

Strategic Plan 2020 - 2025



LIST OF ACRONYMS AND GLOSSARY OF TERMS

APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BNG	Breaking New Ground
CSIR	Council for Scientific and industrial Research
CPI	Consumer Price Index
ERM	Enterprise Risk Management
EMHIH	Eric Molobi Housing Innovation Hub
GDP	Gross Domestic Products
HCPMA	Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998)
IBT	Innovative Building Technologies
ICT	Information and Communication Technology
ISO	International Organisation for Standardisation
KPA	Key Performance Area
LCE	Legal, Compliance and Enforcement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDHS	National Department of Human Settlements
NDHSWS	National Department of Human Settlement, Water and Sanitation
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
SCP	Annual Corporate Plan
SHE	Safety, Health and Environment
SHS	Sustainable Human Settlement
SONA	State of the Nation Address
STEP	Social Transformation and Empowerment Programme

EXECUTIVE AUTHORITY STATEMENT

South Africa has been instrumental in the conceptualisation of Human Settlements and we have a responsibility to stay ahead in our implementation. It is working for us because it caters for the injustices of our spatial patterns. Success is in sight. Our biggest challenge remains the demand for housing that far outstrips delivery and the stubborn separateness of our past. Our catalytic projects, which are our new cities, cater for that in some measure. In the next five years we have determined to declare 94 priority development spaces for human settlements development, multi-programme delivery integration and spatial transformation & consolidation.

The government have identified the following 7 priorities that guides the MTSF 2019-2024 and will guide our development programme for the 6th Administration.

- Economic transformation and job creation
- Education, skills and health
- Consolidating the social wage through reliable and quality basic services
- Spatial integration, human settlements and local governments
- Social cohesion and safe communities
- A capable, ethical and development state
- A better Africa and world

The human settlement priorities for 2019-2024 will be the implementation of housing and human settlements transformation, social justice and spatial justice programme focused on 94 priority development areas as presented below:

Indicator	5 Year targets
Priority development areas targeted for achieving spatial transformation through multi-programme integration are declared	94 priority development areas declared for human settlements development
An integrated implementation programme for the 94 priority development areas completed	Development Plans for all 94 priority development areas, categorized and prioritized with budget & finance options.
Number of houses and serviced sites delivered through a range of programme in the housing code	470 000 housing units
	300 000 serviced sites
	Rezone 100% of acquired land within the priority development areas
Number of rental housing units delivered in priority development areas	30 000 Social Housing
	12 000 CRU
Number of informal settlements	1 500 informal settlements upgraded to Phase 3/ formalized (in terms of the HS code)
Number of title deeds registered	Total number of title deeds registered = 1 193 222

	Title deeds backlog	New title deeds
	Pre - 1994: 45 535	Post -2019: 300 000
	Post -1994: 500 845	
	Post – 2014: 346 842	

In the development of these priority areas, our partners stand ready to co-invest and see the blending of public investments with private capital and equity to ensure increased and rapid delivery. We are resolute. We are building new neighborhoods, new towns, new cities. We are consolidating our urban spaces. As we build new settlements, we must also renew existing neighborhoods and precincts that are dilapidated and suffer the ravages of neglect and poor maintenance. Our budget, although limited compared to the housing and settlements needs facing us, will be directed towards our delivery priorities and priority development areas.

For the next MTSF period the 6th Administration will be expanding the People’s Housing Programme where households are allocated serviced stands to build their own houses, either individually or community-led co-operatives and this programme has been renamed Zenzeleni, which means do-it-yourself.

I therefore endorse the Strategic Corporate Plan of the NHBRC and commit the Council, Executives, Management and employees to ensuring its implementation.



Honourable L N Sisulu, MP
Minister for Human Settlements, Water & Sanitation

ACCOUNTING AUTHORITY STATEMENT

It is my pleasure, on behalf of the Council of the National Home Builders Council (NHBRC), to present the Annual Performance Plan 2020 – 2021 (APP) and Strategic Plan for 2020 – 2025 to our Honourable Minister of Human Settlements, Water and Sanitation (“the Minister”), Ms LN Sisulu (MP). This APP and Strategic Plan 2020 - 2025 has been drafted, bearing in mind the outlook of the National Development Plan Vision 2030 and the seven (7) priority areas, identified by our President Cyril Ramaphosa, in his State of the Nation Address (SONA) on the 20th of June 2019. The NHBRC is in a unique position to contribute directly to some of the priority areas identified by the State President. These contributions are evident in the spheres of economic transformation and job creation; education and skills as well as in the spatial integration and human settlements fields. The organisation also contributes significantly to the human settlements value chain and in this way is able to make a significant impact on the other priority areas.

Council is committed to its roles, responsibilities and accountabilities as mandated by our Shareholder Compact. Arising from this, therefore, Council will provide strategic guidance to the NHBRC in an effort to improve the processes and efficiency of the organisation while contributing to the achievement of the goals and priorities referred to above. Council is very mindful of the prescripts outlined in the Housing Consumers Protection Measures Act, 1998 (Act No.95 of 1998), {Act}. In line with its mandate, as outlined in the Act, Council will represent the interests of housing consumers by providing warranty protection against defects in new homes while it will also regulate the home building industry. It will achieve this by providing protection to housing consumers in respect of the failure of home builders to comply with their obligations, in terms of the Act. In addition, ethical and technical standards in the home building industry will be achieved by promoting housing consumer rights. In addition, Council is steadfast in its commitment to provide relevant information to housing consumers as well as communicating with and assisting home builders to register, as prescribed. Furthermore, the NHBRC will ensure that home builders are assisted through training and inspections at the different stages of construction, in order that they achieve and maintain the satisfactory technical standards of home building.

Council is determined to realise our Minister's target to deliver 470 000 housing units through a range of the housing programmes, as outlined in the National Housing Code. As the National Regulator, we undertake to ensure that all units are constructed on land that is

suitable for human settlements purposes and that all the units that are constructed are enrolled with the NHBRC.

In an effort to ensure the fulfilment of the NHBRC's primary mandate, the repeal of the current Act has been proposed to ensure that both the Legislation and the Regulations keep up with the ever-changing developments in the housing and human settlements sector. It is envisaged that, such repeal will enable the NHBRC to extend its protection to the different parties, who were hitherto excluded in the NHBRC's current regulatory ambit. In addition, it is envisaged that these measures will entrench a culture of compliance through fair and efficient enforcement mechanisms.

The NHBRC will focus on specific areas that will further assist the housing consumers and the home builders. This will be achieved, amongst others, through strategic partnerships with other State-Owned Entities (SOEs), the implementation of an online presence, the adoption of e-Services and the introduction of services and training in indigenous languages. The NHBRC will also continue to provide relevant and appropriate products and services. As part of this exercise, a number of functions, including complaints resolutions and remedies will be devolved to the grass roots levels. This will bring the services close to the customers and improve the speed and responsiveness of the NHBRC. This approach will consolidate the NHBRC's customer-centricity, in line with the important Batho Pele principle.

Management has been tasked with reviewing the operating model to ensure greater efficiency while actively implementing social transformation and the strategic capacitation of the NHBRC. Management is tasked further with maintaining a sustainable Warranty Fund by way of a sound Investment Strategy. Furthermore, the entity is expected to ensure that the SAP system is integrated and contributes towards clean audit outcomes. As the organisation is very well positioned to undertake research and introduce innovative products and methodologies in the housing and human settlements sector, it is anticipated that Management will ensure that the NHBRC is a leader in the creation of knowledge in the field of alternative building technologies.

To drive implementation, Council will review the organisational structure, which we believe must be streamlined to consolidate key functions by removing overlaps and any ambiguity in the roles and responsibilities of the members of staff. This approach will ensure that the organisational structure will be "fit for purpose", that it will strengthen the administrative

foundation of the NHBRC and that it will create a capable entity. Council takes its fiduciary duties very seriously and will therefore not tolerate corruption nor financial maleficence. Council will therefore hold all members within the NHBRC accountable to the highest level of ethical standards, in order to restore faith in the public sector.

This Council will also work closely with Management to give effect to the recommendations of the Auditor-General in order to ensure that the NHBRC achieves a clean audit. In addition, Council will monitor the mitigating and remedial actions proposed by Management towards achieving this goal.

It is against this background that I present the NHBRC's Corporate Plan for the Medium-Term Expenditure Framework (MTEF) 2020-2025 and Annual Performance Plan 2020-2021, to the Honorable Minister. This submission is fully aligned to the organizational scorecard and deliverables of the NHBRC for the 2020-2021 financial year and the budget. Most importantly, it is supported by an enterprise risk management report which addresses key risks that may be faced by the organization.

On behalf of the Council, I commit Management and Council into an annual compact between the Executive Authority and the NHBRC for each year of the Medium-Term Strategic Framework (2020 – 2025) based on this APP.

May I also take this opportunity to thank the NHBRC's Management and staff for their efforts in their respective fields of work and their support of Councils' Action Plan. As Council, we acknowledge their determination to make this organization a success and I look forward to their continued cooperation and support.

Respectfully,



Ms. Julieka Bayat
Accounting Authority
National Home Builders Registration Council

ACCOUNTING OFFICER STATEMENT

In the past decade, the South African economy has been under pressure and showed very little signs of growth. Job losses, high unemployment, high consumer debt and threats of interest rate hikes have consumers in the non-subsidy market reluctant to purchase properties due to the unaffordability of property and inaccessibility of mortgage finance for households. The financial year 2018/2019 was characterized by the weak growth in the Gross Domestic Product (GDP) and the rising political uncertainty during the election season. Low GDP growth had a negative impact on government's ability to meet tax collection targets. This, together with the higher debt service costs as a result of credit rating downgrades resulted in government's fiscal consolidation programme which saw a reduction in budgets of the provincial Departments of Human Settlements (PDHS) and investment in subsidy housing projects. These macro-economic dynamics have a significant impact on the business and future outlook of the National Home Builders Registration Council (NHBRC), as demand for, and supply of new homes, is driven by economic climate. Although far reaching, the full impact of the slow economy is mostly felt by the poor.

As the Executive head of the NHBRC, as well as the interlocutor between Council and the National Department of Human Settlement, Water and Sanitation (NDHSWS), I am acutely aware of the economic environment that limits housing development in the country. Similarly, I am deeply mindful of the dictates of our socio-political imperatives that enjoin all institutions of government and the state to work tirelessly to eliminate poverty, reduce inequality and create employment. Housing is a vital asset base that creates wealth for the poor, contributes toward the growth and development of the citizenry and is a critical element in job creation.

Government is therefore intent on changing the situation by stimulating the economy, and especially creating employment opportunities. During the State of the Nation Address (SONA) of June 2019, President Cyril Ramaphosa promised that there shall be an acceleration in the provision of well-located housing and land over the next five (5) years, as well as the creation of special packages to strengthen the construction sector using the Infrastructure Fund.

The 2020/25 Corporate Strategy and Annual Performance Plan (APP) 2020/2021 of the NHBRC is aligned and linked to government's National Development Plan (NDP). The aim

of MTSF and NDP is to transform the functioning of the human settlements sector and workings of the space economy. The aim of government is to transform dysfunctional patterns of residential space that have continued since the advent of the new government in 1994.

The NHBRC has supported the NDHS in its objective of rolling out 1 500 000 housing opportunities in the last five years. We will also support the NDHS in its focus to deliver 470 000 housing units in the new term of administration, as well as in the gap market (i.e. the affordable housing market). We hold the view that an indicator of the country's progress is its ability to satisfy the fundamental needs of its citizens for an adequate roof over their heads. We are supportive of the department's expanded mandate to cater for housing, infrastructure and services so that the delivery approach is holistic in its nature.

The NHBRC will ensure that what the President highlighted at the SONA as the need to promote innovation and agility, and enhance competitiveness while addressing poor governance, inefficiencies and financial stability is covered. As such, it shall focus on the delivery of some key thrusts: increasing accessibility and visibility; driving social transformation and innovation; achieving operational excellence and financial sustainability.

