

# Final Annual Performance Plan

## 2023 – 2024



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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  |
| CFO    | Chief Financial Officer  |
| 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                                    |
| MANCO  | Extended Management Team   |
| 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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At the centre of the National Home Builders Registration council's mandate is the protection of the housing consumers' interests, provide quality assurance services and promote regulatory compliance in the residential building sector. Fundamental to this responsibility is ensuring that there is provision of quality homes from the time that houses are enrolled. The NHBRC has committed to introducing a faster turnaround time for projects enrolments by ensuring that all applications with complete documentation are enrolled within 15 working days.

Moreover, for the NHBRC to fulfil its mandate it needs to improve internal efficiencies, and a sustainable warranty fund. The NHBRC's regulatory efficacy will be strengthened when parliament approved the Housing Consumer Protection Bill and President accented the bill into law, this is a significant step forward for our housing consumers. It will create an enabling environment for new entrants into the home building industry through, inter alia, the introduction of contractual provisions that will ensure their sustainability in the market. It will also allow for alterations and additions to existing homes that were never enrolled or are out of the five-year warranty cover to be enrolled with the NHBRC. The law will continue to enable housing consumers to enjoy the NHBRC's warranty cover and thereby be protected against unscrupulous home builders.

The economic transformation of the industry is also addressed in the law. This is achieved by the introduction of new provision in terms of which the Warranty Fund surplus may be

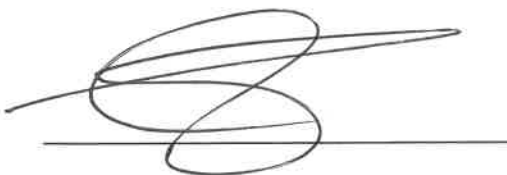
utilised towards human settlement development programmes. For the financial year for 2023/24 the Broad-Based black Economic Empowerment (BBBEE) targets are aligned with the Economic Recovery and Reconstruction Plan and Sector Economic Empowerment and Enterprise Development Programme for the NHBRC designated groups.

Through its vast infrastructure for training, the NHBRC contribute to skilling the youth and improve their employability. In this regard, NHBRC will provide youth graduate internship opportunities to 50 interns in 2023/24 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 persons with disabilities aimed at promoting participation in the human settlements sector, and beneficiaries will be earmarked for exit opportunities within Housing Development Agency (HDA) construction projects.

Furthermore, in this financial year, we will provide 600 bursaries to TVET learners through the NHBRC Artisans Development Programme. This programme is aimed at up skilling talent and supporting the youth in gaining relevant work experience which will in turn increase their chances of gaining employment. The NHBRC Women Empowerment Programme will target 100 women contractors with business support and mentorship programmes.

With the approval of the new fit-for-purpose organisational structure and the upliftment of the moratorium, I expect the NHBRC will be able to fill all critical roles by June 2023. That the approved organisational structure, the NHBRC introduced a role of Executive Engineering and Technical services to oversee the acquisition of licensing and commercialization of Eric Molobi Housing Innovation Hub is an encouraging development. I also expect the NHBRC will also play an active role in responding to disasters and the provision of innovative emergency housing.

The council and the executive leadership of the entity are expected to provide oversight and implementation of the strategy respectively, so that the NHBRC continues to improve in the implementation of its mandate.

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke extending to the right, positioned above a solid horizontal line.

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

## ACCOUNTING AUTHORITY STATEMENT

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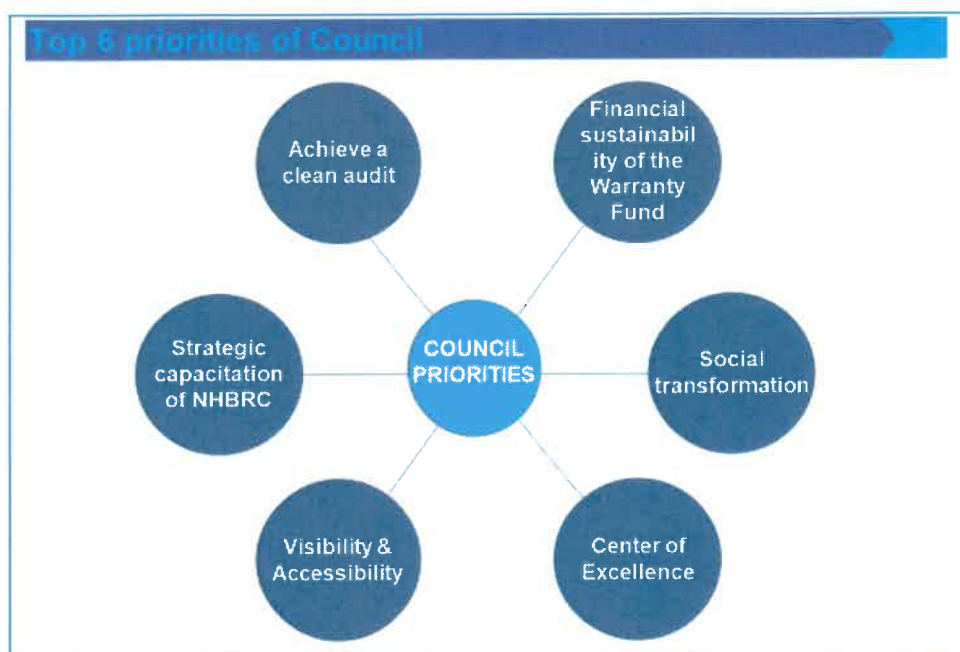
I am pleased to present the annual performance plan (APP) of the NHBRC for the financial year 2023/2024. This council term was appointed on 25 November 2021 by Minister Kubayi, it is therefore our first annual planning cycle with the NHBRC.

Under council's leadership, the NHBRC extended management team(MANCO) consolidated and proposed targets after conducting a thorough strategic planning environmental scan of all factors that affect our sector such as the performance of the economy, internal business factors, human settlements priorities as set out by the minister, available resources and the organisations' risks and developed targets, which were presented to council members during our strategic planning session in August 2022. The NHBRC will commit resources to conduct forensic assessments and inspections on all blocked projects to support municipalities to complete construction of incomplete structures. As council, we considered these targets together with the minister's presentation and proposed 6 priorities to guide the NHBRC to achieve its MTSF targets.

### **Council Priorities**

The targets we proposed considered Auditor General enquiries and findings, approved strategic plan and available resources. We requested that management develop an annual plan and quarterly reporting mechanism to enable Council to monitor implementation of the plan and priorities.

The guiding principles of these priorities was to ensure financial sustainability through cost containment, promote visibility and accessibility of NHBRC services especially in rural areas, good corporate governance through a clean audit, expand access for designated groups to drive government's transformation agenda and position the NHBRC as a centre of excellence in the sector – see picture below:



### **Strategic capacitation of NHBRC**

- Implement the operational model for HR capacity building within NHBRC
- Vacant executives and critical roles to be filled as a matter of urgency
- Promotion of training and development for executives

### **Financial sustainability**

- Implement the Investment Strategy
- Continued implementation of cost-containment measures

### **Sector social transformation**

- Focus on women, youth, persons with disabilities and military veterans
- Social transformation in terms of skills development and procurement spend

### **Achieve a clean audit**

Establish a task team to focus on audit findings and implementation of consequence management as a result of irregular expenditure

### **Centre of excellence**

Position the NHBRC as a centre of excellence in terms of strategic partnerships to promote skills development in the sector and adoption of green-building technologies in the country.

### **Visibility and accessibility**

Establish programmes to reach housing consumers through various means at all corners of the country, more so in rural areas.

### **Implementation of the revised Bill**

To ensure the smooth implementation of the Bill, the NHBRC has established a steering committee comprising of all the relevant divisions as follows: Corporate Legal, Engineering & Technical Services, Customer Experience & Market Development, Regulatory, Compliance and Enforcement, Enterprise Risk Management, Finance, Internal Audit and Communication and Marketing. The committee will be responsible for the development of terms of reference and the implementation plan.

I, as the Chairperson, take this opportunity to commit the NHBRC team and council members to support the minister, National Department and the sector as a whole to act as an enabling partner.



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



## ACCOUNTING OFFICER STATEMENT

I am pleased to present the annual performance plan (APP) documenting planned activities for the financial year 2023/24. This plan is a result of a collective effort of NHBRC management team and council members. NHBRC adopted a bottom-up planning approach. In June 2022, our extended management team (MANCO) consolidated targets for the 2023/24 financial year, followed by our Council strategic planning session in August 2022 which proposed priorities to assist NHBRC to achieve its MTSF targets.

### Council Priorities

This planning cycle is the first for this council, it was appointed last year and led NHBRC through an annual plan that was approved at the beginning of their term through to its external audit. These 6 council priorities are linked to our approved strategic plan 2020 – 2025 and certainly intend to drive NHBRC mandate. NHBRC hosted a further extended MANCO in September 2022 to try and consolidate operational level managers' input and direction as to how we can implement these priorities. EXCO team and I have linked these priorities to the targets below:

| PRIORITY   | PLANNED ACTIVITIES  | TIME-FRAME   |
|--|---|--|
| <b>Achieve a clean audit</b>                     | Unqualified audit opinion with no material findings   | August 2023  |
| <b>Financial sustainability of warranty fund</b> | 10% savings on budgeted expenditure   | On average every quarter, 10% savings on planned expenditure |
| <b>Social transformation</b>                     | Procurement spend of between 5% to 40% for youth, women, persons with disabilities and military veterans.   | Quarterly targets  |
| <b>Centre of excellence</b>                      | Monitoring and evaluation of green-first zero-energy house effectiveness under the South African climate  | March 2024   |
| <b>Visibility and accessibility</b>              | Drive a communication plan which includes consumer awareness workshops across 9 provinces. These workshops target a total of over 700 consumers per quarter | Quarterly targets  |
| <b>Strategic HR capacitation</b>                 | Fill vacant positions   | June 2023  |

## **Planned performance of the organisation**

For this financial year, the NHBRC has 29 targets distributed over 3 programmes: administration, regulation and consumer protection. Administration hosts our support functions, regulation programme includes inspections, training and suspensions and disciplinary hearings, consumer protection includes enrolment and green-first zero-energy house evaluation. Below is a highlight of some of our planned activities and targets:

### **Sector transformation and promotion of access to procurement opportunities**

As part of our strategy to align to sector-wide transformation agenda to promote and encourage government procurement spend towards women, youth, persons with disabilities and military veterans, NHBRC will spend on average every quarter 40% of its procurement spent on women, 16% on youth, 5% each on persons with disabilities and military veterans.

### **Sector capacity building through training**

We will conduct targeted training for women, youth, persons with disabilities and military veterans throughout the financial year. We will train 2,000 women, 1,800 youth, 200 military veterans and 250 persons with disabilities.

### **Home-building regulation**

We will register a minimum of 3, 400 new builders and renew about 15,950 builder registrations. We will inspect all houses enrolled and under construction. With the moratorium uplifted, we will capacitate our compliance section which will speed up our suspensions and DC hearings processes. Through our project management unit and the inspectorate section, the NHBRC will conduct forensic assessment and inspection on blocked projects.

### **Consumer protection**

By the end of March 2024, we will produce a report for council, which will detail the effectiveness of green-first zero-energy house performance under the South African climate.

All enrolment applications received which meet the requirements will be enrolled. We will provide administrative as well as desktop engineering assessment support to applicants to meet requirements for successful enrolment.

I would like to take this opportunity to thank the NHBRC team, council, chairperson of council and re-enforce EXCO team's commitment in achieving council priorities and sector co-operation.

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 2023/2024:

- 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 year period 2023/2024.



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



**Mr. Craig Makapela**  
**Acting Executive Manager: Engineering & Technical Services**



**Mr. Andile Yabo**  
**Company Secretary**



**Ms. Tamlyn Bouwer**  
**Acting Chief Financial Officer**

## OFFICIAL SIGN-OFF

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**Mr. Stefan Janser**  
**Acting Executive: Customer Experience & Market Development**



**Ms. Mathebe Kumalo**  
**Head: Strategy, Monitoring and Evaluation**



**Mr. Siyanda Mqadi**  
**Acting Chief Audit Executive**



**Mr. Bongani Monareng**  
**Acting Chief Risk Officer**



**Mr. Otsile Maseng**  
**Chief Operating 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 *28/03/2023*

## **PART A: OUR MANDATE**

This annual performance plan is based on an assessment of the current socio-economic and 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.

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

### **1. UPDATES ON 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 a 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 residential building 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 the attainment of this outcome in the 2023/2024 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 plan.

## 2. UPDATES ON 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 multispectral 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   | 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 and standards | All complete enrolment applications 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 various aspects of owning and renting a home                         | Implement a borrower, homeownership (Zenzeleni, help-me-buy- a-home scheme) and tenant education programme                       | We will implement all activities under our communication plan, this includes home-owner awareness campaigns              |



| MTSF Indicator                              | MTSF contribution by entity   | Comments  |
|---|---|---|
|   | Monitor and report on the number of persons exposed to education programmes on owning or renting a home           | This is done through enrolment of homes. We have subsidy enrolment indicator on programme 3 |
| Transactional Support Programme implemented | Establish a presence in transactional support sites   |   |
|   | 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   |
|   | Number of consumer disputes submitted and resolved within 90 days   | We ensure disputes are resolved within 90 days and have a dispute                           |

| <b>MTSF Indicator</b>                             | <b>MTSF contribution by entity</b>   | <b>Comments</b>  |
|---|--|--|
| Transformation of the residential property market | In collaboration with DHS development and implementation strategy with targets for the transformation of the residential property sector | resolution indicator on programme 2  |
| 18 000 social housing units delivered             | Enrol and inspect social housing projects  | Non-subsidy enrolment includes social housing units and is explained in the technical indicator description. |

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

None

## PART B: OUR STRATEGIC FOCUS

### 1. UPDATED SITUATIONAL ANALYSIS<sup>1</sup>

#### South African economy in decline

After two consecutive quarters of positive growth, real Gross Domestic Product (GDP) decreased by 0,7% in the second quarter of 2022. The devastating floods in KwaZulu-Natal and load shedding contributed to the decline, weakening an already fragile national economy that had just recovered to pre-pandemic levels.

#### ***Load shedding and climate change (KZN floods and EC droughts) impacts economy***

The flooding had a negative impact on a number of industries, most notably manufacturing. According to the 2019 data, manufacturing is the largest industry in KwaZulu-Natal, accounting for a fifth of national manufacturing production. The damage to factories, plants, and disruptions to logistics and supply chains, pulled national manufacturing output down by 5,9%. The biggest drags on growth were petroleum and chemical products, food and beverages, and transport equipment.

Trade, catering & accommodation were negatively impacted by both the floods in KwaZulu-Natal and power cuts across the country. The industry recorded a contraction of 1,5% as floods damaged retail outlets and storage facilities. There was also a loss of trading hours due to load shedding.

Mining production was dragged lower by gold, coal and diamonds, with the decrease in coal production caused partly by the flooding. Mining output was also negatively affected by load shedding.

Economic activity in the electricity, gas & water supply industry was hampered mainly by load shedding due to lack of generation capacity. There were also disruptions to water supply caused by both the floods in KwaZulu-Natal and drought in Eastern Cape.

Agriculture, forestry & fishing activity decreased by 7,7%, pulled lower by a decrease in the production of animal products. Electricity outages and the spread of foot-and-mouth disease contributed to the decline.

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<sup>1</sup> STATS SA GDP growth, September 2022

On the positive side, the finance, real estate & business services industry made the biggest positive impact on GDP growth in Q2: 2022, rising by 2,4%. Growth was driven by increased activity in the banking sector, as well as in insurance and pension funding.

### **Economic recovery from COVID-19: Not all industries are equal**

The economy took almost two years to recover from the impact of COVID-19, with real GDP reaching pre-pandemic levels in Q1: 2022. The recovery was short lived, with the 0,7% decline in Q2: 2022 dragging GDP back below the Q4: 2019 pre-pandemic level of R1 148 billion.

By Q2: 2022, only four industries were at or above their pre-pandemic levels of production. After slumping in Q2: 2020, the finance, real estate & business services industry took two quarters to recover to its Q4: 2019 level, while personal services took three quarters to get back on its feet.

Agriculture, forestry & fishing and government seem to have remained sustainable despite the pandemic.

### ***Construction industry recovery is the slowest***

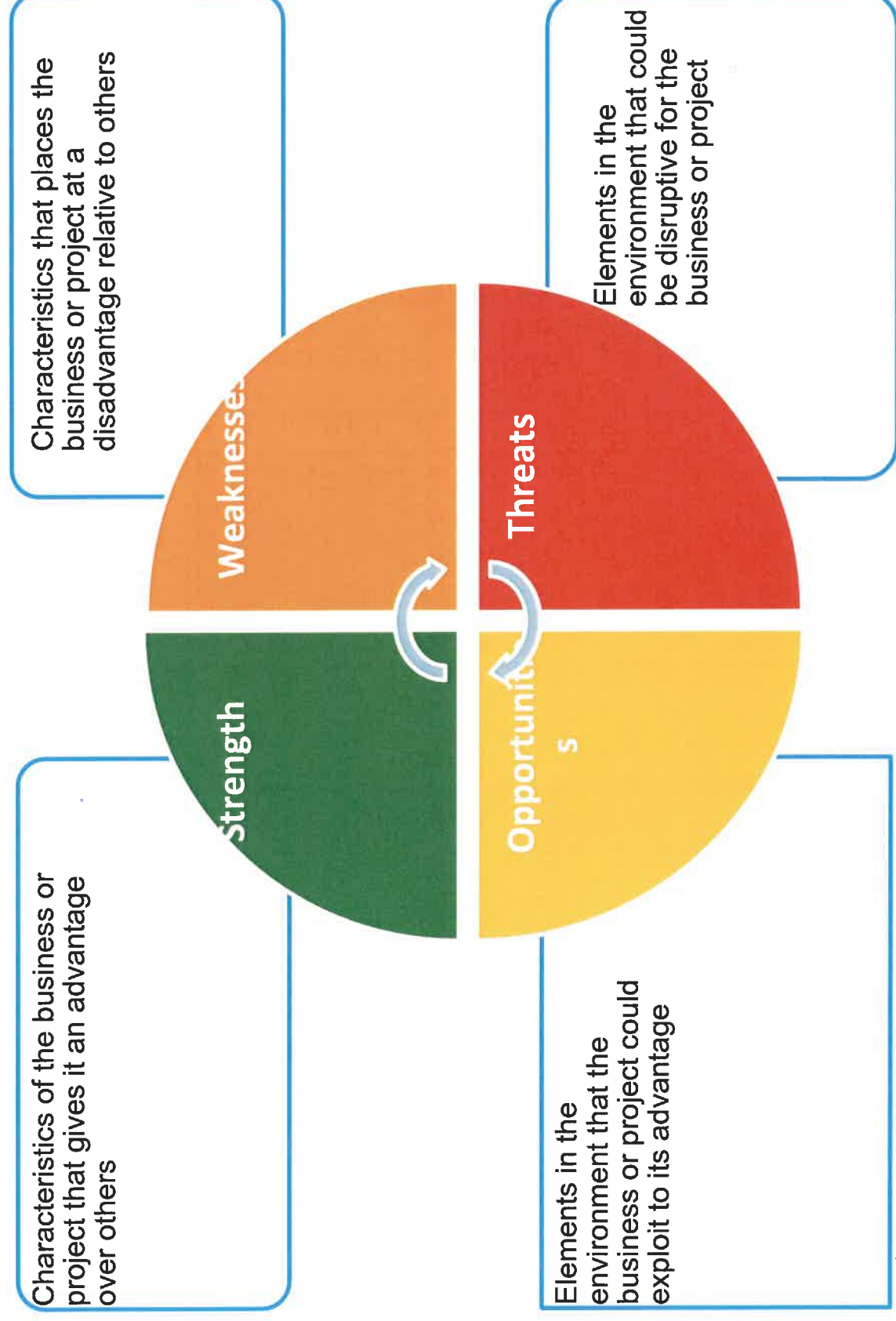
Six industries have not yet recovered, with construction currently in the worst shape. The construction industry is 24% smaller than it was before the pandemic. Mining briefly recovered in Q2: 2021 but has since remained below its Q4: 2019 level.

