



ESTATE AGENCY AFFAIRS BOARD  
OF SOUTH AFRICA

**ESTATE AGENCY AFFAIRS BOARD (EAAB)  
ANNUAL PERFORMANCE PLAN  
2021/2022**

## Official Sign Off

It is hereby certified on 04 March 2021 that this Annual Performance Plan:

- Was developed by the management of the Estate Agency Affairs Board;
- Takes into account all the relevant policies, legislation and other mandates for which the Estate Agency Affairs Board is responsible;

Signature: 

Date: 04 March 2021

**K Son**  
Chief Financial Officer (Acting)

Signature: 

Date: 04 March 2021

**M Mohlala**  
Accounting Officer

Signature: 

Date: 04 March 2021

**N Biko**  
Chairperson



Signature:  
**Minister of Human Settlements Water & Sanitation**

Date: 12 March 2021

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## **ABBREVIATIONS AND ACRONYMS**

CPD	Continuing Professional Development
DHS	Department of Human Settlements, Water and Sanitation
EAAB	Estate Agency Affairs Board
EAAA	Estate Agency Affairs Act
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
PPA	Property Practitioners Act
PDE	Professional Designation Examination
PFMA	Public Finance Management Act
SASQAF	South African Statistics Quality Framework
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
FFC	Fidelity Fund Certificate
SMME	Small to Medium Enterprises
APP	Annual Performance Plan
BBBEE	Broad Based Black Empowerment Equity
FLISP	Finance Linked Individual Subsidy Programme
NEHAWU	National Education, Health and Allied Workers Union
SAQA	South African Qualifications Authority
QTCO	Quality Council for Trades & Occupations
SSETA	Services SETA
FICA	Financial Intelligence Centre Act
PDI	Previously Disadvantaged Individuals

HDI	Historically Disadvantaged Individuals
PPPFA	Preferential Procurement Policy Framework Act
EE	Employment Equity
PSCC	Property Sector Charter Council
SD	Skills Development
DPME	Department of Planning Monitoring and Evaluation

## INTRODUCTION

### 1.1 Foreword by the Honourable Minister of Human Settlements Water and Sanitation

As the new financial year commences and as we focus on the new Medium Term Strategic Framework for the 2020 – 2025 period, the priorities of the Estate Agency Affairs Board (EAAB) has now had to shift substantially to accommodate the expanded statutory mandate of the organisation, which is a result of the much anticipated Property Practitioners Bill being promulgated into law on 03 October 2019.

The Property Practitioners Act No. 22 of 2019 in terms of section 75 has a transitional provision incorporated in the Act to provide the EAAB with sufficient time to cater for the regulators expanded mandate. The EAAB is required to ensure that educational regulations are amended where applicable, systems are put in place, standard operating processes and policies are amended, and additional resources are in place so as to cater for its expanded regulatory mandate. The draft regulations also need to be finalised.

The EAAB intends to hold an industry workshop that will focus on five work streams namely Transformation, Fidelity Fund, Enforcement, Licensing and Education and Training. Stakeholders that already are regulated by the EAA Act of 1976, and stakeholders that now fall under the PP Act of 2019, will be invited to make meaningful contributions at this important engagement. In terms of Section 77 the President will announce an actual effective date of the PPA.

The drafting of the Annual Performance Plan 2020-2021 has been guided by both the Estate Agency Affairs Board's (EAAB's) Five Year Strategic Plan 2020-2025 and the Department of Human Settlements Medium-Term Strategic Framework ("MTSF").

I have however instructed the EAAB Interim Board to ensure that the EAAB focuses on key priorities that are required to ensure that the entity is ready for the change to Property Practitioners Regulatory Authority (PPRA) and to continue to ensure that transformation of the real estate sector in terms of Chapter 4 of the PPA is seen as a priority and a critical imperative.

Government priorities in terms of transformation of the real estate sector remains an imperative for the entity for a more meaningful balance of the sector however, I am confident that the Interim Board will direct management and staff of the EAAB appropriately to achieve the desired outcomes.



**L N Sisulu (MP)**  
**Minister of Human Settlements Water and Sanitation**

## **1.2 Foreword by Chairperson of the Board:**

In presenting its Annual Performance Plan (“APP”) for the period 2021/22 of the Estate Agency Affairs Board (“EAAB”), to the Executive Authority, the Honourable Minister of Human Settlements, Water and Sanitation, Lindiwe Sisulu MP, it is with great pleasure to announce that the EAAB has improved on its performance and will continue to do so despite the challenging local and global economic situation.

The EAAB’s Five Year Strategic Plan 2020-2025 and the Department of Human Settlements Medium-Term Strategic Framework (“MTSF”) was a pivotal guide in drafting the APP and to a large extent guided by the aforesaid documents. .

The Board of directors, together with its Executive Committee and staff, reaffirms its commitment to the transformation of the estate agency sector, to inculcate the highest standards of excellence, as well as to fulfil its statutory mandate - regulating the estate agency sector in the public interest for the benefit of property consumers and estate agents.

### **PROPERTY PRACTITIONERS ACT NO. 22 OF 2019**

On 03 October 2019 the President promulgated the Property Practitioners Act No. 22 of 2019. The Act heralded a very exciting era in the history of the real estate sector in South Africa and the sector is waiting eagerly for its effective date.

Notwithstanding the new challenges that the Act will present for the real estate regulator, due to the expansion of its statutory mandate, the EAAB warmly embraces the promising opportunities that it brings.

### **WHEN WILL THIS HAPPEN?**

In the meantime the EAAB has already commenced to engage the Executive Authority, the Department of Human Settlement and the Parliamentary Portfolio Committee aimed towards the amendment of the Regulations as well as putting into place the Interim provisions. Furthermore, various stakeholders will be engaged in this process.

Important to note is that the new legislation now includes a broader spectrum of Property Practitioners.

Transformation is crucial and to that effect the Property Practitioners Act now makes specific provisions for the advancement of transformation in the real estate sector under Chapter 4 of the Act, and the Charter Code under section 20(1). Procurement processes will now also be linked to transformation under section 20 (2). To instil transformation the licensing or issuance of a Fidelity Fund Certificate (“FFC”) it will be obligatory for all Principal estate agent recipients of FFC’s to be in possession of a valid BEE Certificate.

The new Act provides for a Property Sector Transformation Fund and a Property Sector Research Centre.

The Estate Agency Affairs Board (EAAB), soon to be called the Property Practitioners Regulatory Authority (PPRA) once the Act is effective, is working tirelessly during the transition period to ensure that once the effective date is announced in the Government Gazette, all stakeholders (old and new) will be informed of the integration in line with the new jurisdiction of the Authority.

The EAAB has started discussions with various stakeholders who will form part of the PPA to gain a better understanding of their respective business operations and to discuss the regulators' views on their respective roles and responsibilities under the auspices of the new Act. Currently a massive public awareness campaign is underway through various media platforms to promote the PPA and the milestone development for the property sector; including greater consumer protection, economic development and racial transformation. The planned industry workshop will focus on five work streams namely Transformation, Fidelity Fund, Enforcement, Licensing and Education and Training.

The primary narrative of the EAAB in relation to the PPA includes; dialogues, public awareness and improved economic activity for all property practitioners.

### **Compliance and Enforcement**

The inspection powers of the EAAB will be restored with specific reference to search and seizure. This includes, amongst other things, the appointment of inspectors, the powers to issue compliance and enforcement notices, the issuance of fines, dispute resolution mechanisms for mediation, adjudication and Appeal Adjudication Committees.

### **Funding**

The new Act provides for funding of the Regulatory Authority from multi-dimensional sources which allows for monies appropriated by Parliament; fees from Property Practitioners and investment of monies for the Fidelity Fund.

### **The Property Practitioners Fidelity Fund**

The overall Fidelity Fund will be retained as is in terms of management and control including claims against the Fund. The underlying fund structure shall reflect new sectors under the new mandate.

### **Initiatives as the Real Estate Regulator**

- Innovative licensing regime – horizontal licensing on classes of licence;
- Collection of licence fees;
- Collection of contributions for the growth of the Fidelity Fund;
- Education and Training and Continuing Professional Development (CPD) that is responsive to the needs of all Property Practitioners in the real estate sector.

### **Structural Changes for the Regulator**

It is imperative that the organisation is restructured to address specific needs for various spheres of Property Practitioners in the real estate sector within the framework of the Property Practitioners Act.



This will require expansion and reconfiguration of the EAAB's current departments and r recruitment of competent employees.

We look forward to this new phase and challenges presented to the EAAB and strive incessantly to build sustainable cooperation amongst stakeholders with a view to turn the sector into an effective catalyst for economic growth, creation of sustainable jobs and a professional property practitioners sector and a transformed sector.

**Nkosinathi Biko**  
**Estate Agency Affairs Board**

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### **1.3 Introduction Chief Executive Officer (CEO)**

The 2019 /2020 financial year has been an epic and emergent year. The EAAB believes that 2021/22 will be a year of not only growth but a considerable amount trial and error. This emanates from the economic down turn that has adversely affected the property market on the one hand but has also been positively impacted from the perspective of buyers. One however cannot say anything in this institution without reference to the promulgation of the Property Practitioners Act. The EAAB looks forward to exciting opportunities the PPA will present. Currently the EAAB is presenting a strategic document under the auspices of the Estate Agency Affairs Act and the Estate Agency Affairs Board. However, the EAAB is at the threshold of an effective date to be pronounced for the Property Practitioners Act No 22 of 2019. This will bring room for growth and new and exciting experiences. It will also provide an opportunity of redefining the real estate sector. The Property Practitioners Act also provides for transitional provisions wherein the EAAB is expected to complete work that was started in terms of the Estate Agency Affairs Act.

The EAAB herein presents the annual performance plan for the period 2021/22 in terms of the Department of Planning Monitoring and Evaluation (DPME) new framework. This framework is most welcome as it speaks to outcomes and outputs as well as the transition and the systems that will be put in place in order to transcend from one legislative enactment to another.

The EAAB is an institution that is self-funded, and hence the emphasis is on administration and finance which is the core of the operation. The EAAB needs to collect all money's due, which includes fidelity fund certificate fees, educational fees, interest from trust accounts and penalties for late renewal of FFC payments and audit fees. The EAAB will be enhancing our litigation and recoveries capabilities to respond to our extended mandate. Continued fundamental emphasis will be placed on the transformation agenda. Measures aimed at ensuring that transformation occurs such as internship, incubation and amnesty programmes are in place. Engagements with transformation beneficiaries and stakeholders will continue.

The EAAB's Continuing Professional Development (CPD) programmes will be enhanced to include the new participants under the auspices of the PPA. Considerable emphasis has been placed on education and training processes, which includes the participation of all sector players either as an entry tool or a growth tool to the level of principalisation.

The EAAB looks forward to a new era with the promulgation of the PPA.

**Mamodupi Mohlala**  
**Chief Executive Officer**

## **Part A: Our Mandate**

### **Constitutional Mandate**

The Constitution of the Republic of South Africa contains a Bill of Rights. Section 26 of the Constitution states the following:

- Housing:
- (1) Everyone has the right to have access to adequate housing.
  - (2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. (Constitution of the Republic of South Africa Act, No. 108 of 1996, Section 26).

The Estate Agents Affairs Board (EAAB) has the responsibility to regulate, maintain and promote the conduct of estate agents, issue Fidelity Fund certificates, prescribe the standard of education and training for estate agents, investigate complaints lodged against estate agents, manage and control the Estate Agents Fidelity Fund.

In this way, the EAAB has an indirect responsibility to contribute to the realisation of this right by the state through ensuring that property consumers are protected from unscrupulous estate agents. The Board has the responsibility to maintain and promote the standard of conduct because the EAAB has the responsibility to regulate the conduct and activities of estate agents.

### **EAAB Mandate**

The Estate Agency Affairs Board (EAAB) is a schedule 3 A public entity of the National Department of Human Settlements which was established in 1976 in terms of the Estate Agency Affairs Act, 112 of 1976 ("the Act"). It has the mandate to Regulate, Educate and Transform the activities of estate agents in the public interest.

The primary mandate of the EAAB in respect of the Estate Agency Affairs Act is to:

- (a) Regulate, maintain and promote the standard of conduct of estate agents having due regard to the public interest;
- (b) Issue fidelity fund certificates to qualifying applicants;
- (c) Prescribe the standard of education and training of estate agents;
- (d) Investigate complaints against estate agents and institute disciplinary proceedings against offending estate agents where required; and
- (e) Manage and control the Estate Agents Fidelity Fund.

### **Institutional policies and strategies**

The policy mandate of EAAB is derived from government's strategic and policy priorities, which are organised into 12 outcomes.

Other critical policy mandates include:

- (a) National Department of Human Settlements, Water and Sanitation Five Year Strategic Plan
- (b) Medium-Term Strategic Framework (MTSF)
- (c) National Development Plan (NDP)
- (d) Breaking New Ground (BNG)
- (e) State of the Nation Address (SONA)
- (f) National Spatial Development Perspective (NSDP)
- (g) Annual Performance Plan (APP) Framework from National Treasury.
- (h) Spatial Planning and Land Use Management Act (SPLUMA)
- (i) Skills Development Levy Act
- (j) Broad Based Black Economic Empowerment Act
- (k) Employment Equity Act

#### **Planned Policy Initiatives**

##### **(a) Financial Intelligence Centre**

The EAAB is the Supervisory Body of the estate agency profession pursuant to the Financial Intelligence Centre Act and is obliged to take all steps required to prevent; alternatively, identify and report on, anti-money laundering and terrorist financing activities in the Estate Agents sector.

##### **(b) Alignment to the Department of Human Settlements, Water and Sanitation Housing initiatives**

The EAAB seeks to empower its own employees by offering them Department of Human Settlements' products such as the Finance Linked Individual Subsidy Programme ("FLISP") and affordable housing where appropriate. This initiative will operate through interactions between the EAAB and the National Education, Health and Allied Workers Union ("NEHAWU") to which many of its employees belong. The EAAB employees will also be encouraged to own their own homes and, consequently, to receive benefits from the Department of Human Settlements, Water & Sanitation including the grant of a subsidy to assist homeowners who do not qualify to obtain a mortgage loan from a financial institution.

##### **(c) Transactional Support Initiative**

Affordable housing markets are often perceived as being weak and risky but, when compared to the entire housing market, the affordable market has out-performed the top end of the market over the last seven years. The affordable housing market presents major opportunities in terms of untapped equity and for including more people into the formal housing market. The percentage of affordable properties located in the nine metropolitan municipalities in South Africa range from a low of 44% to a high of 73% of the total housing stock.

The affordable housing market segment is an area of potential business growth as this segment serves as a vital feeder to the growing middle class in South Africa. Over the past decade the provision of housing loans to this market segment has proven to be both sustainable and commercially viable.