In line with Council's strategic thrusts, we will be embarking on a deliberate and well considered plan to get closer to our customers, and to attend to their specific needs. Amongst other things, we will be giving much attention to our e-Service strategy; getting into strategic partnerships to expand our reach and reviewing legislation that will enable us to extend cover to communities we currently are not able to service.

The transformation of the construction sector remains a key focus for NHBRC and we contribute to this through skills development and training of home builders. Social Transformation and Empowerment Programme (STEP), is our targeted training and development programme. During the financial year 2018/2019, the NHBRC provided training for a total of 9,023 individuals, who comprised home builders, youth, women, inspectors, artisans, people with disabilities and military veterans. Although commendable, we have highlighted some areas of concern that need focused solutions for 2020/2021. NHBRC will be reviewing the partnerships we have with TVETs and other institutions, as well as the content and nature of the training provided. It is our intention to ensure that training and skills development is not only relevant – meeting the demands of the

construction industry – but also provides quality skills. This is increasingly important to counteract current trends where non-South Africans are increasingly the main providers of skilled labour on construction sites. Attention must also be given to certification practices and ensuring innovative ways of assessing building skills; catering to builders with different literacy levels, as well as providing recognition for prior learning,

Another effort by the NHBRC in this reporting period is its research and development through the Eric Molobi Housing Innovation Hub (EMHIH). The Hub focuses on marketing alternate and innovative building technologies (IBT) that will assist government to fast track the delivery of housing units in the next five years.

In the past year, the NHBRC enrolled 130 005 number of homes in the following segments: subsidy 76 526; and non-subsidy 53 479 [inclusive of 1 894 late enrolments]. 91% of the enrolments are almost equally distributed across the following metros: City of Johannesburg; City of Cape Town; City of Tshwane; and Ekurhuleni. There were 606 home builders' disciplinary hearings; and 134 home builders were suspended. R2 9m was spent on remedial works on successful claims.

In support of the 94 priority development spaces for human settlements development, multi-programme delivery integration and spatial transformation & consolidation, the NHBRC will continuously engage the provincial department of Human Settlements to assess and assist with technical resources. The NHBRC has a pool of qualified Engineers that will be made available to assist with the geotechnical assessments and enrolment of projects and home enrolments to ensure the delivering of the department mandate.

The primary revenues of the NHBRC are derived from new home enrolments, new registrations and registration renewals by homebuilders, as well as investments. We also derive a significant portion of our revenues from the enrolment of subsidy homes from the departments responsible for human settlements at provincial level. In the absence of subsidy revenues, we have identified the need to find alternative sources of revenue. Consequently, it is imperative that Executive Management finds ways of increasing registration renewals and/or finding new enrolments. In the circumstances, we have identified a number of potential sources of revenues, including mixed use developments. In keeping with Vision 2030 of the NDHS, extending cover to residents with different types of tenure is essential, for example housing consumers in rural communities, those living

within mixed development buildings, etc. The NHBRC had submitted proposals to repeal current regulations and a new Bill to ensure the regulatory framework enables us to do our work as intended.

We have also taken note of certain risks, especially to the warranty fund, some of which arise as a result of not being in control of the warranty start and end dates. We identified that the nature and profile of the fund managers may also pose a risk, and, as part of our social transformation drive, we will be seeking to diversify these to include persons from historically disadvantaged groups. Executive Management will drive risk mitigation processes hard, through proposed changes to the primary and secondary legislative instruments, as well as in the manner in which we conduct business.

Achieving operational excellence is key to us delivering on the strategy we have developed for 2020/2021. Management has made proposals to Council for the restructuring of the Executive Management, in order to give detailed focus to the different segments and offer them what they require.

The NHBRC is in the unique position of having access to a lot of data on the built environment. We plan to package this information in a number of client-centric documents, including reports and brochures. Our communication efforts will also focus internally and ensure that our staff are informed and equipped to deliver. We will continue to drive our values through the NHBRC Way and encourage Executive Management to hold regular "town hall" meetings with staff, to ensure change management occurs.

In August 2018, the Minister appointed a new Council, in terms of the Housing Consumers Protection Measures Act. The Council, understanding the importance of its task and that of the NHBRC in regulating the homebuilding industry and protecting housing consumers, wasted no time in getting stuck in the job of work. Five Committees of Council were established to assist with the governance and the provision of policy direction for the NHBRC. This Medium-Term Strategy Framework marks the point at which the new Council gives strategic direction over a significant period of time.

In line with Council's zero tolerance for non-compliance, we take compliance with the Housing Consumers Protection Measures Act, the Public Finances Management Act, and all other applicable policies, laws, regulations very seriously. On behalf of Management and

staff, I want to assure Council and the Minister that the NHBRC, under my leadership, will comply with both the spirit and the letter of the laws of South Africa

In my capacity as the Chief Executive Officer, I commit both Council and Staff to the effective and efficient delivery of this Strategic Corporate Plan 2020/25

Sincerely,

Mr. Otsile Maseng
Acting Accounting Officer
National Home Builders Registration Council

OFFICIAL SIGN-OFF

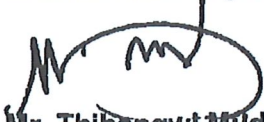
It is hereby certified that this Strategic Plan 2020/2025

- Was developed by the management of the National Home Builders Registration Council under the guidance of Council and Executive Authority, the minister of human settlements, water and sanitation
- Takes into account all the relevant policies, legislation and other mandates for which the National Home Builders Registration Council is responsible; and
- Accurately reflects the impact and outcomes which the National Home Builders Registration Council will endeavour to achieve over the period 2020-2025.

Ms. Gugu Mkhize
Executive Manager: Corporate Services



Ms. Thitinti Moshoeu
Executive Manager: Business Services



Mr. Thihangwi Mudau
Head: Training & Research



Mr. Tshepo Nkosi
Head: Marketing & Communications



Mr Hulisani Mmbara
Acting Executive Manager: Legal Compliance & Enforcement



Ms. Julia Motapola
Acting Chief Operating Officer




Mr. Songezo Boo
Chief Financial Officer



Ms. Mathebe Kumalo
Head: Strategy, Monitoring and Evaluation

Mr. Otsile Maseng
Acting Accounting Officer



Ms Julieka Bayat
Accounting Authority



Honourable L N Sisulu, MP
Minister for Human Settlements, Water & Sanitation.

PART A: OUR MANDATE 16

1. **CONSTITUTIONAL MANDATE** 16

2. **LEGISLATIVE AND POLICY MANDATES** 16

3. **INSTITUTIONAL POLICIES AND STRATEGIES RELATED TO THE FIVE-YEAR PLANNING PERIOD** 18

4. **RELEVANT COURT RULINGS**..... 18

PART B: OUR STRATEGIC FOCUS..... 19

5. **VISION**..... 19

6. **MISSION**..... 19

7. **VALUES**..... 19

8. **SITUATIONAL ANALYSIS**..... 19

8.1 **EXTERNAL ENVIRONMENTAL ANALYSIS**.....21

8.2 **INTERNAL ENVIRONMENTAL ANALYSIS**.....23

PART C: MEASURING OUR PERFORMANCE27

9. **INSTITUTIONAL PERFORMANCE INFORMATION**27

9.1 **IMPACT STATEMENT**.....27

9.2 **MEASURING OUR OUTCOMES**.....28

9.3 **EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE-YEAR PLANNING PERIOD**29

10. **KEY RISKS AND MITIGATIONS**32

11. **PUBLIC ENTITIES**.....33

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDS)34

12. **PROGRAMME 1: ADMINISTRATION**34

13. **PROGRAMME 2: REGULATION**.....36

14. **PROGRAMME 3: CONSUMER PROTECTION**.....38

15. **ANNEXURES TO THE STRATEGIC PLAN**40

16. **ANNEXURE A: DISTRICT DEVELOPMENT MODEL**40

17. **ANNEXURE B: BUDGET UPTO 2020/24 FINANCIAL YEAR**.....40

Figures	Page
Figure 1. NHBRC Organisational Design	25

PART A: OUR MANDATE

The National Home Builders Registration Council (NHBRC) strategic corporate plan 2020/2025 is predicated on the assessment of the current socio-economic and political environment. The dictates of the National Development Plan 2030 in the quest to eradicate the extent of poverty, inequality and unemployment are paramount in the formulation of this strategy. Access to housing is an important element of human settlement that builds capital. Access to housing, especially by the poor, plays a critical role in the development of the citizenry and can be a major contributor to growth. Homes can be an asset for wealth creation and the empowerment of the poor.

In the context of the targets set by the Minister, that relate to the 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 strategic corporate plan outlines the NHBRC strategic approach, the deliverables for the period, the resource requirements as well as required structures that will assist the NHBRC to deliver the dictates of the Housing Consumers Protection Measures Act.

1. CONSTITUTIONAL MANDATE

The NHBRC derives its constitutional mandate from section 26 of the Constitution – Housing. This section, mandates the state to take reasonable legislative and other measures within its available resources to achieve the progressive realisation of the right to adequate housing. The NHBRC represents the interests of housing consumers by providing assurance through warranty protection against defined poor workmanship/quality and regulates the home building industry.

2. LEGISLATIVE AND POLICY MANDATES

The NHBRC was established in 1999 as a Council in terms of the Housing Consumers Protection Measures Act, 1998 (Act No.95 of 1998) as amended, to protect the interests of housing consumers and to regulate the home building industry. Since its establishment, the NHBRC has delivered valuable services in co-operation with the national Department of Human Settlements (DHS) and key industry players.

Going forward, the NHBRC, in cooperation with the DHS, provincial Departments of Human Settlements and accredited local government structures, aims to accelerate service delivery and ensure the improvement of the quality of homes with specific reference to the subsidy and gap market.

Job creation, building capacity and the empowerment of the under-served and historically disadvantaged will be critical in the development of integrated human settlements and the building of quality homes. This will be achieved through the introduction of innovative technologies, architectural designs and better housing methods. Mixed housing

developments and projects that open training opportunities for women, youth, home builders, artisans, home inspectors, military veterans, people with disabilities and the unemployed will be prioritised. The clustering of projects and the engagement of more than one homebuilder in all government subsidised housing units will be preferred. In this respect it is important that the mandate of the NHBRC must be understood.

In terms of the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) as amended, the mandate of the NHBRC is to protect the interests of housing consumers and to ensure that builders comply with the prescribed building industry standards as contained in the home building manual.

In a nutshell, we believe that our role is to assure quality homes throughout the length and breadth of our country. We seek to achieve this by:

- Educating Housing Consumers and Homebuilders on their Rights and Responsibilities around home construction
- Introducing innovative and environmentally friendly building technologies
- Providing the Housing Consumers with a warranty to cover potential building structural defects
- Training, Assessing and Regulating the Homebuilders to perform above industry standards

NHBRC Strategic Blueprint



3. INSTITUTIONAL POLICIES AND STRATEGIES RELATED TO THE FIVE-YEAR PLANNING PERIOD

- Social Transformation Programme
- E-services Plan to digitalise our client and business services
- National Development Plan
- MTSF (2019/24) Human Settlements Priorities

4. RELEVANT COURT RULINGS

None

PART B: OUR STRATEGIC FOCUS

5. VISION

The vision of the NHBRC is *to be the champion of the housing consumer.*

6. MISSION

The mission of the NHBRS is to protect the housing consumer through the regulation of the home building environment.

7. VALUES

The values of the NHBRC are found below:

VALUES	MEANING
Excellence and integrity	To be the best and deliver the best honestly
Commitment and Accessibility	To do work diligently and reach out to our stakeholders
Transparency and accountability	To be fair and open in delivering our functions responsibly.

8. SITUATIONAL ANALYSIS

The combination of economic and political developments over the past twelve months in SA has generated particular interest in the outlook for the economy in 2020. Here are some of the relevant factors taken into account as the next year unfolds?