### ***Blocked projects and enrolment of projects***

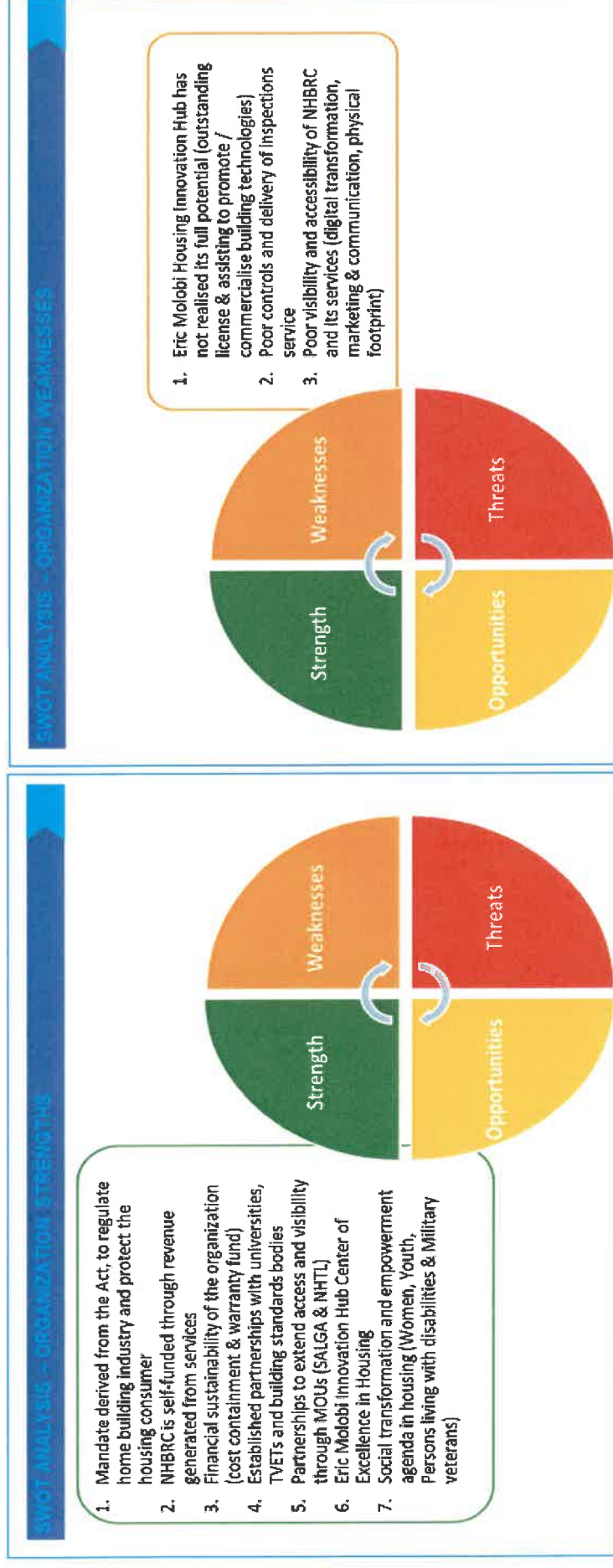
The NHBRC established a database of engineering firms to improve our response turnaround to requests from provincial departments and municipalities for forensic investigation on blocked projects. Our internal engineers will continue to support the provincial department with the assessment of project enrolments and upon approval, the inspectorate section will ensure that inspections are conducted.

**Please see our NHBRC SWOT analysis on the next page:**

## NHBRC SWOT analysis:



## NHBRC SWOT analysis:



## NHBRC SWOT analysis:





## **EXTERNAL ENVIRONMENTAL ANALYSIS**

### **Economic performance<sup>2</sup>**

Economic activity in South Africa recovered further from the impact of the Coronavirus (COVID-19) lockdowns in 2020, as real gross domestic product (GDP) increased by a robust 1.9% in the first quarter of 2022 following a revised increase of 1.4% in the fourth quarter of 2021. For the first time, since the onset of the COVID-19 in the first quarter of 2022, the level of real GDP surpassed the average 2019 level.

### **South African construction industry in 2022 / 2023 Outlook**

The construction industry has been steadily declining since 2017, and 2020 saw a pandemic induced crash due to hard lockdowns. The value of plans passed for building construction fell by 37% year-on-year in the first 11 months of 2020.

2021 gave us cause for hope with a slow but steady recovery. *Afrimat's construction index* increased by 2.8% in the third quarter (2021) despite the impact of the unrest in July.

Nonetheless, the industry faced a depressed economy with constrained growth, weak order book pipelines and decreased foreign investment. Supply chain disruptions associated with the pandemic also continued to impact some companies.

### **SA construction industry in 2022/23**

The outlook for South Africa's economy as a whole is full of uncertainty.

Nonetheless, businesses are experiencing gradual recovery from the impact of the pandemic. The construction industry is expected to rebound over the course of 2022, with forecast expansion of 9.1%.

According to the report *Construction in South Africa – Key Trends and Opportunities to 2025*, we can expect the industry to stabilize at an annual average growth of 3.1% between 2023 and 2025.

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<sup>2</sup> SA Reserve Bank Quarterly Bulletin – June 2022

It's hoped that government spending will support recovery. In 2021, the government announced its plan to invest R791.2 billion in public-sector infrastructure spending over the period from 2021 to 2024.

## **2. INTERNAL ENVIRONMENTAL ANALYSIS**

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 2023/24 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.

Following an audit by Auditor General for the financial year 2021/22, it was agreed the measure used to calculate homes inspections in the 2021/22 APP was not SMART because NHBRC does not have a database of houses under construction. The indicator is therefore changed to number of houses inspected and this target is based on the historical data for the period 2018/19 and 2019/20 before the disruption of covid-19.

Our new fit-for-purpose organisational structure is approved, and the moratorium is uplifted. We will fill all critical roles by June 2023.

The approved organisational structure, the NHBRC introduced a role of Executive Engineering and Technical services to oversee the acquisition of licensing and commercialization of Eric Molobi Housing Innovation Hub. The NHBRC is making significant progress in terms of introducing new building technologies and by end of 2022/23 financial year the hub would have constructed a Green First zero energy-based model house. This

role will also be responsible for improving the internal controls within the inspectorate function to ensure that quality homes are constructed.

### **Economic Recovery and Reconstruction Plan (ERRP)**

The Broad-Based black Economic Empowerment (BBBEE) targets for 2023/24 are aligned with the Economic Recovery and Reconstruction Plan and Sector Economic Empowerment and Enterprise Development Programme for the NHBRC designated groups are as follows:

- Spend on women owned entities: 40%
- Spend on youth owned entities: 16%
- Spend on persons with disabilities owned entities: 5%
- Spend on military veterans owned entities: 5%

The NHBRC introduced the above indicators in the 2022/23 financial year except for military veterans which is only introduced in the 2023/24 financial year. As the NHBRC is governed by the National Treasury guidelines for procurement of products and services, the challenge in achieving these targets has been low response by the designated groups on tenders of high value such a software licensing. As a result, the NHBRC was not able to meet the target in terms of financial value awarded to BBBEE although majority (in terms of numbers) of tenders and requests for quotation were awarded to women, youth and people with disabilities. The NHBRC will continue to assess its internal procurement policy in line with national treasury guidelines and PFMA to ensure qualifying criteria is not limiting to this segment.

NHBRC will provide youth graduate internship opportunities to 50 interns in 2023/24 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 persons with disabilities aimed at promoting participation in the 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 up skilling talent and supporting the youth in gaining relevant work experience which will in turn increase their chances of gaining employment.

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

In support of the candidates that have completed the training, the NHBRC encourages them to register on the CSD (Central Supplier Database) to take advantage of remedial works programs available at the NHBRC. As the NHBRC does not directly employ individuals or companies on subsidy and non-subsidy projects, the NHBRC does share a database of trained candidates with municipalities for available opportunities.

## *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 2023/24, 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 organisational structure is aimed at enhancing the functioning of the organisation.

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 on-going training and assessment opportunities; and
  - Providing an inspection service at critical stages of construction.
3. Regulating and enforcing compliance of 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 of 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 organisation.

### ***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 2023/24, the NHBRC will operate under three programmes which address our strategic pillars. The three (3) programmes are Administration, Regulation and Consumer Protection.

The strategic outcomes are aligned with 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   |   |   |
|---|---|---|-----------------------------|--|--|---|---|---|---|---|---|
|   |   |   | 2019/2020                   | 2020/2021  | 2021/2022  | 2022/2023   | 2023/2024   |   | 2024/2025   | 2025/2026   |   |
| Functional, efficient and integrated government | Unqualified audit opinion with no material findings | Unqualified audit opinion with no material findings         | 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       | Unqualified audit opinion with no material findings       | Unqualified audit opinion with no material findings       | Unqualified audit opinion with no material findings |
|   | Internal Audit Report                               | Percentage implementation of the annual 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 annual internal audit plan     | 100% implementation of the annual internal audit plan     | 100% implementation of the annual internal audit plan     |   |
|   | Anti-Fraud and Corruption Report                    | Percentage implementation of the Anti-Fraud and Corruption  | Not applicable              | 100% implementation of the approved anti-fraud and     | 100% implementation of the approved anti-fraud         | 100% implementation of the approved anti-fraud and corruption | 100% implementation of the approved anti-fraud and corruption | 100% implementation of the anti-fraud and corruption plan | 100% implementation of the anti-fraud and corruption plan | 100% implementation of the anti-fraud and corruption plan |   |



| Outcome  | Outputs                              | Output Indicators   | Audited /Actual performance               |  |   |  |  | Estimated performance                              | MTEF period  |  |  |
|--|--------------------------------------|---|---|--|---|--|--|--|--|--|--|
|  |                                      |   |   |  |   |  |  |  |  |  |  |
|  |                                      |   | 2019/2020                                 | 2020/2021  | 2021/2022   | 2022/2023  | 2023/2024  | 2024/2025  | 2025/2026  |  |  |
|  |                                      | plan  |   | corruption plan  | and corruption plan                                     | plan   |  |  |  |  |  |
|  | Risk Management Report               | Percentage implementation of the 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 risk management plan    | 100% implementation of the risk management plan    | 100% implementation of the risk management plan    |  |  |
| Improved Accessibility and Visibility of NHBRC Products and Services | Communication Plan                   | Percentage implementation of Communication Plan           | 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          | 100% implementation of Communication Plan          |  |
| Financially sustainable organisation promoting economic              | Designated Group Expenditure Reports | Percentage procurement spent on businesses owned by women | Not applicable                            | Not applicable   | Not applicable  | 40% of annual procurement spent - women                  | 40% procurement spent on businesses owned by women | 40% procurement spent on businesses owned by women | 40% procurement spent on businesses owned by women | 40% procurement spent on businesses owned by women |  |

| Outcome   | Outputs | Output Indicators  | Audited /Actual performance |                |                |   | Estimated performance  | MTEF period  |  |  |
|-----------|---------|--|-----------------------------|----------------|----------------|---|--|--|--|--|
|           |         |  | 2019/2020                   | 2020/2021      | 2021/2022      | 2022/2023   |  | 2023/2024  | 2024/2025  | 2025/2026  |
|           |         |  |                             |                |                |   |  |  |  | women  |
| inclusion |         |  |                             |                |                |   |  |  |  |  |
|           |         | Percentage procurement spent on businesses owned by youth                    | Not applicable              | Not applicable | Not applicable | 20% of annual procurement spent - youth                   | 16% procurement spent on businesses owned by youth                   | 16% procurement spent on businesses owned by youth                   | 16% procurement spent on businesses owned by youth                   | 16% procurement spent on businesses owned by youth                   |
|           |         | Percentage procurement spent on businesses owned by people with disabilities | Not applicable              | Not applicable | Not applicable | 5% of annual procurement spent - people with disabilities | 5% procurement spent on businesses owned by people with disabilities | 5% procurement spent on businesses owned by people with disabilities | 5% procurement spent on businesses owned by people with disabilities | 5% procurement spent on businesses owned by people with disabilities |
|           |         | Percentage procurement spent on businesses owned by military                 | Not applicable              | Not applicable | Not applicable | Not applicable  | 5% procurement spent on businesses owned by military                 | 5% procurement spent on businesses owned by military                 | 5% procurement spent on businesses owned by military                 | 5% procurement spent on businesses owned by military veterans        |
|           |         |  |                             |                |                |   |  |  |  |  |
|           |         |  |                             |                |                |   |  |  |  |  |

| Outcome | Outputs                   | Output Indicators                          | MTEF period                 |                                       |                |                                     |                                     |                                     |                                     |                                     |  |
|---------|---------------------------|--|-----------------------------|---------------------------------------|----------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
|         |                           |  | Audited /Actual performance |                                       |                |                                     | Estimated performance               |                                     |                                     |                                     |  |
|         |                           |  | 2019/2020                   | 2020/2021                             | 2021/2022      | 2022/2023                           | 2023/2024                           | 2024/2025                           | 2025/2026                           |                                     |  |
|         |                           | veterans                                   |                             |                                       |                |                                     |                                     | veterans                            |                                     |                                     |  |
|         | Operating profit > Budget | Percentage savings on budgeted expenditure | 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 | 10% savings on budgeted expenditure |  |

## 2.2 PROGRAMME 2: REGULATION

| Outcomes   | Outputs                     | Output indicator                             | Audited /Actual performance                      |  |  |  | Estimated performance                  | MTEF PERIOD                            |  |           |  |
|--|-----------------------------|--|--|--|--|--|--|--|--|-----------|--|
|  |                             |  | 2019/2020  | 2020/2021  | 2021/2022                              | 2022/2023  |  | 2023/2024                              | 2024/2025                              | 2025/2026 |  |
| Adequate Housing and Improved Living Environment | Registered builders         | Number of home builders registered           | 3,880 homebuilders registered                    | 2,802 homebuilders registered                    | 2,370 homebuilders registered          | 2,920 homebuilders registered                    | 3,400 homebuilders registered          | 2,980 homebuilders registered          | 3,000 homebuilders registered          |           |  |
|  | Renewed registrations       | Number of registrations renewed              | 14,561 registrations renewed                     | 13,773 homebuilders to renew their registration  | 9,050 registrations renewed            | 13,910 registrations renewed                     | 15,950 registrations renewed           | 14,100 registrations renewed           | 15,000 registrations renewed           |           |  |
|  | Inspected homes non-subsidy | Number of homes inspected – non-subsidy      | 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             | 28,000 homes inspected - non-subsidy   | 29,400 homes inspected - non-subsidy   | 30,870 homes inspected - non-subsidy   |           |  |
|  | Inspected homes subsidy     | Number of homes inspected - subsidy          | 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                 | 28,000 homes inspected - subsidy       | 29,400 homes inspected - subsidy       | 30,870 homes inspected - subsidy       |           |  |
|  | Percentage of Suspensions   | Percentage of prosecutable matters suspended | 95% of prosecutable matters suspended within 10  | 89% of prosecutable matters suspended within 10  | 100% of prosecutable matters suspended | 100% of prosecutable matters suspended within 10 | 100% of prosecutable matters suspended | 100% of prosecutable matters suspended | 100% of prosecutable matters suspended |           |  |

| Outcomes  | Outputs   | Output indicator  | Audited /Actual performance   |   |   |  |  | Estimated performance                             | MTEF PERIOD                                       |   |           |
|-----------|---|---|---|---|---|--|--|---|---|---|-----------|
|           |   |   |   |   |   |  |  |   |   |   |           |
|           |   |   | 2019/2020   | 2020/2021   | 2021/2022   |  | 2022/2023  |   | 2023/2024   | 2024/2025   | 2025/2026 |
|           |   |   | working days of receipt of instruction  | working days of receipt of instruction  | d within 10 working days of receipt of instruction  |  | working days   |   |   |   |           |
|           | Percentage of Discipline Committee set down for hearing | Percentage of prosecutable matters set down for hearing | 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 of date of approval to prosecute | 80% of prosecutable matters set down for hearing before the DC within 120 working days of 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 | 100% of prosecutable matters set down for hearing | 100% of prosecutable matters set down for hearing |           |
|           | Disputes resolved                                       | Percentage of disputes resolved                         | Not applicable  | 99% disputes resolved within 90 days  | 90% disputes resolved within 90 days  |  | 100% disputes resolved within 90 days  | 100% disputes resolved                            | 100% disputes resolved                            | 100% disputes resolved                            |           |
| Competent | Trained builders  | Number of homebuilder                                   | 3,145 homebuilder   | 2,823 homebuilder   | 1,700 homebuild   |  | 2,000 homebuilders   | 2,300 homebuilders                                | 2,500 homebuild                                   | 2,800 homebuilders                                |           |

| Outcomes                                 | Outputs                          | Output indicator                            | Audited /Actual performance           |                                       |                                       |                                       |                                       | Estimated performance                 | MTEF PERIOD                           |                     |           |
|--|----------------------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------|-----------|
|  |                                  |   |                                       |                                       |                                       |                                       |                                       |                                       |                                       |                     |           |
|  |                                  |   | 2019/2020                             | 2020/2021                             | 2021/2022                             |                                       |                                       |                                       | 2022/2023                             | 2023/2024           | 2024/2025 |
| homebuilders and technical professionals |                                  | s trained                                   | rs trained                            | rs trained                            | ers trained                           | trained                               | trained                               | trained                               | rs trained                            | trained             | trained   |
|  | Trained youth                    | Number of 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                   | 2,200 Youth trained                   | 2,500 Youth trained |           |
|  | Trained women                    | Number of 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                   | 2,500 Women trained                   |                     |           |
|  | Trained military veterans        | Number of 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         | 250 Military Veterans trained         |                     |           |
|  | Trained people with disabilities | Number of persons with disabilities trained | 384 persons with disabilities trained | 314 persons with disabilities trained | 200 persons with disabilities trained | 200 persons with disabilities trained | 250 persons with disabilities trained | 280 persons with disabilities trained | 300 persons with disabilities trained |                     |           |
|  | Trained technical professionals  | Number of 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   | 850 Technical professionals trained   |                     |           |
|  | Trained artisans                 | Number of Artisans trained                  | 514 Artisans trained                  | 600 Artisans trained                  | 600 Artisans trained                  | 600 Artisans trained                  | 650 Artisans trained                  | 700 Artisans trained                  | 800 Artisans trained                  |                     |           |