For estate agents to access this hitherto untapped opportunity within the affordable housing market and ensure that lower income households can enter the housing market, the EAAB has established an initiative that provides transactional support for buyers and sellers in the affordable housing market. The EAAB is determined to ensure that the transactional support services that it provides will encourage people at the lower end of the property market to enter into property transaction and to utilise immovable property as a store of wealth. The initiative, thus, supports the development of a functional and an equitable residential property market.

Creating better public access to market transaction information in the residential sector will avoid market information asymmetries which tend to be particularly marked when moving into under-developed market segments. There should, similarly, be an overall focus on reducing transaction costs to improve access and affordability.

The EAAB cannot, of course, be involved in every transaction nor is it able to provide individual consumer support. The role of the EAAB within the affordable housing market is to contribute to creating an enabling environment for real estate transactions.

#### **(d) Establishing a Knowledge Hub**

The EAAB proposes establishing a Knowledge Hub for estate agents and consumers. Such a repository would ensure that consumers and estate agents can access the knowledge products that have already been created by the EAAB. A knowledge exchange platform will centralise useful data, information and advice in one accessible place. Many organisations can contribute their knowledge products and links to their own data platforms. The knowledge Hub will ensure that information is easily accessible to a broader audience over a longer time period and will link enquirers to knowledge providers in a more efficient manner.

#### **(e) Transformation**

Transformation in the property sector remains an ongoing challenge. According to the recent Land Audit Report of the Department of Rural Development and Land Reform, Black South Africans directly own just 1,2% of rural land and 7% of formally registered property in towns and cities. Whites, who constitute less than 9% of the South African population, directly own 23,6% of rural land and 11,4% of land in towns and cities.

These dismal and disconcerting figures are underscored by the fact that, in the estate agency sector, of the total number of registered estate agency enterprises just 8% are black owned. Only 11% of all registered estate agents nationwide are Black. Of the approximately 37 000 registered estate agents within the estate agency sector, which is conservatively valued at R640 billion, only some 4 200 are Black people.

The transformation imperative for the estate agency profession to ensure that it reflects the demographics of a democratic South Africa is, thus, presently still very much a work-in-progress and, due to intrinsic historical factors, requires a considerable amount of ground to be made up.

It is self-evident that the speedy and irreversible transformation of the estate agency profession requires the active implementation of human-centred and inter-disciplinary processes specifically designed to create necessary, desirable and sustainable changes in the behaviours, values, attitudes and perceptions of all relevant stakeholders including, but not limited to, individuals (both consumers and estate agency practitioners alike), systems, property enterprises in general and estate agency organisations and varies enterprises in particular.

**(f) Key Initiatives to be Implemented over the following Five-Year Period**

Some of the key initiatives that the EAAB intends implementing over the next five-year period include:

**Facilitating and Implementing the Industry Regularisation Programme (Amnesty)**

The EAAB must facilitate an enhanced understanding and appreciation of the various systemic and other challenges faced by black participants in the real estate sector at all levels by conducting discussions with focus groups sourced from each of the identified target segments. This will enable the EAAB precisely to ascertain the nature and causes of specifically identified problem areas and to institute and monitor appropriate measures to resolve those challenges.

This will include inter alia, educational barriers, regulatory and financial barriers.

**Creating and implementing learnership and internship intervention programmes (such as the “One Learner - One Estate Agency” Youth Brigade Empowerment Programme)**

The placement of youth, women and people with disabilities through the incubation programme

**Create and implement the Principialisation programme**

It will be necessary for the EAAB to create and implement leadership intervention programmes to capacitate principal estate agents. Specific intervention programmes should be directed towards encouraging and capacitating black women to act as principal estate agents.

It should, finally, not be overlooked that the EAAB is not only the statutory regulator of the estate agency sector but that it is also recognised as the professional body in real estate by the SA Qualifications Authority. With this professional body status and authority come specific additional functions and responsibilities pertaining to the sector especially where the transformation imperative is concerned.

**Part B: Strategic Focus**

- 1. Situational Analysis**  
**Performance Environment**

## **Economic Outlook**

The global financial outlook, while substantially improved since the recession of 2008, was still not as optimistic as could have been hoped for. South Africa, as an intrinsic player within the global community, has been able to weather, but not entirely escape, the overall economic contagion. The economic position has also been exacerbated by such endogenous factors as political uncertainty, credit downgrades, severe drought, and high unemployment, especially among the youth. The Reserve Bank repurchase rate, a key interest rate enabling the Reserve Bank to enact monetary policy, has remained unchanged at relatively lower rates and is predicted to remain stable, or even decrease, during 2020. This development is expected to exert a positive effect on the property sector in general and the real estate environment in particular.

According to the ABSA Home Owners Sentiment Index of 2019, in the second quarter of 2019, the overall sentiment regarding conditions in the South African residential property market showed a moderate recovery back to the level of the fourth quarter of 2018, after it was down in the first quarter of the year in the run-up to the general election in May 2019 and due to frequent and widespread electricity disruptions. Property Market sentiment was also higher compared to the corresponding quarter in 2018.

In view of the fact that South Africa is on the brink of a downgrade or at least repeated threats of a downgrade, the buyer sentiment in the second quarter of 2019 reached the level of positive property buying and increased to 69% from 67% in the first quarter. The main reasons mentioned by the survey respondents in the second quarter for the positive property buying sentiment were as follows:

- Property values are relatively low and there are bargains in the market and that constitutes 33% of the sentiment
- Property still increases in value and is good investment and that constitutes 27% of the sentiment

The selling property sentiment declined to 39% in the second quarter from 40% in the first quarter and 41% in the fourth quarter of 2018. The reasons for 61% of survey respondents not being positive about selling properties included unfavourable price levels and subdued economic activity that was mentioned by 70% of the respondents. The main reasons for being in favour of selling property were as follows:

- Property prices are relatively high and may get an acceptable price when selling (37%)
- Many people want to own property and the sentiment hovers around 11%.

The impact of Covid 19 toward South African Economy has burdened the Property Sector with inactivity of at least 5 month. This resulted into loss of income to estate agents and request of estate agents to be exempted from paying CPD fees. EAAB has suffered a significant portion of its revenue during 2019/20 financial year and EAAB positive cash flow is likely to be negative toward the beginning of the next financial year in the economy is not active in this sector.

## **Political Perspective**

Following the Minister Sisulu's budget speech on the 09 July 2019 after the May 2019 general elections, the EAAB noted the following as being key for its delivery:

We have been through a golden era of innovation and housing policy. We call it Breaking New Ground and I urge Honourable Members to acquaint themselves with it. This is our policy and this is what we are busy with.

This is our programme of integrating communities that were divided by class and racial lines. This is our programme for providing free housing to all who qualify as indigent and affordable housing for low-income earners. It is a comprehensive policy that is now encoded. What we are dealing with now is ironing out the glitches while rolling out the programme.

We did indeed break new ground in our policy of integration and providing greater variety and better quality. We have been fine-tuning our policies as the need arose and upscaling our delivery and succeeding in some years and disappointing in some years. As we tested our new policy, we created several pilot projects. These called catalytic projects. Catalytic because, not only did they serve the purpose of providing us with the objects of our policies, while they were also aimed at generating private sector support and partnerships. We used this as a model to build on scale and ensure that all elements of our policy were catered for.”

This was a build up from the 2014 budget speech wherein she stated the following:

- “To build 1,5 million houses in partnership with the private sector, all stakeholders and communities, over the next five years.
- The National Home Builders Registration Council (NHBRC) will establish and officially open a Training Academy in partnership with the Gordon Institute of Business Science. This will focus on up-skilling 100 women and the youth. In our discussions with the EAAB, they committed to train young, Black candidate Estate Agents to revitalise the industry. The Academy established by the NHBRC will incorporate a training course on Estate Agents and other property practitioners.”
- The EAAB is committed, together with the Department of Human Settlements, to ensuring the efficient realisation of these laudable goals and objectives and will do everything possible to assist the Department of Human Settlements in this respect.

The introduction of PPRA will still face a bigger spectrum of transformation challenges given the fact that EAAB only had to transform the Estate Agency Industry. Now PPRA have to transform the Property Practitioner’s sector as a whole.

### **Legal Framework**

The Property Practitioners Act was signed into law by the President of the Republic of South Africa on 3 October 2019. The effect of the new legislation is that it brings new players into the property space, thereby increasing the regulatory mandate of the entity.

### **Other Performance Environment Factors (i.e. Socio- Economic Environment and Technology)**

#### **Social Impact**

Recurring incidents of racism and anti-social and discriminatory behaviour have continued within the real estate sector. These are a source of great concern to the EAAB. Estate agents who engage or participate in racist or anti-social and discriminatory behaviour may not only render themselves guilty of a contravention of the provisions of the Code of Conduct for Estate Agents (“the Code of Conduct”) but will also be criminally prosecuted by the EAAB through the Equality Courts.

There can be little doubt that acts of racism are not only contrary to the integrity of estate agents in general but also bring the estate agency profession into disrepute. Such proven behaviour would, therefore, constitute a contravention of regulation 2.1 of the Code of Conduct.



Regulation 2.6 of the Code of Conduct, for its part, enjoins estate agents not to deny equal services to any person for reason of race, creed, sex or country of national origin. This provision of the Code of Conduct gives effect to the provisions of sections 9(3) and (4) of the Constitution, which provide that:

- “(3) The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.
- (4) No person may unfairly discriminate directly or indirectly against anyone on one or more grounds in terms of subsection (3).”

The EAAB remains determined to eradicate any vestiges of racism and anti-social and discriminatory behaviour in the estate agency sector through both increased levels of enforcement as well as the introduction of appropriate education and sensitivity training for estate agency practitioners and consumers alike. The Continuing Professional Development (“CPD”) programme conducted by the EAAB constitutes a useful mechanism for achieving this latter objective.

Through the promotion of continuing awareness of the offensiveness, hurt, destruction and manifestly undesirable consequences of racism and the perpetuation of racist and anti-social and discriminatory acts, the EAAB is confident that this endemic scourge will be speedily eliminated from the property sector in general and from the estate agency environment in particular.

The Minister of Human Settlements, Water and Sanitation has, in fact, tasked the EAAB with ensuring the elimination of racism, in all its nefarious forms, from the property sector. The EAAB is determined to expedite the fulfilment of this important mandate through all means at its disposal.

The EAAB has already acted resolutely, within the scope of its regulatory and authoritative powers, to remove such vestiges of racism and discrimination whenever they are identified and wherever they may occur within the estate agency sector. Acting in concert with the estate agency sector the EAAB was instrumental in creating an ‘equality pledge’ pursuant to which estate agents were required to pledge their commitment to the principles of non-racism and absolute equity in the rendering of estate agency services to property consumers. The response from the estate agents sector was most encouraging and the goodwill thus engendered is of such a nature that the EAAB has good reason to anticipate that this thorny issue will be positively resolved in the near future.

Covid 19 is highly infectious and EAAB procured PPE, sanitizers and trained all its employees so that they are all protected from the virus and so that EAAB also complies with all Covid 19 laws and regulations.

### ***Digital Technology***

The estate agency sector is one that has unequivocally embraced the widespread use of modern technology in both promoting and rendering estate agency services to the consuming public. Estate agents and other stakeholders, moreover, are increasingly resorting to the use of technological devices when seeking to interact with the EAAB.

To accommodate this trend, and in line with its optimisation and modernisation strategy, many EAAB application processes are now able to be undertaken on-line. The processing of such transactions is increasingly being performed through the utilisation of the EAAB’s information, communication and technological infrastructure. This has the added advantage of not only expediting the resolution of transactions but also of allowing stakeholders to track the progress of their various applications, registrations, payments and complaints simply by accessing the EAAB website.

The use by the EAAB of social media, in emulation of many similar real estate regulatory jurisdictions worldwide, has undoubtedly improved access,

communication and the free-flow of information between the EAAB and its various stakeholders. The EAAB, to this end, has launched a 'Facebook' page designed to facilitate ongoing communication with stakeholders thereby enabling the EAAB more effectively to monitor, measure and assess the success, or otherwise, of its interactions with estate agents and the consuming public alike and, just as importantly, timeously to institute appropriate remedial measures where warranted.

EAAB also procured laptops and provided data cards to ensure that its employees are able to work from home and continuously be able to service the property sector irrespective of the declared stage the President declared. Virtual meetings are now the norm and EAAB is also investing on online learning and to ensure that exams will also be written online.

The completion of the ERP tender will also assist EAAB from operating using manual systems to digital systems.

## 2. External Environment Analysis

OPPORTUNITIES	THREATS
<p><b>Legislative aspects and compliance</b></p> <ul style="list-style-type: none"> <li>• Build partnerships that improve the ability of EAAB to ensure compliance to the Act.</li> <li>• Property Practitioners Act will lead to a better and modern regulatory environment</li> </ul> <p><b>Fidelity Fund</b></p> <ul style="list-style-type: none"> <li>• Better investment opportunities to grow the Fidelity Fund</li> </ul> <p><b>Transformation</b></p> <ul style="list-style-type: none"> <li>• Devise strategies for economic inclusion of previously disadvantaged persons in the property sector.</li> <li>• Improving and strengthening collaboration with sector and public entities.</li> <li>• Increasing sustaining mechanisms for black agencies to continue operating can enhance transformation</li> <li>• Education of potential Estate Agents of the sector as a career of choice and as new business owners</li> <li>• Using the PPA to enforce transformation and compliance</li> <li>• Source Funding from Strategic partners to resource the transformation fund</li> <li>• Collaboration with tertiary institutions to source candidate estate agents</li> </ul> <p><b>Technology</b></p> <ul style="list-style-type: none"> <li>• Increase the EAAB outreach through media and other advanced digital communication platforms.</li> <li>• Create service standards to improve industry performance</li> <li>• Improving general image of the EAAB through optimized partnerships with the industry/ sector</li> </ul>	<p><b>Mandate</b></p> <p>Expanding mandate outside of legislation and without securing funding might limit delivery on the</p> <p><b>Compliance and legislation</b></p> <ul style="list-style-type: none"> <li>• Non-compliance by estate agents jeopardizes EAAB consumer protection mandate</li> <li>• An increase in the number of unregistered estate agents could erode the integrity of the property sales industry</li> </ul> <p><b>Fidelity Fund</b></p> <ul style="list-style-type: none"> <li>• Increased risks of potential money laundering, fraud and theft will lead to higher claims from Fidelity Fund.</li> <li>• Failure by estate agents to bank trust monies into the trust account can result in claims lodged against the Fidelity Fund, affecting the Fund's performance.</li> <li>• Unlimited claims arising from consumers either in size or number may deplete the Fidelity Fund</li> <li>• An increase in uninformed / un-empowered property consumers and consequent escalation in the number of complaints and claims may negatively impact the Board's resources and the Fund's sustainability.</li> <li>• Illegal operators are a threat to the stability and sustainability of the Fund.</li> <li>• Lack of understanding of law enforcement agencies of the EAAB legislation.</li> </ul> <p><b>Technology</b></p> <ul style="list-style-type: none"> <li>• Use of digital/ on-line tools and platforms by estate agents to conduct their business, creates opportunity for identity theft, financial losses and</li> </ul>

**OPPORTUNITIES**

- Monitoring and meeting increasing and evolving stakeholder needs.
- Utilisation of new technological innovations and developments.
- Monitoring and adapting to changing socio, political and legal landscapes;
- Utilising QCTO framework for developing occupational qualifications.
- Managing stakeholder perceptions.
- Modernisation of IT systems as having an impact on turnaround times
- The completion of the ERP tender will reduce manual interaction that are prone to human error. EAAB will be more effective..