2019 was the year in which the bad news about the economy outweighed the good news. Consequently, SA's GDP growth rate too often found itself in negative territory during the year. More recently, the poor GDP growth of -0.6% in 3Q 2019 was followed in 4Q 2019 by weak manufacturing and mining data, sagging retail turnovers, meagre new vehicle sales as well as continued low business confidence. These trends suggest that SA will struggle to even reach the previously revised generally low forecasts of 0.5% growth for 2019, a growth rate which may now in fact yet fall lower.

With the present and future impact of the renewed Eskom load-shedding in December 2019 also still to be fully assessed, economic growth forecasts are being reduced all round. Some economists even believe that the SA economy may well again have swung into a 'technical recession' (two successive quarters of negative growth) in the second half of 2019. Growth in 2020 is in any case likely to be only about 1%, rather less than the 1.4-1.6% range expected earlier by the SA Reserve Bank (SARB) and other economists.

Growth at these low levels is widely recognised as completely inadequate, if SA is to successfully meet the overarching challenges of unemployment, poverty and inequality. Another serious overhang between 2019 and next year is the vulnerable state of SA's public finances. Weak growth has hit tax revenues badly. But the Medium-Term Budget Policy Statement (MTBPS) in October 2019 also frankly and realistically acknowledged that, unless more progress is made in reducing the cost-drivers of government as well as of state-owned enterprises like Eskom and SAA, SA was in serious danger of falling into a 'debt trap'. Despite the agenda of remedies proposed by the MTBPS, they fell far short of preventing strongly escalating public debt trends up to 2022/23.

Below is the NHBRC SWOT analysis:

Strength	Weaknesses
<ol style="list-style-type: none"> 1. Mandate derived from the Act of Parliament to regulate the home building industry and protect the housing consumers (Monopoly) 2. Funded through revenue generated from own products 3. Good Financial Health 4. Data on building industry (participants / performance) High retention of NHBRC employees with critical skills, deep knowledge and experience 	<ol style="list-style-type: none"> 1. Inadequate cover for high-value homes 2. Limitations within the current legislation impacting the extension of coverage 3. Shortcomings in implementing, monitoring and evaluating programs 4. Negative audit outcomes 5. Negative perception about NHBRC effectiveness 6. Gaps in System integration. 7. Limited footprint
Opportunities	Threats
<ol style="list-style-type: none"> 1. Promulgation of the Housing Consumer Protection Bill to improve effectiveness 2. Explore how to extend the service net to cover the non-subsidy rural, aging and millennial market segments 3. Influence on land acquisitions for human settlements 4. Identify solutions to service and assess self-taught, limited formal education artisans. 5. Develop a system for the accreditation of Bricklayers 6. Build interdepartmental co-operation and alignment in the delivery of services 7. Inhouse research capability in partnership with Universities 8. Introduction of Innovative building systems (inclusive of 4th industrial revolution) 9. Strategic partnerships with TVETs training providers and relationships with standards bodies – AGREMENTSA, SABS 10. Provide services using emerging technologies such as Digital Services 11. Building a brand that is associated with quality homes assurance 12. Contribution to Transformation and professionalisation of built environment 	<ol style="list-style-type: none"> 1. Delays in the passage of the new proposed Bill 2. Potential increase in claims against NHBRC. 3. Rapid changes and innovation within the building industry 4. Rapid land release programme of Government and illegal occupation of land 5. Diversion of strategic focus and resources from the core mandate to activities outside NHBRC mandate. 6. Limited ability to identify unenrolled houses 7. Social and Political situations 8. Climate Change 9. Low economic growth

8.1 EXTERNAL ENVIRONMENTAL ANALYSIS

Socio-economic imperatives

The NHBRC in concert with the National Department of Human Settlements operates within the Outcomes 8 in the Presidency performance directives. Outcomes 8 deals with Sustainable Human Settlements and the improved quality of Human Settlements and covers the upgrade of human settlements, the delivery of affordable rental units, land acquisition and improved property management.

The NHBRC as an entity within the human settlement plays an important strategic role in ensuring the protection of consumers through quality housing developments. The entity will continue work closely with both Provincial and Municipalities to ensure planned projects are enrolled. In addressing the shortage of skilled inspectors within the built industry, the NHBRC will develop a training programme at its Eric Molobi Housing Innovation Hub training facility. The Hub will also seek to attain accreditation for material testing laboratory where materials used in the subsidy housing projects can be tested regularly during construction and non-complying material can be removed from the sites.

In supporting the Department with the implementation of approved catalytic projects; the NHBRC will introduce innovative building technologies that meet the green Edge Rating requirements.

The National Development Plan 2030 points out that since 1994, more than 4.2 million subsidised housing units have been built for the poor and that access to basic services has expanded. According to Statistics South Africa's General Household Survey 2018, a total of 89% of households have access to water, up from 84.4% in 2002 and 83% have access to sanitation and electricity from 61.7%. Despite these achievements access to adequate housing remains a daily challenge for many South Africans.

Noting the disparities that are occasioned by the legacy of apartheid spatial patterns, the National Development Plan 2030 suggests that the provision of housing and basic services must adopt a new approach. Amongst others, the report suggests that the capital subsidy scheme and the Breaking New Ground (BNG) emphasis on affordable inner-city housing as part of a broader housing renewal strategy requires renewed efforts to ensure that national, provincial and local government work together in reshaping the built environment to achieve smatter and fairer development. Amongst other suggestions the report proposes that spatial planning must consider the principle of spatial quality where the aesthetic and functional features of housing and the built environment need to be improved to create liveable, vibrant and valued places.

The National Planning Commission Diagnostic report showed that differential migration patterns largely affect national patterns of job creation and job losses. Although rural-urban migration is significant, about 78% of migration from rural areas and small towns was to

other rural areas and small towns. Consequently, while the growth of large urban centres needs to be managed, planning must also respond to changing patterns of population distribution in rural areas. Informal settlements present a particular challenge. Most job seeking migrants moving to Cities first live in informal settlements, which are an affordable entry to the City. Many migrants cannot break into the urban labour market and find it difficult to move out of shacks into more formal housing.

The aforesaid challenges faced by institutions operating in the human settlement environment have specific reference and implications to the contribution of the NHBRC in the human settlement discourse. This means that the institution's regulatory framework and the setting of norms and standards must take into consideration the constraints posed by these socio-political imperatives. The NHBRC requires retooling in order to remain relevant with its geotechnical engineering capacities, its leadership in the setting of building standards and norms, innovation with new housing technologies especially greening solutions and meeting the challenges of the ever-growing levels of city and rural densification population patterns.

To remain relevant in this discourse the NHBRC requires strategies and tactics that will bring it closer to the implementing institutions by enhancing its stakeholder relationships and building strong and strategic partnerships that add value to the human settlement challenges that are faced by Provincial and Local Governments. Increasingly the role of the NHBRC as a regulator and housing consumer protector would have to be preceded by better communication and joint action.

In this context, the NHBRC will ensure compliance to national norms, standards and quality within the home building sector and that these are implemented by the industry. The NHBRC will also assist the public and private sectors in improving programme and project management through training and the transfer of skills. The project management office has been established to ensure that all projects are delivered using project management principles. The Project Management Office focusing primarily in the subsidy sector will be working with the National Department of Human Settlements Project Management Unit. The office will reconcile the delivery that is in the Housing Subsidy Sector (HSS) with what the NHBRC will be enrolling on the ground. The PMO will also ensure that enrolment in the subsidy sector is done in terms of the different subsidy instruments which are the upgrading of informal settlements, social housing, finance linked individual subsidy program, rural program, integrated residential development program and the community residential units.

The NHBRC will also contribute and assist the National Department of Human Settlements in the improvement of governance and performance in the sector. The entity will do this by ensuring that all the timelines in submitting the statutory required reports are adhered to and have followed all the necessary approvals. The NHBRC will ensure that all reporting documents are sent directly to the Ministry and to National Treasury in the times frames agreed upon.

Economic imperatives

South Africa found itself in economic recession in 2018, its second since the early 1990s. The 2018 recession spanned the first two quarters of the year. The overall economic growth of the country continued to be poor at 0.8%. National Treasury's GDP growth projections were revised down since the 2018 *Medium Term Budget Policy Statement* (MTBPS) due to a fragile recovery in employment and investment, and a less supportive global trade environment. GDP growth in 2019 is expected to reach 1.5%, improving moderately to 2.1% in 2021.

The performance of the NHBRC in the non-subsidy sector is affected by a myriad of factors. Some of the factors that affect the performance are the exchange rate, repo rate, Gross Domestic product and Consumer Price Inflation.

8.2 INTERNAL ENVIRONMENTAL ANALYSIS

NHBRC is intensifying its approach to transformation in this planning period through a dedicated social transformation programme which will target women, youth, people living with disabilities and military veterans. Each year, of the MTSF, we will implement a programme for each of the specified groups.

In this planning period, the NHBRC commits to spend in excess of 65% of its procurement spend on BEE.

Our current approach to ensure we have a presence close to our customer segments has been to establish Provincial and satellite offices around the country. These centres provide a range of services, including the registration of homebuilders; enrolment of new homes; inspection of homes and handling of complaints; as well as the conciliation of unresolved complaints. We later introduced two (2) mobile offices that service remote and rural areas.

The NHBRC shall launch a robust e-Services platform, to provide home builders, housing consumers, inspectors, and stakeholders greater online access to our services while enabling us to shorten our turnaround times.

NHBRC Footprint and Customer Centres

Table 4, below, indicates the NHBRC outreach which indicates the extent of the NHBRC presence across the country.

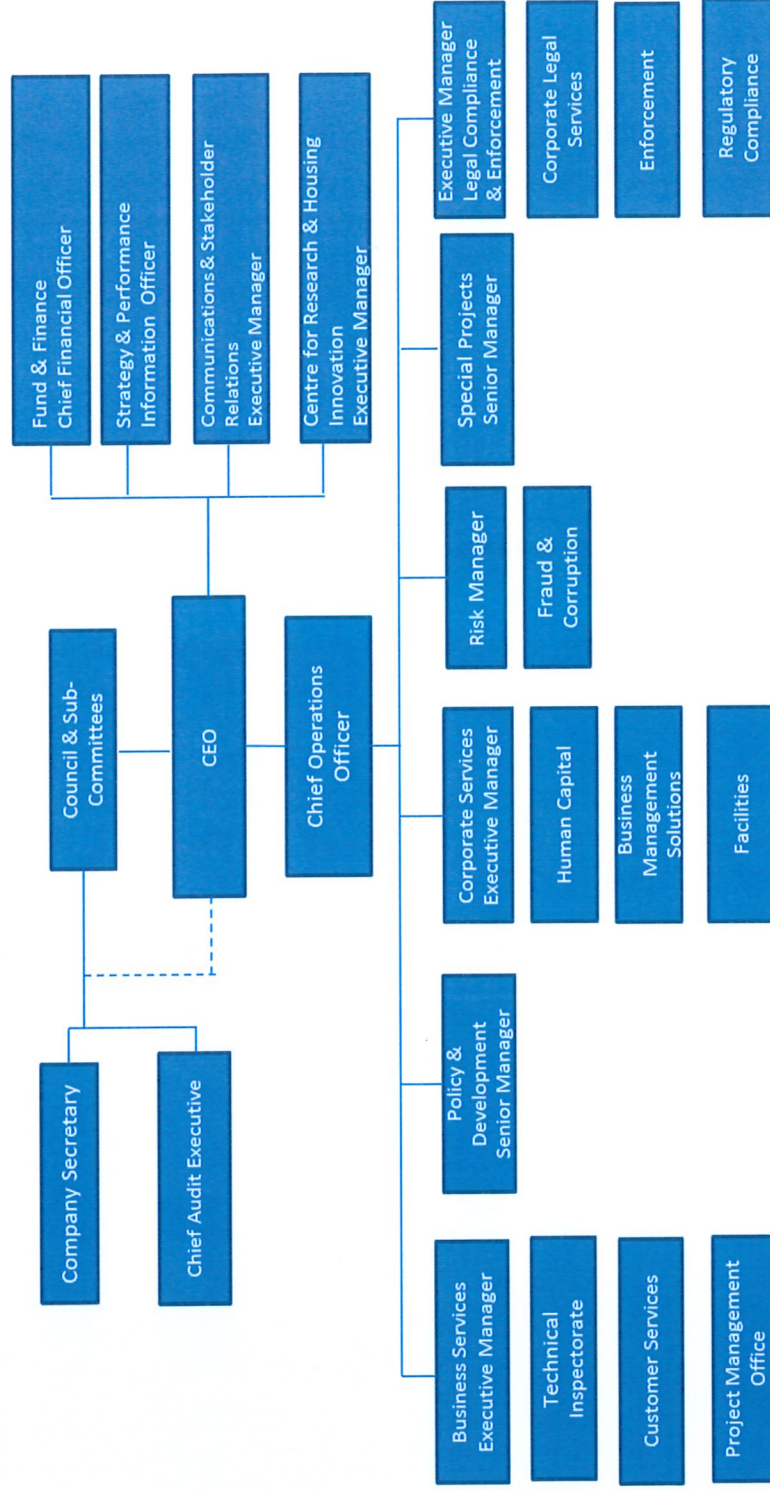
NHBRC Footprint

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

NHBRC Organizational Structure

In order for the NHBRC to give effect to its strategic objectives for the reporting period 2020/2025, the organisation has structured itself in such a way that it can be efficient and effective in the delivery of its value final products and its programmes. The NHBRC organizational structure is aimed at enhancing the functioning of the organization. The NHBRC organisational structure is represented in the figure below.