## 2.3 PROGRAMME 3: CONSUMER PROTECTION

| Outcomes   | Outputs                    | Output Indicators  | Audited /Actual performance                     |   |   |   | Estimated performance                                      | MTEF PERIOD  |  |           |
|--|----------------------------|--|---|---|---|---|--|--|--|-----------|
|  |                            |  |   |   |   |   |  |  |  |           |
|  |                            |  | 2019/2020                                       | 2020/2021   | 2021/2022   | 2022/2023   |  | 2023/2024  | 2024/2025  | 2025/2026 |
| Adequate Housing and Improved Living Environment | Enrolled subsidy homes     | Percentage of enrolment applications approved - Subsidy          | 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          |           |
|  | Enrolled subsidy projects  | Percentage of enrolment applications approved – subsidy projects | N/A   | N/A   | 100% subsidy project enrolment applications approved  | 100% subsidy project enrolment applications approved  | 100% of enrolment applications approved – subsidy projects | 100% of enrolment applications approved – subsidy projects | 100% of enrolment applications approved – subsidy projects |           |
|  | Enrolled non-subsidy homes | Percentage of enrolment applications approved – 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      | 100% of enrolment applications approved – non-subsidy      |           |

| Outcomes                          | Outputs  | Output Indicators  | Audited /Actual performance                                |   |   |   |  | Estimated performance | MTEF PERIOD    |           |           |
|-----------------------------------|--|--|--|---|---|---|--|-----------------------|----------------|-----------|-----------|
|                                   |  |  |  |   |   |   |  |                       | 2022/2023      | 2023/2024 | 2024/2025 |
|                                   |  |  | 2019/2020  | 2020/2021   | 2021/2022   |   |  | 2022/2023             | 2023/2024      | 2024/2025 | 2025/2026 |
|                                   |  |  |  | days from date of receipt – non subsidy                               |   |   |  |                       |                |           |           |
| Greenhouse gas emission reduction | Evaluation and monitoring of constructed Green First Zero energy model house | Evaluation and monitoring of constructed Green First Zero energy model house | 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 | Not applicable        | 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 annual internal audit plan     | 100% implementation of the annual internal audit plan     | 25% implementation of the annual internal audit plan     | 50% implementation of the annual internal audit plan     | 75% implementation of the annual internal audit plan     | 100% implementation of the annual internal audit plan     |
| Percentage implementation of the Anti-Fraud and Corruption plan | 100% implementation of the anti-fraud and corruption plan | 25% implementation of the Anti-Fraud and Corruption plan | 50% implementation of the Anti-Fraud and Corruption plan | 75% implementation of the Anti-Fraud and Corruption plan | 100% implementation of the Anti-Fraud and Corruption plan |
| Percentage implementation of the risk management plan           | 100% implementation of the risk management plan           | 30% implementation of the risk management plan           | 50% implementation of the risk management plan           | 70% implementation of the risk management plan           | 100% implementation of the 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                       |
| Percentage 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 procurement spent on businesses owned by             | 16% procurement spent on businesses owned by              | 16% procurement spent on businesses owned by             | 16% procurement spent on businesses owned by             | 16% procurement spent on businesses owned by             | 16% procurement spent on businesses owned by              |

| Output Indicators   | Annual targets  | Quarterly targets  |  |  |  |
|---|---|--|--|--|--|
|   |   | 1st  | 2nd  | 3rd  | 4th  |
| <b>youth</b>  | <b>youth</b>  | youth  | youth  | youth  | youth  |
| <b>Percentage procurement spent on businesses owned by people with disabilities</b> | <b>5% procurement spent on businesses owned by people with disabilities</b> | 5% procurement spent on businesses owned by people with disabilities | 5% procurement spent on businesses owned by people with disabilities | 5% procurement spent on businesses owned by people with disabilities | 5% procurement spent on businesses owned by people with disabilities |
| <b>Percentage procurement spent on businesses owned by military veterans</b>        | <b>5% procurement spent on businesses owned by military veterans</b>        | 5% procurement spent on businesses owned by military veterans        | 5% procurement spent on businesses owned by military veterans        | 5% procurement spent on businesses owned by military veterans        | 5% procurement spent on businesses owned by military veterans        |

### 3.2 PROGRAMME 2: REGULATION

| Output Indicators                                       | Annual targets                                    | Quarterly targets                                 |   |   |   |
|---|---|---|---|---|---|
|   |   | 1st   | 2nd   | 3rd   | 4 <sup>th</sup>                                   |
| Number of home builders registered                      | 3,400 homebuilders registered                     | 850 homebuilders registered                       | 1,190 homebuilders registered                     | 510 homebuilders registered                       | 850 homebuilders registered                       |
| Number of registrations renewed                         | 15,950 registrations renewed                      | 3,988 registrations renewed                       | 5,583 registrations renewed                       | 2,393 registrations renewed                       | 3,986 registrations renewed                       |
| Number of homes inspected - non-subsidy                 | 28,000 homes inspected – non-subsidy              | 7,000 homes inspected – non-subsidy               | 7,000 homes inspected – non-subsidy               | 9,000 homes inspected – non-subsidy               | 5,000 homes inspected – non-subsidy               |
| Number of homes inspected - subsidy                     | 28,000 homes inspected - subsidy                  | 5,000 homes inspected - subsidy                   | 7,000 homes inspected - subsidy                   | 7,000 homes inspected - subsidy                   | 9,000 homes inspected - subsidy                   |
| Percentage of prosecutable matters suspended            | 100% of prosecutable matters suspended            | 100% of prosecutable matters suspended            | 100% of prosecutable matters suspended            | 100% of prosecutable matters suspended            | 100% of prosecutable matters suspended            |
| Percentage of prosecutable matters set down for hearing | 100% of prosecutable matters set down for hearing | 100% of prosecutable matters set down for hearing | 100% of prosecutable matters set down for hearing | 100% of prosecutable matters set down for hearing | 100% of prosecutable matters set down for hearing |
| Percentage of disputes resolved                         | 100% disputes resolved                            | 100% disputes resolved                            | 100% disputes resolved                            | 100% disputes resolved                            | 100% disputes resolved                            |
| Number of homebuilders trained                          | 2,300 homebuilders trained                        | 450 home builders trained                         | 700 home builders trained                         | 450 home builders trained                         | 700 home builders trained                         |
| Number of Youth trained                                 | 1,800 Youth trained                               | 500 youth trained                                 | 500 youth trained                                 | 300 youth trained                                 | 500 youth trained                                 |
| Number of Women trained                                 | 2,000 Women trained                               | 300 women trained                                 | 800 women trained                                 | 400 women trained                                 | 500 women trained                                 |
| Number of Military veterans trained                     | 200 Military Veterans trained                     | 30 military veterans trained                      | 60 military veterans trained                      | 60 military veterans trained                      | 50 military veterans trained                      |
| Number of   | 250 persons                                       | 30 persons  | 80 persons  | 40 persons  | 100 persons                                       |

| Output Indicators                         | Annual targets                      | Quarterly targets                   |                                     |                                     |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   |                                     | 1st                                 | 2nd                                 | 3rd                                 | 4 <sup>th</sup>                     |
| persons with disabilities trained         | with disabilities trained           | with disabilities trained           | with disabilities trained           | with disabilities trained           | with disabilities trained           |
| Number of Technical professionals trained | 750 Technical professionals trained | 100 technical professionals trained | 250 technical professionals trained | 100 technical professionals trained | 300 technical professionals trained |
| Number of Artisans trained                | 650 Artisans trained                | 0 artisans trained                  | 300 artisans trained                | 0 artisans trained                  | 350 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 enrolment applications approved – subsidy projects             | 100% of enrolment applications approved – subsidy projects                   | 100% of enrolment applications approved – subsidy projects | 100% of enrolment applications approved – subsidy projects | 100% of enrolment applications approved – subsidy projects | 100% of enrolment applications approved – subsidy projects                   |
| 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                                 |
| Evaluation and monitoring of constructed Green First Zero energy model house | Evaluation and monitoring of constructed Green First Zero energy model house |  |  |  | Evaluation and monitoring of constructed Green First Zero energy 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 of our services in rural and urban areas in equitable measure.

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, the NHBRC will introduce a faster turnaround time for projects enrolments. We will ensure all applications with complete documentation are enrolled within 15 working days.

The NHBRC offers forensic assessments on blocked or incomplete projects related 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 drawn up and forwarded to the relevant officials for remedial action.

In keeping in line with our heightened efforts to promote compliance, the NHBRC will ensure all prosecutable matters are dealt with speedily. Prosecutable matters refer to cases where the 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 the NHBRC code of

conduct. These matters are presented to the NHBRC Disciplinary Committee which decides on the offender's 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 2023/24 are aligned with the Economic Recovery and Reconstruction Plan and Sector Economic Empowerment and Enterprise Development Programme for the NHBRC designated groups are as follows:

- Spend on women owned entities: 40%
- Spend on youth owned entities: 16%
- Spend on persons with disabilities owned entities: 5%
- Spend on military veterans owned entities: 5%

NHBRC will provide youth graduate internship opportunities to 50 interns in 2023/24 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 persons with disabilities aimed at promoting participation in the 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 650 bursaries to TVET learners through the NHBRC Artisans Development Programme. This programme is aimed at up skilling

talent and supporting the youth in gaining relevant work experience which will in turn increase their chances of gaining employment.

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



## 5. PROGRAMME RESOURCE CONSIDERATIONS

Overview of 2023/24 and MTEF (Medium Term Expenditure Framework) estimates

| Sub Programmes                       | Audited Outcome |                |                | Medium-term estimates |                |                |                |
|--------------------------------------|-----------------|----------------|----------------|-----------------------|----------------|----------------|----------------|
| R thousand                           | 2019/20         | 2020/21        | 2021/22        | 2022/23               | 2023/24        | 2024/25        | 2025/26        |
| Administration                       | 296 247         | 280 777        | 304 527        | 304 527               | 326 698        | 327 396        | 322 692        |
| Regulation                           | 348 709         | 289 363        | 321 666        | 321 666               | 352 281        | 343 247        | 354 574        |
| Protection                           | 219 495         | 179 157        | 214 644        | 209 386               | 242 558        | 243 434        | 246 807        |
|                                      | <b>864 451</b>  | <b>749 297</b> | <b>840 837</b> | <b>835 579</b>        | <b>921 537</b> | <b>914 076</b> | <b>924 073</b> |
|                                      |                 |                |                |                       |                |                |                |
| Economic Classification              | Audited Outcome |                |                | Medium-term estimates |                |                |                |
| R thousand                           | 2019/20         | 2020/21        | 2021/22        | 2022/23               | 2023/24        | 2024/25        | 2025/26        |
| <b>Current expenses</b>              | <b>864 451</b>  | <b>749 297</b> | <b>840 837</b> | <b>835 579</b>        | <b>921 537</b> | <b>914 076</b> | <b>924 073</b> |
| Compensation of employees            | 534 445         | 483 713        | 556 866        | 550 283               | 622 504        | 621 309        | 622 550        |
| Goods and services                   | 330 006         | 265 584        | 283 971        | 285 296               | 299 033        | 292 767        | 301 523        |
| Interest, dividends and rent on land | –               | –              | –              | –                     | –              | –              | –              |
| Transfers and subsidies              | –               | –              | –              | –                     | –              | –              | –              |
|                                      |                 |                |                |                       |                |                |                |
| <b>Total</b>                         | <b>864 451</b>  | <b>749 297</b> | <b>840 837</b> | <b>835 579</b>        | <b>921 537</b> | <b>914 076</b> | <b>924 073</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 to 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 cater to 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  |
|--|--|
| Definition   | 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. |
| Source of data                                     | Audit report in the annual report of the prior financial year<br>Approved standard operating procedure   |
| Method of calculation or assessment                | Audit opinion expressed in the annual report issued in the reporting year  |
| Means of verification                              | Audit report in the annual report<br>Annual Financial statements   |
| Assumptions  | Adherence to good governance by all employees and Council<br>Compliance to approved policies<br>Compliance to National Treasury and other relevant regulations.  |
| Disaggregation of beneficiaries (where applicable) | N/A  |
| Spatial transformation (where applicable)          | N/A  |
| Calculation type                                   | Non-cumulative   |
| Reporting cycle                                    | Annually   |
| Desired performance                                | Achieve unqualified audit opinion from AGSA  |

|                                 |  |
|---------------------------------|--|
| <b>Indicator title</b>          | <b>Unqualified audit opinion with no material findings</b> |
| <b>Indicator responsibility</b> | Chief Financial Officer                                    |

#### **Percentage implementation of the annual 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>                                     | Approved Internal Audit Plan  |
| <b>Method of calculation or assessment</b>                | Total number of activities implemented for the year to date/ total number of planned activities for the financial year X 100  |
| <b>Means of verification</b>                              | Approved internal audit Plan and progress reports   |
| <b>Assumptions</b>  | Unrestricted access to records<br>Availability of personnel<br>Cooperation and support from business units and stakeholders<br>Quality of information and records   |
| <b>Disaggregation of beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial transformation (where applicable)</b>          | N/A   |
| <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  |

|                                 |  |
|---------------------------------|--|
| <b>Indicator title</b>          | <b>Percentage implementation of the approved internal audit plan</b> |
|                                 | management and governance processes.                                 |
| <b>Calculation Type</b>         | Cumulative (Year to date)  |
| <b>Reporting cycle</b>          | Quarterly and annually   |
| <b>Indicator responsibility</b> | Chief Audit Executive  |

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

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Percentage implementation of the anti-fraud and corruption plan</b>  |
| <b>Definition</b>   | Implementation of anti-fraud and corruption approved 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 and progress reports  |
| <b>Method of calculation / Assessment</b>                 | Total number of activities implemented year to date/ total number of planned activities for the financial year X 100  |
| <b>Means of verification</b>                              | Approved plan on anti-fraud and corruption<br>Progress reports on anti-fraud and corruption   |
| <b>Assumptions</b>  | Unrestricted access to records<br>Availability of personnel<br>Cooperation and support from stakeholders  |
| <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>Indicator Title</b>          | <b>Percentage implementation of the anti-fraud and corruption plan</b>                  |
| <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 risk management plan**

|   |   |
|---|---|
| <b>Indicator Title</b>                                    | <b>Percentage implementation of the 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>                                     | Approved Annual Risk Management Plan; Strategic Risk Register; Progress Reports on Risk Management  |
| <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 and Progress report   |
| <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>Indicator Title</b>          | <b>Percentage implementation of the risk management plan</b> |
|---------------------------------|--|
| <b>Desired performance</b>      | 100% of the approved risk management plan implemented        |
| <b>Indicator responsibility</b> | Chief Risk Officer   |

#### **Percentage savings on budgeted expenditure**

| <b>Indicator title</b>                                    | <b>Percentage savings on budgeted expenditure</b>  |
|---|--|
| <b>Definition</b>   | To implement measures in order to reduce costs of conducting business. Business units are required to spend less than the budgeted expenditure to save money whilst not compromising on quality. |
| <b>Source of data</b>                                     | Management reports   |
| <b>Method of calculation or assessment</b>                | Expenditure incurred must only be 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<br>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 awareness campaigns and road shows in order to educate them about their rights and obligations. The NHBRC uses different media campaigns including face to face engagements, print, TV, radio and digital platforms. |
| <b>Source of data</b>                                     | Approved Communication plan   |
| <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>                              | Approved Communication plan and progress report   |
| <b>Assumptions</b>  | Availability of approved budgets.<br>Availability of media space as per our strategy.<br>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 persons 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>                           | Executive Manager: Corporate Services   |

## Percentage procurement spent on businesses owned by women

| Indicator title   | Percentage procurement spent on businesses owned by 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 are 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.<br>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 multiplied by 100.  |
| <b>Means of verification</b>                              | Supplier payment report<br>Database of accredited suppliers   |
| <b>Assumptions</b>  | Businesses owned by women registered on the National CSD database.<br>B-BBEE certificates, sworn affidavits and any legally valid supporting documents.   |
| <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>                                | 40% of annual procurement spent, targeted at  |

|                                 |  |
|---------------------------------|--|
| <b>Indicator title</b>          | <b>Percentage procurement spent on businesses owned by women</b> |
|                                 | businesses owned by women  |
| <b>Indicator responsibility</b> | Chief Financial Officer  |