**Consumer awareness and understanding**

- Building consumer understanding of the property transactions to better protect the consumer.

**THREATS**

reputational damage.

**Sales transactions**

- A tightening credit market may lead to a reduction in the number of sales transactions, affecting the sustainability and viability of estate agency enterprises.
- More sectional title properties on the market could result in increased misappropriation of those properties by sectional title managers based on the trends.
- Negative economic climate impacting on the growth and profitability of estate agency enterprises.
- Rapidly increasing costs of services and necessary IT interventions.
- Failing to identify and accommodate changing stakeholder educational needs; ever changing skills development and qualification dispensation and framework;
- Lack of appropriate regulation of Property Developers especially when they perform Estate Agent functions.
- Since March 2020 EAAB revenue has decreased due to closing down of the economy caused by Covid 19. EAAB will have already lost on income.

**Customer Service**

- Industry perception of slow turnaround times and responses to customer queries.

**Budget and Finances**

- Inadequate budget to deliver the mandate due to bad economy caused by Covid
- How will transformation initiatives be funded

### 3: Internal Environment Analysis

STRENGTHS	WEAKNESSES
<p><b>Fidelity Fund</b></p> <ul style="list-style-type: none"> <li>Well-managed investments.</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>Strong governance structure at Board level.</li> </ul> <p><b>Management</b></p> <ul style="list-style-type: none"> <li>Competent and qualified management with experience.</li> <li>Competent disciplinary and claims committee members.</li> </ul> <p><b>Staffing</b></p> <ul style="list-style-type: none"> <li>Young and energetic staff.</li> <li>Staff is utilising the in-house study support benefits for scholarships and bursaries</li> </ul> <p><b>Internal processes</b></p> <ul style="list-style-type: none"> <li>Effective internal processes</li> <li>Basic systems in place</li> <li>Professional Body status</li> </ul> <p><b>Stakeholder Relations</b></p> <ul style="list-style-type: none"> <li>Sound relationships with the SSETA, SAQA, the QCTO and sector representative organisations through the Multi Stakeholder Group</li> <li>Improved turn-around times in resolving customer queries</li> </ul>	<p><b>Mandate and legislation</b></p> <ul style="list-style-type: none"> <li>Insufficient capacity to comply with regulatory mandate.</li> </ul> <p><b>Fidelity Fund</b></p> <ul style="list-style-type: none"> <li>Slow approval process impacts processing speed resulting in increased interest claims.</li> </ul> <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>Insufficient internal governance structures - vis-à-vis policies, procedures and risk-orientation.</li> </ul> <p><b>Management</b></p> <ul style="list-style-type: none"> <li>Lack of senior management with property sector skills</li> <li>Lack of succession planning to ensure business continuity.</li> <li>Insufficient training in current legislative frameworks and processes.</li> </ul> <p><b>Internal processes</b></p> <ul style="list-style-type: none"> <li>Poor ratio of recoveries to claims approved and paid.</li> <li>Lack of customer centered focus</li> <li>Slow responses to customer queries</li> <li>Lack of systems integration negatively impact service delivery</li> </ul> <p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>Insufficient reporting, monitoring and control structures/ systems</li> <li>Unresponsive institutional culture.</li> </ul> <p><b>IT system and outsourcing</b></p> <ul style="list-style-type: none"> <li>Low functionality and outdated current IT system (e.g. SAP) hinder EAAB's ability to stay relevant</li> <li>Outsourcing of services and infrastructure resulting in loss of control</li> <li>High level of IT process downtime.</li> <li>Infrastructure (hardware and software) is not capable to support the effective implementation of the EAAB mandate</li> <li>Inadequate HR Management system (Software System)</li> </ul> <p><b>Performance Management</b></p> <ul style="list-style-type: none"> <li>No Performance culture - performance management system does not translate to effective organisational performance.</li> <li>Work repetition/ duplication and high workload is common</li> </ul> <p><b>Budget and Finances</b></p> <ul style="list-style-type: none"> <li>Understated revenue due to inadequate systems</li> </ul>

The impact of transition from PPRA to EAAB has resulted into the following transformation challenges below.

Threats and weaknesses	Mitigating measures
<ul style="list-style-type: none"> <li>• Resistance to change</li> <li>• Lack of knowledge about roles of the EAAB by targeted groups</li> <li>• Reputational risk of One-learner-one-estate-agent programme if not managed effectively</li> <li>• Absence of Transformation incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Effective and efficient transformation committee to monitor the transformation process</li> <li>• Increased marketing and public relations campaigns</li> <li>• Engage stakeholders, utilise positive reinforcement like awards and incentives.</li> <li>• Forge strategic partnerships</li> <li>• Provide training, development and mentoring opportunities for mentees to work under strict supervision</li> <li>• Development of financial incentives</li> </ul>

The change from EAAB to PPRA was as a result of the previous EAAB Act that was not constitutional and a need of a new transformation drive that had to be done. This was also highlighted by the chairperson and CEO's foreword.

**PART C: Measuring Our Performance**

On 03 October 2019 the President promulgated the Property Practitioners Act No. 22 of 2019. The Act heralded a very exciting era in the history of the real estate sector in South Africa and the sector is waiting eagerly for its effective date.

Notwithstanding the new challenges that the Act will present for the real estate regulator, due to the expansion of its statutory mandate, the EAAB warmly embraces the promising opportunities that it brings.

In the meantime the EAAB has already commenced to engage the Executive Authority, the Department of Human Settlement and the Parliamentary Portfolio Committee aimed towards the amendment of the Regulations as well as putting into place the Interim provisions. Furthermore, various stakeholders will be engaged in this process.

Important to note is that the new legislation now includes a broader spectrum of Property Practitioners.

Transformation is crucial and to that effect the Property Practitioners Act now makes specific provisions for the advancement of transformation in the real estate sector under Chapter 4 of the Act, and the Charter Code under section 20(1). Procurement processes will now also be linked to transformation under section 20 (2). To instil transformation the licensing or issuance of a Fidelity Fund Certificate ("FFC") it will be obligatory for all Principal estate agent recipients of FFC's to be in possession of a valid BEE Certificate.

The new Act provides for a Property Sector Transformation Fund and a Property Sector Research Centre.

**1. Institutional Programme Performance Information**

- 1.1 Programme 1: Finance and Administration
- 1.2 Programme 2: Compliance and Enforcement
- 1.3 Programme 3: Education and Training
- 1.4 Programme 4: Transformation
- 1.5 Programme 5: Fidelity Fund

**2. Outcomes, Outputs, Performance indicators and targets**

**2.1 Programme One: Finance and Administration**

***Purpose of programme***

The programme seeks to maximise EAAB performance through effective and efficient management of its resources and systems thereby creating a world-class regulator.

***Strategic objectives related to Finance and administration:***

- Provide strategic management and support across the organisation
- Ensure good governance and sound control environment
- Ensure EAAB operations are efficient and effective
- Maintain a Stakeholder-cantered organisation

Outcome	Outputs	Output indicators	Annual targets						
			Audited performance	Estimated performance	MTEF period				
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/2024

Outcome	Outputs	Output indicators	Annual targets				MTEF period					
			Audited performance		Estimated performance	MTEF period						
			2017/18	2018/19		2019/20		2020/21	2021/22	2022/23	2023/2024	
1.1 Functional, Efficient and Integrated Governance	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	New Indicator	New Indicator	New Indicator	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings
	Anti-Fraud and Corruption measures	Percentage Implementation of Fraud prevention plan	New Indicator	New Indicator	Approval of Fraud prevention plan	100% Implementation of Fraud prevention plan	100% Implementation of Fraud prevention plan	100% Implementation of Fraud prevention plan	100% Implementation of Fraud prevention plan	100% Implementation of Fraud prevention plan	100% Implementation of Fraud prevention plan	100% Implementation of Fraud prevention plan
	Aligned EAAB planning processes	Percentage of risk mitigation plans implemented	New Indicator	New Indicator	90% risk mitigation plans implemented per annum	100% risk mitigation plans implemented per annum	100% risk mitigation plans implemented per annum	100% risk mitigation plans implemented per annum	100% risk mitigation plans implemented per annum	100% risk mitigation plans implemented per annum	100% risk mitigation plans implemented per annum	100% risk mitigation plans implemented per annum
	Sound governance and control environment systems	Percentage compliance to statutory tabling and prescripts	New Indicator	New Indicator	85% Compliance to statutory tabling and prescripts	100% Compliance to statutory tabling and prescripts	100% Compliance to statutory tabling and prescripts	100% Compliance to statutory tabling and prescripts	100% Compliance to statutory tabling and prescripts	100% Compliance to statutory tabling and prescripts	100% Compliance to statutory tabling and prescripts	100% Compliance to statutory tabling and prescripts
		Percentage implementation of management action plans to address audit findings (internal and External)	New	New	90% implementation of management action plans to address audit findings (internal and External)	100% implementation of management action plans to address audit findings (internal and External)	100% implementation of management action plans to address audit findings (internal and External)	100% implementation of management action plans to address audit findings (internal and External)	100% implementation of management action plans to address audit findings (internal and External)	100% implementation of management action plans to address audit findings (internal and External)	100% implementation of management action plans to address audit findings (internal and External)	100% implementation of management action plans to address audit findings (internal and External)

## 2.2 Programme Two: Compliance and Enforcement

### Purpose of programme

To ensure that all Estate Agents and Agencies operating in the country are compliant to all relevant legislations.

### Strategic objectives related to Compliance and Enforcement:

- Improve compliance with the EAA Act
- Improve compliance with the FIC Act
- Reduce number of illegally trading Estate Agents and Agencies

Outcome	Outputs	Output indicators	Annual targets						
			Audited performance						
			2017/18	2018/19	2019/20	2020/21	MTEF period		
2.1 Regulated and legally operating registered Estate Agents	Registered and compliant Estate Agents	Percentage of compliant new registrations processed against those received within 21 days	New Indicator	68% of FFC issued to new registered and compliant estate agents within 21 days	97% compliant new registrations processed against those received within 21 days	98% compliant new registrations processed against those received within 21 days	100% compliant new registrations processed against those received within 21 days	100% compliant new registrations processed against those received within 21 days	100% compliant new registrations processed against those received within 21 days
			New Indicator	70% of renewal FFC issued to current registered and compliant estate agents issued within 5 days	65% compliant renewals processed against those received within 5 days	70% compliant renewals processed against those received within 5 days	80% compliant renewals processed against those received within 5 days	90% compliant renewals processed against those received within 5 days	100% compliant renewals processed against those received within 5 days
	Robust enforcement mechanisms	Percentage Disciplinary Hearings held against completed investigations and outcomes enforced	New Indicator	New Indicator	100% of disciplinary hearing outcome enforced	100% of disciplinary hearing outcome enforced	100% of disciplinary hearing outcome enforced	100% of disciplinary hearing outcome enforced	100% of disciplinary hearing outcome enforced



Outcome	Outputs	Output indicators	Annual targets				MTEF period		
			Audited performance		Estimated performance	MTEF period			
			2017/18	2018/19				2019/20	2020/21
		No of FIC Inspections performed	110	130 of FIC inspections performed.	144 FIC Inspections performed per annum	150 FIC Inspections performed per annum	190 FIC Inspections performed per annum	230 FIC Inspections performed per annum	280 FIC Inspections performed per annum

### 2.3 Programme Three: Education and Training

#### *Purpose of programme*

To build capacity for the estate agency sector through training and continuous professional development.

#### *Strategic objectives related to Education and Training:*

- Build capacity of registered Estate Agents
- Ensure continuing development of estate agents
- Establish the Knowledge and Research Centre for making available knowledge resources and to disseminate knowledge in the real estate sector

Outcome	Outputs	Output indicators	Annual targets				MTEF period		
			Audited performance		Estimated performance	MTEF period			
			2017/18	2018/19				2019/2020	2020/21
3.1 Improved professionalism and ethical practices of Estate Agents	Skills programmes for various stakeholder groups	Percentage Increase of registered Estate Agents with professional designations	New Indicator	New Indicator	10.4% increase on the baseline	12% increase on the baseline	14% increase on the baseline	16% increase on the baseline	18% increase on the baseline

Outcome	Outputs	Output indicators	Annual targets					MTEF period			
			Audited performance		Estimated performance	MTEF period					
			2017/18	2018/19		2019/2020	2020/21		2021/22	2022/23	2023/24
			New Indicator	New Indicator	5% increase on the baseline	7% increase on the baseline	9% increase on the baseline	11% increase on the baseline	13% increase on the baseline		
		Increase in percentage Retention rate of Estate Agents enrolled for PDE 4	New Indicator	New Indicator	55% increase of Estate Agents who are registered for CPD and have met CPD requirements in full	80% increase of Estate Agents who are registered for CPD and have met CPD requirements in full	90% increase of Estate Agents who are registered for CPD and have met CPD requirements in full	100% increase of Estate Agents who are registered for CPD and have met CPD requirements in full	100% increase of Estate Agents who are registered for CPD and have met CPD requirements in full		
		Percentage Increase of Estate Agents who are registered for CPD and have met CPD requirements in full	New Indicator	New Indicator	75% increase of full status agents who have registered for CPD and have met the CPD requirements of Estate Agents who are registered for CPD and have met CPD requirements in full	80% increase of Estate Agents who are registered for CPD and have met CPD requirements in full	90% increase of Estate Agents who are registered for CPD and have met CPD requirements in full	100% increase of Estate Agents who are registered for CPD and have met CPD requirements in full	100% increase of Estate Agents who are registered for CPD and have met CPD requirements in full		

## 2.4 Programme Four: Transformation

### *Purpose of programme*

The purpose of the Transformation programme is to transform the real estate sector with regards to economic participation of race and the culture of the industry and to:

- Drive Transformation both internally at EAAB and externally to ensure compliance with applicable legislation such as Employment Equity Act and Broad-Based Black Economic Empowerment and Property sector charter.
- Ensure economic inclusion of the previously disadvantaged individuals (PDI) in the property sector.
- Engage with Public Works Department to ensure PDI participate in the property business.
- Establish a Real Estate Incubator for small struggling Estate Agencies, rehabilitation of non-compliant Estate Agencies and empowerment of youth, woman and persons with disabilities with focus on previously disadvantaged individuals.
- Promote Consumer Education and awareness and protection by engaging other stakeholders in the property value chain like finance providers.
- Cross functional interface with other section to ensure that transformational agenda is pursued, i.e. reviewing models and initiatives.

