBRC, through its PMO, will continue providing support to the provincial department to conduct forensic engineering assessments.

## **3. INTERNAL ENVIRONMENTAL ANALYSIS**

The Covid-19 pandemic adversely impacted NHBRC in at least four ways:

1. Possibility and uncertainty of further lockdowns
2. Planned inspections, training and enforcement programmes came to standstill
3. Unprecedented number of blocked /failed projects, which affects our revenue
4. Declining revenues

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<sup>2</sup> SA Reserve Bank Quarterly Bulletin – December 2021

The NHBRC is focused on improving the ease of doing business and is aware of the impact of the high costs of running residential construction businesses on our builders. As such, in December 2021, we launched an online registration and renewal pilot project which enables new and existing homebuilders to access NHBRC services from anywhere in the country. This project is being rolled-out in a phased approach to avoid business disruptions with the implementation of the first phase expected by the end of first quarter of 2022/23 financial year.

In addition to these services, the NHBRC is working towards implementing a digital complaints registration platform. This system will simplify and speed up housing consumers dispute registration.

For home builders, we intend to introduce a homebuilder grading system, which will reduce enrolment fees.

### ***NHBRC Footprint and customer centres***

Below are our office locations:

Province	Town
Eastern Cape	<ul style="list-style-type: none"><li>• Port Elizabeth</li><li>• East London</li></ul>
KwaZulu Natal	<ul style="list-style-type: none"><li>• Durban</li><li>• Newcastle</li><li>• Richards Bay</li></ul>
Western Cape	<ul style="list-style-type: none"><li>• Cape Town</li><li>• George</li></ul>
Free State	<ul style="list-style-type: none"><li>• Bloemfontein</li><li>• Bethlehem</li></ul>
Gauteng	<ul style="list-style-type: none"><li>• Tshwane</li><li>• Sunninghill</li></ul>
Limpopo	<ul style="list-style-type: none"><li>• Polokwane</li><li>• Modimolle (Bela Bela)</li><li>• Tzaneen</li><li>• Thulamela</li></ul>
Mpumalanga	<ul style="list-style-type: none"><li>• Nelspruit</li><li>• Emalahleni (Witbank)</li></ul>
North West	<ul style="list-style-type: none"><li>• Rustenburg</li><li>• Klerksdorp</li><li>• Mahikeng</li></ul>
Northern Cape	<ul style="list-style-type: none"><li>• Kimberly</li></ul>

### ***NHBRC Organizational Structure***

In order for the NHBRC to give effect to its strategic objectives for the reporting period 2022/23, the organisation structured itself in such a way that it can be efficient and effective in the delivery of its value final products and its programmes. The NHBRC organizational structure is aimed at enhancing the functioning of the organization.

All these initiatives are essential for us to improve customer satisfaction levels, customer knowledge, operational efficiencies, revenue, brand presence and reputation.



***The NHBRC Strategy is focused around three (3) delivery pillars***

**1. Protecting housing consumers by:**

- Ensuring they know their rights and responsibilities;
- Encouraging them to enrol homes prior to construction;
- Advising on rights to access the Warranty Fund for the repair of structural defects on homes; and
- Resolving their complaints, efficiently and timeously.

**2. Enabling homebuilders to achieve industry standards by:**

- Ensuring they know their rights and obligations;
- Advising them on the legal requirement to register with the NHBRC prior to carrying out any business in the residential property market;
- Empowering them through the provision of ongoing training and assessment opportunities; and
- Providing an inspection service at critical stages of construction.

**3. Regulating and enforcing compliance to building standards by:**

- Participating in the review of policies governing the residential property market;
- Exploring and adoption of new technologies and materials to fast-track housing delivery;
- Enforcing compliance to industry standards and remediating or penalising defaulting homebuilders.

In order to deliver on this strategy, we believe that our organisation must be fit for purpose. Meaning the NHBRC must be operationally excellent; financially sound; live the NHBRC Way and be a values-based organization.

### ***NHBRC Core Business***

The NHBRC core business is to execute the following:

- Registration and Renewal of homebuilders
- Enrolment and Late enrolment of homes in the non-subsidy sector
- Enrolment and Late enrolment of homes in the subsidy sector
- Inspection of subsidy homes and non-subsidy homes
- Geotechnical Investigation
- Forensic investigation
- Dispute resolution
- Conciliation of disputes
- Legal advisory and enforcement of norms and standards

## **PART C: MEASURING OUR PERFORMANCE**

### **1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION**

For the financial year 2022/23 the NHBRC will operate under three programmes which addresses our strategic pillars. The three (3) programmes are Administration, Regulation and Consumer Protection.

The strategic outcomes are aligned to the budget structure and are as follows:

<b>Programme</b>	<b>Strategic outcomes</b>
Administration	<ul style="list-style-type: none"><li>• Functional efficient and integrated governance</li><li>• Financially sustainable organisation to promote economic inclusion</li></ul>
Regulation	<ul style="list-style-type: none"><li>• Adequate Housing and Improved Living Environment</li><li>• Competent homebuilders and technical professionals</li></ul>
Consumer Protection	<ul style="list-style-type: none"><li>• Adequate Housing and Improved Living Environment</li></ul>

## 2. OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

### 2.1 PROGRAMME 1: ADMINISTRATION

Outcome	Outputs	Output Indicators	Audited /Actual performance					Estimated performance	MTEF period		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025		
Functional efficient and integrated government	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with matters of emphasis	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	
	Internal Audit Reports	Percentage implementation of the approved internal audit plan	80% implementation of the approved internal audit plan	Not applicable	85% implementation of the approved internal audit plan	90% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan		
	Anti-Fraud and Corruption Reports	Percentage implementation of the approved anti-fraud and	90% implementation of the approved anti-fraud and	Not applicable	100% implementation of the approved anti-fraud	100% implementation of the approved anti-fraud and	100% implementation of the approved anti-fraud and corruption plan	100% implementation of the approved anti-fraud and corruption plan	100% implementation of the approved anti-fraud and corruption plan		

Outcome	Outputs	Output Indicators	Audited /Actual performance					Estimated performance	MTEF period		
									2022/2023	2023/2024	2024/2025
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025		
		corruption plan	corruption implementation plan		and corruption plan	corruption plan					
	Risk Management Report	Percentage implementation of the approved risk management plan	90% implementation of the approved risk management plan	Not applicable	100% implementation of the approved risk management plan	90% implementation of the approved risk management plan	100% implementation of the approved risk management plan	100% implementation of the approved risk management plan	100% implementation of the approved risk management plan	100% implementation of the approved risk management plan	
	Operating profit > Budget	Operating profit > Budget	Not applicable	Operating profit > Budget	12.6% savings on budgeted expenditure	Not Applicable	10% savings on budgeted expenditure	10% savings on budgeted expenditure	10% savings on budgeted expenditure	10% savings on budgeted expenditure	
Improved Accessibility and Visibility of NHBRC Products	Communication Plan	Percentage implementation of Communication Plan	225 housing consumer stakeholder sessions held at province	100% implementation of Communication Plan	74% implementation of Communication Plan	100% implementation of Communication Plan	100% implementation of Communication Plan	100% implementation of Communication Plan	100% implementation of Communication Plan	100% implementation of Communication Plan	

MTEF 2021-2025										
Outcome	Outputs	Output Indicators	Audited /Actual performance				Estimated performance	MTEF period		
			2018/2019	2019/2020	2020/2021	2021/2022		2022/2023	2023/2024	2024/2025
			and Services							
Financially sustainable organisation promoting economic inclusion	Transformation and empowerment of designated groups	Percentage of annual procurement spent - women	Not applicable	Not applicable	Not applicable	Not applicable	40% of annual procurement spent - women	40% of annual procurement spent - women	40% of annual procurement spent - women	40% of annual procurement spent - women
	Transformation and empowerment of designated groups	Percentage of annual procurement spent - youth	Not applicable	Not applicable	Not applicable	Not applicable	20% of annual procurement spent - youth	20% of annual procurement spent - youth	20% of annual procurement spent - youth	20% of annual procurement spent - youth
	Transformation and empowerment	Percentage of annual procurement spent - people	Not applicable	Not applicable	Not applicable	Not applicable	5% of annual procurement spent - people with disabilities	5% of annual procurement spent - people with disabilities	5% of annual procurement spent - people with disabilities	5% of annual procurement spent - people with disabilities

Outcome	Outputs	Output Indicators	Audited /Actual performance						MTEF period		
									Estimated performance		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025		
	of designated groups	with disabilities									

## 2.2 PROGRAMME 2: REGULATION

Outcomes	Outputs	Output indicator	Audited /Actual performance					Estimated performance	MTEF PERIOD		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023		2023/2024	2024/2025	
Adequate Housing and Improved Living Environment	Registered builders	Number of home builders registered	3,600 homebuilders registered	3,880 homebuilders registered	2,802 homebuilders registered	2,370 homebuilders registered	2,920 homebuilders registered	2,950 homebuilders registered	2,980 homebuilders registered		
	Renewed registrations	Number of registrations renewed	14,117 registrations renewed	14,561 registrations renewed	13,773 homebuilders to renew their registration	9,050 registrations renewed	13,910 registrations renewed	14,000 registrations renewed	14,100 registrations renewed		
	Inspected homes non-subsidy	Percentage of homes inspected – non subsidy	68,009 homes inspected in the non-subsidy sector	22,418 homes inspected in the non-subsidy sector	24,501 homes inspected in the non-subsidy sector	100% of homes inspected– non subsidy	100% of homes inspected– non subsidy	100% of homes inspected– non subsidy	100% of homes inspected– non subsidy		
	Inspected homes subsidy	Percentage of homes inspected - subsidy	76,526 homes inspected in the subsidy sector	27,228 homes inspected in the subsidy sector	23,231 homes inspected in the subsidy sector	100% of homes inspected– subsidy	100% of homes inspected– subsidy	100% of homes inspected– subsidy	100% of homes inspected– subsidy		



Outcomes	Outputs	Output indicator	Audited /Actual performance					Estimated performance	MTEF PERIOD		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023		2023/2024	2024/2025	
	Percentage of Suspensions within 10 working days	Percentage of prosecutable matters suspended within 10 working days	100% of homebuilders suspended on prosecutable matters	95% of prosecutable matters suspended within 10 working days of receipt of instruction	89% of prosecutable matters suspended within 10 working days of receipt of instruction	100% of prosecutable matters suspended within 10 working days of receipt of instruction	100% of prosecutable matters suspended within 10 working days	100% of prosecutable matters suspended within 10 working days	100% of prosecutable matters suspended within 10 working days	100% of prosecutable matters suspended within 10 working days	
	Percentage of Disciplinary Committee set down within 30 working days	Percentage of prosecutable matters set down for hearing before the DC within 30 working days	100% of prosecutable matters set down for hearing before Disciplinary Committee.	57% of prosecutable matters set down for hearing before the DC within 120 working days of suspension OR from date of receipt of instruction	99% of prosecutable matters set down for hearing before the DC within 120 working days from date of approval to prosecute	80% of prosecutable matters set down for hearing before the DC within 120 working days from date of approval to prosecute	100% of prosecutable matters set down for hearing before the DC within 30 working days	100% of prosecutable matters set down for hearing before the DC within 30 working days	100% of prosecutable matters set down for hearing before the DC within 30 working days	100% of prosecutable matters set down for hearing before the DC within 30 working days	

Outcomes	Outputs	Output indicator	Audited /Actual performance					Estimated performance	MTEF PERIOD		
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023		2023/2024	2024/2025	
Competent homebuilders and technical professionals	Disputes resolved	Percentage of disputes resolved	Not applicable	Not applicable	99% disputes resolved within 90 days	90% disputes resolved within 90 days	100% disputes resolved within 90 days	100% disputes resolved within 90 days	100% disputes resolved within 90 days	100% disputes resolved within 90 days	
	Trained builders	Number of homebuilders trained	2,541 homebuilders trained	3,145 homebuilders trained	2,823 homebuilders trained	1,700 homebuilders trained	2,000 homebuilders trained	2,300 homebuilders trained	2,500 homebuilders trained		
	Trained youth	Number of Youth trained	2,184 Youth trained	2,214 Youth trained	2,281 Youth trained	1,500 Youth trained	1,600 Youth trained	1,800 Youth trained	2,000 Youth trained		
	Trained women	Number of Women trained	2,042 Women trained	2,021 Women trained	2,270 Women trained	1,400 Women trained	1,800 Women trained	2,000 Women trained	2,200 Women trained		
	Trained military veterans	Number of Military veterans trained	262 Military Veterans trained	385 Military Veterans trained	171 Military Veterans trained	100 Military Veterans trained	150 Military Veterans trained	200 Military Veterans trained	220 Military Veterans trained		
	Trained people with disabilities	Number of people with disabilities trained	219 people with disabilities trained	384 people with disabilities trained	314 people with disabilities trained	200 people with disabilities trained	200 people with disabilities trained	250 people with disabilities trained	280 people with disabilities trained		

Outcomes	Outputs	Output indicator	Audited /Actual performance					Estimated performance	MTEF PERIOD			
			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023		2023/2024	2024/2025		
			602 Technical professionals trained	891 Technical professionals trained	733 Technical professionals trained	690 Technical professionals trained	700 Technical professionals trained	750 Technical professionals trained	800 Technical professionals trained	700 Artisans trained		
	Trained technical professionals	Number of Technical professionals trained	441 Artisans trained	514 Artisans trained	600 Artisans trained	600 Artisans trained	600 Artisans trained	650 Artisans trained	700 Artisans trained			

### 2.3 PROGRAMME 3: CONSUMER PROTECTION

Outcomes	Outputs	Output Indicators	Audited /Actual performance					Estimated performance	MTEF PERIOD			
								2021/2022	2022/2023	2023/2024	2024/2025	
			2018/2019	2019/2020	2020/2021							
Adequate Housing and Improved Living Environment	Compliant enrolments subsidy	Percentage of enrolment applications approved - Subsidy	76,526 subsidy homes enrolled	69,761 homes enrolled in the subsidy sector	100% of compliant enrolment applications approved within 15 working days from date of receipt - subsidy	100% of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy		
	Compliant enrolments subsidy	Percentage of subsidy project enrolment applications approved	N/A	N/A	N/A	100% subsidy project enrolment applications approved	100% subsidy project enrolment applications approved	100% subsidy project enrolment applications approved	100% subsidy project enrolment applications approved			
	Compliant enrolments subsidy non-subsidy	Percentage of enrolment applications approved – Non subsidy	51,585 homes enrolled in the non-subsidy	48,166 homes enrolled in the non-subsidy sector	100% of compliant enrolment applications approved within 15 working	100% of enrolment applications approved – non subsidy	100% of enrolment applications approved – non subsidy	100% of enrolment applications approved – non subsidy	100% of enrolment applications approved – non subsidy			