### Percentage procurement spent on businesses owned by youth

|   |   |
|---|---|
| <b>Indicator title</b>                                    | <b>Percentage procurement spent on businesses owned by 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 16% 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.<br>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 multiplied by 100.  |
| <b>Means of verification</b>                              | Supplier payment report<br>Database of accredited suppliers   |
| <b>Assumptions</b>  | Businesses owned by youth registered on the National CSD database.<br>B-BBEE certificates, sworn affidavits and any legally valid supporting documents.   |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Annual Target for youth – 16%   |

| <b>Indicator title</b>                           | <b>Percentage procurement spent on businesses owned by youth</b>       |
|--|--|
| <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>                       | 16% of annual procurement spent, targeted at businesses owned by youth |
| <b>Indicator responsibility</b>                  | Chief Financial Officer  |

**Percentage procurement spent on businesses owned by people with disabilities**

| <b>Indicator title</b>                     | <b>Percentage procurement spent on businesses owned by 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.<br>Data collected from the ERP system.   |
| <b>Method of calculation or assessment</b> | Total amount of discretionary spend paid to businesses owned by persons with disabilities within a specific period divided by the total amount of discretionary spend paid to all service providers for the same period multiplied by 100.   |
| <b>Means of verification</b>               | Supplier payment report<br>Database of accredited suppliers  |

| <b>Indicator title</b>                                    | <b>Percentage procurement spent on businesses owned by people with disabilities</b>   |
|---|---|
| <b>Assumptions</b>  | Businesses owned by persons with disabilities registered on the National CSD database.<br>B-BBEE certificates, sworn affidavits and any legally valid supporting documents. |
| <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>                                | 5% of annual procurement spent, targeted at businesses owned by People with disabilities  |
| <b>Indicator responsibility</b>                           | Chief Financial Officer   |

#### **Percentage procurement spent on businesses owned by military veterans**

| <b>Indicator title</b>          | <b>Percentage procurement spent on businesses owned by military veterans</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 military veterans. 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.<br>Data collected from the ERP system.  |
| <b>Method of calculation or</b> | Total amount of discretionary spend paid to   |

|   |  |
|---|--|
| <b>Indicator title</b>                                    | <b>Percentage procurement spent on businesses owned by military veterans</b>   |
| <b>assessment</b>   | businesses owned by military veterans within a specific period divided by the total amount of discretionary spend paid to all service providers for the same period multiplied by 100. |
| <b>Means of verification</b>                              | Supplier payment report<br>Database of accredited suppliers  |
| <b>Assumptions</b>  | Businesses owned by military veterans registered on the National CSD database.<br>B-BBEE certificates, sworn affidavits and any legally valid supporting documents.                    |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Annual Target for military veterans – 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>                                | 5% of annual procurement spent, targeted at businesses owned by military veterans  |
| <b>Indicator responsibility</b>                           | Chief Financial Officer  |

## 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 the NHBRC certificate are required to submit an application with supporting documents, pay a prescribed non-refundable registration fee, undertake technical assessment and pass it according to the prescribed minimum score, pay annual fee and obtain the 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 the 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<br>Registered homebuilder's report  |
| <b>Assumptions</b>                            | Homebuilders will apply to register with the NHBRC.<br>Technical Managers will pass technical assessments.<br>Homebuilders will pay registration and annual fees.   |
| <b>Disaggregation of beneficiaries (where</b> | N/A   |

| Indicator title                           | Number of homebuilders registered                             |
|---|---|
| applicable)                               |   |
| Spatial transformation (where applicable) | N/A   |
| Calculation Type                          | Non-cumulative  |
| Reporting cycle                           | Quarterly and annually  |
| Desired performance                       | 3,400 new homebuilders registered                             |
| Indicator responsibility                  | Executive Manager: Customer Experience and Market Development |

### 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 a prescribed annual fee, undertake technical assessment where technical the manager has changed and obtain a new certificate valid for a period of 1 year from the expiry date of the previous certificate |
| Source of data                                     | CRM system   |
| Method of calculation/assessment                   | Number of renewal certificates issued to 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  |
| Spatial transformation (where applicable)          | N/A  |



| Indicator title          | Number of registrations renewed                               |
|--------------------------|---|
| applicable)              |   |
| Calculation Type         | Non-cumulative  |
| Reporting cycle          | Quarterly and annually  |
| Desired performance      | 15,950 home-builders membership renewed                       |
| Indicator responsibility | Executive Manager: Customer Experience and Market Development |

#### Number of homes inspected – non subsidy

| Indicator title | Number of homes inspected – non subsidy   |
|-----------------|---|
| Definition      | <p>This indicator measures the number of enrolled homes inspected in the 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 minimum inspection stages during the inspection process: Sub-structure, Super-structure, Practical Completion and Storm Water.</p> <p>The objective of the inspection process is to ensure that all structural elements in enrolled homes, will comply with the NHBRC technical requirements.</p> <p>Homes inspected refers to an enrolled home where all inspection stages are completed within a reporting period.</p> <p>Only enrolled homes will be inspected as unenrolled homes are in contravention of the Act.</p> |

| <b>Indicator title</b>                                    | <b>Number of homes inspected – non subsidy</b>  |
|---|---|
| <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> <p>System and Manual data is used to capture data.</p> |
| <b>Method of calculation or assessment</b>                | The total number of completed homes inspected in the financial year. The completed stormwater inspection stage is used to confirm completed homes.  |
| <b>Means of verification</b>                              | List of completed homes inspected   |
| <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> <p>Homes will comply with NHBRC technical requirements</p>   |
| <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>                                | 28,000  |
| <b>Indicator responsibility</b>                           | Executive Manager: Engineering and Technical Services   |

## Number of homes inspected - subsidy

| Indicator title                 | Number of homes inspected - subsidy   |
|---------------------------------|---|
| <b>Definition</b>               | <p>This indicator measures the number of enrolled homes inspected in the 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 covers the following four inspection stages during the inspection process: Sub-structure, Super-structure, Practical Completion and Storm Water.</p> <p>The objective of the inspection process is to ensure that all structural elements in enrolled homes, will comply with the NHBRC technical requirements.</p> <p>Homes inspected refers to an enrolled home all inspection stages are completed within a reporting period.</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> <p>System and Manual data is used to capture data.</p>   |
| <b>Method of calculation or</b> | <p>The total number of completed homes</p>  |

| <b>Indicator title</b>                                    | <b>Number of homes inspected - subsidy</b>   |
|---|--|
| <b>assessment</b>   | inspected in the financial year. The completed stormwater inspection stage is used to confirm completed homes.   |
| <b>Means of verification</b>                              | List of completed homes inspected  |
| <b>Assumptions</b>  | Home builder will be registered with the NHBRC<br>Homes will be enrolled<br>Homes will be constructed<br>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>                                | 28,000   |
| <b>Indicator responsibility</b>                           | Executive Manager: Engineering and Technical Services  |

### Percentage of prosecutable matters suspended

| Indicator title   | Percentage of prosecutable matters suspended   |
|---|--|
| <b>Definition</b>   | The homebuilder must be given notice of an 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. |
| <b>Source of data</b>                                     | Provincial offices email or hand deliver information to the Paralegal in the central office and thereafter contained in the suspension database  |
| <b>Method of calculation or assessment</b>                | Total number of prosecutable matters suspended divided by the total number of prosecutable matters multiplied by 100.  |
| <b>Means of verification</b>                              | Report of suspended homebuilders<br>Report of prosecutable matters   |
| <b>Assumptions</b>  | Notice of non-compliance will be issued  |
| <b>Disaggregation of beneficiaries (where applicable)</b> | N/A  |
| <b>Spatial transformation (where applicable)</b>          | N/A  |
| <b>Reporting cycle</b>                                    | Non-cumulative   |
| <b>Reporting cycle</b>                                    | Quarterly and Annually   |
| <b>Desired performance</b>                                | Zero suspensions   |
| <b>Indicator responsibility</b>                           | Enforcement Manager  |

### Percentage of prosecutable matters set down for hearing

| <b>Indicator title</b>                                    | <b>Percentage of prosecutable matters set down for hearing</b>   |
|---|--|
| <b>Definition</b>   | 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. |
| <b>Source of data</b>                                     | The information comes from provincial offices and it is emailed, or hand delivered to the Paralegal in the central office and thereafter contained in the DC database.   |
| <b>Method of calculation or assessment</b>                | Total number of prosecutable matters set down for hearing divided by the total number of prosecutable matters that qualify for hearing before the Disciplinary Committee (DC) multiplied by 100.   |
| <b>Means of verification</b>                              | DC roll  |
| <b>Assumptions</b>  | The Disciplinary Committee will not cancel or postpone   |
| <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  |
| <b>Desired performance</b>                                | A 100% of all prosecutable matters must be set for hearing   |
| <b>Indicator responsibility</b>                           | Enforcement Manager  |

## Percentage of disputes resolved

| Indicator title                 | Percentage of disputes resolved  |
|---------------------------------|--|
| <b>Definition</b>               | <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 complaints between homebuilder and Housing Consumer.</p> <p>Where a homebuilder fails to rectify structural complaints, 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>A 100% of disputes reported to the NHBRC must be resolved within 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: A dispute between the homebuilder and homeowner in assuming responsibilities, project plan to fix the defects 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 the homeowner to grant access to the building and / unavailability of the homebuilder to commence remedial work immediately).</p> |
| <b>Source of data</b>           | Database of complaints lodged  |
| <b>Method of calculation or</b> | The total number of disputes resolved within 90  |

| <b>Indicator title</b>                                    | <b>Percentage of disputes resolved</b>  |
|---|---|
| <b>assessment</b>   | working days divided by the total number of disputes resolved multiplied by 100                                 |
| <b>Means of verification</b>                              | Complaint form submitted; complaint closure letter sent to the Housing Consumer.<br>Report of complaints lodged |
| <b>Assumptions</b>  | Homebuilders will be willing to rectify the defects<br>Complainants will provide required documentations        |
| <b>Disaggregation of beneficiaries (where applicable)</b> | N/A   |
| <b>Spatial transformation (where applicable)</b>          | N/A   |
| <b>Calculation Type</b>                                   | Average   |
| <b>Reporting cycle</b>                                    | Quarterly and annually  |
| <b>Desired performance</b>                                | A 100% of all disputes resolved within 90 working days  |
| <b>Indicator responsibility</b>                           | Executive Manager: Customer Experience and Market Development   |

#### **Number of homebuilders trained**

| <b>Indicator title</b> | <b>Number of homebuilders trained</b>  |
|------------------------|--|
| <b>Definition</b>      | To capacitate home builders with technical building skills, competencies and capacity to meet technical building standards necessary to improve quality of homes construction. Training is offered to the NHBRC registered builders, employees of the registered homebuilder and builders intending to register with the NHBRC |
| <b>Source of data</b>  | Memorandum with TVETs<br>External service providers and internal trainers  |



| <b>Indicator title</b>                                    | <b>Number of homebuilders trained</b>  |
|---|--|
|   | <p>conducting training</p> <p>Applications by homebuilders</p> <p>Applications by other stakeholders</p> <p>Internal requests from Business Services for potential homebuilders struggling to pass the technical assessment.</p> |
| <b>Method of calculation or assessment</b>                | <p>Number of homebuilders that attended the training</p> <p>Calculation is based on the number of homebuilders per module using unique ID numbers/NHBRC Registration number</p>  |
| <b>Means of verification</b>                              | <p>Attendance register/certificate</p> <p>Report of learners</p>   |
| <b>Assumptions</b>  | <p>Learners available to attend and complete training</p> <p>There will be funds available to sponsor training</p>   |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Target for homebuilder: 2,300  |
| <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>                                | 2,300 homebuilders trained   |
| <b>Indicator responsibility</b>                           | Manager: Education Training and Development  |

## Number of youths trained

| Indicator title   | Number of youths trained  |
|---|---|
| <b>Definition</b>   | Capacitate South Africans who are between the age of 18 and 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 which will then create job opportunities in the country. |
| <b>Source of data</b>                                     | Memorandum with QCTO/CETA/TVETs<br>External Service providers and internal trainers conducting the training<br>Applications for training by the youth<br>Applications for training by other stakeholders on behalf of the youth   |
| <b>Method of calculation or assessment</b>                | Number of youth attending the training<br>Calculation is based on the number of youth per module using unique ID numbers  |
| <b>Means of verification</b>                              | Attendance register/certificate<br>Report of learners   |
| <b>Assumptions</b>  | Learners will attend and complete training<br>there will be funds available to sponsor training   |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Target for youth: 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 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 and in the process create job opportunities in the country. |
| <b>Source of data</b>                                     | Applications for training by women<br>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<br>Calculation is based on the number of women per module using unique ID numbers   |
| <b>Means of verification</b>                              | Attendance register/certificates<br>Report of women trained   |
| <b>Assumptions</b>  | Learners will attend and complete training<br>There shall be funds available to sponsor training  |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Target for women: 2,000   |
| <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>                                | 2,000 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 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 in South Africa 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 and served in the then Union Defence Force. The training also includes 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<br>Calculation is based on the number of military veterans per module using force number  |
| <b>Means of verification</b>                              | Attendance register/certificates<br>Report of military veterans trained   |
| <b>Assumptions</b>  | Military veterans registering for the NHBRC training<br>Learners attending and completing training<br>There shall be funds available to sponsor training  |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Target for military veterans: 200   |

| <b>Indicator title</b>                           | <b>Number of military veterans trained</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>                       | 200 Military Veterans trained               |
| <b>Indicator responsibility</b>                  | Manager: Education Training and Development |

## Number of persons with disabilities trained

| Indicator title   | Number of persons with disabilities trained   |
|---|---|
| <b>Definition</b>   | Capacitate persons 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 persons with disabilities who have been declared by a medical practitioner |
| <b>Source of data</b>                                     | Memorandum with QCTO/CETA/TVETs<br>External service providers and Internal trainers conducting the training<br>Applications for training by a person with disabilities<br>Applications for training by other stakeholders on behalf of people with disabilities   |
| <b>Method of calculation or assessment</b>                | Number of persons with disabilities attending training<br>Calculation is based on number of persons with disabilities per module using unique grant number.   |
| <b>Means of verification</b>                              | Attendance register/certificates<br>Report of persons with disabilities trained   |
| <b>Assumptions</b>  | Persons with disabilities will register for NHBRC training<br>The NHBRC will have funds to sponsor training<br>Learners will attend and complete training   |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Target for people with disabilities: 250  |
| <b>Spatial transformation (where applicable)</b>          | N/A   |

|                                 |  |
|---------------------------------|--|
| <b>Indicator title</b>          | <b>Number of persons with disabilities trained</b> |
| <b>applicable)</b>              |  |
| <b>Calculation Type</b>         | Non-cumulative                                     |
| <b>Reporting cycle</b>          | Quarterly and annually                             |
| <b>Desired performance</b>      | 250 persons 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<br>Report of technical professionals trained   |
| <b>Method of calculation or assessment</b>                | Number of inspectors that attend the training<br>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 the NHBRC training<br>Technical professionals will attend training sponsored by the NHBRC  |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Target for technical professionals: 750  |
| <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>                                | 750 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.<br>To attract the youth and women to take up trades in the home building sector. |
| <b>Source of data</b>                                     | Proof of registration at TVET colleges   |
| <b>Method of calculation or assessment</b>                | Number of artisans enrolled at institution of higher learning<br>Calculation is based on the number of artisans per module using unique ID numbers |
| <b>Means of verification</b>                              | Proof of registration at TVET colleges<br>Report of the list of enrolled learners  |
| <b>Assumptions</b>  | Learners must meet registration criteria at TVETs<br>Learners will attend the training   |
| <b>Disaggregation of beneficiaries (where applicable)</b> | Target for artisans: 650   |
| <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>                                | 650 Artisans train   |
| <b>Indicator responsibility</b>                           | 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 applications 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 and then processed within 15 working days from the date of receipt.</p> <p>The Developer submits an application letter for enrolment of homes 15 days prior to commencement of construction as per the section 14 of the HCPM Act. The application letter for enrolment should indicate the following:</p> <p>Project Name<br/>Homebuilders name<br/>Enrolment &amp; Programme Type<br/>Number of Units<br/>Unique (HSS/G) Number</p> <p>The application letter will be accompanied by the following supporting documents:</p> <p>Phase 1 &amp; 2 Geotechnical Report<br/>DSR &amp; CGS B4 Certificate (for dolomitic areas)<br/>Survey General (SG) Diagram<br/>Site Development Plan (SDP) with ERF Numbers<br/>Services Drawings/certificate or as-built drawings<br/>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>Complete application for enrolment received from provincial departments of Human Settlements</p> <p>The information is collected by the 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 divided by the total number of applications received multiplied 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>  |
| <b>Disaggregation of beneficiaries (where applicable)</b> | <p>N/A</p>  |
| <b>Spatial transformation (where applicable)</b>          | <p>N/A</p>  |
| <b>Calculation Type</b>                                   | <p>Non-cumulative</p>   |
| <b>Reporting cycle</b>                                    | <p>Quarterly and annually</p>   |
| <b>Desired performance</b>                                | <p>100% enrolment of subsidy homes</p>  |
| <b>Indicator responsibility</b>                           | <p>Executive Manager: Customer Experience and Market Development</p>  |

## Percentage of subsidy project enrolment applications approved

| Indicator title   | Percentage of subsidy project enrolment applications approved   |
|-------------------|---|
| <b>Definition</b> | <p>The Departments submits applications for enrolment of homes with the NHBRC 15 days prior to commencement of construction. A compliant enrolment refers to an application where all the mandatory supporting documents and fees are received and then processed within 15 working days from the date of receipt.</p> <p>The Developer submits an application letter for enrolment of homes 15 days prior to 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> <li>DSR &amp; CGS B4 Certificate (for dolomitic areas)</li> <li>Survey General (SG) Diagram</li> <li>Site Development Plan (SDP) with ERF Numbers</li> <li>Services Drawings/certificate or as-built drawings</li> </ul> |

|   |  |
|---|--|
|   | <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>Complete Application for enrolment received from provincial departments of Human Settlements</p> <p>The information is collected by the NHBRC Provincial offices and is recorded manually and /or on the CRM subsidy system.</p>  |
| <b>Method of calculation or assessment</b>                | <p>The total number of applications approved divided by the total number of applications received multiplied 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>   |
| <b>Disaggregation of beneficiaries (where applicable)</b> | <p>N/A</p>   |
| <b>Spatial transformation (where applicable)</b>          | <p>N/A</p>   |
| <b>Calculation Type</b>                                   | <p>Non-cumulative</p>  |
| <b>Reporting cycle</b>                                    | <p>Quarterly and annually</p>  |
| <b>Desired performance</b>                                | <p>100% enrolment of subsidy projects</p>  |

|                                 |   |
|---------------------------------|---|
| <b>Indicator responsibility</b> | Executive Manager: Customer Experience and Market Development |
|---------------------------------|---|