Strategic objectives related to transformation:

- To increase the number of youth, PDI, black women, and people with disabilities in the real estate sector
- To implement an impactful Amnesty Campaign for estate agents and agencies.
- To ensure the protection, education and awareness of Consumers with regard to property transactions
- To increase internal and external transformation in accordance with BBBEE, PPPFA, EE, Skills Development, Property Sector Charter.
- To develop financial mechanisms and incentives for sustainable transformation initiatives.

Outcome	Outputs	Output indicators	Annual targets				MTEF period
			Audited performance		Estimated performance		
4.1 Transformed and inclusive Real Estate Sector	Participation by historically disadvantaged groups in the	Number of interns placed with the real estate industry host employers through	2017/18	2018/19	2019/20	2020/21	2021/22
			0 of interns placed with estate agencies	370 interns placed with principal estate	1 470 interns placed with the real estate industry host	1 500 interns placed with the real	In collaboration with DHS, develop a strategy to
							2022/23
							2023/24

Outcome	Outputs	Output Indicators	Annual targets					MTEF period			
			Audited performance								
			2017/18	2018/19	2019/20	2020/21	2021/22				
	property sector	the one learner – one estate agent	100% retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	70% retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	agencies through the one learner – one estate agent	employers through the one learner – one estate agent	estate industry host employers through the one learner – one estate agent	2020/21	2021/22	2022/23	2023/24
		Retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	100% retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	70% retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	agencies through the one learner – one estate agent	employers through the one learner – one estate agent	estate industry host employers through the one learner – one estate agent	2020/21	2021/22	2022/23	2023/24
		Percentage increase of Full status Black Women that have been supported through the Principalisation Programme	New Indicator	New Indicator	11% increase of Full status Black Women that have been supported through the Principalisation Programme	20% increase of Full status Black Women that have been supported through the Principalisation Programme	30% increase of Full status Black Women that have been supported through the Principalisation Programme	45% Retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	60% Retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	75% Retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	50% increase of Full status Black Women that have been supported through the Principalisation Programme

Outcome	Outputs	Output indicators	Annual targets				MTEF period		
			Audited performance			Estimated performance			
			2017/18	2018/19	2019/20	2020/21			
		Number of principals established through the implementation of the Principalisation Programme	New Indicator	New Indicator	260 principals established through the implementation of the Principalisation Programme	280 principals established through the implementation of the Principalisation Programme	300 principals established through the implementation of the Principalisation Programme	350 principals established through the implementation of the Principalisation Programme	
			New Indicator	New Indicator	0% of implementable developed financial incentives for transformation initiatives	20% of implementable developed financial incentives for transformation initiatives	40% of implementable developed financial incentives for transformation initiatives	60% of implementable developed financial incentives for transformation initiatives	80% of implementable developed financial incentives for transformation initiatives
			New Indicator	New Indicator	Engagements held with Stakeholders	Minimum of R500,000 or equivalent raised for transformation initiatives	Minimum of 800 000 or equivalent raised for transformation funding initiatives	Minimum of R1 000,000 or equivalent raised for transformation funding initiatives	Minimum of R1 200 000, or equivalent raised for transformation funding initiatives
			New Indicator	New Indicator	New Indicator	New Indicator	Established Property Practitioners Regulatory Authority (PPRA)	Implemented Property Practitioners Regulatory Authority (PPRA)	Implemented Property Practitioners Regulatory Authority (PPRA)
Transition to the Property Practitioners Regulatory Authority (PPRA)	Established Property Practitioners Regulatory Authority (PPRA)	Feedback through workshops, property practitioner journals and media	New Indicator	New Indicator	New Indicator	New Indicator			
Adequately resourced transformation funding initiatives	Funds raised directly or in kind for transformation initiatives	Percentage of implementable developed financial incentives for transformation initiatives	New Indicator	New Indicator	260 principals established through the implementation of the Principalisation Programme	280 principals established through the implementation of the Principalisation Programme	300 principals established through the implementation of the Principalisation Programme	350 principals established through the implementation of the Principalisation Programme	
	Skills Development & Property Sector Charter compliance scores	BBBEE, PPPFA, EE, Skills Development & Property Sector Charter compliance scores	New Indicator	New Indicator	0% of implementable developed financial incentives for transformation initiatives	20% of implementable developed financial incentives for transformation initiatives	40% of implementable developed financial incentives for transformation initiatives	60% of implementable developed financial incentives for transformation initiatives	80% of implementable developed financial incentives for transformation initiatives

Outcome	Outputs	Output indicators	Annual targets						
			Audited performance		Estimated performance	MTEF period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
								(PPRA)	

## 2.5 Programme Five: Fidelity Fund

### *Purpose of programme*

The Fidelity Fund is the accumulation of financial resources used as a protection mechanism for property consumers that are defrauded by estate agents.

### *Strategic objectives related to Fidelity Fund:*

- To ensure that the Fidelity Fund is financially sustainable
- To ensure that the Fidelity Fund is effectively and efficiently managed

Outcome	Outputs	Output indicators	Annual targets						
			Audited performance		Estimated performance	MTEF period			
5.1 Sustainable Fidelity Fund	Effective and efficient income collection & payment systems	Percentage of fully compliant claims paid within six months	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
			26% claims finalised for payment within 6 months	59% claims finalised for payment within 6 months	85% fully compliant claims paid within six months	90% fully compliant claims paid within six months	90% fully compliant claims paid within six months	90% fully compliant claims paid within six months	90% fully compliant claims paid within six months

## 2.6 MTSF Contribution

Outcome	Outputs	Output indicators	Annual targets						
			Audited performance		Estimated performance	MTEF period			
			2017/18	2018/19		2019/20	2021/22	2022/23	2023/24
Homeowner and tenant education programme and collaborating with NHFC and the Department to promote FLISP (function of the affordable housing market)	Well informed tenants around property transactions	Implementation of a borrower, homeownership and tenant education programme in partnership with DHS entities and other stakeholders	New Indicator	New Indicator	Engagements held with Stakeholders	2020/21	2021/22	2022/23	2023/24
						100% Implementation of a borrower, homeownership and tenant education programme in partnership with DHS entities and other stakeholders and monitor on the number of people exposed to collaborating with NHFC and the Department to promote FLISP (function of the affordable housing market)	100% Implementation of a borrower, homeownership and tenant education programme in partnership with DHS entities and other stakeholders and monitor on the number of people exposed to collaborating with NHFC and the Department to promote FLISP (function of the affordable housing market)	100% Implementation of a borrower, homeownership and tenant education programme in partnership with DHS entities and other stakeholders and monitor on the number of people exposed to collaborating with NHFC and the Department to promote FLISP (function of the affordable housing market)	100% Implementation of a borrower, homeownership and tenant education programme in partnership with DHS entities and other stakeholders and monitor on the number of people exposed to collaborating with NHFC and the Department to promote FLISP (function of the affordable housing market)

### 3. Output indicators: Annual and Quarterly Targets

#### 3.1 Finance and Administration

OUTPUT INDICATOR(S)	ANNUAL TARGET(S) (2021-2022)	QUARTERLY TARGET			
		1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
Unqualified audit opinion with no significant findings	Unqualified audit opinion with no significant findings	Submission of quality AFS and Performance report. 100% implementation of AGSA and IA recommendations	100% implementation of AGSA and IA recommendations. EAAB expect the audit outcome from AGSA this quarter	100% implementation of AGSA and IA recommendations	100% implementation of AGSA and IA recommendations
Percentage implementation of fraud prevention plan **	100% implementation of fraud prevention plan	Approval of fraud prevention plan	100% implementation of fraud prevention plan	100% implementation of fraud prevention plan	100% implementation of fraud prevention plan
Percentage of risk mitigation plans implemented**	100% of risk mitigation plans implemented per annum	100% of risk mitigation plans implemented	100% of risk mitigation plans implemented	100% of risk mitigation plans implemented	100% of risk mitigation plans implemented
Percentage compliance to statutory tabling and prescripts **	100% Compliance to statutory reporting framework requirements	100% Compliance to statutory reporting framework requirements	100% Compliance to statutory reporting framework requirements	100% Compliance to statutory reporting framework requirements	100% Compliance to statutory reporting framework requirements
Percentage implementation of management action plans to address audit findings (Internal and External)	100% implementation of management action plans to address audit findings (Internal and External)	100% implementation of management action plans to address audit findings (Internal and External)	100% implementation of management action plans to address audit findings (Internal and External)	100% implementation of management action plans to address audit findings (Internal and External)	100% implementation of management action plans to address audit findings (Internal and External)

\*\* These targets are Non-cumulative, i.e. 100% must be achieved each quarter

#### 3.2 Compliance

OUTPUT INDICATOR(S)	ANNUAL TARGET(S) ( 2021-2022)	QUARTERLY TARGET			
		1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
Percentage of compliant new registrations processed against those received within 21 days**	100% compliant new registrations processed against those received within 21 days	100% compliant new registrations processed against those received within 21 days	100% compliant new registrations processed against those received within 21 days	100% compliant new registrations processed against those received within 21 days	100% compliant new registrations processed against those received within 21 days



OUTPUT INDICATOR(S)	ANNUAL TARGET(S) ( 2021-2022)	QUARTERLY TARGET			
		1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
Percentage compliant renewals processed against those received within 5 days**	80% compliant renewals processed against those received within 5 days	80% compliant renewals processed against those received within 5 days	80% compliant renewals processed against those received within 5 days	80% compliant renewals processed against those received within 5 days	80% compliant renewals processed against those received within 5 days
Percentage Disciplinary Hearings held against completed investigations and 100% outcomes enforced**	95% Disciplinary Hearings held against completed investigations and 100% outcomes enforced	95% Disciplinary Hearings held against completed investigations and 100% Disciplinary outcomes enforced	95% Disciplinary Hearings held against completed investigations and 100% Disciplinary outcomes enforced	95% Disciplinary Hearings held against completed investigations and 100% Disciplinary outcomes enforced	95% Disciplinary Hearings held against completed investigations and 100% Disciplinary outcomes enforced
No. of FIC Inspections performed	190 FIC Inspections performed per annum	45 FIC Inspections performed	49 FIC Inspections performed	48 FIC Inspections performed	48 FIC Inspections performed

\*\* These targets are Non-cumulative, i.e. 100% must be achieved each quarter (e.g., we must process 100% of compliant new registrations every quarter)

### 3.3 Education and Training

OUTPUT INDICATOR(S)	ANNUAL TARGET(S) (2021-2022)	QUARTERLY TARGET			
		1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
Percentage Increase of registered Estate Agents with professional designations	14% increase on the baseline	Conduct an assessment of the sector and finalise an assessment report	Develop a project plan on how to achieve the target	Implementation of the project plan	14% increase of registered Estate Agents with professional designations
Increase in percentage Retention rate of Candidate Estate Agents enrolled for PDE 4	9% increase on the baseline	Conduct an assessment of the sector and finalise an assessment report	Develop a project plan on how to achieve the target	Implementation of the project plan	9% Increase in percentage Retention rate of Estate Agents enrolled for PDE 4
Percentage Increase of Estate Agents who are registered for CPD and have met CPD requirements in full	90% increase of Estate Agents who are registered for CPD and have met CPD requirements in full	Conduct an assessment of the sector and finalise an assessment report	Develop a project plan on how to achieve the target	Implementation of the project plan	90% Increase of Estate Agents who are registered for CPD and have met CPD requirements in full

\*\* These targets are Non-cumulative, i.e. 100% must be achieved each quarter

### 3.4 Transformation

		QUARTERLY TARGET				
		ANNUAL TARGET(S) (2021-2022)	1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
OUTPUT INDICATOR(S)						
Number of interns placed with the real estate industry host employers through the one learner – one estate agency programme	In collaboration with DHS, develop a strategy to transform the property sector by placing 2 000 interns with the real estate industry host employers through the one learner – one estate agent or any other programme	500 interns placed with the real estate industry host employers through the one learner – one estate agency programme or any other programme	500 interns placed with the real estate industry host employers through the one learner – one estate agency programme or any other programme	500 interns placed with the real estate industry host employers through the one learner – one estate agency programme or any other programme	500 interns placed with the real estate industry host employers through the one learner – one estate agency programme or any other programme	500 interns placed with the real estate industry host employers through the one learner – one estate agency programme or any other programme
Retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	45% Retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	45% of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	45% of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	45% of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	45% of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme	45% of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme
Percentage increase of Full status Black Women that have been supported through the Principals Programme	30% increase of Full status Black Women that have been supported through the Principals Programme	30% Increase of Full status Black Women that have been supported through the Principals Programme	30% Increase of Full status Black Women that have been supported through the Principals Programme	30% Increase of Full status Black Women that have been supported through the Principals Programme	30% Increase of Full status Black Women that have been supported through the Principals Programme	30% Increase of Full status Black Women that have been supported through the Principals Programme
Number of principals established through the implementation of the Principals Programme	280 principals established through the implementation of the Principals Programme	50 principals established through the implementation of the Principals Programme	50 principals established through the implementation of the Principals Programme	90 principals established through the implementation of the Principals Programme	90 principals established through the implementation of the Principals Programme	90 principals established through the implementation of the Principals Programme

OUTPUT INDICATOR(S)	ANNUAL TARGET(S) (2021-2022)	QUARTERLY TARGET			
		1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
Percentage increase in Participation of historically disadvantaged entities in the property sector**	40% increase in Participation of historically disadvantaged entities in the property sector**	10% increase in Participation of historically disadvantaged entities in the property sector	10% increase in Participation of historically disadvantaged entities in the property sector	10% increase in Participation of historically disadvantaged entities in the property sector	10% increase in Participation of historically disadvantaged entities in the property sector
Adequate funds raised for transformation funding initiatives	Minimum of R800,000 or equivalent raised for transformation funding initiatives	Identify potential funders	Approach potential funders	Sign MoUs with potential funders	Minimum of R800,000 or equivalent raised for transformation funding initiatives
A well established Property Practitioners Regulatory Authority (PPRA)	Smooth transition to the Property Practitioners Regulatory Authority (PPRA)	In collaboration with DHS have meetings and workshops with all different stakeholders under Property Practitioners Regulatory Act to address any challenges with the new Act	Finalise signed MoU's with different stakeholders	Monitoring and evaluation of the transition through workshops with different stakeholder and implement any strategic changes	Monitoring and evaluation of the transition through workshops with different stakeholder and implement any strategic changes