Outcomes	Outputs	Output Indicators	Audited /Actual performance				Estimated performance	MTEF PERIOD		
						2021/2022		2022/2023	2023/2024	2024/2025
			2018/2019	2019/2020	2020/2021					
					days from date of receipt – non subsidy					
Greenhouse gas emission reduction	Constructed Green First-ZERO energy model house	Construction of Green First zero energy-based model house	Not application	50% completion of a design of a green edge rated IBT house	Criteria that meets the “Green First- Zero energy model house adopted	Appointment of a contractor to construct the “Green First, Zero Energy model house Design	Construction of Green First zero energy-based model house	Evaluation and monitoring of constructed Green First Zero energy model house against set criteria and share the results with the sector.	Not applicable	

### 3. OUTPUT INDICATORS: ANNUAL AND QUARTERLY TARGETS

#### 3.1 PROGRAMME 1: ADMINISTRATION

Output Indicators	Annual targets	Quarterly targets			
		1st	2nd	3rd	4th
Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Not applicable	Unqualified audit opinion with no material findings	Not applicable	Not applicable
Percentage implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	25% implementation of the approved internal audit plan	50% implementation of the approved internal audit plan	75% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan
Percentage implementation of the approved anti-fraud and corruption plan	100% implementation of the approved anti-fraud and corruption plan	25% implementation of the approved anti-fraud and corruption plan	50% implementation of the approved anti-fraud and corruption plan	75% implementation of the approved anti-fraud and corruption plan	100% implementation of the approved anti-fraud and corruption plan
Percentage implementation of the approved risk management plan	100% implementation of the approved risk management plan	30% implementation of the approved risk management plan	50% implementation of the approved risk management plan	70% implementation of the approved risk management plan	100% implementation of the approved risk management plan
Percentage savings on budgeted expenditure	10% savings on budgeted expenditure	10% savings on budgeted expenditure	10% savings on budgeted expenditure	10% savings on budgeted expenditure	10% savings on budgeted expenditure
implementation of Communication Plan	100% implementation of Communication Plan	15% implementation of Communication Plan	50% implementation of Communication Plan	85% implementation of Communication Plan	100% implementation of Communication Plan
Percentage of annual procurement	40% of annual procurement	40% of annual procurement spent – women	40% of annual procurement spent – women	40% of annual procurement spent – women	40% of annual procurement spent – women

Output Indicators	Annual targets	Quarterly targets			
		1st	2nd	3rd	4th
spent-women	spent – women				
Percentage of annual procurement spent - youth	20% of annual procurement spent - youth	20% of annual procurement spent - youth	20% of annual procurement spent - youth	20% of annual procurement spent - youth	20% of annual procurement spent - youth
Percentage of annual procurement spent - people with disabilities	5% of annual procurement spent - people with disabilities	5% of annual procurement spent - people with disabilities	5% of annual procurement spent - people with disabilities	5% of annual procurement spent - people with disabilities	5% of annual procurement spent - people with disabilities

### 3.2 PROGRAMME 2: REGULATION

Output Indicators	Annual targets	Quarterly targets			
		1st	2nd	3rd	4 <sup>th</sup>
Number of home builders registered	2,920 homebuilders registered	876 homebuilders registered	876 homebuilders registered	584 homebuilders registered	584 homebuilders registered
Number of registrations renewed	13,910 registrations renewed	4,173 registrations renewed	4,173 registrations renewed	2,782 registrations renewed	2,782 registrations renewed
Percentage of homes inspected-non subsidy	100% of homes inspected-non subsidy	100% of homes inspected-non subsidy	100% of homes inspected-non subsidy	100% of homes inspected-non subsidy	100% of homes inspected-non subsidy
Percentage of homes inspected-subsidy	100% of homes inspected-subsidy	100% of homes inspected-subsidy	100% of homes inspected-subsidy	100% of homes inspected-subsidy	100% of homes inspected-subsidy
Percentage of prosecutable matters suspended within 10 working days	100% of prosecutable matters suspended within 10 working days	100% of prosecutable matters suspended within 10 working days	100% of prosecutable matters suspended within 10 working days	100% of prosecutable matters suspended within 10 working days	100% of prosecutable matters suspended within 10 working days
Percentage of prosecutable matters set	100% of prosecutable matters set	100% of prosecutable matters set	100% of prosecutable matters set	100% of prosecutable matters set	100% of prosecutable matters set

Output Indicators	Annual targets	Quarterly targets			
		1st	2nd	3rd	4 <sup>th</sup>
matters set down for hearing before the DC within 30 working days	down for hearing before the DC within 30 working days	down for hearing before the DC within 30 working days	down for hearing before the DC within 30 working days	down for hearing before the DC within 30 working days	down for hearing before the DC within 30 working days
Percentage of disputes resolved	100% disputes resolved within 90 days	100% disputes resolved within 90 days	100% disputes resolved within 90 days	100% disputes resolved within 90 days	100% disputes resolved within 90 days
Number of homebuilders trained	2,000 homebuilders trained	400 home builders trained	600 home builders trained	400 home builders trained	600 home builders trained
Number of Youth trained	1,600 Youth trained	300 youth trained	500 youth trained	300 youth trained	500 youth trained
Number of Women trained	1,800 Women trained	400 women trained	500 women trained	400 women trained	500 women trained
Number of Military veterans trained	150 Military Veterans trained	30 military veterans trained	45 military veterans trained	30 military veterans trained	45 military veterans trained
Number of people with disabilities trained	200 people with disabilities trained	25 people with disabilities trained	75 people with disabilities trained	25 people with disabilities trained	75 people with disabilities trained
Number of Technical professionals trained	700 Technical professionals trained	100 technical professionals trained	250 technical professionals trained	100 technical professionals trained	250 technical professionals trained
Number of Artisans trained	600 Artisans trained	No training planned	300 artisans trained	No training planned	300 artisans trained



### 3.3 PROGRAMME 3: CONSUMER PROTECTION

Outcome indicators	Annual target	Quarterly targets			
		1st	2nd	3rd	4th
Percentage of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy	100% of enrolment applications approved - Subsidy
Percentage of subsidy project enrolment applications approved	100% subsidy project enrolment applications approved	100% subsidy project enrolment applications approved	100% subsidy project enrolment applications approved	100% subsidy project enrolment applications approved	100% subsidy project enrolment applications approved
Percentage of enrolment applications approved – non subsidy	100% of enrolment applications approved – non subsidy	100% of enrolment applications – non subsidy	100% of enrolment applications – non subsidy	100% of enrolment applications – non subsidy	100% of enrolment applications – non subsidy
Construction of Green First zero energy-based model house	Construction of Green First zero energy-based model house	N/A	N/A	N/A	Constructed Green First zero energy-based model house

## 4. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

By the end of 2024/2025 the NHBRC plans to have improved costs; internal efficiencies; and a sustainable warranty fund. This will be done through a phased approach over the 5-year period. This is an effort to broaden access to our services in rural and urban areas in equitable measures.

Even though our registrations are declining in line with the declining construction sector, we plan to resolve all disputes lodged within 90 working days progressively throughout the period.

The NHBRC will provide a database of all trained personnel within the designated groups to the Department of Human Settlements to be absorbed into subsidy projects.

In supporting the Minister's priorities to provide quality homes, NHBRC will introduce a faster turnaround time for projects enrolments. We will ensure all applications with complete documentation are enrolled within 15 working days.

NHBRC offers forensic assessments on blocked or incomplete projects to provincial departments and municipalities to assess the structural integrity of subsidy houses before construction re-commences, this will ensure that rectifications are minimised. In addition, the NHBRC inspectorate team will continue to work closely with the provincial departments and municipalities when conducting inspections and where we identify technical non-compliances, a report will be supplied to officials for remedial action.

In keeping in line with our heightened efforts to promote compliance, NHBRC will ensure all prosecutable matters are dealt with speedily. Prosecutable matters refer to cases where NHBRC pursues formal charges against a homebuilder or any person who is found to be in contravention of the Housing Consumers Protection Act either by building a residential house without an enrolment certificate, failure to comply with the NHBRC technical standards or in breach of NHBRC code of conduct. These matters are presented to the NHBRC Disciplinary Committee which decides on the offender penalty.

The construction of a Green Zero-Energy Model house aims to address issues related to regulation and compliance enforcement of building standards by exploring and adopting new technologies and materials. To achieve this mandate, the NHBRC has resolved to promote the use and uptake of Innovative Building Technologies (IBT) within the human settlements sector, and to ensure houses built using IBT systems comply with NHBRC technical requirements, National Building Regulations and Agrément South Africa performance criteria. The Green Zero-Energy Model house construction project tests linkages between social, market and environmental spheres. The intention is to address the health and safety issues, climate change threats, promote social upliftment, market adoption and reduction of residential house construction costs.

The Broad-Based black Economic Empowerment (BBBEE) targets for 2022/23 are aligned to the Economic Recovery and Reconstruction Plan and Sector Economic Empowerment and Enterprise Development Programme for NHBRC designated groups are as follows:

- Spend on women owned entities: 40%

- Spend on youth owned entities: 20%
- Spend on disabled owned entities: 5%

NHBRC will provide youth graduate internship opportunities to 50 interns in 2022/23 financial year. These graduates will be employed at various internal business units and construction sites as support for quality assurance. This is in addition, to training programmes for youth, women and people with disabilities aimed at promoting participation in human settlements sector and beneficiaries will be earmarked for exit opportunities within Housing Development Agency (HDA) construction projects.

In this financial year, we will provide 600 bursaries to TVET learners through the NHBRC Artisans Development Programme. This programme is aimed at upskilling talent and supporting youth in gaining relevant work experience and enhance chances of getting employment.

The NHBRC Women Empowerment Programme will target 100 women contractors with business support and mentorship programmes.

## 5. PROGRAMME RESOURCE CONSIDERATIONS

Overview of 2022/23 and MTEF (Medium Term Expenditure Framework) estimates

<b>Sub Programmes</b>	<b>Audited Outcome</b>			<b>Medium-term estimates</b>			
<b>R thousand</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Administration	238 898	296 247	279 681	288 996	277 836	278 653	281 872
Regulation	332 223	348 709	289 363	281 003	298 062	298 940	302 393
Protection	180 841	219 495	179 157	191 273	259 681	260 446	263 454
	<b>751 962</b>	<b>864 451</b>	<b>748 200</b>	<b>761 271</b>	<b>835 580</b>	<b>838 039</b>	<b>847 719</b>
<b>Economic Classification</b>	<b>Audited Outcome</b>			<b>Medium-term estimates</b>			
<b>R thousand</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Current expenses</b>	<b>751 962</b>	<b>864 451</b>	<b>748 200</b>	<b>761 271</b>	<b>835 580</b>	<b>838 039</b>	<b>847 719</b>
Compensation of employees	485 738	534 445	483 713	502 691	550 283	550 283	550 283
Goods and services	266 224	330 006	264 487	258 581	285 296	287 755	297 436
Interest, dividends and rent on land	–	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>751 962</b>	<b>864 451</b>	<b>748 200</b>	<b>761 271</b>	<b>835 580</b>	<b>838 039</b>	<b>847 719</b>

## 6. UPDATED KEY RISKS AND MITIGATION FROM THE SP

Outcome	Key risks	Risk mitigations
<b>Functional, efficient and integrated governance</b>	<ul style="list-style-type: none"> <li>• Lack of proper systems and processes</li> <li>• Fraud and corruption</li> <li>• Impact of COVID-19 on operations</li> <li>• Slowing down of risk/fraud plans implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Development of online systems and continuous improvement of processes</li> <li>• Drive fraud and anti-corruption campaigns</li> <li>• Implementation of risk/fraud plans.</li> </ul>
<b>Improved accessibility and visibility of NHBRC products and services</b>	<ul style="list-style-type: none"> <li>• Declining performance of construction sector affects pool of housing consumers</li> <li>• Covid-19 restrictions limits the number of in-person consumer awareness programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Planning in line with the sector growth projections</li> <li>• Our targets considered the impact of COVID-19 business disruption</li> <li>• Development and implementation an online training system/platform</li> </ul>
<b>Financially sustainable organisation promoting economic inclusion</b>	<ul style="list-style-type: none"> <li>• Declining performance of construction sector affects NHBRC revenues</li> <li>• Poor corporate governance</li> <li>• Covid-19 impact on economy affects an already ailing residential property development market appetite, which in turn affects our revenues</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of operational cost savings measures</li> <li>• Developed a risk management strategy to address corporate governance. Monitoring done quarterly through the quarterly report</li> <li>• Our planning considered sector targets and impact of Covid-19 on business</li> </ul>
<b>Adequate Housing and Improved Living Environment</b>	<ul style="list-style-type: none"> <li>• Ensuring regulatory compliance is expensive and the declining revenues poses a risk to execution of this mandate</li> </ul>	<ul style="list-style-type: none"> <li>• Inspection of homes and enhanced quality assurance.</li> <li>• New standard operating procedures designed and implemented to cater for covid-19 regulations</li> </ul>

	<ul style="list-style-type: none"> <li>Impact of COVID-19 on operations</li> </ul>	
<b>Competent homebuilders and technical professionals</b>	<ul style="list-style-type: none"> <li>Home builder training is expensive, and the declining revenues poses a risk to execution of this mandate</li> <li>Impact of COVID-19 on operations</li> </ul>	<ul style="list-style-type: none"> <li>Approved budgets in line with the required number of homebuilders to be trained.</li> <li>New standard operating procedures designed and implemented that caters for covid-19 regulations.</li> </ul>
<b>Greenhouse gas emission reduction</b>	<ul style="list-style-type: none"> <li>Insufficient funding for research agenda</li> </ul>	<ul style="list-style-type: none"> <li>Budget reprioritization to be done to fund the shortfall.</li> </ul>