Figure 1. NHBRC Organisational Design



*The Council will be reviewing the organisational structure

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

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

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

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

NHBRC Core Business

The NHBRC core business is to execute the following:

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

PART C: MEASURING OUR PERFORMANCE

The NHBRC has adopted a bottom up process whereby all sections are allowed time to do their planning according to a specific framework. Then the divisions are also provided time to do their planning which culminates into Management Committee Strategic Planning workshop. Exco sits in order to consolidate and finalise all the plans in preparation for a Council Strategic Planning process which would approve the Strategic Corporate Plan/Annual Performance Plan for submission to the National Department of Human Settlements.

Programmes and sub-programmes plans of the NHBRC

For the period 2020/2025 the NHBRC will operate under three programmes which will respond to the strategic pillars that focuses on protecting the interest of housing consumers, enabling homebuilder to meet industry standards and regulating and enforcing compliance to building standards. The three (3) projects are Administration, Regulation and Consumer Protection.

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

Strategic Objectives

Programme	Strategic Objectives
Administration	<ul style="list-style-type: none"> To maintain operational efficiencies To improve accessibility and visibility of NHBRC products and services
Regulation	<ul style="list-style-type: none"> To effect regulatory compliance
Consumer Protection	<ul style="list-style-type: none"> To effect regulatory compliance To research & introduce innovative products methods and technologies within the home building industry To improve cost effectiveness and internal efficiencies of operations

9. INSTITUTIONAL PERFORMANCE INFORMATION

NHBRC planning methodology included formal consultations with all managers and Council members in order to give input and advice. Executive managers further deliberated on the plans to ensure it aligns with resources and budgets. We also considered the economy, policy environment and conducted a SWOT analysis.

9.1 IMPACT STATEMENT

Impact statement	Protection of housing consumers' interests by ensuring builders comply with the prescribed building industry standards
-------------------------	---

9.2 MEASURING OUR OUTCOMES

The NHBRC has developed six (6) outcomes aligned to the MTSF priorities and NHBRC strategy.

MTSF	Priority 2: Economic transformation and job creation Priority 3: Education, skills and health		
Outcomes	Outcome indicators	Baseline	Five-year targets
Functional, efficient and integrated government	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
Improved Accessibility and Visibility of NHBRC Products and Services	Improved awareness of products & services	Not applicable	Stakeholder Satisfaction Index improves to 80%
Financially sustainable organisation that promote economic inclusion	Number of social transformation programmes implemented	Not applicable	4 Social transformation programmes implemented
	Increased BEE spend	Achieve BEE spend of 65%	Achieve BEE spend of >65%

MTSF			
Priority 5: Spatial integration, human settlements and local government			
Outcomes	Outcome indicators	Baseline	Five-year targets
Improved regulatory compliance	Number of compliant homebuilders.	86,310 homebuilders registered	96,173 homebuilders registered
	Number of home inspections completed	250,000 homes completed	575,000 home inspections completed.
	Percentage of disputes resolved	New Indicator	100% disputes resolved within 90 days
Competent homebuilders and technical professionals	Number of homebuilders and technical professionals trained	31,793 homebuilders and technical professionals trained	32,000 homebuilders and technical professionals trained

MTSF			
Priority 4: Spatial integration, human settlements and local government			
Outcomes	Outcome indicators	Baseline	Five-year targets
Improved regulatory compliance	Percentage of compliant enrolment applications approved within 15 days from date of receipt.	521,436 enrolled in the subsidy sector	100% of compliant enrolment applications approved within 15 days from date of receipt.
Greenhouse gas emission reduction	Compliant Green First-ZERO energy model house	50% completion of a design of a green edge rated IBT house	Compliant Green-First Zero energy model house

9.3 EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE-YEAR PLANNING PERIOD

By the end of 2024/2025 the NHBRC will have improved cost and internal efficiencies and ensure a sustainable warranty fund. The NHBRC is introducing an e-Services platform in order to broaden access for our clients in line with our mandate. Further, the NHBRC shall ensure that all the homebuilders who engage in the activities of homebuilding are registered. The homebuilders who do not adhere to the norms and standards shall be disciplined from practising in the sector. The NHBRC shall train homebuilders, youth, women, people living with disabilities and military veterans in construction-related programmes in order to broaden access in the construction sector.

By the end of 2024/2025 the NHBRC shall ensure that all homes built in the country are enrolled with the regulator and this will include 75/25 mixed Developments and rural homes. The NHBRC shall continue to issue the enrolment certificates for both the subsidy and the non-subsidy sector. The NHBRC will also ensure that housing consumers and Homebuilders are educated of their rights and responsibilities / obligations.

Below is each programme and associated outcomes explanations:

Programme 1: Administration

Outcome 1: Improved accessibility & visibility of NHBRC products and services	Explanations
Priority 2: Economic transformation and job creation Priority 3: Education, skills and health	To build socially cohesive housing consumers, NHBRC will broaden its training and consumer education programmes opportunities to increase its visibility and promote access to its products
Contribution to the NHBRC Mandate	NHBRC will conduct training programmes as it is legislated.
Priority related to Women, Youth and PWD	NHBRC introduced a STEP programme which will target women, youth, PWD and military veterans
Enablers	This outcome has a budget allocated
Outcomes' contribution to achieving the intended impact	Targeted consumer education programmes promote the NHBRC's mandate to protect the interest of consumers by arming them with the understanding of their obligations and rights in home building

Outcome 2: Functional, efficient and integrated governance	Explanations
Priority 2: Economic transformation and job creation Priority 3: Education, skills and health	To maintain ethical standards and be accountable to the management of NHBRC resources. To have functional systems and processes that produce results and achieve organisational objectives.
Contribution to the NHBRC Mandate	Compliance to all governance structures
Priority related to Women, Youth and PWD	Priorities women, youth and people with disabilities
Enablers	King 4
Outcomes' contribution to achieving the intended impact	Manage the finances of the NHBRC to ensure there is sufficient fund to cover structural defects. Have ethical inspector that will ensure technical standards are achieved on constructed homes.

Programme 2: Regulation

Outcome 3: Financially sustainable organisation that promotes economic inclusion	Explanations
Priority 2: Economic transformation and job creation Priority 3: Education, skills and health	To ensure NHBRC considers the nationwide imperative to use government procurement broaden access for SMME, stimulate domestic industry and job creation. The NHBRC plans to use >65% of its procurement of BBEE suppliers.
Contribution to the NHBRC Mandate	The NHBRC plans to use >65% of its procurement of BBEE suppliers and pay them within 30 days
Priority related to Women, Youth and PWD	NHBRC BBEE spent is planned to be greater than 65%. BBEE includes companies owned by women, youth, PWD, and other previously disadvantaged
Enablers	This outcome has a budget allocated
Outcomes' contribution to achieving the intended impact	Faster payment of suppliers. Most of procurement spent of BBEE
Outcome 4: Improved regulatory compliance	Explanations
Contribution to MTSF priority 4: Spatial integration, human settlements and local governments NDP 2030: Transformation of Human Settlements	NHBRC will ensure that every house enrolled with us is inspected to ensure that its building is according to standards and to ensure eventual safety of intended occupants.
Contribution to the NHBRC Mandate	The legislation requires NHBRC to enrol and inspect house building.
Priority related to Women, Youth and PWD	N/A
Enablers	This outcome has a budget allocated
Outcomes' contribution to achieving the intended impact	Ensure housing consumers live in safe and quality houses

Outcome 5: Competent homebuilders and technical professionals	Explanations
Contribution to MTSF priority 4: Spatial integration, human settlements and local governments NDP 2030: Transformation of Human Settlements	NHBRC will ensure that home builders have the capacity to develop safe and quality houses. To this end, the NHBRC plans to train homebuilders as is legislated.
Contribution to the NHBRC Mandate	The legislation requires NHBRC to capacitate the home building industry.
Priority related to Women, Youth and PWD	There are training interventions targeting specifically women (9,900), youth (10,000), PWD (750) and military veterans (750). We will implement this programme throughout the MTSF
Enablers	This outcome has a budget allocated

Outcome 5: Competent homebuilders and technical professionals	Explanations
Outcomes' contribution to achieving the intended impact	Ensure home builders are capacitated and capable of delivering quality homes.

Programme 3: Consumer Protection

Outcome 6: Greenhouse gas emission reduction	Explanations
Contribution to MTSF priority 4: Spatial integration, human settlements and local governments NDP 2030: Transformation of Human Settlements	NHBRC developed a research agenda, which will be implemented in the MTSF. The agenda aims to promote research which will advance the interest of housing consumers, builders, sector as a general and NHBRC.
Contribution to the NHBRC Mandate	The outcome of the research will be used to introduce new products and new revenue streams
Priority related to Women, Youth and PWD	N/A
Enablers	This outcome has a budget allocated
Outcomes' contribution to achieving the intended impact	The outcome of the research will be used to introduce new products, new revenue streams and improve the general business of the NHBRC

10. KEY RISKS AND MITIGATIONS

Outcome	Key risks	Risk mitigations
Functional, efficient and integrated governance	<ul style="list-style-type: none"> Lack of proper systems and processes Fraud and corruption 	<ul style="list-style-type: none"> Development of online systems and continuous improvement of processes Drive fraud and anti-corruption campaigns
Improved accessibility and Visibility of NHBRC products and services	<ul style="list-style-type: none"> Declining performance of construction sector affects pool of housing consumers 	<ul style="list-style-type: none"> Planning in line with the sector growth projections to ensure NHBRC always has sufficient consumer education programmes.
Financially sustainable organisation that promote economic inclusion	<ul style="list-style-type: none"> Declining performance of construction sector affects NHBRC revenues Poor corporate governance 	<ul style="list-style-type: none"> Promulgation of the Housing Consumer Protection Bill offers opportunities for alternative revenue streams Develop a risk management strategy to address corporate governance

Improved regulatory compliance	<ul style="list-style-type: none"> Ensuring regulatory compliance is expensive and the declining revenues poses a risk to ability to execute this mandate 	<ul style="list-style-type: none"> Promulgation of the Housing Consumer Protection Bill offers opportunities for alternative revenue streams
Competent homebuilders and technical professionals	<ul style="list-style-type: none"> Home builder training is expensive and the declining revenues poses a risk to ability to execute this mandate 	<ul style="list-style-type: none"> Promulgation of the Housing Consumer Protection Bill offers opportunities for alternative revenue streams
Greenhouse gas emission reduction	<ul style="list-style-type: none"> Insufficient funding for research agenda 	<ul style="list-style-type: none"> Written motivation to council to fund research agenda