### Percentage of enrolment applications approved – Non subsidy

| <b>Indicator title</b> | <b>Percentage of enrolment applications approved – Non subsidy</b>  |
|------------------------|---|
| <b>Definition</b>      | <p>Homebuilders are required to enrol homes 15 days prior to construction in terms of section 14 of the ACT. Where a homebuilder commenced with 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 and then processed within 15 working days from the date of receipt.</p> <p>The homebuilder submits an 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 late enrolment.</p> <p>Individual homes 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 of payment</p> <p>Financial bank guarantee of 80% in terms of a sectional title where 20% is paid during</p> |

| <b>Indicator title</b>                                    | <b>Percentage of enrolment applications approved – Non subsidy</b>   |
|---|--|
|   | <p>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>The NHBRC issue enrolment certificate/ST001</p> |
| <b>Source of data/assessment</b>                          | CRM report with the list of enrolled homes captured and paid   |
| <b>Method of calculation or assessment</b>                | The total number of enrolment certificate/ST001 issued divided by the total number of enrolments paid multiplied by 100.   |
| <b>Means of verification</b>                              | <p>Report on the number of home enrolments paid</p> <p>Report on the number of enrolment certificates issued</p>   |
| <b>Assumptions</b>  | Homebuilder will submit compliance documents   |
| <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 non-subsidy enrolments   |
| <b>Indicator responsibility</b>                           | Executive Manager: Customer Experience and Market Development  |

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

| Indicator title   | Construction of Green First zero energy-based model house   |
|---|---|
| <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 reduce 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 the 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 will be funds made available to implement the project.</p> <p>Availability of qualifying contractors through a bidding process</p> <p>Availability of building materials</p>   |
| <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 title</b>          | <b>Construction of Green First zero energy-based model house</b> |
| <b>Indicator responsibility</b> | Executive Manager: Engineering and Technical Services            |

## **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> |
|--------------------|--------------------------|-----------------------|--------------------|
| <b>NA</b>          | <b>NA</b>                | <b>NA</b>             | <b>NA</b>          |

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

## **ANNEXURE E: BUDGET**

### **NATIONAL HOME BUILDERS REGISTRATION COUNCIL FINAL ANNUAL BUDGET**

| Description                       | 2020 - 2021        |  | 2021 - 2022        |  | 2022-2023          |  | 2022 - 2023        |  | 2023-2024          |  | 2024-2025          |  | 2025-2026            |  |
|-----------------------------------|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|--------------------|--|----------------------|--|
|                                   | Audited<br>Actual  |  | Audited Actual     |  | Approved<br>Budget |  | FORECAST           |  | Adjusted<br>Budget |  | Proposed<br>Budget |  | Proposed<br>Budget   |  |
| Revenue                           | 694 734 811        |  | 849 773 574        |  | 870 726 205        |  | 891 763 628        |  | 945 072 350        |  | 973 424 521        |  | 1 002 627 256        |  |
| <b>Fees revenue</b>               | <b>52 537 569</b>  |  | <b>59 212 812</b>  |  | <b>54 209 911</b>  |  | <b>75 569 390</b>  |  | <b>74 836 882</b>  |  | <b>77 081 989</b>  |  | <b>79 394 448</b>    |  |
| Reg - Administration              | 2 329 992          |  | 2 828 599          |  | 1 908 200          |  | 2 805 115          |  | 2 237 200          |  | 2 304 316          |  | 2 373 445            |  |
| Reg - Annual                      | 1 518 275          |  | 5 466 918          |  | 1 526 328          |  | 3 237 996          |  | 1 789 488          |  | 1 843 173          |  | 1 898 468            |  |
| Reg - Annual Renewals             | 9 821 658          |  | 7 047 409          |  | 8 568 490          |  | 10 493 285         |  | 8 394 804          |  | 8 646 648          |  | 8 906 048            |  |
| Project Enrolment                 | 37 050 654         |  | 41 836 462         |  | 40 017 924         |  | 57 058 325         |  | 59 812 840         |  | 61 607 225         |  | 63 455 442           |  |
| Reg - Builders Manual             | 1 106 831          |  | 1 237 425          |  | 1 408 649          |  | 1 316 883          |  | 1 694 544          |  | 1 745 380          |  | 1 797 742            |  |
| Late Enrolment Fees               | 409 220            |  | 357 638            |  | 780 320            |  | 298 459            |  | 908 006            |  | 935 246            |  | 963 304              |  |
| Document sales                    | 300 940            |  | 438 361            |  | -                  |  | 359 326            |  | -                  |  | -                  |  | -                    |  |
| <b>Non Subsidy Enrolment Fees</b> | <b>479 189 200</b> |  | <b>641 588 531</b> |  | <b>629 230 294</b> |  | <b>648 271 029</b> |  | <b>685 411 909</b> |  | <b>705 974 266</b> |  | <b>727 153 494</b>   |  |
| Speculative                       | 228 234 452        |  | 359 989 600        |  | 281 681 274        |  | 363 987 797        |  | 366 497 782        |  | 377 492 715        |  | 388 817 497          |  |
| Cluster Sectional Title           | 250 954 748        |  | 281 598 931        |  | 347 549 021        |  | 284 283 232        |  | 318 914 127        |  | 328 481 551        |  | 338 335 997          |  |
| <b>Subsidy enrolment fees</b>     | <b>111 909 637</b> |  | <b>107 465 511</b> |  | <b>140 000 000</b> |  | <b>124 923 209</b> |  | <b>139 323 559</b> |  | <b>143 503 266</b> |  | <b>147 808 364</b>   |  |
| Home Enrolment (0.75%)            | 111 909 637        |  | 107 465 511        |  | 50 102 947         |  | 124 923 209        |  | 39 212 947         |  | 40 389 336         |  | 41 601 016           |  |
| Consolidation (2.1%)              | -                  |  | -                  |  | 89 897 053         |  | -                  |  | 100 110 612        |  | 103 113 930        |  | 106 207 348          |  |
| <b>Other Revenue</b>              | <b>45 974 579</b>  |  | <b>36 510 420</b>  |  | <b>35 286 000</b>  |  | <b>40 000 000</b>  |  | <b>33 500 000</b>  |  | <b>34 505 000</b>  |  | <b>35 540 150</b>    |  |
| Legal DC Penalty                  | 2 792 500          |  | 3 877 410          |  | 3 000 000          |  | 3 000 000          |  | 3 500 000          |  | 3 605 000          |  | 3 713 150            |  |
| Sundry Income                     | 43 182 079         |  | 32 633 010         |  | 32 286 000         |  | 37 000 000         |  | 30 000 000         |  | 30 900 000         |  | 31 827 000           |  |
| <b>Technical Services Revenue</b> | <b>5 123 826</b>   |  | <b>4 996 300</b>   |  | <b>12 000 000</b>  |  | <b>3 000 000</b>   |  | <b>12 000 000</b>  |  | <b>12 360 000</b>  |  | <b>12 730 800</b>    |  |
| Technical Service                 | 1 295 400          |  | -                  |  | 2 000 000          |  | 1 000 000          |  | 2 000 000          |  | 2 060 000          |  | 2 121 800            |  |
| Geotechnical                      | -                  |  | -                  |  | 4 000 000          |  | 1 000 000          |  | 4 000 000          |  | 4 120 000          |  | 4 243 600            |  |
| Forensic Assessment               | 3 828 426          |  | 4 996 300          |  | 6 000 000          |  | 1 000 000          |  | 6 000 000          |  | 6 180 000          |  | 6 365 400            |  |
| Testing Services                  | -                  |  | -                  |  | -                  |  | -                  |  | -                  |  | -                  |  | -                    |  |
| <b>Total Revenue</b>              | <b>694 734 811</b> |  | <b>849 773 574</b> |  | <b>870 726 205</b> |  | <b>891 763 628</b> |  | <b>945 072 350</b> |  | <b>973 424 521</b> |  | <b>1 002 627 256</b> |  |

| Description                                | 2020 - 2021        |                    | 2021 - 2022        |                    | 2022-2023          |                    | 2022 - 2023        |                 | 2023-2024       |                 | 2024-2025       |                 | 2025-2026       |                 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | Audited Actual     | Approved Budget    | Approved Budget    | Approved Budget    | FORECAST           | Adjusted Budget    | Proposed Budget    | Proposed Budget | Adjusted Budget | Proposed Budget | Proposed Budget | Proposed Budget | Proposed Budget | Proposed Budget |
| <b>Operating Expenses</b>                  | <b>14 981 812</b>  | <b>15 402 310</b>  | <b>11 628 116</b>  | <b>3 488 515</b>   | <b>10 930 953</b>  | <b>11 986 576</b>  | <b>12 318 364</b>  |                 |                 |                 |                 |                 |                 |                 |
| Accreditation Fees                         | 17 082             | 25 149             | 927 000            | 18 270             | 193 500            | 927 000            | 927 000            |                 |                 |                 |                 |                 |                 |                 |
| Direct Cost of Builders Manuals            | 919 210            | 1 697 560          | 703 766            | 1 070 246          | 726 990            | 748 800            | 771 264            |                 |                 |                 |                 |                 |                 |                 |
| Outstanding claims provision               | 9 898 086          | 9 618 531          | -                  | -                  | -                  | -                  | -                  |                 |                 |                 |                 |                 |                 |                 |
| Direct Cost of Certificates                | -                  | -                  | 397 350            | -                  | 410 463            | 422 777            | 435 460            |                 |                 |                 |                 |                 |                 |                 |
| Technical Services                         | 4 147 434          | 4 061 070          | 9 600 000          | 2 400 000          | 9 600 000          | 9 888 000          | 10 184 640         |                 |                 |                 |                 |                 |                 |                 |
| <b>General &amp; Administration</b>        | <b>6 196 535</b>   | <b>6 252 136</b>   | <b>7 135 357</b>   | <b>6 700 974</b>   | <b>9 626 200</b>   | <b>9 914 986</b>   | <b>10 212 436</b>  |                 |                 |                 |                 |                 |                 |                 |
| Motor Vehicle Expenses                     | 147 657            | 249 168            | 621 918            | 764 473            | 517 200            | 532 716            | 548 697            |                 |                 |                 |                 |                 |                 |                 |
| Office Equipment Expenses (printers lease) | 1 959 258          | 697 015            | 2 154 576          | 2 145 753          | 4 000 000          | 4 120 000          | 4 243 600          |                 |                 |                 |                 |                 |                 |                 |
| Office Furniture Expenses                  | 2 018 925          | 3 256 682          | 801 014            | 416 043            | 1 153 000          | 1 187 590          | 1 223 218          |                 |                 |                 |                 |                 |                 |                 |
| Relocation cost                            | 6 325              | -                  | -                  | -                  | 200 000            | 206 000            | 212 180            |                 |                 |                 |                 |                 |                 |                 |
| Repairs and Maintenance                    | 1 845 570          | 2 048 562          | 3 081 055          | 2 234 825          | 2 956 000          | 3 044 680          | 3 136 020          |                 |                 |                 |                 |                 |                 |                 |
| Generator/ UPS Expenses                    | 218 801            | 709                | 476 794            | 1 139 880          | 800 000            | 824 000            | 848 720            |                 |                 |                 |                 |                 |                 |                 |
| <b>Council Related Costs</b>               | <b>5 150 477</b>   | <b>7 516 484</b>   | <b>6 775 409</b>   | <b>8 269 418</b>   | <b>7 529 665</b>   | <b>7 755 555</b>   | <b>7 988 222</b>   |                 |                 |                 |                 |                 |                 |                 |
| Council Remuneration                       | 1 826 013          | 2 623 926          | 3 065 469          | 4 046 945          | 3 658 915          | 3 768 682          | 3 881 743          |                 |                 |                 |                 |                 |                 |                 |
| Non Council Committee costs                | 3 324 464          | 4 892 558          | 3 709 940          | 4 222 473          | 3 870 750          | 3 986 873          | 4 106 479          |                 |                 |                 |                 |                 |                 |                 |
| <b>Permanent Staff Costs</b>               | <b>483 713 493</b> | <b>556 865 891</b> | <b>550 283 897</b> | <b>564 435 611</b> | <b>622 504 134</b> | <b>621 309 142</b> | <b>622 550 300</b> |                 |                 |                 |                 |                 |                 |                 |
| Permanent Staff : Salary                   | 464 593 317        | 540 977 003        | 526 353 108        | 527 827 336        | 597 337 197        | 595 387 197        | 595 850 697        |                 |                 |                 |                 |                 |                 |                 |
| Staff Costs - Allowances                   | 13 645 230         | 11 350 395         | 18 930 789         | 31 921 808         | 20 966 937         | 21 595 945         | 22 243 823         |                 |                 |                 |                 |                 |                 |                 |
| Temporary staff                            | 5 474 946          | 4 538 493          | 5 000 000          | 4 686 467          | 4 200 000          | 4 326 000          | 4 455 780          |                 |                 |                 |                 |                 |                 |                 |

| Description                            | 2020 - 2021<br>Audited<br>Actual | 2021 - 2022<br>Approved<br>Budget | 2021 - 2022<br>Approved<br>Budget | 2022 - 2023<br>FORECAST | 2023-2024<br>Adjusted<br>Budget | 2024-2025<br>Proposed<br>Budget | 2025-2026<br>Proposed<br>Budget |
|--|----------------------------------|-----------------------------------|-----------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>General Costs</b>                   | <b>138 800 348</b>               | <b>154 937 601</b>                | <b>160 237 990</b>                | <b>164 283 771</b>      | <b>173 797 615</b>              | <b>179 011 543</b>              | <b>184 381 890</b>              |
| Insurance Paid                         | 1 221 068                        | 1 294 411                         | 2 066 000                         | 1 826 791               | 2 134 178                       | 2 198 203                       | 2 264 149                       |
| Information Technology                 | 38 878 281                       | 35 082 844                        | 27 375 533                        | 34 715 515              | 30 400 000                      | 31 312 000                      | 32 251 360                      |
| Legal Fees                             | 12 678 339                       | 10 972 383                        | 13 635 600                        | 9 267 768               | 12 000 000                      | 12 360 000                      | 12 730 800                      |
| Marketing Fees                         | 16 860 005                       | 16 785 713                        | 17 000 000                        | 14 317 709              | 14 000 000                      | 14 420 000                      | 14 852 600                      |
| Telephone Expenses                     | 18 551 821                       | 12 937 532                        | 17 971 006                        | 24 873 840              | 29 457 600                      | 30 341 328                      | 31 251 568                      |
| Travelling Expenses                    | 4 755 501                        | 8 195 589                         | 10 000 000                        | 12 363 059              | 18 962 398                      | 19 531 270                      | 20 117 208                      |
| Travelling Expenses-Inspectors         | 26 373 853                       | 28 447 533                        | 23 485 875                        | 28 069 409              | 26 580 275                      | 27 377 683                      | 28 199 014                      |
| Training for Emerging                  | 1 210 604                        | -                                 | 20 000 000                        | -                       | -                               | -                               | -                               |
| Training and Development Staff         | 3 674 594                        | 3 665 417                         | 5 243 324                         | 5 278 461               | 5 416 354                       | 5 578 845                       | 5 746 210                       |
| Training - Youth, Women & Veterans     | 5 235 041                        | 23 596 369                        | 11 489 609                        | 15 000 000              | 20 000 000                      | 20 600 000                      | 21 218 000                      |
| Training & Dev: Interns- STEP          | 788 060                          | 675 381                           | 2 066 000                         | 2 066 667               | 2 500 000                       | 2 575 000                       | 2 652 250                       |
| Audit Fees                             | 6 301 866                        | 8 464 350                         | 6 198 000                         | 11 276 874              | 9 000 000                       | 9 270 000                       | 9 548 100                       |
| Catering: Internal Activities          | 1 336 158                        | 1 375 998                         | 1 686 897                         | 2 150 865               | 1 260 000                       | 1 297 800                       | 1 336 734                       |
| General Office costs(Unifrom, Grocery) | 935 158                          | 3 444 081                         | 2 020 145                         | 3 076 813               | 2 086 810                       | 2 149 414                       | 2 213 897                       |