## 7. PUBLIC ENTITIES

Name of public entity	Mandate	Outcomes	Current annual budget
N/A			

## 8. INFRASTRUCTURE PROJECTS

N/A

## 9. PUBLIC-PRIVATE PARTNERSHIPS (PPPS)

PPP title	Purpose	Outputs	Current value of agreement	End date of agreement	
N/A					

## PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDS)

### 1. PROGRAMME 1: ADMINISTRATION

Unqualified audit opinion with no material findings

Indicator title	Unqualified audit opinion with no material findings
<b>Definition</b>	It is the opinion expressed by the Auditor-General of South Africa (AGSA) on the annual report after assessing the financial statements of the organisation. This takes place at the end of the financial year after performance is reviewed against predetermined objectives outlined in the budget, strategic & annual plan documents.
<b>Source of data</b>	Audit report in the annual report of the prior financial year Approved standard operating procedure
<b>Method of calculation or assessment</b>	Audit opinion expressed in the annual report issued in the reporting year
<b>Means of verification</b>	Audit report in the annual report Annual Financial statements
<b>Assumptions</b>	Adherence to good governance by all employees and Council Compliance to approved policies Compliance to National Treasury and other relevant regulations.
<b>Disaggregation of beneficiaries (where applicable)</b>	N/A
<b>Spatial transformation (where applicable)</b>	n/a

<b>Indicator title</b>	<b>Unqualified audit opinion with no material findings</b>
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annually
<b>Desired performance</b>	Achieve unqualified audit opinion from AGSA
<b>Indicator responsibility</b>	Chief Financial Officer

#### **Percentage implementation of the approved internal audit plan**

<b>Indicator title</b>	<b>Percentage implementation of the approved internal audit plan</b>
<b>Definition</b>	Management will on an annual basis formulate an internal audit plan which focuses on potential problem areas to ensure that the risk exposure is minimised. The audit plan is done to ensure audits are conducted within the approved budget and completed expeditiously.
<b>Source of data</b>	Information sourced from business units and external audits reports Enrolment files Inspection report Enrolment reports Tender documents or any other information deemed sufficient for specific audit
<b>Method of calculation or assessment</b>	Total number of activities implemented/ total number of planned activities for the financial year X 100
<b>Means of verification</b>	Approve internal audit reports
<b>Assumptions</b>	Unrestricted access to records Availability of personnel Cooperation and support from business units and stakeholders Quality of information and records



<b>Indicator title</b>	<b>Percentage implementation of the approved internal audit plan</b>
<b>Disaggregation of beneficiaries (where applicable)</b>	Not applicable
<b>Spatial transformation (where applicable)</b>	Not applicable
<b>Desired performance</b>	100% of audits completed as per approved audit plan which will result in reasonable assurance to management on the adequacy and effectiveness of the system of internal controls, risk management and governance processes.
<b>Calculation Type</b>	Cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Indicator responsibility</b>	Chief Audit Executive

#### **Percentage implementation of the approved anti-fraud and corruption plan**

<b>Indicator Title</b>	<b>Percentage implementation of the approved anti-fraud and corruption plan</b>
<b>Definition</b>	Implementation of approved anti-fraud and corruption plan. Activities in the plan include fraud investigations, facilitating fraud prevention projects and awareness and assisting in forensic assignments as required.
<b>Source of data</b>	Approved anti-fraud and corruption plan\Progress reports
<b>Method of calculation / Assessment</b>	Total number of activities implemented/ total number of planned activities for the financial year X 100
<b>Means of verification</b>	Progress reports on anti-fraud and corruption
<b>Assumptions</b>	Unrestricted access to records Availability of personnel

<b>Indicator Title</b>	<b>Percentage implementation of the approved anti-fraud and corruption plan</b>
	Cooperation and support from stakeholders (e.g. business units and provinces).
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Calculation Type</b>	Cumulative (Year to date)
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	Implement all activities in the approved anti-fraud and corruption implementation plan.
<b>Indicator responsibility</b>	Chief Risk Officer

#### **Percentage implementation of the approved risk management plan**

<b>Indicator Title</b>	<b>Percentage implementation of the approved risk management plan</b>
<b>Definition</b>	Risk management implementation plan is aligned to risk management strategy and unpacks specific risk management activities which will be implemented for particular year including responsible persons, resources required and targets dates.
<b>Source of data</b>	Departmental Annual Performance Plans will be used as a source to confirm outcomes in which strategic risks needs to be identified. Risk management methodology embedded in the risk identification template will be used as the source to facilitate completion of strategic risk register. Risk monitoring tool to be used for monitoring actions identified in the strategic risk register.

<b>Indicator Title</b>	<b>Percentage implementation of the approved risk management plan</b>
	Data will be collected from provincial offices and updated in the risk register. The approved strategic risk register will be used as a source for the approved strategic risks including key risks.
<b>Method of calculation / Assessment</b>	Total number of activities implemented/ total number of planned activities for the financial year X 100
<b>Means of verification</b>	Approved risk management plan Progress report Risk registers
<b>Assumptions</b>	Complete, accurate, timeous risk information and co-operation from internal stakeholders (Risk Champions and Risk Owners).
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Reporting cycle</b>	Cumulative (Year to date)
<b>Desired performance</b>	100% of the approved risk management plan implemented
<b>Indicator responsibility</b>	Chief Risk Officer

### Percentage savings on budgeted expenditure

Indicator title	Percentage savings on budgeted expenditure
<b>Definition</b>	To implement measures to reduce costs of conducting business. Business units are required to spend less than the budgeted expenditure to save money while not compromising quality.
<b>Source of data</b>	Management reports
<b>Method of calculation or assessment</b>	Expenditure incurred must be only 90% and less of the budget and the balance will be desired savings
<b>Means of verification</b>	Income statement actual expenditure compared to budgeted expenditure as a percentage.
<b>Assumptions</b>	Business units to adhere to set budgets Favourable economy
<b>Disaggregation of beneficiaries (where applicable)</b>	N/A
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	On average per quarter, achieve pre-specified target. This is not a cumulative target
<b>Reporting Cycle</b>	Quarterly and annually
<b>Desired performance</b>	Higher than the target
<b>Indicator responsibility</b>	Chief Financial Officer

### Percentage implementation of communication plan

Indicator title	Percentage implementation of communication plan
<b>Definition</b>	To measure progress of all activities planned in the communication plan. These activities include nationwide housing consumers and stakeholder

<b>Indicator title</b>	<b>Percentage implementation of communication plan</b>
	awareness campaigns and road shows to educate them about their rights and obligations. NHBRC uses different media campaigns including face to face engagements, print, TV, radio and digital platforms.
<b>Source of data</b>	Communication plan
<b>Method of calculation or assessment</b>	Total number of activities implemented/ total number of planned activities for the period X 100
<b>Means of verification</b>	Approved communication plan Progress report
<b>Assumptions</b>	Availability of approved budgets. Availability of media space as per our strategy. Ability of third parties / partners to meet agreed-to deliverables
<b>Disaggregation of beneficiaries (where applicable)</b>	Service provider will target companies owned by women, youth, and people with disabilities
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Cumulative (Year to date)
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	100% communication plan implemented
<b>Indicator responsibility</b>	Head of Marketing/Communication

### Percentage of annual procurement spent - women

Indicator title	Percentage of annual procurement spent - women
<b>Definition</b>	This indicator measures the percentage of the NHBRC's annual procurement spent on businesses owned by women. The NHBRC will procure 40% of products & services from businesses whose 51% shareholders is owned by women. The awarding of such contracts will be done through competitive bidding processes using the Central Supplier Database (CSD).
<b>Source of data</b>	Input information from suppliers awarded contracts. Data collected from the ERP system.
<b>Method of calculation or assessment</b>	Total amount of discretionary spend paid to businesses owned by women within a specific period divided by the total amount of discretionary spend paid to all service providers for the same period multiply by 100.
<b>Means of verification</b>	Supplier payment report Database of accredited suppliers
<b>Assumptions</b>	Businesses owned by women registered on the National CSD database.
<b>Disaggregation of beneficiaries (where applicable)</b>	Annual Target for Women – 40%
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and Yearly
<b>Desired performance</b>	Achievement of the 2022/23 APP target of 40% of annual procurement spent, targeted at businesses owned by women

<b>Indicator title</b>	<b>Percentage of annual procurement spent - women</b>
<b>Indicator responsibility</b>	Manager: Social Transformation

#### Percentage of annual procurement spent - youth

<b>Indicator title</b>	<b>Percentage of annual procurement spent - youth</b>
<b>Definition</b>	This indicator measures the percentage of the NHBRC's annual procurement spent on businesses owned by youth. The NHBRC will procure 20% of products & services from businesses whose 51% shareholders is owned by youth. The awarding of such contracts will be done through competitive bidding processes using the Central Supplier Database (CSD).
<b>Source of data</b>	Input information from suppliers awarded contracts. Data collected from the ERP system.
<b>Method of calculation or assessment</b>	Total amount of discretionary spend paid to businesses owned by youth within a specific period divided by the total amount of discretionary spend paid to all service providers for the same period multiply by 100.
<b>Means of verification</b>	Supplier payment report Database of accredited suppliers
<b>Assumptions</b>	Businesses owned by youth registered on the National CSD database.
<b>Disaggregation of beneficiaries (where applicable)</b>	Annual Target for youth – 20%
<b>Spatial transformation (where applicable)</b>	N/A

<b>Indicator title</b>	<b>Percentage of annual procurement spent - youth</b>
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and Yearly
<b>Desired performance</b>	Achievement of the 2022/23 APP target of 20% of annual procurement spent, targeted at businesses owned by youth
<b>Indicator responsibility</b>	Manager: Social Transformation

#### **Percentage of annual procurement spent - people with disabilities**

<b>Indicator title</b>	<b>Percentage of annual procurement spent - people with disabilities</b>
<b>Definition</b>	This indicator measures the percentage of the NHBRC's annual procurement spent on businesses owned by people with disabilities. The NHBRC will procure 5% of products & services from businesses whose 51% shareholders is owned by people with disabilities. The awarding of such contracts will be done through competitive bidding processes using the Central Supplier Database (CSD).
<b>Source of data</b>	Input information from suppliers awarded contracts. Data collected from the ERP system.
<b>Method of calculation or assessment</b>	Total amount of discretionary spend paid to businesses owned by people with disabilities within a specific period divided by the total amount of discretionary spend paid to all service providers for the same period multiply by 100.
<b>Means of verification</b>	Supplier payment report Database of accredited suppliers



<b>Indicator title</b>	<b>Percentage of annual procurement spent - people with disabilities</b>
<b>Assumptions</b>	Businesses owned by people with disabilities registered on the National CSD database.
<b>Disaggregation of beneficiaries (where applicable)</b>	Annual Target for People with disabilities– 5%
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and Yearly
<b>Desired performance</b>	Achievement of the 2022/23 APP target of 5% of annual procurement spent, targeted at businesses owned by People with disabilities
<b>Indicator responsibility</b>	Manager: Social Transformation

## 2. PROGRAMME 2: REGULATION

### Number of homebuilders registered

Indicator title	Number of homebuilders registered
<b>Definition</b>	Registration includes evaluation for technical, financial, managerial competence of the homebuilder and payment of prescribed registration fees in order to obtain a license to trade in the sector. Homebuilders wishing to obtain NHBRC certificate are required to submit NHBRC application with supporting documents, pay prescribed non-refundable registration fee, undertake technical assessment and pass it according to the prescribed minimum score, pay annual fee and obtain NHBRC certificate valid for 1 year from date of issue. A compliant homebuilder will be the builder who complied with all the registrations requirements and obtained NHBRC membership certificate.
<b>Source of data</b>	Customer Relations Management (CRM) report
<b>Method of calculation/Assessment</b>	Number of certificates issued to newly registered homebuilders.
<b>Means of verification</b>	System generated report Registered homebuilder's report
<b>Assumptions</b>	Homebuilders will apply to register with the NHBRC. Technical Managers will pass the technical assessments. Homebuilders will pay registration and annual fees.

Indicator title	Number of homebuilders registered
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Quarterly and annually
Desired performance	2,920 new homebuilders registered
Indicator responsibility	Executive Manager: Business Services

#### Number of registrations renewed

Indicator title	Number of registrations renewed
Definition	Annual renewal of homebuilder registrations which includes verification of material changes from initial registration with regards to technical, managerial competence and contact details. Registered homebuilders are required to submit a renewal form, update personal/company details, pay prescribed annual fee, undertake technical assessment where technical manager has changed and obtain new certificate valid for a period of one year from the expiry date of the previous certificate
Source of data	CRM system
Method of calculation/assessment	Number of renewal certificates issued homebuilders
Means of verification	System generated report
Assumptions	Homebuilders will submit renewal applications. Homebuilders will pay annual fees.
Disaggregation of beneficiaries (where applicable)	N/A

<b>Indicator title</b>	<b>Number of registrations renewed</b>
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	13,910 home-builders membership renewed
<b>Indicator responsibility</b>	Executive Manager: Business Services

#### **Percentage of homes inspected – non subsidy**

<b>Indicator title</b>	<b>Percentage of homes inspected – non subsidy</b>
<b>Definition</b>	<p>This indicator measures the percentage of enrolled homes inspected in the non-subsidy sector as per Section 3(h) of Act 95/1998 (as amended), and as per Rule 11(10)(b) of the Regulations to this Act.</p> <p>Inspections will be conducted to confirm compliance with the prescribed NHBRC technical requirements as per the NHBRC Home Building Manual.</p> <p>NHBRC will cover the following four inspection stages during the inspection process: Sub-structure, Super-structure, Practical Completion and Storm Water.</p> <p>The outcome of the inspection process is to ensure that all structural elements in enrolled homes, will comply with the NHBRC technical requirements.</p> <p>Homes under-construction are determined by the request from homebuilders for first inspection which is mandatory.</p> <p>Only enrolled homes will be inspected as unenrolled homes are in contravention of the Act</p>

<b>Indicator title</b>	<b>Percentage of homes inspected – non subsidy</b>
<b>Source of data</b>	The inspection information is collected by NHBRC Inspectors and captured into the QM (Mobile Solution) system. Builder quality index for homes (BQIH) form is used to record the inspection information.
<b>Method of calculation or assessment</b>	The total number of homes inspected divided by the total number of homes under-construction multiply by 100
<b>Means of verification</b>	List of enrolled homes inspected
<b>Assumptions</b>	Home builder will be registered with the NHBRC Homes will be enrolled Homes will be constructed Homes will comply with NHBRC technical requirements
<b>Disaggregation of beneficiaries (where applicable)</b>	N/A
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	100%of enrolled homes in non-subsidy inspected
<b>Indicator responsibility</b>	Executive Manager: Business Services