11. PUBLIC ENTITIES

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

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDS)

12. PROGRAMME 1: ADMINISTRATION

12.1 Unqualified audit opinion

Indicator title	Unqualified audit opinion
Definition	It the opinion provided by Auditor-General of South Africa (AGSA)The annual report after assessing the financial matters of the organisation. This takes place at the end of the financial year after the performance reviewed against predetermined objectives outlined in the budget and strategic plan document.
Source of data	Documents selected for audit as per the external audit plan
Method of calculation or assessment	Audit opinion as outlined in the annual report issued in the reporting year
Assumptions	Adherence to good governance by all employees and Council Compliance to approved policies Compliance to National Treasury regulation and other relevant regulations
Disaggregation of beneficiaries (where applicable)	n/a
Spatial transformation (where applicable)	n/a
Desired performance	Unqualified audit opinion
Indicator responsibility	Chief Financial Officer

12.2 Improved awareness of products & services

Indicator title	Improved awareness of products & services
Definition	To conduct a survey in order to measure the level of awareness and satisfaction of the NHBRC product and services by the stakeholders.
Source of data	Survey results
Method of calculation or assessment	The overall % achieved from the satisfaction survey
Assumptions	Stakeholders will participate and provide meaningful information through the survey
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	100% satisfaction
Indicator responsibility	Manager Corporate Communication

12.3 Implementation of Social Transformation Programmes Implemented

Indicator title	Implementation of social transformation programmes
Definition	To implement social transformation programmes
Source of data	The information will be collected manually through progress reports.
Method of calculation or assessment	The number of activities completed against the total targeted activities for a specified period
Assumptions	N/A
Disaggregation of beneficiaries (where applicable)	1 programme each financial year for: Women, Youth, Disabilities and Military Veterans
Spatial transformation (where applicable)	N/A
Desired performance	100%
Indicator responsibility	Executive Manager: Corporate Services

12.4 Increased BEE Spend

Indicator title	% BEE spend
Definition	Procure >65% of products & services from BEE accredited suppliers registered on the NHBRC database or through competitive bidding processes.
Source of data	Input information from suppliers awarded contracts. Data collected from the ERP system.
Method of calculation or assessment	Total amount of discretionary spend paid to accredited BEE service providers within a specified period divide by the total amount of discretionary spend paid to all service providers for the same period multiply by 100. BEE certified service provider is verified via certification.
Assumptions	N/A
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	Higher than the target
Indicator responsibility	Chief Financial Officer

13. PROGRAMME 2: REGULATION

13.1 Number of compliant homebuilders

Indicator title	Number of homebuilders registered
Definition	When homebuilders are evaluated for technical, financial, managerial competence and pay prescribed registration and annual fees in order to obtain a license to trade in the sector
Source/collection of data	The information is submitted by the builder and captured in the CRM system Application forms and supporting documents submitted by the homebuilder and copy of registration certificates
Method of calculation	Number of home builders that have attended the technical home building skills modules. Calculation is based on the number of homebuilders who requests technical home building skills training or found to need technical training as a result of observed deviations from National Building Regulation (approved technical standards) in the construction/ building sector.
Assumptions	New homebuilder will register Existing homebuilder will renew and payment annual fees
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	96,173
Indicator responsibility	Executive Manager: Business Services

13.2 Number of house inspections completed

Indicator title	Number of house inspections completed
Definition	The indicator describes the process of designing and specification and construction of a Green First-Zero energy model house with potential to reduce the effects of greenhouse gas emission- : The process includes: 1. Adoption of Green First-Zero energy model house criteria that enables reduction of gas emission , 2. Draft & Adopt designs and construct a house which upon completion will be evaluated to gauge the 5 reduction in terms of green-house compliant i.e help reduce gas emission and help manage the effects of climate change
Source of data	Draft design(s) by the NHBC and reports
Method of calculation or assessment	Evaluation of the Constructed Green First-ZERO energy model house against the adopted criterion

Assumptions	There will be available land to construct the house There will be sufficient funds to sponsor the project External parties will assist the NHBRC the assessment/compliant report
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Definition	The indicator describes the process of designing and specification and construction of a Green First-Zero energy model house with potential to reduce the effects of greenhouse gas emission- : The process includes: 1. Adoption of Green First-Zero energy model house criteria that enables reduction of gas emission , 2. Draft & Adopt designs and construct a house which upon completion will be evaluated to gauge the 5 reduction in terms of green-house compliant i.e help reduce gas emission and help manage the effects of climate change
Source of data	Draft design(s) by the NHBRC and reports

13.3 Percentage of disputes resolved.

Indicator title	Percentage of disputes resolved
Definition	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. Complaints are lodge by the Housing consumers by completing the complaints form at the NHBRC provincial offices
Source of data	Database of complaints lodged
Method of calculation or assessment	The indicator is calculated by the average number of days taken to resolve the complaint from the date of receipt as per the date stamp and the date the matter was closed as per the closure letter to the housing consumer.
Assumptions	Homeowners will lodge complaints with the NHBRC
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Reporting cycle	Quarterly
Desired performance	All complaints received resolved
Indicator responsibility	Executive Manager: Business Services

13.4 Number of homebuilders and technical professionals trained

Indicator title	Number of homebuilders and technical professionals trained
Definition	To ensure that the competency level of Homebuilders and Technical Professionals to build and inspect quality homes is enhanced.
Source of data	Attendance registry/certifications from external/internal service providers
Method of calculation or assessment	Number of Homebuilders and Technical Professionals that have attended the Application of the Home Building Manual Course facilitated by NHBRC. Calculation is based on the number of Homebuilders and Technical Professionals per module that have attended the NHBRC Training.
Assumptions	Number of home builders that have attended the technical home building skills modules. Calculation is based on the number of homebuilders who requests technical home building skills training or found to need technical training as a result of observed deviations from National Building Regulation (approved technical standards) in the construction/ building sector.
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Reporting cycle	Quarterly
Desired performance	Higher than the target performance
Indicator responsibility	Manager: Education Training and Development

14. PROGRAMME 3: CONSUMER PROTECTION

14.1 Percentage of compliant enrolment applications approved within 15 days from date of receipt

Indicator title	Percentage of compliant enrolment applications approved within 15 days from date of receipt
Definition	The Homebuilder/Developer submits application for enrolment of homes 15 days before commencement of construction as per the section 14 of the HCPM Act. The application form will be accompanied by the following supporting documents: <ul style="list-style-type: none"> • Geotechnical reports

	<ul style="list-style-type: none"> • Building plans • Confirmation of land value • Building contract/Cost breakdown <p>The Homebuilder/Developer will pay the enrolment fee based on the quantum amount or estimated selling price of the home</p> <p>The enrolment approval letter/Certificate/Sectional title (ST) 001</p> <p>The information is collected by NHBRC Provincial offices and is recorded manually and /or on the system.</p> <p>The indicator will be calculated on the average number of days taken to approve the enrolment application. The average number of days will be calculated from the date received of the application as per the date stamp by the NHBRC receiving provincial office and approval date as per the date written on the approval letter/enrolment certificate/ST001</p> <p>Homebuilders/Developer will submit compliant documents</p> <p>N/A</p> <p>N/A</p> <p>Quarterly</p> <p>lower than targeted performance is desirable</p> <p>Executive Manager: Business Services</p>
Source of data	
Method of calculation or assessment	
Assumptions	
Disaggregation of beneficiaries (where applicable)	
Spatial transformation (where applicable)	
Reporting cycle	
Desired performance	
Indicator responsibility	

14.2 Compliant Green-First Zero energy model house

Indicator title	Compliant Green-First Zero energy model house
Definition	The indicator describes the process of constructing Green First-Zero energy model house. This includes: 1. Adoption of Green First-Zero energy model house criteria, 2. Draft & Adopt designs with the aim of construction of the house and then evaluating the performance of the house under South African climate conditions.
Source of data	Draft design(s) by the NHBRC and reports
Method of calculation or assessment	Constructed Green First-ZERO energy model house
Assumptions	There will be available land to construct the house There will be sufficient funds to sponsor the project External parties will respond with assessment/compliant report
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A

Reporting cycle	Quarterly
Desired performance	Compliant home
Indicator responsibility	Manager: Centre for research and Housing innovation

15. ANNEXURES TO THE STRATEGIC PLAN

Not applicable

16. ANNEXURE A: DISTRICT DEVELOPMENT MODEL

Not applicable to NHBRC

17. ANNEXURE B: BUDGET UPTO 2020/24 FINANCIAL YEAR

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
PROPOSED ANNUAL BUDGET
FOR THE FINANCIAL YEAR 2020/21 to 2023/24**

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
DRAFT BUDGETED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 31 MARCH 2021 TO 31 MARCH 2024**

3

Description	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022-2023	2023-2024
	Audited Actual	Audited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Revenue	845 952 736	957 026 430	913 097 896	892 207 146	936 817 503	983 658 379	1 032 841 298
Fees revenue	43 458 923	101 043 788	32 008 653	34 180 257	35 889 270	37 683 733	39 567 920
Reg - Administration	3 123 790	3 374 924	2 006 900	2 303 000	2 418 150	2 539 058	2 666 010
Reg - Annual	1 294 554	2 380 974	1 605 276	1 842 120	1 934 226	2 030 937	2 132 484
Reg - Annual Renewals	9 923 722	9 436 914	6 283 208	7 368 480	7 736 904	8 123 749	8 529 937
Project Enrolment	26 620 567	82 945 375	19 547 996	19 929 602	20 926 082	21 972 386	23 071 005
Reg - Builders Manual	1 586 025	1 754 493	-	-	-	-	-
Late Enrolment Fees	518 064	651 729	1 062 207	1 000 000	1 050 000	1 102 500	1 157 625
Document sales	392 201	499 379	1 503 066	1 737 055	1 823 908	1 915 103	2 010 859
Non Subsidy Enrolment Fees	655 563 715	592 533 678	680 610 280	670 098 397	703 603 317	738 783 482	775 722 657
Speculative	341 518 557	312 822 603	340 227 877	342 748 264	359 885 678	377 879 961	396 773 960
Cluster Sectional Title	314 045 158	279 711 075	340 382 403	327 350 132	343 717 639	360 903 521	378 948 697
Subsidy enrolment fees	132 486 380	232 361 454	175 278 963	165 128 493	173 384 917	182 054 163	191 156 871
Home Enrolment (0.75%)	132 486 380	232 361 454	20 763 730	8 054 240	8 456 952	8 879 800	9 323 790
Consolidation (2.1%)	-	-	154 515 233	157 074 252	164 927 965	173 174 363	181 833 081
Other Revenue	7 298 213	30 412 510	2 100 000	2 800 000	2 940 000	3 087 000	3 241 350
Legal DC Penalty	2 554 058	5 460 257	2 100 000	2 800 000	2 940 000	3 087 000	3 241 350
Sundry Income	4 744 155	24 952 253	-	-	-	-	-
Technical Services Revenue	7 145 505	675 000	23 100 000	20 000 000	21 000 000	22 050 000	23 152 500
Technical Service	5 206 050	-	-	3 000 000	3 150 000	3 307 500	3 472 875
Geotechnical	-	675 000	6 000 000	7 000 000	7 350 000	7 717 500	8 103 375
Forensic Assessment	1 939 455	-	10 000 000	10 000 000	10 500 000	11 025 000	11 576 250
Testing Services	-	-	7 100 000	-	-	-	-
Total Revenue	845 952 736	957 026 430	913 097 896	892 207 146	936 817 503	983 658 379	1 032 841 298