\*\* These targets are Non-cumulative, i.e. 100% must be achieved each quarter

### 3.5 Fidelity Fund

OUTPUT INDICATOR(S)	ANNUAL TARGET(S) (2021-2022)	QUARTERLY TARGET			
		1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
Percentage of fully compliant claims paid within six months**	90% fully compliant claims paid within six months	90% fully compliant claims paid within six months	90% fully compliant claims paid within six months	90% fully compliant claims paid within six months	90% fully compliant claims paid within six months

\*\* These targets are Non-cumulative, i.e. 100% must be achieved each quarter

### 3.6 MTSF Contribution

OUTPUT INDICATOR(S)	ANNUAL TARGET(S) (2021-2022)	QUARTERLY TARGET

	1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
Implementation of a borrower, homeownership and tenant education programme in partnership with DHS entities and other stakeholders Homeowner and tenant education	100% Implementation of a borrower, homeownership and tenant education programme with DHS entities and other stakeholders and monitor on the number of people exposed to programmes	Monitor and report on the number of persons exposed to education programmes on owning and renting a home	15 % increase on number of persons exposed to education programmes on owning and renting a home based on the second quarter	25 % increase on number of persons exposed to education programmes on owning and renting a home based on the third quarter

\*\* These targets are Non-cumulative, i.e. 100% must be achieved each quarter

#### ESTATE AGENCY AFFAIRS BOARD: 2019/24 MEDIUM TERM STRATEGIC FRAMEWORK CONTRIBUTIONS

MTSF Indicator	MTSF contribution by entity	Comments
Number of persons in the target market exposed to education programmes on various aspects of owning and renting a home	Implement a borrower, homeownership (Zenzeleni, help me buy a home) and tenant education programme	To be reported quarterly
Consumer protection programmes implemented	Monitor and report on the number of persons exposed to education programmes on owning and renting a home	To be reported quarterly
	Number of consumer disputes submitted and resolved within 90 days	To be reported quarterly
	Report the number of estate agents registered and number of new (youth) estate agents registered (one learner one estate agent programme)	To be reported quarterly
Transformation of the residential property market	In collaboration with DHS, develop an implementation strategy with targets for the transformation of the residential property sector	To be reported quarterly

	Develop transformation targets for the sector	To be reported quarterly
	Monitor and report on the implementation of the sector transformation targets	To be reported quarterly

## 2 Explanation of planned performance over the three year planning period

### Mandate of the EAAB

The Estate Agency Affairs Board (EAAB) was established in 1976 in terms of the Estate Agency Affairs, 1976 (Act No. 112 of 1976) with the mandate to regulate and control certain activities of estate agents in the public interest. The EAAB therefore regulates the estate agency profession through ensuring that all persons carrying out the activities of an estate agent as a service to the public are registered with the EAAB. A Fidelity Fund Certificate, which is to be renewed each year is issued as evidence of such registration and confirmation that such person is legally entitled to carry out the activities of an estate agent. The Estate Agency Affairs Board (EAAB), which has been reporting to the Minister of Trade and Industry since 1976, was transferred to the Department of Human Settlements on 17 May 2012 by Proclamation of the President of the Republic of South Africa.

### Reasons for the revisions to each of the Output Indicator targets that have been changed to accommodate Covid challenges

Self assessments received, evaluated and analysed was reduced from annual target of 1500 to 1000 because quarter 1 target was not achieved because of lockdown and declaration of level during March 2020. First quarter results remained unchanged and other three quarters were adjusted to tie with adjusted annual targets. The variance was due to lockdown period. EAAB offices closed on the 14<sup>th</sup> March 2020 due to Covid infection scare. Inspectors could not follow up on estate agents physically to ensure that EAAB get to the target set. New targets had to be revised as a result.

100% of compliant new registration targets were reduced to 70% compliant new registrations processed against those received within 21 days. Registration targets in the first quarter was not achieved as aimed and the remaining three quarters was adjusted to meet the revised annual targets. Although it was not able to worked remotely, it did not work under full capacity due to the sudden closure and some employees only receiving full resources in May 2020 after the financial year end. New targets had to be revised to be in line with reality of adjusted annual targets.

80% of compliant renewals processed against those received within 5 days were reduced to 70% . First quarter targets were not achieved as aimed and the remaining three quarters was adjusted to meet the revised annual targets

85% Disciplinary Hearings held against completed investigations were reduced to 55% Disciplinary Hearings held against completed investigations and 100% Disciplinary outcomes enforced. No disciplinary hearing outcomes could be enforced. Committees could not finalise the signing of orders because the hearings that were held could not be enforced during lockdown

## **Contribution to MTSF:**

There are seven priorities in the MTSF for 2020 – 2025. The EAAB contributes to two of these priorities as follows:

- Priority 1: Economic Transformation and Job Creation
- Priority 4: Spatial Integration, Human Settlements and Local Government

In terms of Priority 1, the EAAB forms part of the Department of Human Settlements, Water and Sanitation which carries the responsibility to contribute towards the achievement of sustainable human settlements and improved quality of household life by supporting the building of affordable housing and housing communities. The EAAB makes it possible for the Department to achieve its goal through regulating property practitioners, building their capacity and ensuring the transformation of the sector through increasing the participation of historically disadvantaged individuals.

Through the increased participation of black people, women and youth in the property sector, the EAAB will be contributing towards their empowerment, both as employees and as entrepreneurs. Thus it will contribute to economic transformation where previously excluded groups are assisted to participate to make the sector representative of the demographics of the country. By supporting more entrepreneurs and estate agents to come into the sector, jobs will be created. This promotes BBBEE in terms of enterprise development. Internally, the EAAB will itself procure goods and services from BBBEE compliant entities.

In terms of Priority 4, the ongoing policy review of the Department of Human Settlement, Water and Sanitation aims at addressing the above-mentioned inequalities by making a shift in from housing to human settlements. This policy shift is documented in the Breaking New Ground (BNG) strategy of government which is found in Chapter 8 of the National Development Plan (NDP). The BNG strategy emphasises the establishment of integrated, mixed-use, mixed-income housing developments that support densification and the development of transport-oriented corridors, and provide access not only to housing, but also to social and economic amenities.

The implications of this policy shift is that the government will increase access to and the delivery of adequate housing and housing services in high quality living environments; provide affordable rental housing and state-subsidised units; deliver title deeds to people who qualify; and provide temporary shelter for housing-related emergencies, among other interventions. The policy shift might therefore result in the growth of the low income housing market. It is important that all population groups benefit from this anticipated growth.

With the expanded mandate, the EAAB will have even more responsibilities within the sector. The sector is expected to ensure that ownership, control and participation in the property sector and property enterprises conform to the demographics of South Africa. Although there has been some effort and some positive improvements albeit at a slow pace, black people, black women and people with disabilities, in particular, are still under-represented in the property sector. In line with this policy direction, it is therefore important to look at housing related issues such as land ownership, the housing market, participation of historically disadvantaged individuals in the housing industry, capacity building programmes for previously excluded groups and other housing related matters.

***The EAAB will in collaboration with the Department of Human Settlement, various stakeholders and EAAB encourage estate agents to apply for housing affordability programmes driven by NHFC. This will be done through various programmes of awareness by both EAAB and NHFC***

### **Enablers to achieve Outcomes:**

The newly-promulgated Property Practitioners Act was signed into law by the President of the Republic of South Africa on 3 October 2019 and is one of the enablers for the EAAB. The effect of the new legislation is far-reaching for the EAAB as it will bring new players into the property space, thereby increasing the regulatory mandate of the entity in the property sector. These new property practitioners include, among others: auctioneers, bond originators, bond brokers, time share, managing agents and all other parties involved in the finalisation of a lease or purchase of property. The research and knowledge management clause means that the EAAB will have a far greater capacity to provide thought leadership in the property sector.

Another enabler by the Act is the establishment of the Transformation Fund that will enable the EAAB to execute its mandate effectively and efficiently. The proposed Transformation Fund is earmarked for:

- Principialisation Programme to promote Black owned firms and principals
- Regularisation Programme, to promote and encourage participation of the historically disadvantaged due to non-compliance
- Consumer Awareness programme, to promote awareness of property transactions and business undertaking
- Work Readiness Programme, to promote and enhance participation of the historically disadvantaged in the property sector.

Access to land and funding is an enabler that will galvanise the property sector and create opportunities. In his State of the Nation Address (SONA) for 2020, the President said:

“The Infrastructure Fund implementation team has finalised the list of shovel-ready projects and has begun work to expand private investment into public infrastructure sectors with revenue streams. These include areas like student accommodation, social housing, independent water production, rail freight branch lines, embedded electricity generation, municipal bulk infrastructure, and broadband roll-out. The team has a project pipeline with potential investments of over R700 billion over the next 10 years, including both government and non-government contributions... The social housing programme to build rental housing for low-income families is at implementation stage, which could leverage as much as R9 billion of private investment in the construction of 37 000 rental apartments.”

This points towards a growth in the low cost housing sector and it is thus good news for the EAAB as it supports its transformation agenda and contribution to the economic growth of HDIs and job creation within a growing property industry.

The granting of exemptions is another enabler for the EAAB. There are regulatory impediments such as registration fees, annual audits reports, educational requirements that have made it difficult for new black entrants to come into the industry. The Board of the EAAB has approved a PDI Resolution give exemptions certain categories of property practitioners to stimulate their participation and transformation. These exemptions would be in place for a period of five years. This resolution will also enable blocked black estate agents to be unblocked and participate in the economy.

The Fourth Industrial Revolution is perhaps one of the biggest enablers for the EAAB. The institution has identified several entry barriers for HDI participation in the sector. One of them is lack of access to finance the huge capital costs involved in setting up such a business and the reduced rate of survival in an industry that is commissioned based. The new entrants are therefore unable to stay the course to realise the financial benefits. These prohibitive costs can be mitigated through the introduction of technology. For example, the use of online platforms and the social media for marketing can reduce costs significantly while creating a wider reach. This form of marketing is an advantage for new entrants to survive because the entry barriers have been significantly lowered through the use of technology. Most of the transactions can also be concluded online thus reducing costs. The EAAB can also use e-learning and m-learning

training methods that are self-paced and self-directed. This will enable new entrants to access development opportunities at a reduced cost at their own pace. They can thus work and study at the same time.

The high rate of youth unemployment in the country can easily be perceived as a negative. However, this could be viewed as an enabler by the EAAB because it gives the institution access to human capacity that is desperately needed in order to achieve the goal of transformation. Therefore partnerships with other government agencies such as SETAs, the NYDA and the YES can be leveraged to ensure the participation of young people in the property sector. The focus on youth unemployment by the country means that these partners would be more open to engaging with the EAAB to achieve their targets as well.

### **Outcomes Contribution to achieving intended Impact**

#### **Compliant Regulator (EAAB)**

The mandate of the EAAB is to prescribe standards of training and the practical experience of estate agents (property practitioners within the five year period), investigate complaints against them and institute disciplinary proceedings against offending practitioners where required, and manage and control the Estate Agents Fidelity Fund. Therefore a well-managed and compliant regulator is important to reduce the risk of litigations by disgruntled stakeholders and instead gain their trust. The EAAB will have a better impact if it manages stakeholders that believe in its capacity to deliver on its mandate and reduce the risk of resistance to change.

#### **Regulated and legally operating Estate Agents**

Property is the biggest investment made by ordinary individuals and will thus have a huge impact on them and their families if not properly regulated and managed. Legislation requires that Estate Agents be registered and operate legally. If not done, the risk of illegally operating Estate Agents is too high for the property consumers who may lose thousands if not millions of their hard earned money if practitioners involved in transactions are not regulated.

#### **Professional and ethical practices by Estate Agents**

It is important for all Estate Agents to have the requisite skills to participate in property transactions from inception to the end of the process. They must be able to advise the customers to make informed decisions. This requires them to act ethically and within the prescripts of the law. This reduces the risk on the property consumers and assists the EAAB to achieve its mandate and realise its intended impact.

#### **Transformed and inclusive property sector**

Transformation of the property sector is a politically, socially and economically necessary process to ensure the redress of the injustices of the past. Currently, the sector does not reflect the demographics of the country in terms of the participation of HDIs. The EAAB is well positioned to achieve this important MTSF priority. If it succeeds, it will affect positively the lives and livelihoods of millions of black South Africans who will benefit from a transformed property sector and participate in it as employees, entrepreneurs and consumers. The EAAB will be engaging with the DHS to develop programmes that address transformation within the sector. The EAAB will endeavour to raise funds for transformation initiatives over the three year period. However, this is dependent on the economic climate of South Africa which has been hampered by the COVID-19 Virus pandemic.



### **Sustainable Fidelity Fund**

The EAAB will be able to achieve its five year targets if it increases its efficiency in the collection of fees. Nothing can be achieved without the necessary budgetary injection to make its goals a reality.