#### **Percentage of homes inspected - subsidy**

<b>Indicator title</b>	<b>Percentage of homes inspected - subsidy</b>
<b>Definition</b>	This indicator measures the percentage of enrolled homes inspected in the subsidy sector as per Section 3(h) of Act 95/1998 (as

Indicator title	Percentage of homes inspected - subsidy
	<p>amended), and as per Rule 11(10)(b) of the Regulations to this Act.</p> <p>Inspections will be conducted to confirm compliance with the prescribed NHBRC technical requirements as per the NHBRC Home Building Manual.</p> <p>NHBRC will cover the following four inspection stages during the inspection process: Sub-structure, Super-structure, Practical Completion and Storm Water.</p> <p>The outcome of the inspection process is to ensure that all structural elements in enrolled homes, will comply with the NHBRC technical requirements.</p> <p>Homes under-construction are determined by the request from homebuilders for first inspection which is mandatory.</p> <p>Only enrolled homes will be inspected as unenrolled homes are in contravention of the Act.</p>
<b>Source of data</b>	<p>The inspection information is collected by NHBRC Inspectors and captured into the QM (Mobile Solution) system.</p> <p>Builder quality index for homes (BQIH) form is used to record the inspection information.</p>
<b>Method of calculation or assessment</b>	<p>The total number of homes inspected divide by the total number of homes under-construction multiply by 100</p>
<b>Means of verification</b>	<p>List of enrolled homes inspected</p>
<b>Assumptions</b>	<p>Home builder will be registered with the NHBRC</p> <p>Homes will be enrolled</p> <p>Homes will be constructed</p>

<b>Indicator title</b>	<b>Percentage of homes inspected - subsidy</b>
	Homes will comply with NHBRC technical requirements
<b>Disaggregation of beneficiaries (where applicable)</b>	N/A
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	100%
<b>Indicator responsibility</b>	Executive Manager: Business Services

### Percentage of prosecutable matters suspended within 10 working days

Indicator title	Percentage of prosecutable matters suspended within 10 working days
Definition	The homebuilder must be given notice of intention to suspend their registration and an opportunity to give reasons why their registration should not be suspended. The homebuilder's registration must be suspended if they fail to respond or to provide valid reasons why their registration should not be suspended, and the organisation is of the opinion that there are reasonable prospects of successful prosecution. 100% of prosecutable matters must be suspended within 10 working days of instruction from prosecutor
Source of data	Provincial offices email or hand deliver information to the Paralegal in central office and is contained in the suspension database
Method of calculation or assessment	Total number of prosecutable matters suspended within 10 working days divide by the total number of prosecutable matters suspended multiply by 100.
Means of verification	Report of suspended homebuilders
Assumptions	Notice of non-compliance will be issued
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Reporting cycle	Quarterly and Annually
Desired performance	Zero suspensions
Indicator responsibility	Executive Manager: Legal, Compliance and Enforcement



**Percentage of prosecutable matters set down for hearing before the DC within 30 working days**

Indicator title	Percentage of prosecutable matters set down for hearing before the DC within 30 working days
Definition	<p>The disciplinary process is initiated by sending a Charge Letter, a Charge Sheet, an Affidavit and a Plea to the homebuilder. Summons are issued for the homebuilder and witnesses to appear before the Disciplinary Committee after obtaining a suitable hearing date in consultation with Secretariat.</p> <p>100% of prosecutable matters must be set down for hearing before Disciplinary Committee (DC) within 30 working days from date of signature of summons by the CEO</p>
Source of data	The information comes from provincial offices and it is emailed, or hand delivered to the Paralegal in central office and it is contained in the DC database.
Method of calculation or assessment	Total number of prosecutable matters set down for hearing before the Disciplinary Committee (DC) within 30 working days divide by the total number of prosecutable matters set down for hearing before the Disciplinary Committee (DC) multiply by 100.
Means of verification	DC roll
Assumptions	The Disciplinary Committee will not cancel or postpone
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation Type	Non-cumulative

<b>Indicator title</b>	<b>Percentage of prosecutable matters set down for hearing before the DC within 30 working days</b>
Reporting cycle	Quarterly
Desired performance	100% of all prosecutable matters must be set for hearing before DC within 30 working days
Indicator responsibility	Executive Manager: Legal Compliance and Enforcement

#### **Percentage of disputes resolved**

<b>Indicator title</b>	<b>Percentage of disputes resolved</b>
Definition	<p>Housing Consumers whose homes are enrolled with the NHBRC can lodge a complaint against the homebuilder who fails to rectify defects or respond to their complaints.</p> <p>Complaints are lodged by the Housing Consumers by completing the complaints form at the NHBRC provincial offices.</p> <p>The NHBRC facilitate complaint between homebuilder and Housing Consumer.</p> <p>Where homebuilder fails to rectify structural complain, the NHBRC will appoint a service provider to do the repairs using the warranty funds and money spent will be claimed from the defaulting homebuilder.</p> <p>100% of disputes reported to the NHBRC must be resolved with 90 working days.</p> <p>Resolved means that the complaint is closed, complainant is issued with closure letter and no action is required from the NHBRC.</p> <p>The delay in closing the complaint within 90 days may result from: Dispute between the homebuilder and homeowner in assuming responsibilities, project plan to fix the defects</p>

Indicator title	Percentage of disputes resolved
	overlapping beyond the 90 days, delay in appointing the remedial contract through competitive bidding (usually where suppliers do not respond to the RFQ), unavailability of homeowner to grant access to the building and / unavailability of homebuilder to commence remedial work immediately).
Source of data	Database of complaints lodged
Method of calculation or assessment	The total number of disputes resolved within 90 working days divide by the total number of disputes resolved multiply by 100
Means of verification	Complaint form submitted; complaint closure letter sent to the Housing Consumer. Report of complaints lodged
Assumptions	Homebuilders will be willing to rectify the defects Complainants will provide required documentations
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly and annually
Desired performance	100% of all disputes resolved within 90 working days
Indicator responsibility	Executive Manager: Business Services

#### Number of homebuilders trained

Indicator title	Number of homebuilders trained
Definition	To capacitate home builders with technical building skills, competencies and capacity to meet technical building standards necessary to

Indicator title	Number of homebuilders trained
	improve quality of homes construction. Training is offered to NHBRC registered builders, employees of the registered homebuilder and builders intending to register with the NHBRC
Source of data	Memorandum with TVETs External service providers and internal trainers conducting training Applications by homebuilders Applications by other stakeholders Internal requests from Business Services for potential homebuilders struggling to pass the technical assessment.
Method of calculation or assessment	Number of homebuilders that attended the training Calculation is based on the number of homebuilders per module using unique ID numbers/NHBRC Registration number
Means of verification	Attendance register/certificate Report of learners
Assumptions	Learners available to attend and complete training Funds to sponsor training
Disaggregation of beneficiaries (where applicable)	Target for homebuilder: 2,000
Spatial transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Quarterly and annually
Desired performance	2,000 homebuilders trained
Indicator responsibility	Manager: Education Training and Development

### Number of youths trained

Indicator title	Number of youths trained
<b>Definition</b>	Capacitate South Africans who are at the age of 18 to 35 with technical home building skills required in the construction/building sector and/or support youth to become skilled labourers or to establish own trading companies within the construction sector and in the process create job opportunities in the country.
<b>Source of data</b>	Memorandum with QCTO/CETA/TVETS External Service providers and internal trainers conducting the training Applications for training by youth Applications for training by other stakeholders on behalf of youth
<b>Method of calculation or assessment</b>	Number of youth attending the training Calculation is based on the number of youth per module using unique ID numbers
<b>Means of verification</b>	Attendance register/certificate Report of learners
<b>Assumptions</b>	Learners will attend and complete training They will be funds to sponsor training
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for youth: 1,600
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	1,600 youth trained
<b>Indicator responsibility</b>	Manager: Education Training and Development

### Number of women trained

Indicator title	Number of women trained
<b>Definition</b>	Capacitate women with technical home building skills required in the construction/building sector and/or support women to become skilled labourers or to establish own trading companies within the construction sector in the process create job opportunities in the country.
<b>Source of data</b>	Applications for training by women Applications for training by other stakeholders on behalf of women
<b>Method of calculation or assessment</b>	Number of women to attend and complete training Calculation is based on the number of women per module using unique ID numbers
<b>Means of verification</b>	Attendance register/certificates Report of women trained
<b>Assumptions</b>	Learners will attend and complete training Funds to sponsor training
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for women: 1,800
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and Annually
<b>Desired performance</b>	1,800 women trained
<b>Indicator responsibility</b>	Manager: Education Training and Development

### Number of military veterans trained

Indicator title	Number of military veterans trained
<b>Definition</b>	Capacitate military veterans with technical home building skills required in the

<b>Indicator title</b>	<b>Number of military veterans trained</b>
	construction/building sector and/or support them to become skilled labourers or to establish own trading companies within the construction sector and in the process create job opportunities in the country. Military Veterans South African who rendered military service to any of the military organisations, former statutory and liberation armies, which were involved on all sides of South Africa's liberation war from 1960 to 1993; served in the then Union Defence Force. The training also includes the children of the military veterans.
<b>Source of data</b>	Applications for training by department of Military veterans or Leadership structures under SAMVA.
<b>Method of calculation or assessment</b>	Number of military veterans who attended training Calculation is based on the number of military veterans per module using force number
<b>Means of verification</b>	Attendance register/certificates Report of military veterans trained
<b>Assumptions</b>	Military veterans registering for NHBRC training Learners attending and completing training Funds to sponsor training
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for military veterans: 150
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	150 Military Veterans trained

<b>Indicator title</b>	<b>Number of military veterans trained</b>
<b>Indicator responsibility</b>	Manager: Education Training and Development

#### **Number of people with disabilities trained**

<b>Indicator title</b>	<b>Number of people with disabilities trained</b>
<b>Definition</b>	Capacitate people living with disabilities with technical home building skills required in the construction/building sector and/or support them to become skilled labourers or to establish own trading companies within the construction sector and in the process create job opportunities in the country. The training is for people with disability who have been declared by medical practitioner
<b>Source of data</b>	Memorandum with QCTO/CETA/TVETS External service providers and Internal trainers conducting the training Applications for training by a person with disabilities Applications for training by other stakeholders on behalf of people with disabilities
<b>Method of calculation or assessment</b>	Number of people living with disabilities attending training Calculation is based on number of people living with disabilities per module using unique grant number.
<b>Means of verification</b>	Attendance register/certificates Report of people with disabilities trained
<b>Assumptions</b>	People with disabilities will register for NHBRC training The NHBRC will have funds to sponsor training Leaners will attend and complete training



Indicator title	Number of people with disabilities trained
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for people with disabilities: 200
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	200 people with disabilities trained
<b>Indicator responsibility</b>	Manager: Education Training and Development

#### Number of Technical professionals trained

Indicator title	Number of technical professionals trained
<b>Definition</b>	To enhance technical competencies of Technical Professionals (Inspectors/ Engineers/Architects/ QS etc). in the home building sector. Technical professionals are NHBRC staff members with employee number and employees from the municipality or provincial departments as verified by the letter from the municipality
<b>Source of data</b>	Technical training requested / recommended for technical professionals
<b>Means of verification</b>	Attendance register Report of technical professionals trained
<b>Method of calculation or assessment</b>	Number of inspectors that attend the training Calculation is based on the number of technical professionals per module using unique ID numbers/employee number and letter from the department/municipality
<b>Assumptions</b>	Technical profession will apply for NHBRC training Technical profession will attend training sponsored by the NHBRC

Indicator title	Number of technical professionals trained
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for technical professional: 700
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	700 Technical professionals trained
<b>Indicator responsibility</b>	Manager: Education Training and Development

#### Number of artisans trained

Indicator title	Number of artisans trained
<b>Definition</b>	To capacitate artisans with training in the home building sector. To attract youth and women to take up trades in the home building sector.
<b>Source of data</b>	Proof of registration at TVETs colleges
<b>Method of calculation or assessment</b>	Number of artisans enrolled at institution of higher learning Calculation is based on the number of artisans per module using unique ID numbers
<b>Means of verification</b>	Proof of registration at TVETs colleges Report of the list of enrolled learners
<b>Assumptions</b>	Learners must meet registration criteria at TVETs Learners will attend the training
<b>Disaggregation of beneficiaries (where applicable)</b>	Target for artisans: 600
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually

Indicator title	Number of artisans trained
Desired performance	600 Artisans train
Indicator responsibility	Manager: Education Training and Development

### 3. PROGRAMME 3: CONSUMER PROTECTION

#### Percentage of enrolment applications approved – Subsidy

Indicator title	Percentage of enrolment applications approved - Subsidy
<b>Definition</b>	<p>The Departments submits application for enrolment of homes with the NHBRC 15 days before commencement of construction. A compliant enrolment refers to an application where all the mandatory supporting documents and fees are received within 15 working days from the date of receipt.</p> <p>The Developer submits application letter for enrolment of homes 15 days before commencement of construction as per the section 14 of the HCPM Act. The application letter for enrolment should indicate the following:</p> <ul style="list-style-type: none"> <li>Project Name</li> <li>Homebuilders name</li> <li>Enrolment &amp; Programme Type</li> <li>Number of Units</li> <li>Unique (HSS/G) Number</li> </ul> <p>The application letter will be accompanied by the following supporting documents:</p> <ul style="list-style-type: none"> <li>Phase 1 &amp; 2 Geotechnical Report</li> </ul>

Indicator title	Percentage of enrolment applications approved - Subsidy
	<p>DSR &amp; CGS B4 Certificate (for dolomitic areas)</p> <p>Survey General (SG) Diagram</p> <p>Site Development Plan (SDP) with ERF Numbers</p> <p>Services Drawings/certificate or as-built drawings</p> <p>NHBRC Certificate, ECSA Certificate and SACAP Certificate</p> <p>Approved Municipal Drawings</p> <p>Signed Engineering Drawings</p> <p>Preliminary Schedule of Works</p> <p>Beneficiary List</p> <p>The Developer pays the enrolment fee based on the quantum amount of the subsidy programme type.</p> <p>The enrolment approval letter is then issued to the developer.</p>
<b>Source of data</b>	<p>Application for enrolment received from provincial departments of Human Settlements</p> <p>The information is collected by NHBRC Provincial offices and is recorded manually and /or on the CRM subsidy system.</p>
<b>Method of calculation or assessment</b>	<p>The indicator will be calculated by taking the total number of applications approved divide by the total number of applications received multiply by 100. The date stamp by the NHBRC receiving provincial office and approval date on the letter is used to calculate the period.</p>
<b>Means of verification</b>	<p>Report on subsidy enrolments approved</p>
<b>Assumptions</b>	<p>Developer will submit compliant documents</p>