Description	2017 - 2018		2018 - 2019		2019 - 2020		2020 - 2021		2021 - 2022		2022-2023		2023-2024	
	Audited Actual	Audited Actual	Audited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Operating Expenses	20 792 879	3 763 286	27 146 036	23 064 823	23 756 768	24 469 471	25 203 555							
Accreditation Fees	662 643	-7 965	1 482 930	875 000	901 250	928 288	956 136							
Direct Cost of Builders Manuals	1 415 279	1 217 543	188 370	938 405	966 557	995 554	1 025 421							
Outstanding claims provision	13 295 901	1 660 884	9 200 000	9 000 000	9 270 000	9 548 100	9 834 543							
Direct Cost of Certificates	444 714	-	274 736	251 418	258 960	266 729	274 731							
Technical Services	4 974 341	892 824	16 000 000	12 000 000	12 360 000	12 730 800	13 112 724							
General & Administration	11 483 423	11 607 144	10 772 058	7 068 958	7 457 750	7 867 927	8 300 663							
Motor Vehicle Expenses	354 176	545 202	262 000	665 200	701 786	740 384	781 105							
Office Equipment Expenses (printers leas	6 195 721	5 926 049	3 490 058	3 490 058	3 682 011	3 884 522	4 098 170							
Mobile Office Expenses	4 719 600	480 600	4 000 000	-	-	-	-							
Office Furniture Expenses	37 568	3 896 164	840 000	886 200	934 941	986 363	1 040 613							
Relocation cost	-	-	1 680 000	1 500 000	1 582 500	1 669 538	1 761 362							
Generator/UPS Expenses	176 358	759 129	500 000	527 500	556 513	587 121	619 412							
Council Related Costs	9 221 124	9 810 797	10 745 200	10 745 200	11 336 186	11 959 676	12 617 458							
Council Remuneration	5 371 483	5 367 871	5 382 900	5 382 900	5 678 960	5 991 302	6 320 824							
Disciplinary Committee costs	3 849 640	4 442 927	5 362 300	5 362 300	5 657 227	5 968 374	6 296 635							
Permanent Staff Costs	453 805 821	485 737 251	524 523 456	522 047 638	561 009 885	594 670 478	630 350 707							
Permanent Staff : Salary	329 433 820	440 727 900	443 263 077	476 460 317	512 399 770	543 143 756	575 732 381							
Permanent Staff : Incentive Bonus	14 235 708	14 130 969	34 116 617	21 477 537	22 575 000	23 929 500	25 365 270							
Staff Costs - Allowances	83 330 390	11 687 279	22 676 749	14 737 377	15 934 298	16 890 356	17 903 777							
Other Employment Costs	11 347 299	3 410 391	15 217 013	3 122 407	3 382 067	3 584 991	3 800 090							
Temporary staff	15 458 605	15 780 712	9 250 000	6 250 000	6 718 750	7 121 875	7 549 188							
General Costs	164 492 361	156 093 444	179 415 138	172 378 738	182 886 115	192 944 851	203 556 818							

Description	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022-2023	2023-2024
	Audited Actual	Audited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Insurance Paid	1 175 926	2 528 270	2 000 000	2 200 000	2 321 000	2 448 655	2 583 331
Information Technology	41 845 932	31 466 760	30 241 585	31 904 872	33 659 640	35 510 920	37 464 021
Legal Fees	11 622 706	18 247 994	12 000 000	13 100 000	13 820 500	14 580 628	15 382 562
Marketing Fees	8 275 471	8 164 787	23 712 125	20 715 000	21 854 325	23 056 313	24 324 410
Telephone Expenses	17 726 755	16 613 196	25 982 600	18 000 000	18 990 000	20 034 450	21 136 345
Travelling Expenses	27 058 834	26 825 722	31 414 366	19 266 011	21 352 188	22 526 558	23 765 519
Travelling Expenses-Inspectors	19 739 336	20 831 176	16 812 558	34 871 582	36 789 519	38 812 943	40 947 654
Training for Emerging	8 499 625	9 367 821	-	-	-	-	-
Training and Development Staff	3 526 160	5 288 099	3 704 903	3 908 673	4 123 650	4 350 451	4 589 726
Training - Youth, Women & Veterans	18 118 988	8 826 181	20 600 000	15 050 000	15 877 750	16 751 026	17 672 333
Training & Dev: Interns- STEP	-	-	4 000 000	3 000 000	3 165 000	3 339 075	3 522 724
Audit Fees	5 475 634	6 213 646	5 500 000	6 000 000	6 330 000	6 678 150	7 045 448
General Office costs(Uniform, Grocery)	1 426 994	1 719 791	3 447 000	4 362 600	4 602 543	4 855 683	5 122 745
Other Expenses	70 893 671	54 933 715	76 935 950	74 030 378	78 105 213	82 401 000	86 933 055
Bank Charges	2 975 976	2 660 680	3 000 000	3 000 000	3 165 000	3 339 075	3 522 724
Provision for doubtful debts	17 909 896	-	-	-	-	-	-
Cleaning	1 925 122	2 667 940	2 590 000	2 732 450	2 882 735	3 041 285	3 208 556
Catering: Internal Activities	2 486 640	3 602 260	1 769 000	1 866 295	1 968 941	2 077 233	2 191 481
Conferences and Seminars	4 466 267	4 515 980	2 550 700	2 250 000	2 373 750	2 504 306	2 642 043
Venues and facilities	-	2 645 000	2 645 000	2 645 000	2 790 475	2 943 951	3 105 868

Description	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022-2023	2023-2024
	Audited Actual	Audited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Consulting Fees	10 003 382	7 823 336	18 730 000	15 650 000	16 721 750	17 641 446	18 611 726
Courier & Freight	817 520	165 990	885 000	733 675	774 027	816 599	861 512
PE - Electricity & Water	4 428 417	4 516 814	5 299 000	5 592 555	5 897 919	6 222 305	6 564 532
Entertainment Expenses	5 413	5 626	2 000	-	2 226	2 348	2 478
Fines and Penalties	4 390	1 179 180	-	-	-	-	-
Flowers & Gifts	162 380	174 615	187 750	456 250	484 509	511 157	539 270
PE - Rates & Taxes	825 901	634 581	1 429 000	2 492 000	2 629 060	2 773 658	2 926 210
PE - Rent of Premises	12 132 563	14 728 281	20 728 000	19 993 085	21 092 705	22 252 803	23 476 708
PE - Repair & Maintenance	477 333	548 606	960 000	1 012 800	1 068 504	1 127 272	1 189 272
Postage	291 015	343 755	525 500	554 403	584 895	617 064	651 002
Printing	2 140 908	1 105 335	1 592 500	1 680 088	1 772 492	1 869 979	1 972 828
Security	3 313 192	3 980 577	4 932 000	4 500 000	4 747 500	5 008 613	5 284 086
Special Projects	-2	1 886 082	500 000	200 000	211 000	222 605	234 848
PE - Plant Expenses	138 860	44 983	375 000	395 625	417 384	440 341	464 559
Stationery	2 432 704	845 648	1 938 500	2 045 118	2 157 599	2 276 267	2 401 462
Subscriptions	634 731	597 609	648 000	683 640	721 240	760 908	802 758
Office Refurbishment	263 687	1 233 768	2 140 000	1 990 000	2 099 450	2 214 920	2 336 740
Other Costs - Rental of Premises	1 586 004	1 269 151	1 789 000	1 887 395	1 991 202	2 100 718	2 216 257
Off-site Archiving	1 381 241	240 026	1 520 000	1 470 000	1 550 850	1 636 147	1 726 135
Interest Paid	11 978	31 289	-	-	-	-	-
EXPENSES	730 689 278	721 945 638	829 537 838	809 335 735	864 551 918	914 313 403	966 962 256

Description	2017 - 2018		2018 - 2019		2019 - 2020		2020 - 2021		2021 - 2022		2022-2023		2023-2024	
	Audited Actual	Audited Actual	Audited Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
DEPRECIATION AND AMORTIZATION	23 849 690	23 357 650	26 013 195	27 443 920	28 267 238	29 115 255	29 988 713							
Amortization	15 238 120	15 276 266	15 500 000	16 352 500	16 843 075	17 348 367	17 868 818							
Depreciation	8 611 544	8 081 384	10 513 194	11 091 420	11 424 163	11 766 888	12 119 894							
Operating Profit after amortisation, depreciation	91 413 769	211 723 142	57 546 864	55 427 491	43 998 347	40 229 721	35 890 328							
Actuarial adjustment	(69 269 227)	(48 710 815)	-	-	-	-	-							
Change in unearned premium provision	(133 336 797)	31 370 618	-	-	-	-	-							
Change in unexpired risk provision	64 067 570	(80 081 433)	-	-	-	-	-							
Operating Profit after actuarial adjustment	22 144 542	163 012 327	57 546 864	55 427 491	43 998 347	40 229 721	35 890 328							
Research & Development	770 147	1 739 484	10 000 000	7 000 000	7 385 000	7 791 175	8 219 690							
Inspectorate Fees-Outsource														
Profit from operating activities	21 374 395	161 272 843	47 546 864	48 427 491	36 613 347	32 438 546	27 670 639							
Interest Received	592 698 386	423 538 888	474 682 764	500 690 861	507 128 858	535 020 946	564 447 098							
Interest Received	391 750 017	435 025 136	421 131 268	445 236 000	448 623 980	473 298 299	499 329 705							
Dividend income	13 766 575	16 475 368	14 454 904	16 300 000	17 196 500	18 142 308	19 140 134							
Realized (Gain)/ loss	197 549 213	(17 350 295)	51 154 861	51 154 861	53 988 378	56 936 639	60 068 154							
Asset management service fees	(10 367 419)	(10 611 322)	(12 058 268)	(12 000 000)	(12 660 000)	(13 356 300)	(14 090 897)							
Surplus/ (Deficit)	614 072 781	584 811 731	522 229 628	549 118 352	543 742 205	567 459 491	592 117 736							

NATIONAL HOME BUILDERS REGISTRATION COUNCIL
 BUDGETED STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2020 TO 31 MARCH 2023

	Notes	2017/18 Actual R	2018/19 Actual R	2019/20 Budget R	2020/21 Budget R	2021/22 Budget R	2022/23 Budget R	2023/24 Budget R
ASSETS								
Non-current assets		6 388 081 181	6 202 458 507	7 566 965 620	8 108 960 998	8 637 523 561	9 244 306 161	9 917 386 989
Property, plant and equipment	1	93 087 014	88 375 634	93 304 319	194 262 899	186 838 736	179 071 849	171 951 955
Intangible Asset	2	86 215 158	71 291 392	64 291 392	66 438 891	72 438 891	55 090 524	37 221 705
Investments	3	6 208 779 009	6 042 791 480	7 409 369 910	7 848 259 209	8 378 245 935	9 010 143 789	9 708 213 330
Current assets		360 199 950	1 170 005 352	375 977 418	390 472 450	449 444 701	461 205 865	425 385 804
Inventories		13 158 232	11 940 689	9 940 689	8 940 689	7 477 130	6 425 758	5 311 304
Accounts receivables	4	15 991 624	61 458 431	56 856 668	78 170 182	118 895 532	110 779 147	102 221 544
Cash and cash equivalents	5	331 050 094	1 096 606 232	309 180 061	303 361 579	323 072 039	344 000 959	317 852 957
		6 748 281 131	7 372 463 858	7 942 943 038	8 499 433 448	9 086 968 262	9 705 512 025	10 342 772 793
EQUITY AND LIABILITIES								
Reserves		5 170 537 838	5 755 349 569	6 277 579 197	6 809 575 520	7 353 317 725	7 920 777 217	8 512 894 953
Accumulated Surplus		5 153 844 441	5 748 023 992	6 250 136 672	6 792 559 614	7 317 301 902	7 896 366 481	8 470 727 585
Emerging contractor Reserves		16 693 397	7 325 576	27 442 525	17 015 906	36 015 823	24 410 735	42 167 368
Current liabilities		148 268 553	140 498 969	165 183 704	163 877 519	169 995 264	174 825 478	180 221 527
Accounts payable	6	132 000 312	133 880 061	158 233 851	156 580 173	162 333 051	167 163 265	172 176 203
Provisions	7	16 268 241	6 618 908	6 949 853	7 297 346	7 662 213	7 662 213	8 045 324
Technical liabilities		1 429 474 739	1 476 615 320	1 500 180 137	1 525 980 409	1 563 655 273	1 609 909 330	1 649 656 313
Provision for outstanding claims		51 177 873	49 607 639	52 336 059	55 214 542	58 251 342	58 251 342	61 455 166
Provision for unearned premium		1 081 444 036	1 050 073 418	1 050 178 430	1 051 228 609	1 062 792 123	1 109 046 182	1 121 245 690
Provision for unexpired risk		296 852 830	376 934 263	397 665 647	419 537 258	442 611 807	442 611 805	466 955 457
		6 748 281 131	7 372 463 858	7 942 943 038	8 499 433 448	9 086 968 262	9 705 512 025	10 342 772 793