### 3 Resource Considerations – Budget

#### 3.1 Estate Agency Affairs Board (EAAB) Budget

#### ESTATE AGENTS AFFAIRS BOARD PROJECTED INCOME AND EXPENDITURE BUDGET FOR THE YEAR ENDING 31 MARCH 2022

STATEMENT OF FINANCIAL PERFORMANCE	2017/18		2018/19		2019/20		2020/21		Medium-term estimate			
	Budget	Audited outcome	Revised Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2021/22	2022/23	2023/24	
R thousand												
<b>Revenue</b>												
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	146 048	123 192	166 942	191 640	169 253	144 009	200 532	200 532	174 129	185 558	198 547	198 547
Sale of goods and services other than capital assets	130 543	111 646	150 541	136 208	150 966	123 659	147 376	154 706	152 774	162 708	174 097	174 097
of which:												
Administrative fees	53 191	52 464	71 609	53 619	58 489	52 687	61 147	61 147	68 223	72 999	78 108	78 108
Sales by market establishment	77 352	59 182	78 932	82 589	92 477	70 972	86 229	93 559	84 551	89 709	95 989	95 989
Other sales	-	-	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	15 505	11 546	16 401	55 432	18 287	20 350	53 156	45 826	21 355	22 850	24 450	24 450
Interest, dividends and rent on land	2 012	608	850	659	856	460	762	762	471	504	540	540
Transfers received	-	-	-	-	-	-	-	-	-	-	-	-
Tax benefit	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>146 048</b>	<b>123 192</b>	<b>166 942</b>	<b>191 640</b>	<b>169 253</b>	<b>144 009</b>	<b>200 532</b>	<b>200 532</b>	<b>174 129</b>	<b>185 558</b>	<b>198 547</b>	<b>198 547</b>
<b>Expenses</b>												
<b>Current expenses</b>	<b>140 504</b>	<b>122 536</b>	<b>151 636</b>	<b>170 170</b>	<b>159 835</b>	<b>142 811</b>	<b>186 917</b>	<b>186 917</b>	<b>169 164</b>	<b>180 956</b>	<b>193 075</b>	<b>193 075</b>
Compensation of employees	91 212	85 895	102 179	83 275	103 190	88 046	129 399	130 599	115 616	123 709	132 369	132 369
Goods and services	43 211	32 665	43 527	83 713	50 560	51 588	52 510	51 310	49 930	53 376	56 564	56 564
Depreciation	6 081	3 976	5 930	3 182	6 085	3 177	5 008	5 008	3 618	3 871	4 142	4 142
Interest, dividends and rent on land	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-
Tax payment	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders Interest	-	-	-	-	-	-	-	-	-	-	-	-

STATEMENT OF FINANCIAL PERFORMANCE		2017/18		2018/19		2019/20		2020/21		Medium-term estimate	
R thousand	Budget	Audited outcome	Revised Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2021/22	2022/23	2023/24
Total expenses	140 504	122 536	151 636	170 170	159 835	142 811	186 917	186 917	169 164	180 956	193 075
Surplus/(Deficit)	5 545	656	15 306	21 470	9 418	1 198	13 615	13 615	4 965	4 602	5 472

**PROJECTED INCOME AND EXPENDITURE BUDGET FOR THE YEAR ENDING 31 MARCH 2022**

	QUARTERLY TARGET			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Rands</b>				
<b>2021/2022 BUDGET</b>	<b>32 278 889</b>	<b>36 548 220</b>	<b>46 471 257</b>	<b>58 830 977</b>
<b>Turnover</b>				
FFC Renewals	1 000 087	9 096 588	19 019 625	4 589 158
Principals	467 579	4 153 967	6 028 623	1 619 711
Full Status	195 174	2 098 292	4 814 517	918 091
Intern Estate Agents	246 146	2 096 915	6 468 345	1 626 434
Attorneys	20 110	20 110	44 241	104 571
Firms	67 299	723 523	1 660 118	316 572
Non Executive Director	3 780	3 780	3 780	3 780
<b>New Registrations</b>	<b>606 329</b>	<b>606 329</b>	<b>606 329</b>	<b>606 329</b>
Principals	62 197	62 197	62 197	62 197
Non-Principal	504 788	504 788	504 788	504 788
Status Change	30 769	30 769	30 769	30 769
Non Executive Director	8 576	8 576	8 576	8 576
<b>Examinations</b>	<b>6 418 524</b>	<b>2 591 355</b>	<b>2 591 355</b>	<b>29 381 541</b>
Examination Fees	590 676	590 676	590 676	590 676
Sales -Study Guides	238 634	238 634	238 634	238 634
Over 60's exemptions	39 235	39 235	39 235	39 235
CPD Fees	4 870 943	1 043 774	1 043 774	27 833 960
Equivalency exemptions	672 159	672 159	672 159	672 159
Appeals on Examination				
Results	1 245	1 245	1 245	1 245
Non- executive director exemption	2 859	2 859	2 859	2 859

Interest Income	471 352	117 838	117 838	117 838	117 838
Interest on Investments	432 533	108 133	108 133	108 133	108 133
Interest Other	38 819	9 705	9 705	9 705	9 705
Other Income	96 544 442	24 136 111	24 136 111	24 136 111	24 136 111
Administration Fees	68 222 948	17 055 737	17 055 737	17 055 737	17 055 737
Fines	2 816 888	704 222	704 222	704 222	704 222
Penalties	18 067 276	4 516 819	4 516 819	4 516 819	4 516 819
Delivery charges	19 566	4 891	4 891	4 891	4 891
Legal document charges	8 716	2 179	2 179	2 179	2 179
Rental Income	2 432 017	608 004	608 004	608 004	608 004
Advertising Fees	11 616	2 904	2 904	2 904	2 904
Utility bills recoveries	78 264	19 566	19 566	19 566	19 566
Duplicate and Amendments - FFC	2 011 121	502 780	502 780	502 780	502 780
Discretionary funded special projects	710 875	177 719	177 719	177 719	177 719
Sundry income	2 164 514	541 129	541 129	541 129	541 129
<b>Operating costs</b>	<b>169 164 001</b>	<b>40 668 720</b>	<b>44 719 086</b>	<b>40 444 520</b>	<b>43 331 676</b>
Admin expense	45 139 148	10 873 873	10 328 773	10 399 673	13 536 829
Venue Hire	865 000	657 400	69 200	69 200	69 200
COS - NQF 4 & 5	500 000	125 000	125 000	125 000	125 000
Invigilators' and Markers Fees	400 000	100 000	100 000	100 000	100 000
Venues, Conferences and Breakaways	130 000	32 500	32 500	32 500	32 500
Staff Training and development	861 728	215 432	215 432	215 432	215 432
Bursaries	1 170 000	175 500	175 500	117 000	702 000
Software License	2 699 894	674 974	674 974	674 974	674 974
Hardware Maintenance	150 000	37 500	37 500	37 500	37 500
Software Maintenance	550 000	137 500	137 500	137 500	137 500
Publication and Communication	200 000	50 000	50 000	50 000	50 000
Insurance	582 000	29 100	494 700	29 100	29 100
Assets expensed	24 200	6 050	6 050	6 050	6 050
Provision for doubtful	1 492 014	373 003	373 003	373 003	373 003

debts					
Impairment Loss	55 000	-	-	-	55 000
Postages	330 000	82 500	82 500	82 500	82 500
Stationery and Printing	1 200 000	300 000	300 000	300 000	300 000
Travelling expenses	2 382 690	595 673	595 673	595 673	595 673
Bank Charge	750 000	187 500	187 500	187 500	187 500
Auditors Remuneration - Current Year	4 966 093	496 609	496 609	496 609	3 476 265
Internal Audit Fees	1 200 000	240 000	180 000	600 000	180 000
Forensic Audit	350 000	175 000	-	175 000	-
Telephone and Connection costs	3 052 830	763 208	763 208	763 208	763 208
Photo-copier charges	500 000	125 000	125 000	125 000	125 000
Staff welfare	260 000	65 000	65 000	65 000	65 000
Catering and Refreshments	463 200	115 800	115 800	115 800	115 800
Consumables	50 820	12 705	12 705	12 705	12 705
Garden and Plant Maintenance	290 400	72 600	72 600	72 600	72 600
Subscriptions	275 000	68 750	68 750	68 750	68 750
Office Cleaning	847 000	211 750	211 750	211 750	211 750
Rates and Taxes Office Building	2 032 800	508 200	508 200	508 200	508 200
Repairs and Maintenance Building	1 650 000	412 500	412 500	412 500	412 500
Security Costs	819 500	204 875	204 875	204 875	204 875
Water and Electricity	1 386 000	346 500	346 500	346 500	346 500
Licencing and Insurance Repairs and Maintenance Vehicle	4 235	1 059	1 059	1 059	1 059
Repairs & Maintenance Furniture & Equipment	71 500	17 875	17 875	17 875	17 875
Promotion and Marketing Advertising	407 000	101 750	101 750	101 750	101 750
Consultants Fees	250 000	62 500	62 500	62 500	62 500
Call Center	302 500	75 625	75 625	75 625	75 625
CPD Expenses	3 770 000	942 500	942 500	942 500	942 500
CPD Travel	3 480 000	870 000	870 000	870 000	870 000
Depreciation - Office furniture	500 000	200 000	75 000	75 000	150 000
Depreciation - Office furniture	250 000	100 000	37 500	37 500	75 000
	78 991	19 748	19 748	19 748	19 748
	126 535	31 634	31 634	31 634	31 634

Equipment	189 307	189 307	189 307	189 307
Depreciation - Computer equipment				
Depreciation - Motor Vehicles	3 737	3 737	3 737	3 737
Depreciation - Buildings	373 013	373 013	373 013	373 013
Amortisation - Software	271 855	271 855	271 855	271 855
Amortisation - Intellectual Property	15 143	15 143	15 143	15 143
Other operating expense	948 655	1 198 655	1 198 655	948 655
Disciplinary costs	375 000	375 000	375 000	375 000
Legal Costs	340 000	340 000	340 000	340 000
Rental - Leased Building	83 655	83 655	83 655	83 655
Recruitment and Selection	150 000	150 000	150 000	150 000
Development regulation	-	250 000	250 000	-
Staff costs	27 817 622	32 163 088	27 817 622	27 817 622
Salaries and Wages	19 835 345	19 835 345	19 835 345	19 835 345
Overtime Expenses	82 500	82 500	82 500	82 500
13th Cheque	1 350 065	1 350 065	1 350 065	1 350 065
Performance Bonus	-	4 345 466	-	-
Travel Allowance	357 778	357 778	357 778	357 778
Cellphone Allowance	184 140	184 140	184 140	184 140
Pension Fund				
Contributions	3 443 757	3 443 757	3 443 757	3 443 757
U.I.F Contributions	67 223	67 223	67 223	67 223
Medical Aid Contributions	1 840 486	1 840 486	1 840 486	1 840 486
Skills Development Levies	382 008	382 008	382 008	382 008
Leave Pay	137 500	137 500	137 500	137 500
S & T Reimbursements	61 820	61 820	61 820	61 820
Board Members Remuneration	1 028 570	1 028 570	1 028 570	1 028 570
Board Members Remuneration	1 001 097	1 001 097	1 001 097	1 001 097
Travelling Allowance	27 473	27 473	27 473	27 473

**Total Operating Costs**

169 164 001

40 668 720

44 719 086

40 444 520

43 331 676

**Surplus/(Deficit)**

4 965 342

(8 389 831)

(8 170 865)

6 026 737

15 499 301

**ESTATE AGENTS AFFAIRS BOARD  
PROJECTED BALANCE SHEET FOR THE PERIOD ENDING 31 MARCH 2022**

	2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		2023/24	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	Budget estimate	Approved budget	Medium-term estimate	Medium-term estimate	Medium-term estimate	Medium-term estimate
R thousand														
Carrying value of assets of which:	105 104	104 397	106 193	113 217	112 287	111 788	120 823	120 777	129 231	138 278	146 961			
Acquisition of assets	(4 530)	(2 134)	(2 950)	(1 657)	(1 200)	(728)	(4 084)	(4 084)	(1 300)	(1 250)	(850)			
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory	351	951	251	616	677	556	738	540	578	618	661			
Loans	4 601	1 763	4 601	51 122	48 122	39 798	21 599	33 828	28 754	24 401	20 775			
Accrued investment interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables and prepayments	6 335	3 368	6 782	43 908	36 530	73 254	37 502	56 750	57 390	61 408	65 625			
Cash and cash equivalents	22 386	27 971	18 948	21 354	28 052	7 107	19 427	19 297	20 648	22 083	23 640			
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defined benefit plan assets	9 906	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>148 683</b>	<b>138 450</b>	<b>136 775</b>	<b>230 217</b>	<b>225 668</b>	<b>232 503</b>	<b>200 089</b>	<b>231 192</b>	<b>236 601</b>	<b>246 798</b>	<b>257 662</b>			
Accumulated surplus/(deficit)	121 307	46 821	90 782	99 381	132 403	100 578	103 748	114 403	119 368	123 970	129 442			
Capital and reserves	-	30 307	-	42 616	42 615	42 616	42 615	42 616	53 270	53 270	53 270			
Capital reserve fund	-	-	-	-	-	-	-	-	-	-	-			
Borrowings	-	-	-	-	-	-	-	-	-	-	-			
Finance lease	-	-	-	-	-	-	-	-	-	-	-			
Accrued interest	-	-	-	-	-	-	-	-	-	-	-			
Deferred income	-	-	-	-	-	-	-	-	-	-	-			
Trade and other payables	15 420	35 867	15 495	57 574	23 855	71 806	26 002	55 320	44 905	50 201	55 208			
Benefits payable	-	-	-	-	-	-	-	-	-	-	-			

	2017/18		2018/19		2019/20		Budget estimate	Approved budget	Medium-term estimate			
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome			2021/22	2022/23	2023/24	
R thousand												
Capitalised value of pensions	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	11 956	24 919	13 149	30 119	26 157	16 914	27 029	18 194	18 320	18 529	18 815	-
Managed funds (e.g. poverty alleviation fund)	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	537	17 349	528	638	589	695	660	739	828	927	-
<b>Total equity and liabilities</b>	<b>148 683</b>	<b>138 451</b>	<b>136 775</b>	<b>230 217</b>	<b>225 668</b>	<b>232 503</b>	<b>200 089</b>	<b>231 192</b>	<b>236 602</b>	<b>246 797</b>	<b>257 662</b>	-
<b>Contingent liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-



**ESTATE AGENTS AFFAIRS BOARD  
PROJECTED CASH FLOW FOR THE PERIOD ENDING 31 MARCH 2022**

	2017/18		2018/19		2019/20		2020/21		Medium-term estimate			
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2021/22	2022/23	2023/24	
R thousand												
<b>Cash flow from operating activities</b>	<b>11 626</b>	<b>10 914</b>	<b>22 642</b>	<b>41 551</b>	<b>19 035</b>	<b>(23 823)</b>	<b>18 829</b>	<b>21 739</b>	<b>10 267</b>	<b>11 262</b>	<b>12 600</b>	
<b>Receipts</b>												
Tax receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-tax receipts</b>	<b>146 049</b>	<b>123 196</b>	<b>166 942</b>	<b>191 640</b>	<b>169 253</b>	<b>103 999</b>	<b>200 532</b>	<b>200 532</b>	<b>174 129</b>	<b>185 558</b>	<b>198 547</b>	
Sales of goods and services other than capital assets	135 287	116 380	155 267	136 208	156 489	83 649	154 706	154 706	152 774	162 708	174 097	
of which:												
Administrative fees	53 190	52 464	71 609	53 619	58 489	52 687	61 147	61 147	68 223	72 999	78 108	
Sales by market establishment	30 216	23 783	42 120	82 589	92 477	30 962	87 650	83 559	84 551	89 709	95 989	
Other sales	51 881	40 133	41 538	-	5 523	-	5 909	-	-	-	-	
Other tax receipts	10 762	6 816	11 675	55 432	12 764	20 350	45 826	45 826	21 355	22 850	24 450	
<b>Transfers received</b>												
Tax benefit	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>146 049</b>	<b>123 196</b>	<b>166 942</b>	<b>191 640</b>	<b>169 253</b>	<b>103 999</b>	<b>200 532</b>	<b>200 532</b>	<b>174 129</b>	<b>185 558</b>	<b>198 547</b>	
<b>Payment</b>												
<b>Current payments</b>	<b>134 423</b>	<b>112 281</b>	<b>144 300</b>	<b>150 089</b>	<b>150 218</b>	<b>127 822</b>	<b>181 703</b>	<b>178 793</b>	<b>163 862</b>	<b>174 296</b>	<b>185 947</b>	
Compensation of employees	91 213	74 865	102 179	83 625	104 090	88 046	130 599	129 039	115 066	123 121	131 739	
Goods and services	43 210	37 416	42 121	66 464	46 128	39 776	51 104	49 754	48 796	51 175	54 208	
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>												
Tax payment	-	-	-	-	-	-	-	-	-	-	-	-
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total payment</b>	<b>134 423</b>	<b>112 281</b>	<b>144 300</b>	<b>150 089</b>	<b>150 218</b>	<b>127 822</b>	<b>181 703</b>	<b>178 793</b>	<b>163 862</b>	<b>174 296</b>	<b>185 947</b>	
<b>Cash flow from advancing activities (Financial institutions only)</b>												
Loan disbursements	-	-	-	-	-	-	-	-	-	-	-	-
Loan principal repayments	-	-	-	-	-	-	-	-	-	-	-	-