Indicator title	Percentage of enrolment applications approved - Subsidy
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Quarterly and annually
Desired performance	100% enrolment of subsidy homes
Indicator responsibility	Executive Manager: Business Services

#### Percentage of subsidy project enrolment applications approved

Indicator title	Percentage of subsidy project enrolment applications approved
Definition	<p>The Departments submits application for enrolment of homes with the NHBRC 15 days before commencement of construction. A compliant enrolment refers to an application where all the mandatory supporting documents and fees are received within 15 working days from the date of receipt.</p> <p>The Developer submits application letter for enrolment of homes 15 days before commencement of construction as per the section 14 of the HCPM Act. The application letter for enrolment should indicate the following:</p> <ul style="list-style-type: none"> <li>Project Name</li> <li>Homebuilders name</li> <li>Enrolment &amp; Programme Type</li> <li>Number of Units</li> <li>Unique (HSS/G) Number</li> </ul>

Indicator title	Percentage of subsidy project enrolment applications approved
	<p>The application letter will be accompanied by the following supporting documents:</p> <p>Phase 1 &amp; 2 Geotechnical Report</p> <p>DSR &amp; CGS B4 Certificate (for dolomitic areas)</p> <p>Survey General (SG) Diagram</p> <p>Site Development Plan (SDP) with ERF Numbers</p> <p>Services Drawings/certificate or as-built drawings</p> <p>NHBRC Certificate, ECSA Certificate and SACAP Certificate</p> <p>Approved Municipal Drawings</p> <p>Signed Engineering Drawings</p> <p>Preliminary Schedule of Works</p> <p>Beneficiary List</p> <p>The Developer pays the enrolment fee based on the quantum amount of the subsidy programme type.</p> <p>The enrolment approval letter is then issued to the developer.</p>
<b>Source of data</b>	<p>Application for enrolment received from provincial departments of Human Settlements</p> <p>The information is collected by NHBRC Provincial offices and is recorded manually and /or on the CRM subsidy system.</p>
<b>Method of calculation or assessment</b>	<p>The indicator will be calculated by taking the total number of applications approved divide by the total number of applications received multiply by 100. The date stamp by the NHBRC receiving provincial office and</p>

Indicator title	Percentage of subsidy project enrolment applications approved
	approval date on the letter is used to calculate the period.
Means of verification	Report on subsidy enrolments approved
Assumptions	Developer will submit compliant documents
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Quarterly and annually
Desired performance	100% enrolment of subsidy projects
Indicator responsibility	Executive Manager: Business Services

#### Percentage of enrolment applications approved – Non subsidy

Indicator title	Percentage of enrolment applications approved – Non subsidy
Definition	<p>Homebuilder are required enrol homes 15 days prior to construction in terms of section 14 of the ACT. Where homebuilder started construction without enrolling the Act makes provision for a late enrolment application. A compliant enrolment refers to an application where all the mandatory supporting documents and fees are received within 15 working days from the date of receipt.</p> <p>The homebuilder submits application for enrolment of non-subsidy homes, Social Housing and Community Residential Units pre and post commencement of construction. Houses occupied for more than 5 years will not be considered for enrolment as late.</p>

Indicator title	Percentage of enrolment applications approved – Non subsidy
	<p>Individual home or Sectional title form signed by the homebuilder and engineer</p> <p>Building plans</p> <p>Building contract/price breakdown</p> <p>Proof of land value</p> <p>Pay prescribed enrolment fee according to the NHBRC price schedule (minimum 1.3% of the total enrolment value)</p> <p>Proof payment</p> <p>Financial bank guarantee of 80% in terms of sectional title where 20% is paid during enrolment</p> <p>Financial guarantee in terms of late enrolment (if applicable)</p> <p>Payment of late enrolment fees in case of late enrolment where construction has already commenced</p> <p>NHBRC issue enrolment certificate/ST001</p>
<b>Source of data/assessment</b>	CRM report with the list of enrolled homes
<b>Method of calculation or assessment</b>	The indicator will be calculated by taking the total number of applications approved divide by the total number of applications received multiply by 100. The date stamp by the NHBRC receiving provincial office and approval date on the letter is used to calculate the period.
<b>Means of verification</b>	Report on the number of homes enrolled
<b>Assumptions</b>	Homebuilder will submit compliant documents
<b>Disaggregation of beneficiaries (where applicable)</b>	N/A



<b>Indicator title</b>	<b>Percentage of enrolment applications approved – Non subsidy</b>
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly and annually
<b>Desired performance</b>	100% of non-subsidy enrolments
<b>Indicator responsibility</b>	Executive Manager: Business Services

### **Construction of Green First zero energy-based model house**

<b>Indicator title</b>	<b>Construction of Green First zero energy-based model house</b>
<b>Definition</b>	<p>The indicator lists the process to be followed in order to procure a contractor to construct a Green First-Zero energy concept-based model house. This includes: 1. Adoption of Green First-Zero energy model house criteria, 2. Drafting &amp; adopting designs with potential to reduced fossil-based energy consumption, Development and adoptions of terms of reference for open tender. Supply Chain Management will issue out a tender inviting qualifying contractors and successful contractor will be appointed based on the set qualifying criteria.</p> <p>Appointed contractor will begin and complete the construction</p>
<b>Source of data</b>	Construction project plan
<b>Method of calculation or assessment</b>	Completed house
<b>Means of verification</b>	House completion sign-off
<b>Assumptions</b>	<p>There shall be funds made available to implement the project.</p> <p>Availability of qualifying contractors through bidding process</p>

<b>Indicator title</b>	<b>Construction of Green First zero energy-based model house</b>
	Availability of building materials
<b>Disaggregation of beneficiaries (where applicable)</b>	N/A
<b>Spatial transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Cumulative
<b>Reporting cycle</b>	Annually
<b>Desired performance</b>	Green First, ZERO energy model house constructed
<b>Indicator responsibility</b>	Manager: Centre for Research and Housing innovation

## **PART E: ANNEXURES TO THE ANNUAL PERFORMANCE PLAN**

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**ANNEXURE A: AMENDMENTS TO THE SP: NONE**

**ANNEXURE B: CONDITIONAL GRANTS: NOT APPLICABLE**

**ANNEXURE C: CONSOLIDATED INDICATORS**

<b>Institution</b>	<b>Output Indicators</b>	<b>Annual Targets</b>	<b>Data Source</b>
NA	NA	NA	NA

**ANNEXURE D: DISTRICT DEVELOPMENT MODEL: NOT APPLICABLE**



**ANNEXURE E: BUDGET**

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL  
ANNUAL BUDGET  
FOR THE FINANCIAL YEAR 2022/23 to 2024/25**

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL  
BUDGETED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDING 31 MARCH 2022 TO 31 MARCH 2025**

Description	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2021 - 2022	2022-2023	2023-2024	2024-2025
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	FORECAST	Adjusted Budget	Proposed Budget	Proposed Budget
<b>Revenue</b>	<b>957 026 430</b>	<b>923 826 279</b>	<b>677 730 443</b>	<b>759 368 192</b>	<b>792 512 575</b>	<b>838 440 205</b>	<b>866 090 216</b>	<b>894 671 193</b>
<b>Fees revenue</b>	<b>101 043 788</b>	<b>80 016 941</b>	<b>52 537 569</b>	<b>63 545 036</b>	<b>54 347 837</b>	<b>54 209 911</b>	<b>55 980 322</b>	<b>57 827 673</b>
Reg - Administration	3 374 924	3 351 283	2 329 992	1 927 940	2 684 933	1 908 200	1 971 171	2 036 219
Reg - Annual	2 380 974	2 033 829	1 518 275	1 542 118	1 302 259	1 526 328	1 576 697	1 628 728
Reg - Annual Renewals	9 436 914	10 494 094	9 821 658	7 597 429	10 344 303	8 568 490	8 851 250	9 143 341
Project Enrolment	82 945 375	61 619 160	37 050 654	50 185 009	37 733 625	40 017 924	41 320 000	42 683 560
Reg - Builders Manual	1 754 493	1 690 313	1 106 831	-	1 301 260	1 408 649	1 455 134	1 503 154
Late Enrolment Fees	651 729	434 201	409 220	800 000	526 758	780 320	806 071	832 671
Document sales	499 379	394 060	300 940	1 492 540	454 699	-	-	-
<b>Non Subsidy Enrolment Fees</b>	<b>592 533 678</b>	<b>559 494 346</b>	<b>479 189 200</b>	<b>552 477 697</b>	<b>594 303 393</b>	<b>629 230 294</b>	<b>649 994 894</b>	<b>671 444 726</b>
Speculative	312 822 603	284 246 459	228 234 452	255 006 240	342 207 889	281 681 274	290 976 756	300 578 989
Cluster Sectional Title	279 711 075	275 247 887	250 954 748	297 471 457	252 095 504	347 549 021	359 018 138	370 865 737
<b>Subsidy enrolment fees</b>	<b>232 361 454</b>	<b>219 516 260</b>	<b>111 909 637</b>	<b>125 345 459</b>	<b>124 699 728</b>	<b>140 000 000</b>	<b>144 620 000</b>	<b>149 392 460</b>
Home Enrolment (0.75%)	232 361 454	219 516 260	111 909 637	22 027 588	124 590 000	50 102 947	51 756 345	53 464 304
Consolidation (2.1%)	-	-	-	103 317 871	109 728	89 897 053	92 863 655	95 928 156
<b>Other Revenue</b>	<b>30 412 510</b>	<b>49 452 122</b>	<b>28 970 211</b>	<b>3 000 000</b>	<b>8 001 733</b>	<b>3 000 000</b>	<b>3 099 000</b>	<b>3 201 267</b>
Legal DC Penalty	5 460 257	11 312 700	2 792 500	3 000 000	1 001 733	3 000 000	3 099 000	3 201 267
Sundry Income	24 952 253	38 139 422	26 177 711	-	7 000 000	-	-	-
<b>Technical Services Revenue</b>	<b>675 000</b>	<b>15 346 610</b>	<b>5 123 826</b>	<b>15 000 000</b>	<b>11 159 883</b>	<b>12 000 000</b>	<b>12 396 000</b>	<b>12 805 068</b>
Technical Service	-	8 662 210	1 295 400	3 000 000	1 000 000	2 000 000	2 066 000	2 134 178
Geotechnical	675 000	-	-	5 000 000	1 000 000	4 000 000	4 132 000	4 268 356
Forensic Assessment	-	6 684 400	3 828 426	7 000 000	9 159 883	6 000 000	6 198 000	6 402 534
<b>Total Revenue</b>	<b>957 026 430</b>	<b>923 826 279</b>	<b>677 730 443</b>	<b>759 368 192</b>	<b>792 512 575</b>	<b>838 440 205</b>	<b>866 090 216</b>	<b>894 671 193</b>

Description	2018 - 2019		2019 - 2020		2020 - 2021		2021 - 2022		2021 - 2022		2022 - 2023		2023-2024		2024-2025	
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Approved Budget	FORECAST	Adjusted Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
<b>Operating Expenses</b>	<b>3 763 286</b>	<b>4 440 834</b>	<b>14 981 812</b>	<b>10 792 940</b>	<b>9 258 332</b>	<b>11 628 116</b>	<b>11 981 255</b>	<b>12 346 043</b>								
Accreditation Fees	-7 985	33 099	17 082	927 000	100 478	927 000	927 002	927 000								
Direct Cost of Builders Manuals	1 192 899	1 454 724	919 210	681 284	1 178 462	703 766	726 990	750 981								
Outstanding claims provision	1 660 884	(9 603 207)	9 898 086	-	-	-	-	-								
Direct Cost of Certificates	-	-	-	384 657	-	397 350	410 463	424 008								
Technical Services	917 468	12 556 218	4 147 434	8 800 000	7 979 392	9 600 000	9 916 800	10 244 054								
<b>General &amp; Administration</b>	<b>11 590 446</b>	<b>8 514 159</b>	<b>4 740 509</b>	<b>4 892 838</b>	<b>3 251 645</b>	<b>5 054 302</b>	<b>4 688 094</b>	<b>4 326 301</b>								
Motor Vehicle Expenses	545 202	470 474	147 657	602 050	135 040	621 918	642 441	663 641								
Office Equipment Expenses (printers lease)	5 926 049	3 281 911	1 959 258	3 063 801	2 546 405	2 154 576	2 225 677	2 299 124								
Mobile Office Expenses	480 600	-	-	-	-	-	-	-								
Office Furniture Expenses	3 895 588	4 203 360	2 408 469	775 425	14 200	801 014	827 447	854 753								
Relocation cost	-	65 132	6 325	-	100 000	1 000 000	500 000	-								
Generator/ UPS Expenses	743 007	493 281	218 801	461 563	456 000	476 794	492 528	508 782								
<b>Council Related Costs</b>	<b>9 810 797</b>	<b>11 336 667</b>	<b>5 150 477</b>	<b>8 785 488</b>	<b>7 089 605</b>	<b>6 775 409</b>	<b>6 998 997</b>	<b>7 229 964</b>								
Council Remuneration	5 367 871	4 575 830	1 826 013	4 710 038	2 924 268	3 065 469	3 166 629	3 271 128								
Disciplinary Committee costs	4 442 927	6 760 837	3 324 464	4 075 450	4 165 337	3 709 940	3 832 368	3 958 836								
<b>Permanent Staff Costs</b>	<b>485 737 251</b>	<b>534 444 533</b>	<b>483 713 493</b>	<b>502 690 510</b>	<b>502 502 825</b>	<b>550 283 897</b>	<b>543 893 488</b>	<b>544 412 449</b>								
Permanent Staff : Salary	440 727 900	472 463 541	464 593 317	476 460 317	461 593 317	489 460 317	489 460 317	489 460 317								
Permanent Staff : Incentive Bonus	14 130 969	26 452 038	-	-	13 478 518	36 892 791	30 000 000	30 000 000								
Staff Costs - Allowances	11 687 279	11 414 107	10 486 375	14 737 377	18 628 385	15 223 710	15 726 093	16 245 054								
Other Employment Costs	3 410 391	10 714 273	3 158 855	6 492 815	3 802 604	3 707 078	3 707 078	3 707 078								
Temporary staff	15 780 712	13 400 574	5 474 946	5 000 000	5 000 000	5 000 000	5 000 000	5 000 000								