| Description                      | 2020 - 2021<br>Audited<br>Actual | 2021 - 2022<br>Approved<br>Budget | 2022-2023<br>Approved<br>Budget | 2022 - 2023<br>FORECAST | 2023-2024<br>Proposed<br>Budget | 2024-2025<br>Proposed<br>Budget | 2025-2026<br>Proposed<br>Budget |
|----------------------------------|----------------------------------|-----------------------------------|---------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Other Expenses</b>            | <b>63 582 434</b>                | <b>60 848 930</b>                 | <b>60 808 700</b>               | <b>66 804 828</b>       | <b>70 850 014</b>               | <b>72 975 516</b>               | <b>75 164 781</b>               |
| Bank Charges                     | 1 164 452                        | 1 925 870                         | 2 050 000                       | 1 928 603               | 2 050 000                       | 2 111 500                       | 2 174 845                       |
| Bad debts                        | 8 929 460                        | 1 188 008                         | -                               | -                       | -                               | -                               | -                               |
| Cleaning                         | 4 793 776                        | 1 453 316                         | 2 469 793                       | 2 443 949               | 2 551 296                       | 2 627 835                       | 2 706 670                       |
| P/P:First Aid                    | 587                              | 958                               | -                               | 253                     | -                               | -                               | -                               |
| Conferences and Seminars         | -                                | -                                 | 1 743 188                       | 1 500 000               | 1 800 713                       | 1 854 734                       | 1 910 376                       |
| Venues and facilities            | 418 073                          | 777 168                           | 1 119 514                       | 1 267 329               | 1 156 458                       | 1 191 151                       | 1 226 886                       |
| Consulting Fees                  | 15 249 905                       | 14 512 602                        | 16 080 366                      | 20 351 328              | 23 300 000                      | 23 999 000                      | 24 718 970                      |
| Courier & Freight                | 352 445                          | 382 639                           | 568 415                         | 313 863                 | 587 172                         | 604 788                         | 622 931                         |
| PE - Electricity & Water         | 5 236 720                        | 5 841 145                         | 5 054 971                       | 7 108 915               | 5 221 785                       | 5 378 438                       | 5 539 791                       |
| Entertainment Expenses           | -                                | -                                 | -                               | 5 573                   | -                               | -                               | -                               |
| Flowers & Gifts                  | 7 416                            | 9 436                             | 208 860                         | 236 267                 | 215 752                         | 222 225                         | 228 891                         |
| PE - Rent of Premises            | 17 859 275                       | 17 831 280                        | 18 071 250                      | 19 421 152              | 19 271 650                      | 19 849 800                      | 20 445 293                      |
| P/P:Mun rates & Tax              | 924 489                          | 1 040 388                         | 1 242 557                       | 2 061 028               | 1 283 561                       | 1 322 068                       | 1 361 730                       |
| Other Costs - Rental of Premises | 1 654 901                        | 1 682 376                         | 1 705 969                       | 1 970 204               | 1 762 266                       | 1 815 134                       | 1 869 588                       |
| Postage                          | 119 543                          | 751 192                           | 501 111                         | 200 000                 | 517 648                         | 533 177                         | 549 172                         |
| Printing                         | 602 826                          | 5 167 527                         | 1 301 648                       | 631 545                 | 1 344 603                       | 1 384 941                       | 1 426 489                       |
| Security                         | 3 659 669                        | 6 089 425                         | 4 564 138                       | 5 149 605               | 5 524 000                       | 5 689 720                       | 5 860 412                       |
| Special Projects                 | -                                | -                                 | 180 775                         | -                       | 186 741                         | 192 343                         | 198 113                         |
| PE - Plant Expenses              | 59 590                           | 43 321                            | 357 596                         | 157 805                 | 369 396                         | 380 478                         | 391 892                         |
| Stationery                       | 1 428 635                        | 1 281 195                         | 1 848 531                       | 776 526                 | 1 909 533                       | 1 966 819                       | 2 025 823                       |
| Subscriptions                    | 631 543                          | 443 344                           | 617 925                         | 320 673                 | 638 317                         | 657 466                         | 677 190                         |
| Rounding Differences / Minor Ad  | 128 277                          | -102                              | -                               | -                       | -                               | -                               | -                               |
| Off-site Archiving               | 360 850                          | 427 842                           | 1 122 096                       | 957 127                 | 1 159 125                       | 1 193 899                       | 1 229 716                       |
| Interest Paid                    | -                                | -                                 | -                               | 3 084                   | -                               | -                               | -                               |
| Take on Balances                 | -                                | -                                 | -                               | -                       | -                               | -                               | -                               |
| <b>EXPENSES</b>                  | <b>712 425 100</b>               | <b>801 823 352</b>                | <b>796 869 470</b>              | <b>813 983 118</b>      | <b>895 238 580</b>              | <b>902 953 318</b>              | <b>912 615 993</b>              |



| Description  | 2020 - 2021       | 2021 - 2022        | 2022-2023          | 2022 - 2023  | 2023-2024          | 2024-2025          | 2025-2026          |
|--|-------------------|--------------------|--------------------|--------------|--------------------|--------------------|--------------------|
|  | Audited<br>Actual | Approved<br>Budget | Approved<br>Budget | FORECAST     | Adjusted<br>Budget | Proposed<br>Budget | Proposed<br>Budget |
| <b>SURPLUS/ (DEFICIT) BEFORE<br/>INTEREST AND DEPRECIATION</b> |                   |                    |                    |              |                    |                    |                    |
|  | (17 690 289)      | 47 950 222         | 73 856 735         | 77 780 509   | 49 833 770         | 70 471 202         | 90 011 264         |
| <b>DEPRECIATION AND AMORTIZATION</b>                           |                   |                    |                    |              |                    |                    |                    |
| Amortization   | 21 979 592        | 22 225 697         | 22 933 034         | 23 327 107   | 22 298 876         | 22 967 843         | 23 656 878         |
| Depreciation   | 15 269 198        | 15 318 464         | 15 342 116         | 15 916 621   | 14 820 958         | 15 265 587         | 15 723 555         |
|  | 6 710 394         | 6 907 233          | 7 590 918          | 7 410 486    | 7 477 918          | 7 702 256          | 7 933 323          |
| <b>Operating Profit after amortisation,<br/>depreciation</b>   |                   |                    |                    |              |                    |                    |                    |
|  | (39 669 882)      | 25 724 525         | 50 923 701         | 54 453 403   | 27 534 893         | 47 503 359         | 66 354 386         |
| <b>Actuarial adjustment</b>                                    |                   |                    |                    |              |                    |                    |                    |
|  | (28 528 728)      | 604 949 953        | -                  | -            | -                  |                    |                    |
| Change in unearned premium provision                           | 157 692 273       | 77 503 867         |                    | -            |                    |                    |                    |
| Change in unexpired risk provision                             | (186 221 001)     | 527 446 086        |                    | -            |                    |                    |                    |
| <b>Operating Profit after actuarial<br/>adjustment</b>         |                   |                    |                    |              |                    |                    |                    |
|  | (68 198 610)      | 630 674 478        | 50 923 701         | 54 453 403   | 27 534 893         | 47 503 359         | 66 354 386         |
| Research & Development   | 3 348 040         | 3 797 915          | 3 099 000          | 2 000 000    | 2 000 000          | 2 060 000          | 2 121 800          |
| Inspectorate Fees-Outsource                                    |                   |                    |                    |              | 2 000 000          | 2 060 000          | 2 121 800          |
| <b>Profit from operating activities</b>                        |                   |                    |                    |              |                    |                    |                    |
|  | (71 546 650)      | 626 876 563        | 47 824 701         | 52 453 403   | 23 534 893         | 43 383 359         | 62 110 786         |
| <b>Interest Received</b>                                       |                   |                    |                    |              |                    |                    |                    |
|  | 808 305 689       | 657 200 989        | 460 577 418        | 528 334 007  | 493 000 000        | 507 790 000        | 523 023 700        |
| Interest Received  | 366 782 630       | 371 815 358        | 401 574 000        | 509 547 965  | 426 000 000        | 438 780 000        | 451 943 400        |
| Dividend income  | 14 362 941        | 23 529 547         | 17 343 037         | 31 207 998   | 19 000 000         | 19 570 000         | 20 157 100         |
| Realized (Gain)/ loss  | 438 704 394       | 274 846 475        | 54 428 261         | 1 000 000    | 61 000 000         | 62 830 000         | 64 714 900         |
| Asset management service fees                                  | (11 544 275)      | (12 990 391)       | (12 767 880)       | (13 421 955) | (13 000 000)       | (13 390 000)       | (13 791 700)       |
| <b>Surplus/ (Deficit)</b>                                      |                   |                    |                    |              |                    |                    |                    |
|  | 736 759 040       | 1 284 077 552      | 508 402 119        | 580 787 410  | 516 534 893        | 551 173 359        | 585 134 486        |

| NATIONAL HOME BUILDERS REGISTRATION COUNCIL |                                  |               |               |               |   |               |   |                |   |                |   |                |   |         |   |
|---|----------------------------------|---------------|---------------|---------------|---|---------------|---|----------------|---|----------------|---|----------------|---|---------|---|
| BUDGETED STATEMENT OF FINANCIAL POSITION    |                                  |               |               |               |   |               |   |                |   |                |   |                |   |         |   |
| AS AT 31 MARCH 2024 TO 31 MARCH 2026        |                                  |               |               |               |   |               |   |                |   |                |   |                |   |         |   |
| Notes                                       |                                  | 2019/20       |               | 2020/21       |   | 2021/22       |   | 2022/23        |   | 2023/24        |   | 2024/25        |   | 2025/26 |   |
|   |                                  | Actual        | R             | Actual        | R | Actual        | R | Budget         | R | Budget         | R | Budget         | R | Budget  | R |
| ASSETS                                      |                                  |               |               |               |   |               |   |                |   |                |   |                |   |         |   |
| Non-current assets                          |                                  | 6 784 244 698 | 7 484 234 433 | 8 063 755 862 |   | 8 899 800 089 |   | 9 385 616 295  |   | 9 898 622 619  |   | 10 440 119 430 |   |         |   |
| 1   | Property, plant and equipment    | 86 818 067    | 88 027 966    | 82 435 895    |   | 106 333 301   |   | 132 868 076    |   | 126 872 091    |   | -              |   |         |   |
| 2   | Intangible Asset                 | 56 013 993    | 40 744 794    | 30 785 223    |   | 30 785 223    |   | 26 964 265     |   | 11 698 678     |   | -              |   |         |   |
| 3   | Investments                      | 6 641 412 639 | 7 355 461 673 | 7 950 534 743 |   | 8 762 681 566 |   | 9 225 783 955  |   | 9 760 051 851  |   | 10 440 119 431 |   |         |   |
| Current assets                              |                                  | 823 978 602   | 898 050 971   | 1 088 112 862 |   | 696 621 716   |   | 757 685 879    |   | 825 589 829    |   | 900 985 179    |   |         |   |
|   | Inventories                      | 10 473 048    | 9 543 984     | 7 838 978     |   | 6 809 317     |   | 5 309 317      |   | 3 809 317      |   | 2 309 317      |   |         |   |
| 4   | Trade and other receivable       | 46 635 411    | 31 365 468    | 36 830 492    |   | 33 482 265    |   | 30 438 423     |   | 27 671 294     |   | 25 155 722     |   |         |   |
| 5   | Cash and cash equivalents        | 766 870 143   | 857 141 519   | 1 043 443 392 |   | 656 330 134   |   | 721 938 139    |   | 794 109 218    |   | 873 520 140    |   |         |   |
|   |                                  | 7 608 223 300 | 8 382 285 404 | 9 151 868 724 |   | 9 596 421 805 |   | 10 143 302 174 |   | 10 724 212 448 |   | 11 341 104 609 |   |         |   |
| EQUITY AND LIABILITIES                      |                                  |               |               |               |   |               |   |                |   |                |   |                |   |         |   |
| Reserves                                    |                                  | 5 895 826 749 | 6 632 585 788 | 7 916 663 340 |   | 8 425 065 459 |   | 8 941 600 352  |   | 9 492 773 711  |   | 10 077 908 197 |   |         |   |
|   | Accumulated Surplus              | 5 890 951 107 | 6 628 920 749 | 7 912 998 301 |   | 8 422 664 290 |   | 8 940 518 664  |   | 9 463 069 561  |   | 10 051 019 734 |   |         |   |
|   | Emerging contractor Reserves     | 4 875 642     | 3 665 039     | 3 665 039     |   | 2 401 168     |   | 1 081 688      |   | 29 704 150     |   | 26 888 463     |   |         |   |
| Current liabilities                         |                                  | 145 887 243   | 152 732 518   | 242 815 827   |   | 146 217 934   |   | 140 683 565    |   | 133 284 840    |   | 126 607 130    |   |         |   |
| 6   | Trade and other payable          | 102 173 611   | 102 986 918   | 188 516 671   |   | 96 855 064    |   | 95 808 230     |   | 92 489 081     |   | 89 520 075     |   |         |   |
| 7   | Deposits Gaurantees              | 43 713 631    | 49 745 601    | 54 299 156    |   | 49 362 869    |   | 44 875 336     |   | 40 795 760     |   | 37 087 054     |   |         |   |
| Technical liabilities                       |                                  | 1 566 509 308 | 1 596 967 098 | 992 389 557   |   | 1 025 138 413 |   | 1 061 018 257  |   | 1 098 153 896  |   | 1 136 589 283  |   |         |   |
|   | Provision for outstanding claims | 29 191 401    | 31 120 462    | 31 492 874    |   | 32 532 139    |   | 33 670 764     |   | 34 849 241     |   | 36 068 964     |   |         |   |
|   | Provision for unearned premium   | 1 196 092 823 | 1 038 400 550 | 960 896 683   |   | 992 606 274   |   | 1 027 347 493  |   | 1 063 304 655  |   | 1 100 520 318  |   |         |   |
|   | Provision for unexpired risk     | 341 225 085   | 527 446 086   | -             |   | -             |   | -              |   | -              |   | -              |   |         |   |
|   |                                  | 7 608 223 300 | 8 382 285 404 | 9 151 868 724 |   | 9 596 421 805 |   | 10 143 302 174 |   | 10 724 212 448 |   | 11 341 104 609 |   |         |   |



**NATIONAL HOME BUILDERS REGISTRATION COUNCIL  
BUDGETED STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDING 31 MARCH 2024 TO 31 MARCH 2026**

|                             | Accumulated<br>Surplus | Emerging<br>Contractor<br>Reserve | Total                 |
|-----------------------------|------------------------|-----------------------------------|-----------------------|
| <b>Balance at 2018/2019</b> | <b>5 753 715 959</b>   | <b>7 325 576</b>                  | <b>5 761 041 535</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>5 890 951 106</b>   | <b>4 875 642</b>                  | <b>5 895 826 748</b>  |
| Net surplus for the period  | 736 759 040            |                                   | 736 759 040           |
| Utilised                    | 1 210 604              | (1 210 604)                       | -                     |
| <b>Balance at 2020/2021</b> | <b>6 628 920 749</b>   | <b>3 665 039</b>                  | <b>6 632 585 788</b>  |
| Net surplus for the period  | 1 284 077 552          |                                   | 1 284 077 552         |
| <b>Balance at 2021/2022</b> | <b>7 912 998 301</b>   | <b>3 665 039</b>                  | <b>7 916 663 340</b>  |
| Net surplus for the period  | 508 402 119            |                                   | 508 402 119           |
| Utilised                    | 1 263 870              | (1 263 870)                       | -                     |
| <b>Balance at 2022/2023</b> | <b>8 422 664 290</b>   | <b>2 401 168</b>                  | <b>8 425 065 459</b>  |
| Net surplus for the period  | 516 534 893            |                                   | 516 534 893           |
| Utilised                    | 1 319 481              | (1 319 481)                       | -                     |
| <b>Balance at 2023/2024</b> | <b>8 940 518 664</b>   | <b>1 081 688</b>                  | <b>8 941 600 352</b>  |
| Net surplus for the period  | 551 173 359            |                                   | 551 173 359           |
| Transfer to reserve         | (30 000 000)           | 30 000 000                        | -                     |
| Utilised                    | 1 377 538              | (1 377 538)                       | -                     |
| <b>Balance at 2024/2025</b> | <b>9 463 069 561</b>   | <b>29 704 150</b>                 | <b>9 492 773 711</b>  |
| Net surplus for the period  | 585 134 486            |                                   | 585 134 486           |
| Utilised                    | 1 438 149              | (1 438 149)                       | -                     |
| <b>Balance at 2025/2026</b> | <b>10 051 019 734</b>  | <b>26 888 463</b>                 | <b>10 077 908 197</b> |

| NATIONAL HOME BUILDERS REGISTRATION COUNCIL<br>BUDGETED CASH FLOW STATEMENT<br>FOR THE YEAR ENDING 31 MARCH 2024 TO 31 MARCH 2026 |      |                          |                          |                          |                          |                          |                          |                          |  |
|---|------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|
|   | Note | 2019/2020<br>Actual<br>R | 2020/2021<br>Actual<br>R | 2021/2022<br>Actual<br>R | 2022/2023<br>Budget<br>R | 2023/2024<br>Budget<br>R | 2024/2025<br>Budget<br>R | 2025/2026<br>Budget<br>R |  |
| Cash generated from operations  | 8    | (108 786 060)            | 4 477 095                | (95 146 043)             | (225 209 700)            | (137 783 390)            | (162 998 609)            | (200 467 917)            |  |
| Interest Paid   |      | (4 964)                  | -                        | -                        | -                        | -                        | -                        | -                        |  |
| Claims paid   |      | (10 813 031)             | (7 969 024)              | 9 246 119                | -                        | -                        | -                        | -                        |  |
| Interest Received   |      | 30 003 499               | 17 004 368               | 27 649 550               | 30 000 000               | 30 000 000               | 30 900 000               | 31 827 000               |  |
| <b>Net Cash inflow from operating activities</b>  |      | <b>127 971 564</b>       | <b>4 558 249</b>         | <b>132 041 712</b>       | <b>255 209 700</b>       | <b>167 783 390</b>       | <b>193 898 609</b>       | <b>232 294 917</b>       |  |
| <b>Investing activities</b>   |      |                          |                          |                          |                          |                          |                          |                          |  |
| Additions to property, plant and equipment  |      | (5 339 373)              | (7 928 911)              | (1 750 645)              | (22 250 000)             | (34 150 000)             | (2 000 000)              | (2 000 000)              |  |
| Additions to intangible asset   |      | -                        | -                        | (5 354 256)              | (18 000 000)             | -                        | -                        | -                        |  |
| Withdrawals of investments  |      | (4 390 784 110)          | (1 247 828 158)          | (1 365 824 889)          | -                        | -                        | -                        | -                        |  |
| Purchase of financial assets  |      | 4 376 774 339            | 1 244 865 959            | 1 363 222 081            | -                        | -                        | -                        | -                        |  |
| Proceeds on sale of financial assets  |      | (438 358 422)            | 96 604 238               | 63 967 871               | (602 072 959)            | (68 025 385)             | (40 316 608)             | (230 294 917)            |  |
| <b>Cash flow from investing activities</b>  |      | <b>(457 707 566)</b>     | <b>85 713 127</b>        | <b>54 260 162</b>        | <b>(642 322 959)</b>     | <b>(102 175 385)</b>     | <b>(42 316 608)</b>      | <b>(232 294 917)</b>     |  |
| <b>Net decrease in cash and cash equivalents</b>  |      | <b>(329 736 002)</b>     | <b>90 271 376</b>        | <b>186 301 874</b>       | <b>(387 113 258)</b>     | <b>65 608 005</b>        | <b>151 582 001</b>       | <b>0</b>                 |  |
| <b>Cash and cash equivalents at beginning of year</b>   |      | <b>1 096 606 145</b>     | <b>766 870 143</b>       | <b>857 141 519</b>       | <b>1 043 443 392</b>     | <b>656 330 134</b>       | <b>721 938 139</b>       | <b>873 520 140</b>       |  |
| <b>Cash and cash equivalents at the end of the year</b>   |      | <b>766 870 143</b>       | <b>857 141 519</b>       | <b>1 043 443 392</b>     | <b>656 330 134</b>       | <b>721 938 139</b>       | <b>873 520 140</b>       | <b>873 520 140</b>       |  |