R thousand	2017/18		2018/19		2019/20		2020/21		Medium-term estimate		
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2021/22	2022/23	2023/24
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow from investing activities</b>	<b>(5 328)</b>	<b>(2 674)</b>	<b>(13 050)</b>	<b>(1 762)</b>	<b>(8 950)</b>	<b>(1 748)</b>	<b>(13 544)</b>	<b>(13 544)</b>	<b>(4 700)</b>	<b>(4 300)</b>	<b>(5 200)</b>
Acquisition of property, plant, equipment and intangible assets	(4 530)	(2 134)	(2 950)	(1 657)	(1 200)	(728)	(4 084)	(4 084)	(1 300)	(1 250)	(850)
Investment property	-	-	-	-	-	-	-	-	-	-	-
Acquisition of software and other intangible assets	(798)	(540)	(10 100)	(105)	(7 750)	(1 020)	(9 460)	(9 460)	(3 400)	(3 050)	(4 350)
Proceeds from the sale of property, plant, equipment and intangible assets	-	-	-	-	-	-	-	-	-	-	-
Other flows from investing activities	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>7 249</b>	<b>-</b>	<b>(46 406)</b>	<b>-</b>	<b>11 324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred income	-	-	-	-	-	-	-	-	-	-	-
Borrowing activities	-	7 249	-	(46 406)	-	11 324	-	-	-	-	-
Repayment of finance leases	-	-	-	-	-	-	-	-	-	-	-
Other flows from financing activities	-	-	-	-	-	-	-	-	-	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>6 298</b>	<b>15 490</b>	<b>9 592</b>	<b>(6 617)</b>	<b>10 085</b>	<b>(14 247)</b>	<b>5 285</b>	<b>8 195</b>	<b>5 567</b>	<b>6 962</b>	<b>7 400</b>

### 3.2 Estate Agents Fidelity Fund (EAFF) Budget

#### ESTATE AGENTS FIDELITY FUND PROJECTED INCOME AND EXPENDITURE BUDGET FOR THE YEAR ENDING 31 MARCH 2022

Statement of financial performance	2017/18		2018/19		2019/20		Budget estimate	Approved budget	Medium-term estimate		
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome			2021/22	2022/23	2023/24
R thousand											
<b>Revenue</b>											
Tax revenue	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	92 025	79 425	162 003	87 972	143 577	72 573	108 849	108 850	105 255	112 623	
Sale of goods and services other than capital assets	86 343	71 021	107 192	86 884	98 999	72 573	86 717	108 850	105 255	112 623	
of which:											
Administrative fees	42 565	45 977	66 212	56 584	54 806	59 361	63 860	76 460	68 301	73 082	
Sales by market establishment	43 778	25 044	40 980	30 300	44 193	13 212	22 857	32 390	36 953	39 540	
Other sales	-	-	-	-	-	-	-	-	-	-	
Other non-tax revenue	5 682	8 404	54 811	1 088	44 578	-	22 132	-	-	-	
Interest, dividends and rent on land	5 682	7 529	8 892	-	8 578	-	9 513	-	-	-	
<b>Transfers received</b>	-	-	-	-	-	-	-	-	-	-	
Tax benefit	-	-	-	13	-	-	-	-	-	-	
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	
<b>Total revenue</b>	<b>92 025</b>	<b>79 425</b>	<b>162 003</b>	<b>87 985</b>	<b>143 577</b>	<b>72 573</b>	<b>108 849</b>	<b>108 850</b>	<b>105 255</b>	<b>112 623</b>	
<b>Expenses</b>											
Current expenses	85 595	66 586	146 194	81 034	139 988	88 487	108 289	108 289	101 186	108 269	
Compensation of employees	-	-	-	-	-	-	-	-	-	-	
Goods and services	84 995	66 586	145 552	81 034	139 301	88 487	107 848	108 289	101 186	108 269	
Depreciation	-	-	-	-	-	-	-	-	-	-	
Interest, dividends and rent on land	600	-	642	-	687	-	441	-	-	-	
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-	-	
Tax payment	-	-	-	-	-	-	-	-	-	-	
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	
<b>Total expenses</b>	<b>85 595</b>	<b>66 586</b>	<b>146 194</b>	<b>81 034</b>	<b>139 988</b>	<b>88 487</b>	<b>108 289</b>	<b>108 289</b>	<b>101 186</b>	<b>108 269</b>	
<b>Surplus/(Deficit)</b>	<b>6 430</b>	<b>12 839</b>	<b>15 809</b>	<b>6 951</b>	<b>3 589</b>	<b>(15 914)</b>	<b>560</b>	<b>561</b>	<b>4 069</b>	<b>4 354</b>	

**ESTATE AGENTS FIDELITY FUND  
PROJECTED INCOME AND EXPENDITURE BUDGET FOR THE YEAR ENDING 31 MARCH 2022**

	BUDGET 2021/2022	QUARTERLY TARGETS			
		QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
<b>Revenue</b>	<b>98 368 928</b>	<b>43 637 036</b>	<b>16 463 232</b>	<b>19 656 706</b>	<b>18 611 954</b>
Contributions Board	1 305 940	65 297	65 297	1 110 049	65 297
Contributions	1 305 940	65 297	65 297	1 110 049	65 297
Interest	71 679 459	38 300 218	11 126 414	11 126 414	11 126 414
Agent interest	58 229 581	34 937 749	7 763 944	7 763 944	7 763 944
Interest on Investments	13 212 971	3 303 243	3 303 243	3 303 243	3 303 243
Interest Other	236 906	59 227	59 227	59 227	59 227
Other Income	25 383 529	5 271 521	5 271 521	7 420 243	7 420 243
Claims Recoveries	4 297 444	-	-	2 148 722	2 148 722
Fair Value Adjustments	20 986 086	5 246 521	5 246 521	5 246 521	5 246 521
Other income	100 000	25 000	25 000	25 000	25 000
<b>Operating costs</b>	<b>94 566 200</b>	<b>23 641 550</b>	<b>23 641 550</b>	<b>23 641 550</b>	<b>23 641 550</b>
Bank Charges	6 416	1 604	1 604	1 604	1 604
Claims Paid	4 297 444	1 074 361	1 074 361	1 074 361	1 074 361
Management Fees	68 222 948	17 055 737	17 055 737	17 055 737	17 055 737
Provision for bad debts	3 770 968	942 742	942 742	942 742	942 742
Interest expense	320 572	80 143	80 143	80 143	80 143
Consumer Education Awareness	4 536 186	1 134 046	1 134 046	1 134 046	1 134 046
Stakeholder Awareness	1 518 101	379 525	379 525	379 525	379 525
Transformation Initiatives	4 868 500	1 217 125	1 217 125	1 217 125	1 217 125
Insurance	454 239	113 560	113 560	113 560	113 560
Publications - Agent Magazine	1 813 522	453 380	453 380	453 380	453 380
Consultants fees	824 328	206 082	206 082	206 082	206 082
Legal fees	3 932 976	983 244	983 244	983 244	983 244
<b>Surplus</b>	<b>3 802 728</b>	<b>19 995 487</b>	<b>(7 178 318)</b>	<b>(3 984 844)</b>	<b>(5 029 596)</b>

**ESTATE AGENTS FIDELITY FUND  
PROJECTED BALANCE SHEET FOR THE PERIOD ENDING 31 MARCH 2022**

	Budget		Audited outcome		Budget		Audited outcome		Budget		Audited outcome		Approved budget		Medium-term estimate		
	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
R thousand																	
Carrying value of assets of which:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	621 900	601 895	637 208	632 019	671 696	714 125	708 155	668 549	746 229	783 540							
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued investment interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables and prepayments	3 571	585	3 821	5 627	3 571	3 821	3 821	4 088	4 292	4 507							
Cash and cash equivalents	7 424	3 769	4 339	5 927	4 147	16 477	16 477	25 681	17 630	18 865							
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defined benefit plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>632 895</b>	<b>606 249</b>	<b>645 368</b>	<b>643 573</b>	<b>679 413</b>	<b>734 423</b>	<b>728 453</b>	<b>698 319</b>	<b>768 151</b>	<b>806 912</b>							
Accumulated surplus/(deficit)	619 031	577 501	639 000	584 440	623 989	706 336	688 137	663 663	736 322	752 677							
Capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reserve fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	7 763	23 331	6 368	6 051	5 145	4 116	4 116	3 293	4 712	4 948							
Benefits payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalised value of pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	1 500	701	-	1 960	2 156	2 372	2 372	2 609	2 716	28 512							
Managed funds (e.g. poverty alleviation fund)	4 601	4 716	-	51 122	48 122	21 599	33 828	28 754	24 401	20 775							

	Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Approved budget		Medium-term estimate		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2020/21	2021/22	2022/23	2023/24	2020/21	2021/22	2022/23	2023/24
R thousand															
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>632 895</b>	<b>606 249</b>	<b>614 329</b>	<b>679 413</b>	<b>614 329</b>	<b>679 413</b>	<b>614 329</b>	<b>734 423</b>	<b>698 319</b>	<b>768 151</b>	<b>806 912</b>	<b>728 453</b>	<b>698 319</b>	<b>768 151</b>	<b>806 912</b>
<b>Contingent liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**ESTATE AGENTS FIDELITY FUND  
PROJECTED CASH FLOW FOR THE PERIOD ENDING 31 MARCH 2022**

	2017/18		2018/19		2019/20		2020/21		Medium-term estimate			
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2021/22	2022/23	2023/24	
R thousand												
Cash flow from operating activities	(36 348)	9 224	5 874	(14 123)	(19 326)	(15 342)	(8 488)	(18 488)	(13 750)	(14 710)	(15 742)	
Receipts												
Cash flow from operating activities	(36 348)	9 224	5 874	(14 123)	(19 326)	(15 342)	(8 488)	(18 488)	(13 750)	(14 710)	(15 742)	
Receipts												
Tax receipts	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax receipts	48 247	69 792	120 642	82 931	119 517	62 536	95 992	85 992	77 045	82 439	88 210	
Sales of goods and services other than capital assets	48 247	69 792	120 642	82 931	119 517	62 536	95 992	85 992	77 045	82 439	88 210	
of which:												
Administrative fees	-	-	-	56 584	-	57 944	-	76 460	63 832	68 301	73 082	
Other tax receipts	-	-	-	-	-	-	-	-	-	-	-	
Transfers received	-	-	-	-	-	-	-	-	-	-	-	
Tax benefit	-	-	-	-	-	-	-	-	-	-	-	
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	
<b>Total receipts</b>	<b>48 247</b>	<b>69 792</b>	<b>120 642</b>	<b>82 931</b>	<b>119 517</b>	<b>62 536</b>	<b>95 992</b>	<b>85 992</b>	<b>77 045</b>	<b>82 439</b>	<b>88 210</b>	
Payment												
Current payments	84 595	60 568	114 768	97 054	138 843	77 878	104 480	104 480	90 795	97 149	103 952	
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-	
Goods and services	83 995	60 568	114 126	97 054	138 843	77 878	104 480	104 480	90 795	97 149	103 952	
Interest and rent on land	600	-	642	-	-	-	-	-	-	-	-	
Transfers and subsides	-	-	-	-	-	-	-	-	-	-	-	
Tax payment	-	-	-	-	-	-	-	-	-	-	-	
Outside shareholders interest	-	-	-	-	-	-	-	-	-	-	-	
<b>Total payment</b>	<b>84 595</b>	<b>60 568</b>	<b>114 768</b>	<b>97 054</b>	<b>138 843</b>	<b>77 878</b>	<b>104 480</b>	<b>104 480</b>	<b>90 795</b>	<b>97 149</b>	<b>103 952</b>	
Cash flow from advancing activities (Financial institutions only)	-	-	-	-	-	-	-	-	-	-	-	
Loan disbursements	-	-	-	-	-	-	-	-	-	-	-	
Loan principal repayments	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	

	2017/18		2018/19		2019/20		2020/21		Medium-term estimate			
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2021/22	2022/23	2023/24	
R thousand												
<b>Cash flow from investing activities</b>	<b>21 281</b>	<b>(31 524)</b>	<b>15 308</b>	<b>(30 124)</b>	<b>(21 899)</b>	<b>149 183</b>	<b>(12 709)</b>	<b>(12 709)</b>	<b>(13 980)</b>	<b>(13 980)</b>	<b>(14 609)</b>	
Acquisition of property, plant, equipment and intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of software and other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of property, plant, equipment and intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Other flows from investing activities	21 281	(31 524)	15 308	(30 124)	(21 899)	149 183	(12 709)	(12 709)	(13 980)	(13 980)	(14 609)	
<b>Cash flow from financing activities</b>	<b>-</b>	<b>(7 354)</b>	<b>-</b>	<b>46 405</b>	<b>39 444</b>	<b>(11 324)</b>	<b>33 527</b>	<b>33 527</b>	<b>33 527</b>	<b>33 527</b>	<b>35 036</b>	
Deferred income	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing activities	-	(7 354)	-	46 405	39 444	(11 324)	33 527	33 527	33 527	33 527	35 036	
Repayment of finance leases	-	-	-	-	-	-	-	-	-	-	-	-
Other flows from financing activities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(15 067)</b>	<b>(29 654)</b>	<b>21 182</b>	<b>2 159</b>	<b>(1 781)</b>	<b>122 517</b>	<b>12 330</b>	<b>2 330</b>	<b>5 797</b>	<b>4 837</b>	<b>4 685</b>	