Description	2018 - 2019		2019 - 2020		2020 - 2021		2021 - 2022		2021 - 2022		2022 - 2023		2023-2024		2024-2025	
	Audited Actual		Audited Actual		Audited Actual		Approved Budget	FORECAST	Adjusted Budget	Proposed Budget	Proposed Budget		Proposed Budget		Proposed Budget	
<b>General Costs</b>	<b>153 880 715</b>		<b>210 191 624</b>		<b>138 800 348</b>		<b>135 593 295</b>	<b>143 676 699</b>	<b>160 237 990</b>	<b>165 525 844</b>		<b>170 988 197</b>				
Insurance Paid	2 528 270		1 009 008		1 221 068		2 000 000	1 991 662	2 066 000	2 134 178		2 204 606				
Information Technology	31 466 760		49 859 798		38 878 281		26 501 000	24 926 074	27 375 533	28 278 926		29 212 130				
Legal Fees	12 020 177		20 238 575		12 678 339		13 200 000	14 919 426	13 635 600	14 085 575		14 550 399				
Marketing Fees	8 338 190		20 990 597		16 860 005		12 460 000	16 172 599	17 000 000	17 561 000		18 140 513				
Telephone Expenses	16 606 086		17 480 467		18 551 821		15 460 800	18 785 074	17 971 006	18 564 050		19 176 863				
Travelling Expenses	26 825 722		30 908 968		4 755 501		12 351 117	7 759 741	10 000 000	10 330 000		10 670 890				
Travelling Expenses-Inspectors	20 831 176		28 724 096		26 373 853		22 735 600	26 562 528	23 485 875	24 260 909		25 061 519				
Training for Emerging	9 367 821		2 449 933		1 210 604		-	1 500 000	20 000 000	20 660 000		21 341 780				
Training and Development Staff	5 109 102		6 501 487		3 674 594		5 075 822	3 000 000	5 243 324	5 416 354		5 595 094				
Training - Youth, Women & Veterans	8 611 974		13 535 119		5 235 041		13 058 673	17 237 927	11 489 609	11 868 766		12 260 436				
Training & Dev: Interns- STEP			2 400 271		788 060		2 000 000	2 000 000	2 066 000	2 134 178		2 204 606				
Audit Fees	5 771 511		9 814 801		6 301 866		6 000 000	6 327 694	6 198 000	6 402 534		6 613 818				
Catering: Internal Activities	3 602 260		4 459 753		1 336 158		1 633 008	1 227 709	1 686 897	1 742 565		1 800 070				
General Office costs (Uniform, Grocery)	2 801 666		1 818 752		935 158		3 117 275	1 266 266	2 020 145	2 086 810		2 155 675				



Description	2018 - 2019 Approved Budget	2018 - 2019 Audited Actual	2020 - 2021 Audited Actual	2021 - 2022 Approved Budget	2021 - 2022 FORECAST	2022-2023 Adjusted Budget	2023-2024 Proposed Budget	2024-2025 Proposed Budget
<b>Other Expenses</b>	<b>51 471 174</b>	<b>62 227 198</b>	<b>63 941 665</b>	<b>60 955 864</b>	<b>56 312 148</b>	<b>62 799 756</b>	<b>64 872 146</b>	<b>67 012 929</b>
Bank Charges	2 660 680	1 317 168	1 164 452	2 050 000	2 298 745	2 050 000	2 117 650	2 187 532
Provision for doubtful debts	-	1 650 405	8 929 460	-	-	-	-	-
Cleaning	2 667 940	1 650 405	4 793 776	2 390 894	2 418 414	2 469 793	2 551 296	2 635 489
P/P-First Aid	131 620	135 690	587	-	-	-	-	-
Conferences and Seminars	-	-	-	1 687 500	903 564	1 743 188	1 800 713	1 860 136
Venues and facilities	4 515 980	4 866 991	418 073	1 083 750	-	1 119 514	1 156 458	1 194 621
Consulting Fees	7 982 469	16 083 942	15 249 905	15 566 667	15 480 272	16 080 366	16 611 018	17 159 181
Courier & Freight	166 143	612 095	352 445	550 256	401 405	568 415	587 172	606 549
PE - Electricity & Water	4 516 814	5 308 171	5 236 720	4 893 486	5 291 541	5 054 971	5 221 785	5 394 104
Entertainment Expenses	5 626	-429	-	-	-	-	-	-
Fines and Penalties	1 179 180	620	-	-	-	-	-	-
Flowers & Gifts	174 615	223 724	7 416	202 188	11 292	208 860	215 752	222 872
PE - Rent of Premises	14 728 281	17 831 717	17 859 275	17 493 949	18 269 435	18 071 250	18 667 601	19 283 632
P/P-Mun rates & Tax	620 459	953 579	924 489	1 880 500	1 020 747	1 242 557	1 283 561	1 325 918
PE - Repair & Maintenance	543 356	1 311 306	359 231	886 200	558 009	915 445	945 654	976 861
Other Costs - Rental of Premises	1 269 151	1 834 126	1 654 901	1 651 471	1 751 380	1 705 989	1 762 266	1 820 421
Postage	341 199	314 653	119 543	485 103	107 698	501 111	517 648	534 730
Printing	1 105 335	1 648 898	602 826	1 260 066	336 176	1 301 648	1 344 603	1 388 974
Security	4 003 192	3 781 919	3 659 669	3 837 500	4 840 665	4 564 138	4 714 754	4 870 341
Special Projects	1 886 082	33 672	-	175 000	-	180 775	186 741	192 903
PE - Plant Expenses	44 983	42 871	59 590	346 172	81 639	357 596	369 396	381 586
Stationery	845 648	1 808 763	1 428 635	1 789 478	1 560 846	1 848 531	1 909 533	1 972 547
Subscriptions	567 199	580 059	631 543	598 185	346 711	617 925	638 317	659 381
Rounding Differences / Minor Ad	-19	752 708	128 277	-	-90	-	-	-
Office Refurbishment	1 233 768	687 709	-	1 041 250	200 000	1 075 611	1 111 106	1 147 773
Off-site Archiving	250 182	441 876	360 850	1 086 250	433 700	1 122 096	1 159 125	1 197 376
Interest Paid	31 289	4 964	-	-	-	-	-	-
<b>EXPENSES</b>	<b>716 253 669</b>	<b>831 155 015</b>	<b>711 328 305</b>	<b>723 710 934</b>	<b>722 091 254</b>	<b>796 779 470</b>	<b>797 959 824</b>	<b>806 315 883</b>



Description	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2021 - 2022	2022-2023	2023-2024	2024-2025
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	FORECAST	Adjusted Budget	Proposed Budget	Proposed Budget
<b>SURPLUS/ (DEFICIT) BEFORE INTEREST AND DEPRECIATION</b>	<b>240 772 760</b>	<b>92 671 264</b>	<b>(33 597 862)</b>	<b>35 657 257</b>	<b>70 421 320</b>	<b>41 660 735</b>	<b>68 130 392</b>	<b>88 355 310</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>23 357 650</b>	<b>22 073 948</b>	<b>21 979 592</b>	<b>22 200 420</b>	<b>22 188 232</b>	<b>22 933 034</b>	<b>23 689 824</b>	<b>24 471 588</b>
Amortization	15 276 266	15 272 400	15 269 198	14 852 000	15 269 317	15 342 116	15 848 406	16 371 403
Depreciation	8 081 384	6 801 548	6 710 394	7 348 420	6 918 915	7 590 918	7 841 418	8 100 185
<b>Operating Profit after amortisation, depreciation</b>	<b>217 415 111</b>	<b>70 597 316</b>	<b>(55 577 454)</b>	<b>13 456 837</b>	<b>48 233 088</b>	<b>18 727 701</b>	<b>44 440 568</b>	<b>63 883 722</b>
<b>Actuarial adjustment</b>	<b>(48 710 815)</b>	<b>(110 310 227)</b>	<b>(28 528 728)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in unearned premium provision	31 370 618	(146 019 405)	157 692 273	-	-	-	-	-
Change in unexpired risk provision	(80 081 433)	35 709 178	(186 221 001)	-	-	-	-	-
<b>Operating Profit after actuarial adjustment</b>	<b>168 704 296</b>	<b>(39 712 911)</b>	<b>(84 106 182)</b>	<b>13 456 837</b>	<b>48 233 088</b>	<b>18 727 701</b>	<b>44 440 568</b>	<b>63 883 722</b>
Research & Development	1 739 484	2 314 907	3 348 040	3 000 000	2 000 000	3 099 000	3 201 267	3 306 909
<b>Profit from operating activities</b>	<b>166 964 811</b>	<b>(42 027 818)</b>	<b>(87 454 222)</b>	<b>10 456 837</b>	<b>46 233 088</b>	<b>15 628 701</b>	<b>41 239 301</b>	<b>60 576 813</b>
<b>Interest Received</b>	<b>423 538 888</b>	<b>176 813 032</b>	<b>825 310 057</b>	<b>477 118 507</b>	<b>517 401 051</b>	<b>492 863 418</b>	<b>509 127 911</b>	<b>525 929 132</b>
Interest Received	435 025 136	456 840 513	383 786 998	420 000 000	379 944 775	433 860 000	448 177 380	462 967 234
Dividend income	16 475 368	17 868 438	14 362 941	16 789 000	26 479 740	17 343 037	17 915 357	18 506 564
Realized (Gain)/ loss	(17 350 295)	(288 988 951)	438 704 394	52 689 507	123 679 709	54 428 261	56 224 393	58 079 798
Asset management service fees	(10 611 322)	(8 906 968)	(11 544 275)	(12 360 000)	(12 703 173)	(12 767 880)	(13 189 220)	(13 624 464)
<b>Surplus/ (Deficit)</b>	<b>590 503 699</b>	<b>134 785 214</b>	<b>737 855 835</b>	<b>487 575 345</b>	<b>563 634 139</b>	<b>508 492 119</b>	<b>550 367 212</b>	<b>586 505 945</b>

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL**  
**BUDGETED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022 TO 31 MARCH 2025**

		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Notes		Actual	Actual	Actual	Budget	Budget	Budget	Budget
		R	R	R	R	R	R	R
ASSETS								
Non-current assets								
1	Property, plant and equipment	6 202 458 507	6 784 244 698	7 484 234 432	8 123 979 254	8 976 430 256	9 631 937 734	10 324 350 875
		88 375 634	86 818 067	88 027 966	107 835 959	101 471 851	94 164 538	86 391 859
	Intangible Asset	71 291 392	56 013 993	40 744 794	85 744 794	85 744 794	85 744 794	69 373 391
3	Investments	6 042 791 480	6 641 412 639	7 355 461 673	7 930 398 502	8 789 213 612	9 452 028 403	10 168 585 625
Current assets								
4	Inventories	1 170 005 264	823 978 602	898 050 971	817 790 322	528 177 502	481 097 450	439 054 253
		11 940 688	10 473 048	9 543 984	7 543 984	6 496 623	4 996 623	3 496 623
	Accounts receivables	61 458 431	46 635 411	31 365 468	31 026 775	30 829 431	29 872 238	29 895 277
5	Cash and cash equivalents	1 096 606 145	766 870 143	857 141 519	779 219 563	490 851 447	446 228 589	405 662 353
		7 372 463 770	7 608 223 300	8 382 285 404	8 941 769 576	9 504 607 758	10 113 035 185	10 763 405 128
EQUITY AND LIABILITIES								
Reserves								
Emerging contractor Reserves	Accumulated Surplus	5 761 041 537	5 895 826 750	6 633 682 584	7 121 257 929	7 629 750 048	8 180 117 260	8 766 623 205
		5 753 715 961	5 890 951 107	6 630 017 545	7 090 150 620	7 601 313 009	8 154 467 982	8 713 884 350
		7 325 576	4 875 642	3 665 039	31 107 309	28 437 039	25 649 278	52 738 855
		134 806 913	145 887 243	151 635 722	167 650 702	164 146 631	162 331 958	164 225 448
6	Accounts payable	100 385 833	102 173 611	101 890 122	112 930 541	114 401 031	117 108 685	119 888 905
	Deposits Gaurantees	34 421 080	43 713 631	49 745 601	54 720 161	49 745 601	45 223 273	44 336 542
		1 476 615 320	1 566 509 308	1 596 967 098	1 652 860 946	1 710 711 079	1 770 585 967	1 832 556 476
7	Technical liabilities							
	Provision for outstanding claims	49 607 639	29 191 401	31 120 462	32 209 678	33 337 017	34 503 812	35 711 446
	Provision for unearned premium	1 050 073 418	1 196 092 823	1 038 400 550	1 074 744 569	1 112 360 629	1 151 293 251	1 191 588 515
	Provision for unexpired risk	376 934 263	341 225 085	527 446 086	545 906 699	565 013 433	584 788 904	605 256 515
		7 372 463 770	7 608 223 300	8 382 285 404	8 941 769 576	9 504 607 758	10 113 035 185	10 763 405 128

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL**  
**BUDGETED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDING 31 MARCH 2022 TO 31 MARCH 2025**

	Accumulated Surplus	Emerging Contractor Reserve	Total
<b>Balance at 2017/2018</b>	<b>5 153 844 441</b>	<b>16 693 397</b>	<b>5 170 537 838</b>
Net surplus for the period	590 503 699		590 503 699
Utilised	9 367 821	(9 367 821)	-
<b>Balance at 2018/2019</b>	<b>5 753 715 961</b>	<b>7 325 576</b>	<b>5 761 041 537</b>
Net surplus for the period	134 785 214		134 785 214
Utilised	2 449 933	(2 449 933)	-
<b>Balance at 2019/2020</b>	<b>5 890 951 107</b>	<b>4 875 642</b>	<b>5 895 826 750</b>
Net surplus for the period	737 855 835		737 855 835
Utilised	1 210 604	(1 210 604)	-
<b>Balance at 2020/2021</b>	<b>6 630 017 545</b>	<b>3 665 039</b>	<b>6 633 682 584</b>
Net surplus for the period	487 575 345		487 575 345
Transfer to reserve	(30 000 000)	30 000 000	-
Utilised	2 557 730	(2 557 730)	-
<b>Balance at 2021/2022</b>	<b>7 090 150 620</b>	<b>31 107 309</b>	<b>7 121 257 929</b>
Net surplus for the period	508 492 119		508 492 119
Utilised	2 670 270	(2 670 270)	-
<b>Balance at 2022/2023</b>	<b>7 601 313 009</b>	<b>28 437 039</b>	<b>7 629 750 048</b>
Net surplus for the period	550 367 212		550 367 212
Utilised	2 787 762	(2 787 762)	-
<b>Balance at 2023/2024</b>	<b>8 154 467 982</b>	<b>25 649 278</b>	<b>8 180 117 260</b>
Net surplus for the period	586 505 945		586 505 945
Transfer to reserve	(30 000 000)	30 000 000	-
Utilised	2 910 423	(2 910 423)	-
<b>Balance at 2024/2025</b>	<b>8 713 884 350</b>	<b>52 738 855</b>	<b>8 766 623 205</b>