| NATIONAL HOME BUILDERS REGISTRATION COUNCIL<br>NOTES TO THE BUDGETED FINANCIAL STATEMENTS<br>FOR THE YEAR ENDING 31 MARCH 2024 TO 31 MARCH 2026 |                            |  |                        |                   |                   |                   |
|---|----------------------------|--|------------------------|-------------------|-------------------|-------------------|
| 1 Property, plant and equipment   |                            |  |                        |                   |                   |                   |
|   | Computer<br>equipment<br>R | Office furniture<br>and equipment<br>R | Motor<br>vehicles<br>R | Land<br>R         | Buildings<br>R    | Total<br>R        |
| <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)      |
| <b>Balance at 2021/2022</b>   |                            |  |                        |                   |                   |                   |
| Opening net carrying amount   | 16 608 182                 | 9 991 458                              | 963 309                | 17 751 947        | 42 713 071        | 88 027 967        |
| 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)      |
| Additions   | 608 210                    | 1 142 435                              | -                      | -                 | -                 | 1 750 645         |
| Disposal  | (1 552 856)                | (315 714)                              | -                      | -                 | -                 | (1 868 570)       |
| Depreciation on disposal  | 1 141 567                  | 291 521                                | -                      | -                 | -                 | 1 433 087         |
| Depreciation  | (2 149 625)                | (859 509)                              | (112 711)              | -                 | (3 785 388)       | (6 907 233)       |
| <b>Closing net carrying amount</b>  | <b>14 655 477</b>          | <b>10 250 189</b>                      | <b>850 598</b>         | <b>17 751 947</b> | <b>38 927 684</b> | <b>82 435 895</b> |
| Cost  | 26 305 824                 | 26 511 679                             | 1 565 239              | 17 751 947        | 75 707 782        | 147 842 472       |
| Accumulated depreciation  | (11 650 347)               | (16 261 489)                           | (714 641)              | -                 | (36 780 098)      | (65 406 575)      |

|                                    | Computer equipment<br>R | Office furniture and equipment<br>R | Motor vehicles<br>R | Land and Buildings<br>R | Land and Buildings<br>R | Total<br>R         |
|------------------------------------|-------------------------|-------------------------------------|---------------------|-------------------------|-------------------------|--------------------|
| <b>Balance at 2022/2023</b>        |                         |                                     |                     |                         |                         |                    |
| Opening net carrying amount        | 14 655 477              | 10 250 190                          | 850 598             | 17 751 947              | 38 927 684              | 82 435 896         |
| Cost                               | 26 305 824              | 26 511 679                          | 1 565 239           | 17 751 947              | 75 707 782              | 147 842 472        |
| Accumulated depreciation           | (11 650 347)            | (16 261 489)                        | (714 641)           | -                       | (36 780 098)            | (65 406 575)       |
| Additions                          | 12 000 000              | 6 750 000                           | 500 000             | -                       | 3 000 000               | 22 250 000         |
| Depreciation                       | (2 257 106)             | (902 485)                           | (118 346)           | -                       | (3 974 657)             | (7 252 595)        |
| <b>Closing net carrying amount</b> | <b>30 398 371</b>       | <b>18 997 704</b>                   | <b>1 232 252</b>    | <b>17 751 947</b>       | <b>37 953 027</b>       | <b>106 333 301</b> |
| Cost                               | 44 305 824              | 36 161 679                          | 2 065 239           | 17 751 947              | 78 707 782              | 178 992 472        |
| Accumulated depreciation           | (13 907 453)            | (17 163 974)                        | (832 987)           | -                       | (40 754 755)            | (72 659 170)       |
| <b>Balance at 2023/2024</b>        |                         |                                     |                     |                         |                         |                    |
| Opening net carrying amount        | 30 398 371              | 18 997 705                          | 1 232 252           | 17 751 947              | 37 953 027              | 106 333 302        |
| Cost                               | 44 305 824              | 36 161 679                          | 2 065 239           | 17 751 947              | 78 707 782              | 178 992 472        |
| Accumulated depreciation           | (13 907 453)            | (17 163 974)                        | (832 987)           | -                       | (40 754 755)            | (72 659 170)       |
| Additions                          | 18 000 000              | 9 650 000                           | 1 500 000           | -                       | 5 000 000               | 34 150 000         |
| Depreciation                       | (2 369 962)             | (947 609)                           | (124 264)           | -                       | (4 173 390)             | (7 615 224)        |
| <b>Closing net carrying amount</b> | <b>46 028 409</b>       | <b>27 700 095</b>                   | <b>2 607 988</b>    | <b>17 751 947</b>       | <b>38 779 637</b>       | <b>132 868 076</b> |
| Cost                               | 62 305 824              | 45 811 679                          | 3 565 239           | 17 751 947              | 83 707 782              | 213 142 472        |
| Accumulated depreciation           | (16 277 415)            | (18 111 583)                        | (957 251)           | -                       | (44 928 145)            | (80 274 394)       |

|                                    | Computer<br>equipment<br>R | Office furniture<br>and equipment<br>R | Motor<br>vehicles<br>R | Land and<br>Buildings<br>R | Land and<br>Buildings<br>R | Total<br>R         |
|------------------------------------|----------------------------|--|------------------------|----------------------------|----------------------------|--------------------|
| <b>Balance at 2024/2025</b>        |                            |  |                        |                            |                            |                    |
| Opening net carrying amount        | <b>46 028 409</b>          | <b>27 700 096</b>                      | <b>2 607 988</b>       | <b>17 751 947</b>          | <b>38 779 637</b>          | <b>132 868 077</b> |
| Cost                               | 62 305 824                 | 45 811 679                             | 3 565 239              | 17 751 947                 | 83 707 782                 | 213 142 472        |
| Accumulated depreciation           | (16 277 415)               | (18 111 583)                           | (957 251)              | -                          | (44 928 145)               | (80 274 394)       |
| Additions                          | 1 000 000                  | 1 000 000                              | -                      | -                          | -                          | 2 000 000          |
| Depreciation                       | (2 488 460)                | (994 990)                              | (130 477)              | -                          | (4 382 059)                | (7 995 985)        |
| <b>Closing net carrying amount</b> | <b>44 539 949</b>          | <b>27 705 105</b>                      | <b>2 477 511</b>       | <b>17 751 947</b>          | <b>34 397 578</b>          | <b>126 872 091</b> |
| Cost                               | 63 305 824                 | 46 811 679                             | 3 565 239              | 17 751 947                 | 83 707 782                 | 215 142 472        |
| Accumulated depreciation           | (18 765 875)               | (19 106 573)                           | (1 087 728)            | -                          | (49 310 204)               | (88 270 380)       |
| <b>Balance at 2025/2026</b>        |                            |  |                        |                            |                            |                    |
| Opening net carrying amount        | <b>44 539 949</b>          | <b>27 705 106</b>                      | <b>2 477 511</b>       | <b>17 751 947</b>          | <b>34 397 578</b>          | <b>126 872 092</b> |
| Cost                               | 63 305 824                 | 46 811 679                             | 3 565 239              | 17 751 947                 | 83 707 782                 | 215 142 472        |
| Accumulated depreciation           | (18 765 875)               | (19 106 573)                           | (1 087 728)            | -                          | (49 310 204)               | (88 270 380)       |
| Additions                          | 1 000 000                  | 1 000 000                              | -                      | -                          | -                          | 2 000 000          |
| Depreciation                       | (2 612 883)                | (1 044 739)                            | (137 001)              | -                          | (4 601 162)                | (8 395 785)        |
| <b>Closing net carrying amount</b> | <b>42 927 066</b>          | <b>27 660 366</b>                      | <b>2 340 511</b>       | <b>17 751 947</b>          | <b>29 796 415</b>          | <b>120 476 306</b> |
| Cost                               | 64 305 824                 | 47 811 679                             | 3 565 239              | 17 751 947                 | 83 707 782                 | 217 142 472        |
| Accumulated depreciation           | (21 378 758)               | (20 151 312)                           | (1 224 728)            | -                          | (53 911 367)               | (96 666 164)       |



**NATIONAL HOME BUILDERS REGISTRATION COUNCIL  
NOTES TO THE BUDGETED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 MARCH 2024 TO 31 MARCH 2026**

**2 Intangible Asset**

|                                    | Software<br>development<br>R | Total<br>R        |
|------------------------------------|------------------------------|-------------------|
| <b>Balance at 2020/2021</b>        |                              |                   |
| Opening net carrying amount        | 56 013 992                   | 56 013 992        |
| Cost                               | 122 168 587                  | 122 168 588       |
| Accumulated Amortisation           | (66 154 595)                 | (66 154 595)      |
| Amortisation                       | (15 269 198)                 | (15 269 198)      |
| <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        | 40 744 794                   | 40 744 794        |
| Cost                               | 122 168 587                  | 122 168 588       |
| Accumulated Amortisation           | (81 423 793)                 | (81 423 793)      |
| Additions                          | 5 354 256                    | 5 354 256         |
| Amortisation on disposal           | 4 637                        | 4 637             |
| Amortisation                       | (15 318 464)                 | (15 318 464)      |
| <b>Closing net carrying amount</b> | <b>30 785 223</b>            | <b>30 785 223</b> |
| Cost                               | 127 522 843                  | 127 522 843       |
| Accumulated Amortisation           | (96 737 620)                 | (96 737 620)      |
| <b>Balance at 2022/2023</b>        |                              |                   |
| Opening net carrying amount        | 30 785 223                   | 30 785 223        |
| Cost                               | 127 522 843                  | 127 522 844       |
| Accumulated Amortisation           | (96 737 620)                 | (96 737 620)      |
| Amortisation                       | (15 342 116)                 | (15 342 116)      |
| <b>Closing net carrying amount</b> | <b>30 785 223</b>            | <b>30 785 223</b> |
| Cost                               | 127 522 843                  | 127 522 843       |
| Accumulated Amortisation           | (96 737 620)                 | (96 737 620)      |

|                                    | Software<br>development<br>R | Total<br>R         |
|------------------------------------|------------------------------|--------------------|
| <b>Balance at 2023/2024</b>        |                              |                    |
| Opening net carrying amount        | 30 785 223                   | 30 785 223         |
| Cost                               | 127 522 843                  | 127 522 844        |
| Accumulated Amortisation           | (96 737 620)                 | (96 737 620)       |
| Additions                          | 11 000 000                   | 11 000 000         |
| Amortisation                       | (14 820 958)                 | (14 820 958)       |
| <b>Closing net carrying amount</b> | <b>26 964 265</b>            | <b>26 964 265</b>  |
| Cost                               | 138 522 843                  | 138 522 843        |
| Accumulated Amortisation           | (111 558 578)                | (111 558 578)      |
| <b>Balance at 2024/2025</b>        |                              |                    |
| Opening net carrying amount        | 26 964 265                   | 26 964 265         |
| Cost                               | 138 522 843                  | 138 522 844        |
| Accumulated Amortisation           | (111 558 578)                | (111 558 578)      |
| Amortisation                       | (15 265 587)                 | (15 265 587)       |
| <b>Closing net carrying amount</b> | <b>11 698 678</b>            | <b>11 698 678</b>  |
| Cost                               | 138 522 843                  | 138 522 843        |
| Accumulated Amortisation           | (126 824 165)                | (126 824 165)      |
| <b>Balance at 2025/2026</b>        |                              |                    |
| Opening net carrying amount        | 11 698 678                   | 11 698 678         |
| Cost                               | 138 522 843                  | 138 522 844        |
| Accumulated Amortisation           | (126 824 165)                | (126 824 165)      |
| Amortisation                       | (15 723 555)                 | (15 723 555)       |
| <b>Closing net carrying amount</b> | <b>(4 024 877)</b>           | <b>(4 024 877)</b> |
| Cost                               | 138 522 843                  | 138 522 843        |
| Accumulated Amortisation           | (142 547 720)                | (142 547 720)      |

|          |   | 2019/20              | 2020/21              | 2021/22              | 2022/23              | 2023/24              | 2024/25              | 2025/26               |
|----------|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
|          |   | Actual               | Actual               | Actual               | Budget               | Budget               | Budget               | Budget                |
|          |   | R                    | R                    | R                    | R                    | R                    | R                    | R                     |
| <b>3</b> | <b>Investment in securities</b>         |                      |                      |                      |                      |                      |                      |                       |
|          | Opening balance                         | 6 042 791 480        | 6 641 412 639        | 7 355 461 673        | 7 950 534 743        | 8 762 681 566        | 9 225 783 955        | 9 760 051 851         |
|          | Interest received and Investment income | 444 705 452          | 381 145 571          | 395 344 905          | 418 917 037          | 445 000 000          | 458 350 000          | 472 100 500           |
|          | Administration fee                      | (8 906 968)          | (11 544 275)         | (12 990 391)         | (12 767 880)         | (13 000 000)         | (13 390 000)         | (13 791 700)          |
|          | Fair value net gains/ (loss)            | (288 988 951)        | 438 704 394          | 274 846 475          | 54 428 261           | 61 000 000           | 62 830 000           | 64 714 900            |
|          | (Withdrawal) / Additions                | 451 811 626          | (94 256 655)         | (62 127 919)         | 351 569 405          | (29 897 611)         | 26 477 896           | 157 043 880           |
|          |   | <b>6 641 412 639</b> | <b>7 355 461 673</b> | <b>7 950 534 743</b> | <b>8 762 681 566</b> | <b>9 225 783 955</b> | <b>9 760 051 851</b> | <b>10 440 119 431</b> |
| <b>4</b> | <b>Trade and other receivable</b>       |                      |                      |                      |                      |                      |                      |                       |
|          | Trade debtors                           | 48 776 777           | 52 310 735           | 44 516 625           | 40 469 659           | 36 790 599           | 33 445 999           | 30 405 454            |
|          | Provision for bad debts                 | (30 641 038)         | (39 570 498)         | (40 758 506)         | (37 053 187)         | (33 684 716)         | (30 622 469)         | (27 838 608)          |
|          | Sundry debtors                          | 28 499 672           | 18 625 231           | 33 072 373           | 30 065 794           | 27 332 540           | 24 847 763           | 22 588 876            |
|          |   | <b>46 635 411</b>    | <b>31 365 468</b>    | <b>36 830 492</b>    | <b>33 482 265</b>    | <b>30 438 423</b>    | <b>27 671 294</b>    | <b>25 155 722</b>     |
| <b>5</b> | <b>Cash and cash equivalents</b>        |                      |                      |                      |                      |                      |                      |                       |
|          | Bank                                    | 559 078 618          | 552 743 662          | 675 108 515          | 321 480 245          | 353 628 270          | 388 991 097          | 427 890 206           |
|          | Short-term bank deposits                | 172 851              | 174 945              | 144 094              | 130 994              | 119 086              | 108 260              | 119 086               |
|          | Call Account                            | 207 618 674          | 304 222 913          | 368 190 784          | 334 718 894          | 368 190 784          | 405 009 862          | 445 510 848           |
|          |   | <b>766 870 143</b>   | <b>857 141 519</b>   | <b>1 043 443 392</b> | <b>656 330 134</b>   | <b>721 938 139</b>   | <b>794 109 218</b>   | <b>873 520 140</b>    |
| <b>6</b> | <b>Trade and other payable</b>          |                      |                      |                      |                      |                      |                      |                       |
|          | Accounts payable                        | 33 829 749           | 31 085 059           | 125 339 034          | 39 420 849           | 43 595 307           | 45 022 787           | 46 368 899            |
|          | Leave Accrual                           | 27 986 278           | 30 287 872           | 28 124 894           | 25 568 085           | 23 243 714           | 21 130 649           | 19 209 681            |
|          | Sundry creditors                        | 40 357 584           | 41 613 986           | 35 052 743           | 31 866 130           | 28 969 209           | 26 335 645           | 23 941 495            |
|          |   | <b>102 173 611</b>   | <b>102 986 918</b>   | <b>188 516 671</b>   | <b>96 855 064</b>    | <b>95 808 230</b>    | <b>92 489 081</b>    | <b>89 520 075</b>     |
| <b>7</b> | <b>Deposits Gaurantees</b>              |                      |                      |                      |                      |                      |                      |                       |
|          | Bank Gaurantees                         | 43 713 631           | 49 745 601           | 54 299 156           | 49 362 869           | 44 875 336           | 40 795 760           | 37 087 054            |
|          |   | <b>43 713 631</b>    | <b>49 745 601</b>    | <b>54 299 156</b>    | <b>49 362 869</b>    | <b>44 875 336</b>    | <b>40 795 760</b>    | <b>37 087 054</b>     |



|  | 2019/20            | 2020/21          | 2021/22            | 2022/23            | 2023/24            | 2024/25            | 2025/26            |
|--|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | Actual<br>R        | Actual<br>R      | Actual<br>R        | Budget<br>R        | Budget<br>R        | Budget<br>R        | Budget<br>R        |
| <b>8 Reconciliation of surplus to cash generated from operations</b> |                    |                  |                    |                    |                    |                    |                    |
| Surplus for the period   | 134 785 214        | 736 759 040      | 1 284 077 552      | 508 402 119        | 516 310 320        | 548 470 049        | 582 350 076        |
| <b>Adjust for non cash items:</b>                                    |                    |                  |                    |                    |                    |                    |                    |
| Depreciation of property, plant and equipment                        | 6 801 548          | 6 710 394        | 6 907 233          | 7 590 918          | 7 477 918          | 7 702 256          | 7 933 323          |
| Amortisation of Intangible Asset                                     | 15 272 400         | 15 269 198       | 15 318 464         | 15 342 116         | 14 820 958         | 15 265 587         | 15 723 555         |
| Leave  | 6 827 911          | 4 862 336        | 176 427            | -                  | -                  | -                  | -                  |
| Claims paid  | 10 813 031         | 1 929 062        | 9 246 119          | -                  | -                  | -                  | -                  |
| Transaction cost on investment                                       | 556 566            | 614 614          | 762 856            | 788 030            | 814 035            | 840 898            | 868 648            |
| Administration fee   | 8 906 968          | 11 544 275       | 12 990 391         | 12 767 880         | 13 000 000         | 13 390 000         | 13 791 700         |
| Net loss on disposal of property plant and equipment                 | 100 393            | 8 618            | 430 846            | 445 064            | 445 064            | 459 751            | 474 923            |
| Fair value gain on financial instruments                             | 288 988 951        | (438 704 394)    | 274 846 475        | 54 428 261         | 61 000 000         | 62 830 000         | 64 714 900         |
| Dividend received  | (17 868 438)       | (14 362 941)     | (23 529 547)       | (17 343 037)       | (19 000 000)       | (19 570 000)       | (20 157 100)       |
| Movement in technical provision                                      | 89 893 988         | 30 457 790       | (604 949 953)      | 32 748 855         | 35 879 844         | 37 063 879         | 38 286 987         |
| Other Non Cash items   | 21 431 914         | (496 483)        | (526 539 978)      | -                  | -                  | -                  | -                  |
| Interest paid  | 4 964              | -                | -                  | -                  | -                  | -                  | -                  |
| Interest received current account                                    | (30 003 499)       | (17 004 368)     | (27 649 550)       | (30 000 000)       | (30 000 000)       | (30 900 000)       | (31 827 000)       |
| Interest received and Investment income                              | (426 837 014)      | (349 778 261)    | (371 815 358)      | (426 000 000)      | (438 780 000)      | (451 943 400)      | (451 943 400)      |
| <b>Operating income before working capital changes</b>               |                    |                  |                    |                    |                    |                    |                    |
| (Increase) / Decrease in inventory                                   | 109 674 897        | (12 191 119)     | 50 271 977         | 159 170 206        | 161 968 140        | 183 609 021        | 220 216 612        |
| (Increase) / Decrease in accounts receivable                         | 1 467 640          | 929 063          | 1 705 006          | 1 029 661          | 1 500 000          | 1 500 000          | 3 809 317          |
| Increase / (Decrease) in accounts payable                            | 15 041 249         | 15 006 998       | (5 465 024)        | 3 348 227          | 3 043 842          | 2 767 129          | 2 515 572          |
|  | 1 787 778          | 813 308          | 85 529 753         | 91 661 607         | 1 129 027          | 3 321 615          | 2 971 545          |
| <b>Net Cash flow from operating activities</b>                       | <b>127 971 564</b> | <b>4 558 249</b> | <b>132 041 712</b> | <b>255 209 700</b> | <b>167 641 009</b> | <b>191 197 765</b> | <b>229 513 047</b> |