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
BUDGETED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING 31 MARCH 2020 TO 31 MARCH 2024**

	Accumulated Surplus	Emerging Contractor Reserve	Total
Balance at 2016/2017	4 531 272 035	25 193 022	4 556 465 057
Net surplus for the period	614 072 781		614 072 781
Utilised	8 499 625	(8 499 625)	-
Balance at 2017/2018	5 153 844 441	16 693 397	5 170 537 838
Net surplus for the period	584 811 731		584 811 731
Utilised	9 367 821	(9 367 821)	-
Balance at 2018/2019	5 748 023 992	7 325 576	5 755 349 569
Net surplus for the period	522 229 628		522 229 628
Transfer to reserve	(30 000 000)	30 000 000	-
Utilised	9 883 051	(9 883 051)	-
Balance at 2019/2020	6 250 136 672	27 442 525	6 277 579 197
Net surplus for the period	531 996 323		531 996 323
Utilised	10 426 619	(10 426 619)	-
Balance at 2020/2021	6 792 559 614	17 015 906	6 809 575 520
Net surplus for the period	543 742 205		543 742 205
Transfer to reserve	(30 000 000)	30 000 000	-
Utilised	11 000 083	(11 000 083)	-
Balance at 2021/2022	7 317 301 902	36 015 823	7 353 317 725
Net surplus for the period	567 459 491		567 459 491
Utilised	11 605 088	(11 605 088)	-
Balance at 2022/2023	7 896 366 481	24 410 735	7 920 777 217
Net surplus for the period	592 117 736		592 117 736
Transfer to reserve	(30 000 000)	30 000 000	-
Utilised	12 243 367	(12 243 367)	-
Balance at 2023/2024	8 470 727 585	42 167 368	8 512 894 953

NATIONAL HOME BUILDERS REGISTRATION COUNCIL							
BUDGETED CASH FLOW STATEMENT							
FOR THE YEAR ENDING 31 MARCH 2020 TO 31 MARCH 2024							
	2017/2018 Actual R	2018/2019 Budget R	2019/2020 Budget R	2020/2021 Budget R	2021/2022 Budget R	2022/2023 Budget R	2023/2024 Budget R
	8						
Cash generated from operations	157 086 382	184 062 628	129 242 299	68 083 373	38 768 813	113 567 230	103 552 477
Interest Paid	(11 978)	(31 289)	(34 418)	(37 860)	(41 646)	(45 810)	(50 391)
Interest Received	12 970 552	23 905 549	25 100 826	26 355 867	27 937 219	29 613 452	31 390 260
Cash flow from operating activities	170 044 956	207 936 888	154 308 707	94 401 380	66 664 387	143 134 872	134 892 346
Investing activities							
Additions to property, plant and equipment	(4 746 560)	(3 693 155)	(13 500 000)	(112 050 000)	(4 000 000)	(4 000 000)	(5 000 000)
Additions to intangible asset	-	(352 499)	(8 500 000)	(18 500 000)	(6 000 000)	-	-
Purchase of financial assets	(29 732 149)	(2 366 877)	(919 734 878)	-	(36 953 928)	(98 495 491)	(135 111 427)
Proceeds on sale of financial assets	-	567 262 899	-	30 330 138	-	-	-
Cash flow from investing activities	(34 478 709)	560 850 368	(941 734 878)	(100 219 862)	-46 953 928	(102 495 491)	(140 111 427)
Cash flow from financing activities							
Claims paid	(9 436 711)	(3 231 118)	-	-	-	-	-
Net decrease in cash and cash equivalents	126 129 536	765 556 138	-787 426 171	-5 818 482	19 710 459	40 639 380	-5 219 081
Cash and cash equivalents at beginning of year	204 920 558	331 050 094	1 096 606 232	309 180 061	303 361 579	303 361 579	323 072 038
Cash and cash equivalents at the end of the year	331 050 094	1 096 606 232	309 180 061	303 361 579	323 072 038	344 000 959	317 852 957

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2020 TO 31 MARCH 2024**

1 Property, plant and equipment

	Computer equipment R	Office furniture and equipment R	Motor vehicles R	Land and Buildings R	Land and Buildings R	Total R
Balance at 2017/2018						
Opening net carrying amount	10 389 985	11 446 266	248 132	17 751 947	57 769 684	97 606 013
Cost	24 509 389	23 092 292	1 169 897	17 751 947	75 746 283	142 269 808
Accumulated depreciation	(14 119 404)	(11 646 026)	(921 765)	-	(17 976 599)	(44 663 794)
Additions	1 729 517	1 928 103	1 088 940	-	-	4 746 560
Disposal	(376 766)	(257 250)	(20 000)	-	-	(654 016)
Depreciation	(2 999 924)	(1 734 466)	(89 840)	-	(3 787 314)	(8 611 544)
Closing net carrying amount	8 742 812	11 382 654	1 227 232	17 751 947	53 982 369	93 087 014
Cost	20 794 405	23 782 984	1 920 892	17 751 947	75 746 282	139 996 510
Accumulated depreciation	(12 051 593)	(12 400 330)	(693 660)	-	(21 763 913)	(46 909 496)
Balance at 2018/2019						
Opening net carrying amount	8 742 812	11 382 654	1 227 232	17 751 947	53 982 369	93 087 014
Cost	20 794 405	23 782 984	1 920 892	17 751 947	75 746 282	139 996 510
Accumulated depreciation	(12 051 593)	(12 400 330)	(693 660)	-	(21 763 913)	(46 909 496)
Additions	2 075 355	1 617 800	-	-	-	3 693 155
Disposal	(138 841)	(126 828)	(40 001)	-	17 483	(8 081 384)
Depreciation	(2 017 655)	(2 384 188)	1 499	-	(3 681 040)	(8 081 384)
Closing net carrying amount	8 661 672	10 489 439	1 188 730	17 751 947	50 283 846	88 375 634
Cost	21 751 346	24 591 706	1 565 239	17 751 947	75 707 782	141 368 020
Accumulated depreciation	(13 089 674)	(14 102 267)	(376 509)	-	(25 423 936)	(52 992 386)

Balance at 2019/2020						
Opening net carrying amount	8 661 672	10 489 439	1 188 730	17 751 947	50 283 846	88 375 634
Cost	21 751 346	24 591 706	1 565 239	17 751 947	75 707 782	141 368 020
Accumulated depreciation	(13 089 674)	(14 102 267)	(376 509)	-	(25 423 936)	(52 992 386)
Additions	3 000 000	10 500 000	-	-	-	13 500 000
Depreciation	(2 046 942)	(2 527 239)	(95 230)	-	(3 901 902)	(8 571 314)
Closing net carrying	9 614 730	18 462 199	1 093 500	17 751 947	46 381 944	93 304 319
Cost	24 751 346	35 091 706	1 565 239	17 751 947	75 707 782	154 868 020
Accumulated depreciation	(15 136 616)	(16 629 506)	(471 739)	-	(29 325 838)	(61 563 700)
Balance at 2020/2021						
Opening net carrying amount	9 614 730	18 462 200	1 093 500	17 751 947	46 381 944	93 304 320
Cost	24 751 346	35 091 706	1 565 239	17 751 947	75 707 782	154 868 020
Accumulated depreciation	(15 136 616)	(16 629 506)	(471 739)	-	(29 325 838)	(61 563 700)
Additions	20 240 000	16 810 000	7 500 000	-	67 500 000	112 050 000
Depreciation	(2 576 399)	(3 078 874)	(150 944)	-	(5 285 204)	(11 091 420)
Closing net carrying	27 278 331	32 193 325	8 442 555	17 751 947	108 596 740	194 262 899
Cost	44 991 346	51 901 706	9 065 239	17 751 947	143 207 782	266 918 020
Accumulated depreciation	(17 713 015)	(19 708 380)	(622 684)	-	(34 611 042)	(72 655 121)
Balance at 2021/2022						
Opening net carrying amount	27 278 331	32 193 326	8 442 555	17 751 947	108 596 740	194 262 900
Cost	44 991 346	51 901 706	9 065 239	17 751 947	143 207 782	266 918 020
Accumulated depreciation	(17 713 015)	(19 708 380)	(622 684)	-	(34 611 042)	(72 655 121)
Additions	1 000 000	3 000 000	-	-	-	4 000 000
Depreciation	(2 629 804)	(3 263 606)	(160 001)	-	(5 370 752)	(11 424 162)
Closing net carrying	25 648 527	31 929 719	8 282 554	17 751 947	103 225 988	186 838 736
Cost	45 991 346	54 901 706	9 065 239	17 751 947	143 207 782	270 918 020
Accumulated depreciation	(20 342 819)	(22 971 986)	(782 685)	-	(39 981 794)	(84 079 283)

	Computer equipment R	Office furniture and equipment R	Motor vehicles R	Land and Buildings R	Land and Buildings R	Total R
Balance at 2022/2023						
Opening net carrying amount	25 648 527	31 929 720	8 282 554	17 751 947	103 225 988	186 838 737
Cost	45 991 346	54 901 706	9 065 239	17 751 947	143 207 782	270 918 020
Accumulated depreciation	(20 342 819)	(22 971 986)	(782 685)	-	(39 981 794)	(84 079 283)
Additions	1 000 000	3 000 000	-	-	-	4 000 000
Depreciation	(2 686 413)	(3 459 422)	(169 601)	-	(5 451 451)	(11 766 887)
Closing net carrying	23 962 114	31 470 297	8 112 954	17 751 947	97 774 537	179 071 849
Cost	46 991 346	57 901 706	9 065 239	17 751 947	143 207 782	274 918 020
Accumulated depreciation	(23 029 232)	(26 431 408)	(952 285)	-	(45 433 245)	(95 846 170)
Balance at 2023/2024						
Opening net carrying amount	23 962 114	31 470 298	8 112 954	17 751 947	97 774 537	179 071 850
Cost	46 991 346	57 901 706	9 065 239	17 751 947	143 207 782	274 918 020
Accumulated depreciation	(23 029 232)	(26 431 408)	(952 285)	-	(45 433 245)	(95 846 170)
Additions	2 000 000	3 000 000	-	-	-	5 000 000
Depreciation	(2 746 419)	(3 666 988)	(179 777)	-	(5 526 711)	(12 119 894)
Closing net carrying	23 215 695	30 803 309	7 933 177	17 751 947	92 247 827	171 951 955
Cost	48 991 346	60 901 706	9 065 239	17 751 947	143 207 782	279 918 020
Accumulated depreciation	(25 775 651)	(30 098 396)	(1 132 062)	-	(50 959 955)	(107 966 065)

NATIONAL HOME BUILDERS REGISTRATION COUNCIL
 NOTES TO THE BUDGETED FINANCIAL STATEMENTS
 FOR THE YEAR ENDING 31 MARCH 2020 TO 31 MARCH 2024

2 Intangible Asset

	Software development	Total
Balance at 2017/2018	101 952 148	101 952 148
Opening net carrying amount	175 858 460	175 858 460
Cost	(73 906 312)	(73 906 313)
Accumulated Amortisation		
Disposal	(53 951 688)	(53 951 688)
Amortisation on Disposals	53 452 817	53 452 817
Amortisation	(15 238 120)	(15 238 120)
Closing net carrying amount	86 215 158	86 215 158
Cost	121 906 772	121 906 773
Accumulated Amortisation	(35 691 614)	(35 691 614)
Balance at 2018/2019	86 215 158	86 215 159
Opening net carrying amount	121 906 772	121 906 773
Cost	(35 691 614)	(35 691 614)
Accumulated Amortisation		
Additions	352 499	352 499
Amortisation	(15 276 266)	(15 276 266)
Closing net carrying amount	71 291 392	71 291 392
Cost	122 259 271	122 259 272
Accumulated Amortisation	(50 967 880)	(50 967 880)