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL**  
**BUDGETED CASH FLOW STATEMENT**

**FOR THE YEAR ENDING 31 MARCH 2022 TO 31 MARCH 2025**

	Note	2018/2019 Actual R	2019/2020 Actual R	2020/2021 Budget R	2021/2022 Budget R	2022/2023 Budget R	2023/2024 Budget R	2024/2025 Budget R
<b>Cash generated from operations</b>	8	184 062 540	(108 786 060)	4 477 095	(185 362 061)	(190 864 833)	(222 357 973)	(246 629 493)
Interest Paid		(31 289)	(4 964)	-	-	-	-	-
Claims paid		(3 231 118)	(10 813 031)	(7 969 024)	-	-	-	-
Interest Received		23 905 548	30 003 499	17 004 368	17 514 499	18 039 934	18 581 132	19 138 566
<b>Net Cash inflow from operating activities</b>		<b>204 705 682</b>	<b>127 971 564</b>	<b>4 558 249</b>	<b>202 876 560</b>	<b>208 904 767</b>	<b>240 939 105</b>	<b>265 768 059</b>
<b>Investing activities</b>								
Additions to property, plant and equipment		(3 693 155)	(5 339 373)	(7 928 911)	(28 250 000)	(2 500 000)	(2 000 000)	(2 000 000)
Additions to intangible asset		(352 499)	-	-	(45 000 000)	-	-	-
Withdrawals of investments			(4 390 784 110)	(1 247 828 158)	-	-	-	-
Purchase of financial assets		(2 366 877)	4 376 774 339	1 244 865 959	-	-	-	-
Proceeds on sale of financial assets		567 262 899	(438 358 422)	96 604 238	(207 548 516)	(572 694 839)	(571 930 079)	(341 212 690)
<b>Cash flow from investing activities</b>		<b>560 850 368</b>	<b>(457 707 566)</b>	<b>85 713 127</b>	<b>(280 798 516)</b>	<b>(575 194 839)</b>	<b>(573 930 079)</b>	<b>(343 212 690)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>765 556 050</b>	<b>(329 736 003)</b>	<b>90 271 377</b>	<b>(77 921 956)</b>	<b>(366 290 072)</b>	<b>-332 990 974</b>	<b>-77 444 631</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>331 050 095</b>	<b>1 096 606 145</b>	<b>766 870 142</b>	<b>857 141 519</b>	<b>857 141 519</b>	<b>779 219 563</b>	<b>446 228 589</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>1 096 606 145</b>	<b>766 870 142</b>	<b>857 141 519</b>	<b>779 219 563</b>	<b>490 851 447</b>	<b>446 228 589</b>	<b>368 783 957</b>

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL  
NOTES TO THE BUDGETED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 MARCH 2022 TO 31 MARCH 2026**

**1 Property, plant and equipment**

	Computer equipment R	Office furniture and equipment R	Motor vehicles R	Land R	Buildings R	Total R
<b>Balance at 2019/2020</b>						
Opening net carrying amount	8 661 671	10 489 439	1 188 730	17 751 947	50 283 847	88 375 634
Cost	21 751 345	24 591 706	1 565 239	17 751 947	75 707 782	141 368 020
Accumulated depreciation	(13 089 675)	(14 102 267)	(376 509)	-	(25 423 936)	(52 992 386)
Additions	3 709 524	1 629 849	-	-	-	5 339 373
Disposal	(4 476 964)	(558 599)	-	-	-	(5 035 563)
Depreciation on disposal	4 389 760	550 411	-	-	-	4 940 171
Depreciation	(1 682 374)	(1 221 076)	(112 711)	-	(3 785 388)	(6 801 548)
<b>Closing net carrying amount</b>	<b>10 601 617</b>	<b>10 890 025</b>	<b>1 076 019</b>	<b>17 751 947</b>	<b>46 498 459</b>	<b>86 818 067</b>
Cost	20 983 905	25 662 957	1 565 239	17 751 947	75 707 782	141 671 831
Accumulated depreciation	(10 382 289)	(14 772 932)	(489 220)	-	(29 209 323)	(54 853 763)
<b>Balance at 2020/2021</b>						
Opening net carrying amount	10 601 617	10 890 025	1 076 019	17 751 947	46 498 459	86 818 067
Cost	20 983 905	25 662 957	1 565 239	17 751 947	75 707 782	141 671 831
Accumulated depreciation	(10 382 289)	(14 772 932)	(489 220)	-	(29 209 323)	(54 853 763)
Additions	7 748 455	180 457	-	-	-	7 928 911
Disposal	(1 481 889)	(158 455)	-	-	-	(1 640 345)
Depreciation on disposal	1 474 810	156 916	-	-	-	1 631 726
Depreciation	(1 734 810)	(1 077 485)	(112 711)	-	(3 785 388)	(6 710 393)
<b>Closing net carrying amount</b>	<b>16 608 182</b>	<b>9 991 457</b>	<b>963 309</b>	<b>17 751 947</b>	<b>42 713 071</b>	<b>88 027 966</b>
Cost	27 250 471	25 684 958	1 565 239	17 751 947	75 707 782	147 960 397
Accumulated depreciation	(10 642 289)	(15 693 500)	(601 930)	-	(32 994 711)	(59 932 430)



	Computer equipment	Office furniture and equipment	Motor vehicles	Land	Buildings	Total
<b>Balance at 2021/2022</b>	<b>16 608 182</b>	<b>9 991 458</b>	<b>963 309</b>	<b>17 751 947</b>	<b>42 713 071</b>	<b>88 027 967</b>
Opening net carrying amount	27 250 471	25 684 958	1 565 239	17 751 947	75 707 782	147 960 397
Cost	(10 642 289)	(15 693 500)	(601 930)	-	(32 994 711)	(59 932 430)
Accumulated depreciation						
Additions	18 000 000	6 750 000	500 000	-	3 000 000	28 250 000
Depreciation	(1 821 551)	(1 131 359)	(118 346)	-	(5 370 752)	(8 442 007)
<b>Closing net carrying amount</b>	<b>32 786 632</b>	<b>15 610 098</b>	<b>1 344 962</b>	<b>17 751 947</b>	<b>40 342 319</b>	<b>107 835 959</b>
Cost	45 250 471	32 434 958	2 065 239	17 751 947	78 707 782	176 210 397
Accumulated depreciation	(12 463 839)	(16 824 859)	(720 277)	-	(38 365 463)	(68 374 437)
<b>Balance at 2022/2023</b>	<b>32 786 632</b>	<b>15 610 099</b>	<b>1 344 962</b>	<b>17 751 947</b>	<b>40 342 319</b>	<b>107 835 960</b>
Opening net carrying amount	45 250 471	32 434 958	2 065 239	17 751 947	78 707 782	176 210 397
Cost	(12 463 839)	(16 824 859)	(720 277)	-	(38 365 463)	(68 374 437)
Accumulated depreciation						
Additions	1 000 000	1 000 000	500 000	-	-	2 500 000
Depreciation	(1 912 628)	(1 187 927)	(124 263)	-	(5 639 289)	(8 864 108)
<b>Closing net carrying amount</b>	<b>31 874 003</b>	<b>15 422 171</b>	<b>1 720 699</b>	<b>17 751 947</b>	<b>34 703 030</b>	<b>101 471 851</b>
Cost	46 250 471	33 434 958	2 565 239	17 751 947	78 707 782	178 710 397
Accumulated depreciation	(14 376 467)	(18 012 786)	(844 540)	-	(44 004 752)	(77 238 545)

	Computer equipment	Office furniture and equipment	Motor vehicles	Land	Buildings	Total
<b>Balance at 2023/2024</b>						
Opening net carrying amount	31 874 003	15 422 172	1 720 699	17 751 947	34 703 030	101 471 852
Cost	46 250 471	33 434 958	2 565 239	17 751 947	78 707 782	178 710 397
Accumulated depreciation	(14 376 467)	(18 012 786)	(844 540)	-	(44 004 752)	(77 238 545)
Additions	1 000 000	1 000 000	-	-	-	2 000 000
Depreciation	(2 008 259)	(1 247 323)	(130 477)	-	(5 921 254)	(9 307 313)
<b>Closing net carrying amount</b>	<b>30 865 744</b>	<b>15 174 848</b>	<b>1 590 222</b>	<b>17 751 947</b>	<b>28 781 776</b>	<b>94 164 538</b>
Cost	47 250 471	34 434 958	2 565 239	17 751 947	78 707 782	180 710 397
Accumulated depreciation	(16 384 726)	(19 260 109)	(975 017)	-	(49 926 006)	(86 545 858)
<b>Balance at 2024/2025</b>						
Opening net carrying amount	30 865 744	15 174 849	1 590 222	17 751 947	28 781 776	94 164 539
Cost	47 250 471	34 434 958	2 565 239	17 751 947	78 707 782	180 710 397
Accumulated depreciation	(16 384 726)	(19 260 109)	(975 017)	-	(49 926 006)	(86 545 858)
Additions	1 000 000	1 000 000	-	-	-	2 000 000
Depreciation	(2 108 672)	(1 309 689)	(137 000)	-	(6 217 317)	(9 772 679)
<b>Closing net carrying amount</b>	<b>29 757 072</b>	<b>14 865 159</b>	<b>1 453 222</b>	<b>17 751 947</b>	<b>22 564 460</b>	<b>86 391 859</b>
Cost	48 250 471	35 434 958	2 565 239	17 751 947	78 707 782	182 710 397
Accumulated depreciation	(18 493 399)	(20 569 798)	(1 112 017)	-	(56 143 322)	(96 318 536)

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL**  
**NOTES TO THE BUDGETED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDING 31 MARCH 2022 TO 31 MARCH 2025**

**2 Intangible Asset**

	Software development R	Total R
<b>Balance at 2018/2019</b>		
Opening net carrying amount	<b>86 215 158</b>	<b>86 215 159</b>
Cost	121 906 772	121 906 773
Accumulated Amortisation	(35 691 614)	(35 691 614)
<b>Additions</b>	<b>352 499</b>	<b>352 499</b>
Amortisation	(15 276 266)	(15 276 266)
<b>Closing net carrying amount</b>	<b>71 291 392</b>	<b>71 291 392</b>
Cost	122 230 124	122 230 125
Accumulated Amortisation	(50 938 732)	(50 938 732)
<b>Balance at 2019/2020</b>		
Opening net carrying amount	<b>71 291 392</b>	<b>71 291 392</b>
Cost	122 230 124	122 230 125
Accumulated Amortisation	(50 938 732)	(50 938 732)
<b>Disposal</b>	<b>(61 537)</b>	<b>(61 537)</b>
Amortisation on Disposals	56 537	56 537
Amortisation	(15 272 400)	(15 272 400)
<b>Closing net carrying amount</b>	<b>56 013 992</b>	<b>56 013 993</b>
Cost	122 168 587	122 168 587
Accumulated Amortisation	(66 154 595)	(66 154 595)
<b>Balance at 2020/2021</b>		
Opening net carrying amount	<b>56 013 992</b>	<b>56 013 992</b>
Cost	122 168 587	122 168 588
Accumulated Amortisation	(66 154 595)	(66 154 595)
<b>Amortisation</b>	<b>(15 269 198)</b>	<b>(15 269 198)</b>
<b>Closing net carrying amount</b>	<b>40 744 794</b>	<b>40 744 794</b>
Cost	122 168 587	122 168 587
Accumulated Amortisation	(81 423 793)	(81 423 793)
<b>Balance at 2021/2022</b>		
Opening net carrying amount	<b>40 744 794</b>	<b>40 744 794</b>
Cost	122 168 587	122 168 588
Accumulated Amortisation	(81 423 793)	(81 423 793)
<b>Additions</b>	<b>45 000 000</b>	<b>45 000 000</b>
Amortisation	(14 852 000)	(14 852 000)
<b>Closing net carrying amount</b>	<b>85 744 794</b>	<b>85 744 794</b>
Cost	167 168 587	167 168 587
Accumulated Amortisation	(81 423 793)	(81 423 793)
<b>Balance at 2022/2023</b>		
Opening net carrying amount	<b>85 744 794</b>	<b>85 744 794</b>
Cost	167 168 587	167 168 588
Accumulated Amortisation	(81 423 793)	(81 423 793)
<b>Amortisation</b>	<b>(15 342 116)</b>	<b>(15 342 116)</b>
<b>Closing net carrying amount</b>	<b>85 744 794</b>	<b>85 744 794</b>
Cost	167 168 587	167 168 587
Accumulated Amortisation	(81 423 793)	(81 423 793)
<b>Balance at 2023/2024</b>		
Opening net carrying amount	<b>85 744 794</b>	<b>85 744 794</b>
Cost	167 168 587	167 168 588
Accumulated Amortisation	(81 423 793)	(81 423 793)
<b>Amortisation</b>	<b>(15 848 406)</b>	<b>(15 848 406)</b>
<b>Closing net carrying amount</b>	<b>85 744 794</b>	<b>85 744 794</b>
Cost	167 168 587	167 168 587
Accumulated Amortisation	(81 423 793)	(81 423 793)
<b>Balance at 2024/2025</b>		
Opening net carrying amount	<b>85 744 794</b>	<b>85 744 794</b>
Cost	167 168 587	167 168 588
Accumulated Amortisation	(81 423 793)	(81 423 793)
<b>Amortisation</b>	<b>(16 371 403)</b>	<b>(16 371 403)</b>
<b>Closing net carrying amount</b>	<b>69 373 391</b>	<b>69 373 391</b>
Cost	167 168 587	167 168 587
Accumulated Amortisation	(97 795 196)	(97 795 196)



**NATIONAL HOME BUILDERS REGISTRATION COUNCIL  
NOTES TO THE BUDGETED FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDING 31 MARCH 2022 TO 31 MARCH 2025**