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL**  
**DRAFT ANNUAL ESTIMATED CONSOLIDATED BUDGET BY DIVISION**  
**2023-2024**

| DESCRIPTION                           | QUARTER 1<br>2023-2024 Budget | QUARTER 2<br>2023-2024 Budget | QUARTER 3<br>2023-2024 Budget | QUARTER 4<br>2023-2024 Budget | GRAND TOTAL<br>2023-2024 Budget |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|
| <b>REVENUE</b>                        |                               |                               |                               |                               |                                 |
| ENROLMENTS NON-SUBSIDY                | 205 623 573                   | 205 623 573                   | 137 082 382                   | 137 082 382                   | 685 411 909                     |
| ENROL FEE : SUBSIDY HOME              | 11 763 884                    | 11 763 884                    | 7 842 589                     | 7 842 589                     | 39 212 947                      |
| ENROL FEE : CONSOLIDATION             | 30 033 183                    | 30 033 183                    | 20 022 122                    | 20 022 122                    | 100 110 612                     |
| ENROL FEE : SUBSIDY PROJECT           | 17 943 852                    | 17 943 852                    | 11 962 568                    | 11 962 568                    | 59 812 840                      |
| REGISTRATION : ADMIN FEES             | 559 300                       | 783 020                       | 335 580                       | 559 300                       | 2 237 200                       |
| REGISTRATION : ANNUAL FEES            | 447 372                       | 626 321                       | 268 423                       | 447 372                       | 1 789 488                       |
| RENEWAL : ANNUAL FEES                 | 2 098 701                     | 2 938 181                     | 1 259 221                     | 2 098 701                     | 8 394 804                       |
| BUILDER MANUALS                       | 423 636                       | 593 090                       | 254 182                       | 423 636                       | 1 694 544                       |
| LATE ENROLMENT                        | 272 402                       | 272 402                       | 181 601                       | 181 601                       | 908 006                         |
| 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                      | 875 000                       | 1 225 000                     | 525 000                       | 875 000                       | 3 500 000                       |
| TECHNICAL SERVICE                     | 600 000                       | 600 000                       | 400 000                       | 400 000                       | 2 000 000                       |
| OTHER INCOME: INTEREST RECEIVED       | 7 500 000                     | 7 500 000                     | 7 500 000                     | 7 500 000                     | 30 000 000                      |
| <b>REVENUE TOTAL</b>                  | <b>281 140 963</b>            | <b>282 902 507</b>            | <b>189 633 688</b>            | <b>191 295 272</b>            | <b>945 072 350</b>              |
| <b>EXPENSES</b>                       |                               |                               |                               |                               |                                 |
| ACCREDITATION FEES                    | 48 375                        | 48 375                        | 48 375                        | 48 375                        | 193 500                         |
| AUDIT COSTS                           | 2 250 000                     | 2 250 000                     | 2 250 000                     | 2 250 000                     | 9 000 000                       |
| BANK CHARGES AND CARD FEES            | 512 500                       | 512 500                       | 512 500                       | 512 500                       | 2 050 000                       |
| C/P:BUSINESS&ADVISORY SERV            | 5 825 000                     | 5 825 000                     | 5 825 000                     | 5 825 000                     | 23 300 000                      |
| C/P:BUS&ADV SER:RESEARCH&ADVISOR      | 500 000                       | 500 000                       | 500 000                       | 500 000                       | 2 000 000                       |
| C/P:BUS&ADV SER:INSP FEES NON SUB     | 500 000                       | 500 000                       | 500 000                       | 500 000                       | 2 000 000                       |
| CATERING: INTERNAL ACTIVITIES         | 315 000                       | 315 000                       | 315 000                       | 315 000                       | 1 260 000                       |
| COMMUNICATION COSTS                   | 7 364 400                     | 7 364 400                     | 7 364 400                     | 7 364 400                     | 29 457 600                      |
| COMPUTER SERVICES COSTS               | 7 600 000                     | 7 600 000                     | 7 600 000                     | 7 600 000                     | 30 400 000                      |
| CONTRACTS: TRNSPRT/ RELCTN CONTR      | 50 000                        | 50 000                        | 50 000                        | 50 000                        | 200 000                         |
| CONTRACTS:PLANT FLOWRS&OTHR DEC       | 92 349                        | 92 349                        | 92 349                        | 92 349                        | 369 396                         |
| COST OF BUILDER MANUALS               | 181 748                       | 181 748                       | 181 748                       | 181 748                       | 726 990                         |
| COST OF CERTIFICATES                  | 102 616                       | 102 616                       | 102 616                       | 102 616                       | 410 463                         |
| COUNCIL COSTS                         | 914 729                       | 914 729                       | 914 729                       | 914 729                       | 3 658 915                       |
| NON COUNCIL COMMITTEE COSTS           | 967 688                       | 967 688                       | 967 688                       | 967 688                       | 3 870 750                       |
| FLEET SERVICES COSTS                  | 129 300                       | 129 300                       | 129 300                       | 129 300                       | 517 200                         |
| GENERAL OFFICE COSTS(Unifrom,Grocery) | 521 703                       | 521 703                       | 521 703                       | 521 703                       | 2 086 810                       |
| GENERATOR EXPENSES                    | 200 000                       | 200 000                       | 200 000                       | 200 000                       | 800 000                         |
| INV STA&PRNT:PRINTING                 | 336 151                       | 336 151                       | 336 151                       | 336 151                       | 1 344 603                       |
| INV STA&PRNT:STATIONERY               | 477 383                       | 477 383                       | 477 383                       | 477 383                       | 1 909 533                       |
| LEGAL SERVICES COSTS                  | 3 000 000                     | 3 000 000                     | 3 000 000                     | 3 000 000                     | 12 000 000                      |
| MARKETING COSTS                       | 3 500 000                     | 3 500 000                     | 3 500 000                     | 3 500 000                     | 14 000 000                      |
| MINOR ASSETS COSTS                    | 288 250                       | 288 250                       | 288 250                       | 288 250                       | 1 153 000                       |
| O/P:COURIER & DELIVERY SERVS          | 146 793                       | 146 793                       | 146 793                       | 146 793                       | 587 172                         |
| O/P:FLOWERS & GIFTS                   | 53 938                        | 53 938                        | 53 938                        | 53 938                        | 215 752                         |
| O/P:NON LIFE INSURANCE PRM            | 533 545                       | 533 545                       | 533 545                       | 533 545                       | 2 134 178                       |
| O/P:PROF BODIES,MEMB&SUBSC FEES       | 159 579                       | 159 579                       | 159 579                       | 159 579                       | 638 317                         |
| O/P:STORAGE OF FILES                  | 289 781                       | 289 781                       | 289 781                       | 289 781                       | 1 159 125                       |
| OP/L:HIRE AND RENTAL:EQUIPMENT        | 1 000 000                     | 1 000 000                     | 1 000 000                     | 1 000 000                     | 4 000 000                       |
| OP/L:RENTAL OF PREMISES               | 4 817 913                     | 4 817 913                     | 4 817 913                     | 4 817 913                     | 19 271 650                      |
| P/P:CLEANING SERVICES                 | 637 824                       | 637 824                       | 637 824                       | 637 824                       | 2 551 296                       |
| P/P:CONFERENCING,EVENT & WORKSHOPS    | 450 178                       | 450 178                       | 450 178                       | 450 178                       | 1 800 713                       |
| O/P:REPAIRS AND MAINTENANCE           | 739 000                       | 739 000                       | 739 000                       | 739 000                       | 2 956 000                       |
| P/P:LEASE OPERATING COSTS             | 440 567                       | 440 567                       | 440 567                       | 440 567                       | 1 762 266                       |
| P/P:MUN RATES AND TAXES               | 320 890                       | 320 890                       | 320 890                       | 320 890                       | 1 283 561                       |
| P/P:SAFEGUARD&SECURITY                | 1 381 000                     | 1 381 000                     | 1 381 000                     | 1 381 000                     | 5 524 000                       |
| P/P:WATER & ELECTR SERVICES           | 1 305 529                     | 1 305 529                     | 1 305 529                     | 1 305 529                     | 5 222 115                       |
| POSTAGE                               | 129 412                       | 129 412                       | 129 412                       | 129 412                       | 517 648                         |
| SALARIES AND WAGES                    | 155 626 034                   | 155 626 034                   | 155 626 034                   | 155 626 034                   | 622 504 134                     |
| SPECIAL PROJECTS                      | 46 685                        | 46 685                        | 46 685                        | 46 685                        | 186 741                         |
| TECHNICAL SERVICE                     | 2 400 000                     | 2 400 000                     | 2 400 000                     | 2 400 000                     | 9 600 000                       |
| TRAIN & DEV:EMPLOYEES AND BURSARIES   | 1 354 089                     | 1 354 089                     | 1 354 089                     | 1 354 089                     | 5 416 354                       |
| TRAIN & DEV:INTERNS- STEP             | 625 000                       | 625 000                       | 625 000                       | 625 000                       | 2 500 000                       |
| TRAIN & DEV:WOMEN,YOUTH,DSP,VETS      | 5 000 000                     | 5 000 000                     | 5 000 000                     | 5 000 000                     | 20 000 000                      |
| TRAVEL AND SUBSISTANCE COSTS          | 4 740 600                     | 4 740 600                     | 4 740 600                     | 4 740 600                     | 18 962 398                      |
| TRAVEL COST INSPECTORATE              | 6 645 069                     | 6 645 069                     | 6 645 069                     | 6 645 069                     | 26 580 275                      |
| VENUES AND FACILITIES                 | 289 031                       | 289 031                       | 289 031                       | 289 031                       | 1 156 125                       |
| <b>EXPENSES TOTAL</b>                 | <b>224 809 645</b>            | <b>224 809 645</b>            | <b>224 809 645</b>            | <b>224 809 645</b>            | <b>899 238 581</b>              |

| DESCRIPTION  | QUARTER 1<br>2023-2024 Budget | QUARTER 2<br>2023-2024 Budget | QUARTER 3<br>2023-2024 Budget | QUARTER 4<br>2023-2024 Budget | GRAND TOTAL<br>2023-2024 Budget |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|
| <b>SURPLUS/ (DEFICIT) BEFORE INTEREST AND DEPRECIATION</b> | <b>56 331 258</b>             | <b>58 092 861</b>             | <b>(35 175 957)</b>           | <b>(33 414 374)</b>           | <b>45 833 789</b>               |
| <b>DEPRECIATION AND AMORTISATION</b>                       |                               |                               |                               |                               |                                 |
| AMORTISATION   | 3 705 240                     | 3 705 240                     | 3 705 240                     | 3 705 240                     | 14 820 958                      |
| DEPRECIATION   | 1 869 479                     | 1 869 479                     | 1 869 479                     | 1 869 479                     | 7 477 918                       |
| <b>DEPRECIATION AND AMORTISATION TOTAL</b>                 | <b>5 574 719</b>              | <b>5 574 719</b>              | <b>5 574 719</b>              | <b>5 574 719</b>              | <b>22 298 876</b>               |
| <b>INVESTMENT INCOME</b>                                   |                               |                               |                               |                               |                                 |
| INTEREST RECEIVED : INVESTMENT                             | 106 500 000                   | 106 500 000                   | 106 500 000                   | 106 500 000                   | 426 000 000                     |
| DIVIDEND INCOME  | 4 750 000                     | 4 750 000                     | 4 750 000                     | 4 750 000                     | 19 000 000                      |
| REALIZED GAIN  | 15 250 000                    | 15 250 000                    | 15 250 000                    | 15 250 000                    | 61 000 000                      |
| C/P:FUND MANAGEMENT FEES                                   | (3 250 000)                   | (3 250 000)                   | (3 250 000)                   | (3 250 000)                   | (13 000 000)                    |
| <b>INVESTMENT INCOME TOTAL</b>                             | <b>123 250 000</b>            | <b>123 250 000</b>            | <b>123 250 000</b>            | <b>123 250 000</b>            | <b>493 000 000</b>              |
| <b>SURPLUS/ (DEFICIT) FOR THE PERIOD</b>                   | <b>174 006 539</b>            | <b>175 768 143</b>            | <b>87 499 304</b>             | <b>84 260 908</b>             | <b>516 534 893</b>              |

NATIONAL HOME BUILDERS REGISTRATION COUNCIL  
MATERIALITY FRAMEWORK  
FOR THE YEAR ENDING 31 MARCH 2024

| Basis                   | Minimum & Maximum percentages | maximum |
|-------------------------|-------------------------------|---------|
| Gross Expenditure       | 0.5%                          | 1%      |
| Gross Revenue           | 0.25%                         | 1%      |
| Net Income              | 3%                            | 5%      |
| Fixed Assets            | 2%                            | 5%      |
| Financial Support Loans | 1%                            | 2%      |
| Total Assets            | 1%                            | 2%      |

|                         |            |
|-------------------------|------------|
| Gross Expenditure       | 0.25% - 1% |
| Gross Revenue           | 0.5% - 1%  |
| Net Income              | 2.5% - 5%  |
| Fixed Assets            | 2% - 5%    |
| Financial Support Loans | 1% - 2%    |
| Total Assets            | 0.5% - 2%  |

|                                      |                                  |                         |         |           | Rand amounts     |            | Material Amounts |             |         |                    |                     |   |            |           |
|--------------------------------------|----------------------------------|-------------------------|---------|-----------|------------------|------------|------------------|-------------|---------|--------------------|---------------------|---|------------|-----------|
| Materiality basis                    | Significance to AFS appreciation | Minimum%                | Average | Maximum % | Budget 2023/2024 | Minimum%   | Average %        | Maximum %   |         | NHBC % Annual Rand | NHBC % Quarter Rand |   |            |           |
|                                      |                                  |                         |         |           |                  |            |                  |             |         |                    |                     |   |            |           |
| Gross Revenue                        | Medium                           | 0,50%                   | 0,75%   | 1,0%      | 945 072 350      | 4 725 362  | 7 088 043        | 9 450 724   |         | 7 088 043          | 1 772 010,66        |   |            |           |
| Gross Expenditure                    | Medium                           | 0,25%                   | 0,63%   | 1,0%      | 805 238 580      | 2 238 096  | 5 595 241        | 8 952 386   |         | 5 595 241          | 1 398 810,28        |   |            |           |
| Net Surplus                          | Medium                           | 2,00%                   | 3,50%   | 5,0%      | 516 534 863      | 10 330 698 | 18 078 721       | 25 826 745  |         | 18 078 721         | 4 519 680,32        |   |            |           |
| Interest                             | Medium                           | 0,25%                   | 0,63%   | 1,0%      | 463 000 000      | 1 232 500  | 3 081 250        | 4 930 000   |         | 3 081 250          | 770 312,50          |   |            |           |
| Investments                          | Low                              | 1,00%                   | 1,50%   | 2,0%      | 9 225 783 955    | 92 257 840 | 138 386 759      | 184 515 679 |         | 92 257 840         | 23 064 459,89       |   |            |           |
| Fixed Assets                         | Low                              | 1,00%                   | 1,50%   | 2,0%      | 132 868 076      | 1 328 681  | 1 993 021        | 2 657 362   |         | 2 657 362          | 664 340,38          |   |            |           |
| Current assets                       | Medium                           | 1,00%                   | 1 50%   | 2 00%     | 757 685 879      | 7 576 859  | 11 365 288       | 15 153 718  |         | 11 365 288         | 2 841 322,05        |   |            |           |
| Average                              |                                  |                         |         |           |                  | 17 098 576 | 26 512 618       | 35 926 659  |         | 20 017 678         | 5 004 419           |   |            |           |
| Materiality per line                 |                                  | Line item materiality @ |         | 10 %      | 1 709 858        |            | 2 651 262        | 3 592 666   |         | 2 001 768          | 500 442             |   |            |           |
| Audit Materiality - based on revenue |                                  |                         |         | 2,00%     | 18 901 447       |            |                  |             |         |                    |                     |   |            |           |
| Materiality                          |                                  |                         |         |           |                  |            |                  |             |         |                    |                     |   |            |           |
| Statement of financial performance   |                                  |                         |         |           |                  | R          | 525 749          | R           | 807 699 | R                  | 1 089 649           | R | 29 018 793 | 7 254 698 |
| Statement of financial position      |                                  |                         |         |           |                  | R          | 246 754          | R           | 378 779 | R                  | 510 804             | R | 15 691 483 | 3 922 871 |