Balance at 2019/2020			
Opening net carrying amount	71 291 392	71 291 392	
Cost	122 259 271	122 259 272	
Accumulated Amortisation	(50 967 880)	(50 967 880)	
Additions	8 500 000	8 500 000	
Amortisation	(15 500 000)	(15 500 000)	
Closing net carrying amount	64 291 391	64 291 392	
Cost	130 759 271	130 759 271	
Accumulated Amortisation	(66 467 880)	(66 467 880)	
Balance at 2020/2021			
Opening net carrying amount	64 291 391	64 291 391	
Cost	130 759 271	130 759 272	
Accumulated Amortisation	(66 467 880)	(66 467 880)	
Additions	18 500 000	18 500 000	
Amortisation	(16 352 500)	(16 352 500)	
Closing net carrying amount	66 438 891	66 438 891	
Cost	149 259 271	149 259 271	
Accumulated Amortisation	(82 820 380)	(82 820 380)	
Balance at 2021/2022			
Opening net carrying amount	66 438 891	66 438 891	
Cost	149 259 271	149 259 272	
Accumulated Amortisation	(82 820 380)	(82 820 380)	
Additions	6 000 000	6 000 000	
Amortisation	(16 843 075)	(16 843 075)	
Closing net carrying amount	72 438 891	72 438 891	
Cost	155 259 271	155 259 271	
Accumulated Amortisation	(82 820 380)	(82 820 380)	

Balance at 2022/2023			
Opening net carrying amount		72 438 891	72 438 891
Cost		155 259 271	155 259 272
Accumulated Armotisation		(82 820 380)	(82 820 380)
Armotisation			(17 348 367)
Closing net carrying amount		55 090 524	55 090 524
Cost		137 910 904	137 910 904
Accumulated Armotisation		(82 820 380)	(82 820 380)
Balance at 2022/2023			
Balance at 2023/2024			
Opening net carrying amount		55 090 524	55 090 524
Cost		137 910 904	137 910 905
Accumulated Armotisation		(82 820 380)	(82 820 380)
Armotisation			(17 868 818)
Closing net carrying amount		37 221 705	37 221 705
Cost		120 042 085	120 042 085
Accumulated Armotisation		(82 820 380)	(82 820 380)
Balance at 2023/2024			

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDING 31 MARCH 2020 TO 31 MARCH 2024**

	2017/18 Actual R	2018/19 Actual R	2019/20 Budget R	2020/21 Budget R	2021/22 Budget R	2022/23 Budget R	2023/24 Budget R
3 Investment in securities							
Available-for-sale investments							
Opening balance	5 600 622 985	6 208 779 009	6 042 791 480	7 409 369 910	7 848 259 209	8 378 245 935	9 010 143 789
Interest received and Investment income	405 516 592	451 500 505	435 586 171	441 536 000	465 820 480	491 440 606	518 469 840
Administration fee	(10 367 419)	(10 611 322)	(12 058 268)	(12 000 000)	(12 660 000)	(13 356 300)	(14 090 897)
Fair value net gains/ (loss)	197 549 213	(17 350 295)	51 154 861	51 154 861	53 968 378	56 936 639	30 034 077
(Withdrawal) / Additions	15 457 638	(589 526 417)	891 895 665	(41 801 561)	22 857 867	96 876 908	163 656 521
	6 208 779 009	6 042 791 480	7 409 369 910	7 848 259 209	8 378 245 935	9 010 143 789	9 708 213 330
4 Accounts receivable							
Trade debtors	75 263 119	98 378 790	89 435 264	106 396 762	95 852 938	86 353 999	77 796 395
Provision for bad debts	(72 409 926)	(61 007 113)	(55 461 012)	(49 964 876)	-	-	-
Sundry debtors	13 138 432	24 086 754	22 882 416	21 738 295	23 042 593	24 425 149	24 425 149
	15 991 624	61 458 431	56 856 668	78 170 182	118 895 532	110 779 147	102 221 544
5 Cash and cash equivalents							
Bank	252 242 894	450 551 639	225 275 820	214 012 029	227 922 811	242 737 793	216 526 670
Short-term bank deposits	93 003	77 496	73 621	69 940	66 443	-	63 121
Call Account	78 714 197	645 977 096	83 830 620	89 279 610	95 082 785	101 263 166	101 263 166
	331 050 094	1 096 606 232	309 180 061	303 361 579	323 072 039	344 000 959	317 852 957
6 Accounts payable							
Accounts payable	24 032 368	26 836 215	48 373 016	44 522 121	48 033 838	50 578 068	53 259 303
Leave Accrual	24 291 534	22 537 063	23 663 916	24 137 194	24 619 938	25 112 337	25 614 584
Deposits Gaurantees	24 402 567	34 421 080	35 109 502	35 811 692	36 527 925	37 258 484	38 003 654
Sundry creditors	59 273 843	50 085 703	51 087 417	52 109 165	53 151 349	54 214 376	55 298 663
	132 000 312	133 880 061	158 233 851	156 580 173	162 333 051	167 163 265	172 176 203

7	Provision											
	Legal disputes	1 305 979	6 618 908	6 949 853	7 297 346	7 662 213	8 045 324	8 447 590				
	Other	14 962 262	-	-	-	-	-	-				
		16 268 241	6 618 908	6 949 853	7 297 346	7 662 213	8 045 324	8 447 590				
8	Reconciliation of surplus to cash generated from operations											
	Surplus for the period	614 072 781	584 811 731	522 229 628	531 996 323	543 742 205	567 459 491	592 117 736				
	Adjust for non cash items:											
	Depreciation of property, plant and equipment	8 611 544	8 081 384	10 513 194	11 091 420	11 424 163	11 766 888	12 119 894				
	Amortisation of Intangible Asset	15 238 120	15 276 266	15 500 000	16 352 500	16 843 075	17 348 367	17 868 818				
	Claims paid	9 436 711	3 231 118									
	Transaction cost on investment	1 303 958	724 845	771 959	822 137	875 576	932 488	993 100				
	Net loss on disposal of property plant and equipment	1 152 885	323 177	355 494	391 044	416 462	443 532	443 532				
	Administration fee	10 367 419	10 611 322	12 058 268	12 000 000	12 660 000	13 356 300	14 090 897				
	Fair value gain on financial instruments	(197 549 213)	17 350 295	(51 154 861)	(51 154 861)	(53 968 378)	(56 936 639)	(60 068 154)				
	Dividend received	(13 766 575)	(16 475 368)	(14 454 904)	(16 300 000)	(17 196 500)	(18 142 308)	(19 140 134)				
	Movement in provisions	73 128 417	47 140 581	23 564 817	25 800 272	37 674 864	46 254 057	39 746 983				
	Movement in technical provision	(8 441 559)	(9 649 304)									
	Interest paid	11 978	31 289	34 418	37 860	41 646	45 810	50 391				
	Interest received	(391 750 016)	(435 025 136)	(421 131 268)	(444 293 487)	(468 729 629)	(473 298 299)	(499 329 705)				
	Operating income before working capital changes	121 816 450	226 432 198	98 286 747	86 743 208	83 783 483	109 229 688	98 893 358				
	(Increase) / Decrease in inventory	21 906	1 217 543	2 000 000	1 000 000	1 463 559	1 051 372	1 114 455				
	(Increase) / Decrease in accounts receivable	29 297 451	(45 466 807)	4 601 763	(21 313 513)	(40 725 350)	8 116 384	8 557 603				
	Increase / (Decrease) in accounts payable	5 950 575	1 879 693	24 353 790	1 653 678	(5 752 878)	(4 830 215)	(5 012 938)				
		157 086 382	184 062 628	129 242 299	68 083 373	38 768 813	113 567 230	103 552 477				

National Home Builders Registration Council
CONSOLIDATED CAPITAL BUDGET
2020-2021

PER STAFF

20 000 20,00% 20 000 20,00% 20 000 6,70% 400 000 10,00% 15 000 10,00%

Depreciation Rates 20,00% 20,00% 12,50% 6,70% 10,00% 10,00% 5,00%

	2020 - 2021							
	Computer Equipment	Desk Top	Software	Office Furniture	Motor Vehicles	Office Equipment	Building	2020-2021
Marketing and Communication	60 000	-	-	-	7 000 000	100 000	-	7 160 000
Strategic Planning	-	-	-	-	-	-	-	-
Risk Management	-	-	500 000	-	-	7 500 000	-	8 000 000
Facilities	-	-	-	400 000	-	300 000	-	700 000
Eric Molobi School of Excellence	-	-	-	-	500 000	500 000	2 500 000	3 500 000
Eric Molobi Testing	-	-	-	-	-	1 000 000	-	1 000 000
Executive Manager: Business	-	-	-	-	-	-	-	-
IT / BMS	14 000 000	-	10 000 000	-	-	-	-	24 000 000
SAP Project	-	-	8 000 000	-	-	-	-	8 000 000
Project Management Office	-	-	-	-	-	-	-	-
Technical Services	6 000 000	-	-	-	-	1 000 000	-	7 000 000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Central Office	20 060 000	-	18 500 000	400 000	7 500 000	10 400 000	2 500 000	59 360 000
Provinces								
Eastern Cape	20 000	-	-	400 000	-	150 000	-	570 000
Free State	20 000	-	-	400 000	-	150 000	-	570 000
Gauteng	20 000	-	-	1 000 000	-	15 000	-	1 035 000
KwaZulu Natal	20 000	-	-	1 000 000	-	150 000	30 000 000	31 170 000
Mpumalanga	20 000	-	-	100 000	-	15 000	-	135 000
Northern Cape	20 000	-	-	100 000	-	15 000	-	135 000
Limpopo	20 000	-	-	500 000	-	15 000	-	535 000
North West	20 000	-	-	100 000	-	150 000	-	270 000
Western Cape	20 000	-	-	1 000 000	-	150 000	35 000 000	36 170 000
Total Provinces	180 000	-	-	4 600 000	-	810 000	65 000 000	70 590 000

		2020 - 2021									
Satellites											
Eastern Cape - E. London		-	200 000	-	-	-	-	-	-	-	200 000
Free State - Bethlehem		-	20 000	-	-	-	-	-	-	-	20 000
Gaut-Tshwane		-	40 000	-	-	-	-	-	-	-	40 000
KZN-New Castle		-	20 000	-	-	-	-	-	-	-	20 000
KZN-Richards Bay		-	20 000	-	-	-	-	-	-	-	20 000
Limpopo-Tzaneen		-	20 000	-	-	-	-	-	-	-	20 000
Limpopo-Bela Bela		-	20 000	-	-	-	-	-	-	-	20 000
Mpumalanga-Witbank		-	20 000	-	-	-	-	-	-	-	20 000
North West-Klerksdorp		-	20 000	-	-	-	-	-	-	-	20 000
North West-Mafikeng		-	20 000	-	-	-	-	-	-	-	20 000
Western Cape - George		-	200 000	-	-	-	-	-	-	-	200 000
Total Satellites		-	600 000	-	-	-	-	-	-	-	600 000
Grand Total		20 240 000	18 500 000	5 600 000	7 500 000	11 210 000	67 500 000	130 550 000			

Depreciation	2 580 000	16 500 000	1 636 500	1 136 000	378 500	6 497 195	28 728 195
	2 580 000	16 500 000	1 636 500	1 136 000	378 500	6 497 195	28 728 195

CAPITAL EXPENDITURE

Asset Class	Budget	Comment
Computer Equipment	20 240 000	
Desk Top	-	
Software	18 500 000	
Office Furniture	5 600 000	
Motor Vehicles	7 500 000	
Office Equipment	11 210 000	
Land and building	67 500 000	
	130 550 000	