	2019/20 Actual R	2020/21 Actual R	2021/22 Budget R	2022/23 Budget R	2023/24 Budget R	2024/25 Budget R
<b>3 Investment in securities</b>						
Opening balance	6 208 779 009	6 042 791 480	7 355 461 673	7 930 398 502	8 789 213 612	9 452 028 403
Interest received and Investment Income	451 500 505	456 840 513	436 789 000	451 203 037	466 092 738	481 473 798
Administration fee	(10 611 322)	(8 906 968)	(11 544 275)	(12 360 000)	(13 189 220)	(13 624 464)
Fair value net gains/ (loss)	(17 350 295)	(288 988 951)	438 704 394	54 428 261	56 224 393	58 079 798
(Withdrawal) / Additions	(589 526 417)	439 676 565	97 818 322	365 951 691	153 686 880	190 628 090
	<b>6 042 791 480</b>	<b>6 641 412 639</b>	<b>7 355 461 673</b>	<b>7 930 398 502</b>	<b>8 789 213 612</b>	<b>9 452 028 403</b>
						<b>10 168 585 625</b>
<b>4 Accounts receivable</b>						
Trade debtors	98 378 790	48 776 777	52 310 735	47 555 214	39 301 829	35 728 936
Provision for bad debts	(61 007 113)	(30 641 036)	(39 570 498)	(35 973 180)	(29 729 901)	(27 027 183)
Sundry debtors	24 086 754	28 499 672	18 625 231	19 444 741	20 300 310	21 193 523
	<b>61 458 431</b>	<b>46 635 411</b>	<b>31 365 468</b>	<b>31 026 775</b>	<b>29 872 238</b>	<b>29 895 277</b>
<b>5 Cash and cash equivalents</b>						
Bank	450 551 639	559 078 618	552 743 662	502 494 238	239 282 971	197 754 521
Short-term bank deposits	77 409	172 851	174 945	159 040	144 582	119 489
Call Account	645 977 096	207 618 574	304 222 913	276 566 284	251 423 895	207 788 343
	<b>1 096 606 145</b>	<b>766 870 143</b>	<b>857 141 519</b>	<b>779 219 563</b>	<b>490 851 447</b>	<b>405 662 353</b>
<b>6 Accounts payable</b>						
Accounts payable	27 262 684	33 829 749	29 807 292	39 406 054	40 613 809	41 864 132
Leave Accrual	22 537 063	27 986 278	30 287 872	31 511 502	32 141 732	32 784 567
Sundry creditors	50 586 086	40 357 584	42 630 857	43 483 474	44 353 144	45 240 207
	<b>100 385 833</b>	<b>102 173 611</b>	<b>102 726 021</b>	<b>114 401 031</b>	<b>117 108 685</b>	<b>119 888 905</b>
<b>7 Deposits Guarantees</b>						
Bank Guarantees	34 421 080	43 713 631	49 745 601	49 745 601	45 223 273	44 336 542
	<b>34 421 080</b>	<b>43 713 631</b>	<b>49 745 601</b>	<b>49 745 601</b>	<b>45 223 273</b>	<b>44 336 542</b>
<b>8 Reconciliation of surplus to cash generated from operations</b>						
Surplus for the period	590 503 699	134 785 214	737 855 835	487 575 345	550 367 212	586 505 945
<b>Adjust for non cash items:</b>						
Depreciation of property, plant and equipment	8 081 384	6 801 548	6 710 394	7 349 420	7 590 918	8 100 185
Amortisation of Intangible Asset	15 276 266	15 272 400	15 269 198	14 852 000	15 342 116	16 371 403
Leave	(336 452)	6 827 911	4 862 336	-	-	-
Claims paid	3 231 118	10 813 031	1 929 062	-	-	-
Transaction cost on investment	724 845	556 566	634 896	855 848	677 491	699 848
Administration fee	10 611 322	8 906 968	11 544 275	12 360 000	13 189 220	13 624 464
Net loss on disposal of property plant and equipment	323 177	100 393	8 618	8 902	9 196	9 500
Fair value gain on financial instruments	17 350 295	288 988 951	(438 704 394)	52 689 507	54 428 261	58 079 798
Dividend received	(16 475 368)	(17 868 438)	(14 362 941)	(16 789 000)	(17 343 037)	(18 506 564)
Movement in technical provision	48 710 815	89 893 988	30 457 790	55 893 848	57 850 133	61 850 759
Other Non Cash items	(17 502 022)	21 431 914	(496 482)	-	-	-
Interest paid	31 289	4 964	-	-	-	-
Interest received	(435 025 136)	(456 840 513)	(366 782 629)	(402 995 632)	(444 927 300)	(459 664 021)
<b>Operating Income before working capital changes</b>						
(Increase) / Decrease in inventory	225 505 231	109 674 897	211 578 286	209 130 552	241 189 567	267 071 317
(Increase) / Decrease in accounts receivable	1 217 543	1 467 640	2 000 000	1 047 361	1 500 000	1 500 000
(Increase) / (Decrease) in accounts payable	(45 466 807)	15 041 249	338 693	197 344	957 193	(23 030)
	<b>2 806 573</b>	<b>1 787 778</b>	<b>(283 489)</b>	<b>(1 470 490)</b>	<b>(2 707 654)</b>	<b>(2 780 220)</b>
<b>Net Cash flow from operating activities</b>	<b>184 062 540</b>	<b>127 971 564</b>	<b>4 558 249</b>	<b>208 904 767</b>	<b>240 939 105</b>	<b>265 768 059</b>

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL**  
**DRAFT ANNUAL ESTIMATED CONSOLIDATED BUDGET BY DIVISION**  
**2022-2023**

DESCRIPTION	QUARTER 1 2022-2023 Budget	QUARTER 2 2022-2023 Budget	QUARTER 3 2022-2023 Budget	QUARTER 4 2022-2023 Budget	GRAND TOTAL 2022-2023 Budget
<b>REVENUE</b>					
ENROLMENTS NON-SUBSIDY	188 769 088	188 769 088	125 846 059	125 846 059	629 230 294
ENROL FEE : SUBSIDY HOME	15 030 884	15 030 884	10 020 589	10 020 589	50 102 947
ENROL FEE : CONSOLIDATION	26 969 116	26 969 116	17 979 411	17 979 411	89 897 053
ENROL FEE : SUBSIDY PROJECT	12 005 377	12 005 377	8 003 585	8 003 585	40 017 924
REGISTRATION : ADMIN FEES	477 050	667 870	286 230	477 050	1 908 200
REGISTRATION : ANNUAL FEES	381 582	534 215	228 949	381 582	1 526 328
RENEWAL : ANNUAL FEES	2 142 122	2 998 971	1 285 273	2 142 122	8 568 490
BUILDER MANUALS	352 162	493 027	211 297	352 162	1 408 649
LATE ENROLMENT	234 096	156 064	195 080	195 080	780 320
FORENSIC ASSESSMENTS	1 800 000	1 800 000	1 200 000	1 200 000	6 000 000
GEO TECH ASSESSMENT	1 200 000	1 200 000	800 000	800 000	4 000 000
LEGAL DC PENALTY	750 000	1 050 000	450 000	750 000	3 000 000
TECHNICAL SERVICE	600 000	600 000	400 000	400 000	2 000 000
<b>REVENUE TOTAL</b>	<b>250 711 478</b>	<b>252 274 613</b>	<b>166 906 474</b>	<b>168 547 540</b>	<b>838 440 205</b>
<b>EXPENSES</b>					
ACCREDITATION FEES	231 750	231 750	231 750	231 750	927 000
AUDIT COSTS	1 549 500	1 549 500	1 549 500	1 549 500	6 198 000
BANK CHARGES AND CARD FEES	512 500	512 500	512 500	512 500	2 050 000
C/P:BUSINESS&ADVISORY SERV	4 020 091	4 020 091	4 020 091	4 020 091	16 080 366
C/P:BUS&ADV SER:RESEARCH&ADVISOR	774 750	774 750	774 750	774 750	3 099 000
CATERING: INTERNAL ACTIVITIES	421 724	421 724	421 724	421 724	1 686 897
COMMUNICATION COSTS	4 492 752	4 492 752	4 492 752	4 492 752	17 971 006
COMPUTER SERVICES COSTS	6 843 883	6 843 883	6 843 883	6 843 883	27 375 533
CONTRCTRS: TRNSPRT/ RELCTN CONTR	250 000	250 000	250 000	250 000	1 000 000
CONTRCTRS:PLANT FLOWRS&OTHR DEC	89 399	89 399	89 399	89 399	357 596
COST OF BUILDER MANUALS	175 941	175 941	175 941	175 941	703 766
COST OF CERTIFICATES	99 338	99 338	99 338	99 338	397 350
COUNCIL COSTS	766 367	766 367	766 367	766 367	3 065 469
DISCIPLINARY COMMITTEE COSTS	927 485	927 485	927 485	927 485	3 709 940
FLEET SERVICES COSTS	155 479	155 479	155 479	155 479	621 918
GENERAL OFFICE COSTS(Unifrom,Grocery)	505 036	505 036	505 036	505 036	2 020 145
GENERATOR EXPENSES	119 199	119 199	119 199	119 199	476 794
INV STA&PRNT:PRINTING	325 412	325 412	325 412	325 412	1 301 648
INV STA&PRNT:STATIONERY	462 133	462 133	462 133	462 133	1 848 531
LEGAL SERVICES COSTS	3 408 900	3 408 900	3 408 900	3 408 900	13 635 600
MARKETING COSTS	4 250 000	4 250 000	4 250 000	4 250 000	17 000 000
MINOR ASSETS COSTS	200 254	200 254	200 254	200 254	801 014
O/P:COURIER & DELIVERY SERVS	142 104	142 104	142 104	142 104	568 415
O/P:FLOWERS & GIFTS	52 215	52 215	52 215	52 215	208 860
O/P:NON LIFE INSURANCE PRM	516 500	516 500	516 500	516 500	2 066 000
O/P:PROF BODIES,MEMB&SUBSC FEES	154 481	154 481	154 481	154 481	617 925
O/P:STORAGE OF FILES	280 524	280 524	280 524	280 524	1 122 096
OP/L:HIRE AND RENTAL:EQUIPMENT	538 644	538 644	538 644	538 644	2 154 576
OP/L:RENTAL OF PREMISES	4 517 812	4 517 812	4 517 812	4 517 812	18 071 250
P/P:CLEANING SERVICES	617 448	617 448	617 448	617 448	2 469 793
P/P:CONFERENCING,EVENT & WORKSHOPS	435 797	435 797	435 797	435 797	1 743 188
P/P:CONTRCTD MAINT PROP	268 903	268 903	268 903	268 903	1 075 611
P/P:CONTRCTD REF&REH PROP	228 861	228 861	228 861	228 861	915 445
P/P:LEASE OPERATING COSTS	426 492	426 492	426 492	426 492	1 705 969
P/P:MUN RATES AND TAXES	310 639	310 639	310 639	310 639	1 242 557
P/P:SAFEGUARD&SECURITY	1 141 034	1 141 034	1 141 034	1 141 034	4 564 138
P/P:WATER & ELECTR SERVICES	1 263 743	1 263 743	1 263 743	1 263 743	5 054 971
POSTAGE	125 278	125 278	125 278	125 278	501 111
SALARIES AND WAGES	137 570 974	137 570 974	137 570 974	137 570 974	550 283 897
SPECIAL PROJECTS	45 194	45 194	45 194	45 194	180 775
TECHNICAL SERVICE	2 400 000	2 400 000	2 400 000	2 400 000	9 600 000
TRAIN FOR EMERGIGING CONTRACTOR	5 000 000	5 000 000	5 000 000	5 000 000	20 000 000
TRAIN & DEV:EMPLOYEES AND BURSARIES	1 310 831	1 310 831	1 310 831	1 310 831	5 243 324
TRAIN & DEV:INTERNS- STEP	516 500	516 500	516 500	516 500	2 066 000
TRAIN & DEV:WOMEN,YOUTH,DSP,VETS	2 872 402	2 872 402	2 872 402	2 872 402	11 489 609
TRAVEL AND SUBSISTANCE COSTS	2 500 000	2 500 000	2 500 000	2 500 000	10 000 000
TRAVEL COST INSPECTORATE	5 871 469	5 871 469	5 871 469	5 871 469	23 485 875
VENUES AND FACILITIES	279 878	279 878	279 878	279 878	1 119 514

DESCRIPTION	QUARTER 1 2022-2023 Budget	QUARTER 2 2022-2023 Budget	QUARTER 3 2022-2023 Budget	QUARTER 4 2022-2023 Budget	GRAND TOTAL 2022-2023 Budget
REVENUE					

EXPENSES TOTAL	199 969 617	199 969 617	199 969 617	199 969 617	799 878 470
SURPLUS/ (DEFICIT) BEFORE INTEREST AND DEPRECIATION	50 741 861	52 304 995	(33 063 144)	(31 421 977)	38 561 735
DEPRECIATION AND AMORTISATION					
AMORTISATION	3 835 529	3 835 529	3 835 529	3 835 529	15 342 116
DEPRECIATION	1 897 729	1 897 729	1 897 729	1 897 729	7 590 918
DEPRECIATION AND AMORTISATION TOTAL	5 733 259	5 733 259	5 733 259	5 733 259	22 933 034
INVESTMENT INCOME					
INTEREST RECEIVED : CURRENT ACCOUNT	7 500 000	7 500 000	7 500 000	7 500 000	30 000 000
INTEREST RECEIVED : INVESTMENT	100 393 500	100 393 500	100 393 500	100 393 500	401 574 000
INTEREST RECEIVED : SALARY ACCOUNT	15 000	15 000	15 000	15 000	60 000
INTEREST RECEIVED : TRUST ACCOUNT	556 500	556 500	556 500	556 500	2 226 000
DIVIDEND INCOME	4 335 759	4 335 759	4 335 759	4 335 759	17 343 037
REALIZED GAIN	13 607 065	13 607 065	13 607 065	13 607 065	54 428 261
C/P:FUND MANAGEMENT FEES	(3 191 970)	(3 191 970)	(3 191 970)	(3 191 970)	(12 767 880)
INVESTMENT INCOME TOTAL	123 215 854	123 215 854	123 215 854	123 215 854	492 863 418
SURPLUS/ (DEFICIT) FOR THE PERIOD	168 224 457	169 787 591	84 419 452	86 060 619	508 492 119