#### 4. Key risks and mitigation

Finance and Administration		
Outcomes	Key risks	
Functional, Efficient and integrated Government	<p>Insufficient capacity to meet the EAAB mandate</p>	<p><b>Risk Mitigations</b></p> <ul style="list-style-type: none"> <li>• Dedicated skilled and qualified staff</li> <li>• Outsourced call centre.</li> </ul>
	<p>Incorrect/incomplete management information for decision-making.</p>	<ul style="list-style-type: none"> <li>• Enhancement of SAP functionality and user training.</li> <li>• 90% of departments use Paper trail as a record management system</li> </ul>
Satisfied and well informed estate agent stakeholders	<p>IT systems not meeting business requirements</p>	<ul style="list-style-type: none"> <li>• Business process reviews (engineering) performed for IT requirements related to IT strategy.</li> <li>• Automated Fidelity Fund Certificate for new registrations &amp; renewals</li> <li>• Training and development of users in place.</li> <li>• Departmental training and development needs assessed on annual basis.</li> </ul>
	<p>Damage to the image &amp; reputation of the EAAB</p> <ul style="list-style-type: none"> <li>• Slow resolution of queries received and Stakeholder's dissatisfaction</li> <li>• High rate of complaints.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Relations department monitors the resolution of queries.</li> <li>• Service level standards manual formulated and implemented.</li> <li>• Online customer survey and reports are monitored.</li> <li>• Feedback through evaluation forms received from estate agents at the Annual Stakeholder Road shows.</li> </ul>
	<p>Loss of revenue as a result of Covid 19 challenges</p>	<ul style="list-style-type: none"> <li>• Revise budget to accommodate more revenue by reallocating savings on other expenses</li> <li>• Implement the new ERP system to save further costs that demands manual interventions like printing, travelling and stationery.</li> <li>• Request assistance of funding from DHS and working together with other entities to achieve strategic targets.</li> </ul>

<b>Compliance and Enforcement</b>	
<b>Outcomes</b>	<b>Key risks</b>
Regulated and legally operating registered Estate Agents	Illegally trading estate agents
	Financial constraints to fund essential organisational projects and programmes (Failure to retain revenue streams)
	Damage to the image and reputation of the EAAB
	<b>Risk Mitigations</b> <ul style="list-style-type: none"> <li>The EAAB regulates and provides effective professional support to estate agents.</li> <li>Conduct random inspections for compliance</li> <li>EAAB Portal that allows for complaints to be registered</li> <li>Renewal reminders sent to estate agents to renew FFC.</li> <li>The revenue collection strategy is in place</li> <li>The Customer Relations Department monitors resolution of queries.</li> <li>Service level standards manual formulated and in place.</li> </ul>

<b>Education and training</b>	
<b>Outcomes</b>	<b>Key risks</b>
Improved professionalism and ethical practices of Estate Agents	Unsuitably qualified individuals operating as estate agents
Well informed home owners and tenants around property transactions	Increase in the number of buyers of residential property lacking understanding of the real estate transaction (stakeholder awareness)
	<b>Risk Mitigations</b> <ul style="list-style-type: none"> <li>EAAB has published the study material for PDE 4 &amp; PDE 5.</li> <li>PDE 4 &amp; PDE 5 held every quarter.</li> <li>Logbooks are officially a requirement of intern training.</li> <li>Provision of CPD by EAAB</li> <li>Empower the consumer through consumer education campaigns to understand the real estate transaction and the role and functions of the registered estate agents;</li> <li>Alternative awareness initiatives of consumers through radio and television, which cover a larger audience of property consumers.</li> </ul>

<b>Transformation</b>		
<b>Outcomes</b>	<b>Key risks</b>	<b>Risk Mitigations</b>
Transformed and inclusive real estate sector	Resistance to change Lack of knowledge about roles of the EAAB by targeted groups Reputational risk of One-learner-one-estate-agent programme if not managed effectively Absence of Transformation incentives	<ul style="list-style-type: none"> <li>• Effective and efficient transformation committee to monitor the transformation process</li> <li>• Increased marketing and public relations campaigns</li> <li>• Engage stakeholders, utilise positive reinforcement like awards and incentives.</li> <li>• Forge strategic partnerships</li> <li>• Provide training, development and mentoring opportunities for mentees to work under strict supervision</li> <li>• Development of financial incentives</li> </ul>

<b>Fidelity Fund</b>		
<b>Outcomes</b>	<b>Key risks</b>	<b>Risk Mitigations</b>
Sustainable Fidelity Fund	Erosion of the Fidelity Fund	<ul style="list-style-type: none"> <li>• Quarterly review of Investment performance by EXCO and Finance Investment Committee.</li> <li>• Recouping funds from defaulters or the estate agents that force claims</li> <li>• Routine inspections and increased disciplinary measures of estate agents to reduce the extent of fraudulent activities.</li> <li>• Improved levels of consumer education.</li> <li>• Ongoing monitoring of the Fund by management (review of the financial status of the fund)</li> <li>• Compliance audit report requirements</li> </ul>

**5. Public entities**

Not applicable – Applies to departments only

**6. Infrastructure projects**

Not applicable to EAAB

**7. Public-private partnerships**

Not applicable to EAAB

**8. District Development Model**

Not applicable to EAAB

**Part D: MATERIALITY AND SIGNIFICANCE FRAMEWORK: 2020/21 – 2022/23**

**1. Definitions and standards**

- Audited financial statements: 2018/2019 (AFS)
- Approved annual budget: 2020/21
- Approved strategic and annual performance plan: 2020/2021 to 2022/2023(APP)
- Total income: Total income of the entity from any source
- Total expenditure: Total expenditure of the entity

**2. Applicable sections of the PFMA**

- Section 50(1)
- Section 55(2)
- Section 54(2)
- Section 66(1)

3. Treasury regulation  
 • 28.1.5

4. Framework

4.1 Section 50: Fiduciary duties of Accounting Authority	Value(Quantitative)	Nature of event(Qualitative)
<p>(1) Accounting authority must-            (c) on request, disclose to the Executive Authority responsible, all material facts which in any way may influence the decisions or actions of the Executive Authority</p>	<p>(a)Any unbudgeted transaction of which the amount exceeds 5% of the total value of assets per AFS            (b)Total actual income is less than budgeted income by more than 10% of budgeted income            (c)Total actual expenditure is more than budgeted expenditure by more than 15% of budgeted expenditure</p>	<p>(a)Any unplanned event or activity that affects the core purpose or mandate of entity per the APP</p>

4.2 Section 54:Information to be submitted by the Accounting Authority	Value(Quantitative)	Nature of event(Qualitative)
<p>(2) before a public entity concludes any of the following transactions, the Accounting Authority for the entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for approval of the transaction:            (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement            (c) acquisition of disposal of a significant shareholding in a company</p>	<p>N/a             Any transaction of which the amount exceeds 10% of the total value of assets per AFS             Any transaction of which the amount</p>	<p>Any unplanned event per the APP that may affect the core purpose or mandate of the entity             Any unplanned event per the APP that may affect the core purpose or mandate of the entity             Any unplanned event per the APP that may affect the core purpose or mandate of the entity</p>

(d) acquisition or disposal of a significant asset	exceeds 10% of the total value of assets per AFS	
(e) commencement or cessation of a significant business activity	Any transaction of which the amount exceeds 20% of the total value of assets per AFS	

	Value(Quantitative)	Nature of event(Qualitative)
<b>4.3 Section 55: Annual Report and Annual Financial Statements</b>		
(2) the annual report and financial statements must:		
(b) include particulars of:		
(i) any material losses through criminal conduct and,	(a) Any loss of which the amount exceeds 1% of the total value of assets per AFS	Any unplanned loss per the APP that may affect the core purpose or mandate of the entity
any irregular expenditure and fruitless and wasteful expenditure that occurred during the year	All	All
(iii) any losses recovered or written off		
<b>4.4 Section 66: Restrictions on borrowing, guarantees and other commitments</b>	Not applicable	Not applicable

## Part E: Technical Indicator Descriptions (TIDs)

### Programme 1: Finance and Administration

<b>Indicator No</b>	Unqualified Audit Opinion with no material audit findings
<b>Definition</b>	The EAAB aims towards achieving an unqualified audit opinion from the Auditor General of South Africa (AGSA). The unqualified audit opinion reflects that the EAABs financial statements are transparent, compliant with generally recognised accounting practice (GRAP) and are free from material misstatements with no matter of emphasis
<b>Source of data</b>	Audit Report from the AGSA
<b>Method of calculation</b>	Audit Report from the AGSA
<b>Means of verification</b>	Review of Audit Report from the AGSA
<b>Assumptions</b>	Internal controls and governance systems implemented as prescribed
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1 <sup>st</sup> of April to 31 <sup>st</sup> March
<b>Desired performance</b>	Unqualified Audit Opinion with no material findings taking into consideration AG and internal audit findings
<b>Indicator responsibility</b>	Chief Executive Officer and Chief Financial Officer

<b>Indicator No</b>	Percentage Implementation of Fraud prevention plan
<b>Definition</b>	The EAABs' Fraud Prevention Plan aims to detect, prevent and mitigate against fraud and corruption and takes the necessary actions to ensure that fraudulent activities, if not eradicated completely, are restricted to the minimum.
<b>Source of data</b>	Fraud and Corruption Plan
<b>Method of calculation</b>	No. of cases of fraud reported in the plan
<b>Means of verification</b>	Fraud and Corruption Plan
<b>Assumptions</b>	Assessment of cases of fraud and corruption reported
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1 <sup>st</sup> of April to 31 <sup>st</sup> March
<b>Desired performance</b>	No cases of fraud and corruption reported

<b>Indicator responsibility</b>	CFO, CRO, Education & Training Executive and Compliance & Enforcement Executive
<b>Indicator No</b>	Percentage of risk mitigation plans implemented
<b>Definition</b>	Risk management is the process of identifying, quantifying, and mitigating any risk that affects or is inherent in an organisations strategic objectives. The mitigation plan outlines how the EAAB intends to mitigate the identified risks.
<b>Source of data</b>	Quarterly risk reports
<b>Method of calculation</b>	Number of strategic risks identified and mitigated.
<b>Means of verification</b>	Review of quarterly risk reports
<b>Assumptions</b>	Updated and accurate quarterly risk reports
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1 <sup>st</sup> of April to 31 <sup>st</sup> March
<b>Desired performance</b>	100% of risks identified rated green
<b>Indicator responsibility</b>	Chief Risk Officer

<b>Indicator Title</b>	Percentage compliance to statutory tabling and prescripts
<b>Definition</b>	The EAAB intends to enhance good governance and administration practises by ensuring compliance with various legislation and statutory reporting frameworks that are set out by National Treasury and DPME.
<b>Source of data</b>	Compliance register / checklist
<b>Method of calculation</b>	% of number of compliance items checked / Total no. of compliance items
<b>Means of verification</b>	Review of compliance registers
<b>Assumptions</b>	Accurate and up to date compliance register / checklist
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1 <sup>st</sup> of April to 31 <sup>st</sup> March
<b>Desired performance</b>	100 % compliance to the framework
<b>Indicator responsibility</b>	Chief Risk Officer



<b>Indicator Title</b>	Percentage implementation of management action plans to address audit findings (internal and External)
<b>Definition</b>	Management develops actions plan based on the findings raised by Internal and External auditors in order to enhance the internal controls and governance processes of the organisation. The action plans outlines how the EAAB intends to address the findings raised
<b>Source of data</b>	AGSA Management Report and Internal Audit Reports
<b>Method of calculation</b>	number of findings resolved / Total no. of findings
<b>Means of verification</b>	Review of AGSA Management Report and Internal Audit Reports
<b>Assumptions</b>	All findings raised on AGSA Management Report and Internal Audit Reports are resolved
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1 <sup>st</sup> of April to 31 <sup>st</sup> March
<b>Desired performance</b>	100% implementation of management action plans to address audit findings (internal and External)
<b>Indicator responsibility</b>	Chief Risk Officer

<b>Indicator Title</b>	Percentage of estate agent and consumer complaints/queries resolved within a 90 day period
<b>Definition</b>	Complaints are received from estate agents or consumers to express dissatisfaction related to services rendered by the EAAB. This indicator measures the processes and procedures to receive and address estate agent or consumer complaints to ensure that such complaints are resolved within a 90 day period.
<b>Source of data</b>	Quality Management System (QMA) available on the MyEAAB portal
<b>Method of calculation</b>	Number of estate agent complaints/queries resolved / total number of complaints/queries received

<b>Means of verification</b>	QMS
<b>Assumptions</b>	Fully operative QMS
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1 <sup>st</sup> of April to 31 <sup>st</sup> March
<b>Desired performance</b>	100% of all estate agent and consumer complaints/queries resolved with a 90 day period
<b>Indicator responsibility</b>	Executive: Corporate Services

### Programme 2: Compliance and Enforcement

<b>Indicator Title</b>	Percentage of compliant new registrations processed against those received within 21 days
<b>Definition</b>	Compliant registrations are processed in terms of the Estate Agency Affairs Act, which entails Fidelity Fund Certificate compliance, audit reporting compliance and education compliance, including CPD.
<b>Source of data</b>	Download reports from the SAP system. New registrations and New applications reports from SAP
<b>Method of calculation</b>	$(\text{Number of compliant new registrations processed within 21 days}) / (\text{Number of compliant new registrations received}) * 100$
<b>Means of verification</b>	SAP Report
<b>Assumptions</b>	Accurate and up to date SAP report
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>Desired performance</b>	100% of compliant new registrations processed against those received
<b>Indicator responsibility</b>	Executive Manager: Enforcement & Compliance

<b>Indicator Title</b>	Percentage of compliant renewals processed against those received within 5 days
<b>Definition</b>	Compliant renewals are processed in terms of the Estate Agency Affairs Act, which entails Fidelity Fund Certificate compliance, audit reporting compliance and education compliance, including CPD.

<b>Source of data</b>	Renewals reports from SAP
<b>Method of calculation</b>	(Number of compliant renewals processed within 5 days)/(Number of compliant renewals received) * 100
<b>Means of verification</b>	SAP Renewals Report
<b>Assumptions</b>	Accurate and up to date SAP report
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Quarterly
<b>Desired performance</b>	100% of compliant renewals processed against those received
<b>Indicator responsibility</b>	Chief Financial Officer & Executive Manager: Enforcement & Compliance

<b>Indicator Title</b>	Percentage Disciplinary Hearings held against completed investigations and outcomes enforced
<b>Definition</b>	Consumers lodge complaints against estate agents for transgressions in terms of the EAA Act. These complaints are investigated by EAAB and where necessary disciplinary hearings are held and outcomes enforced.
<b>Source of data</b>	List of Disciplinary Hearings
<b>Method of calculation</b>	(Number of consumer complaints reported and investigated)/ Total number of reported cases received)*100
<b>Means of verification</b>	List of Disciplinary Hearings
<b>Assumptions</b>	All Disciplinary Hearings are adjudicated timeously and all Disciplinary outcomes enforced
<b>Disaggregation of beneficiaries</b>	Target for non-compliant estate agents
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Desired performance</b>	100% of the reported cases investigated and 100% Disciplinary outcomes enforced
<b>Indicator responsibility</b>	Executive Manager: Enforcement & Compliance

<b>Indicator Title</b>	Number of FIC inspections performed
<b>Definition</b>	The EAAB monitors compliance by estate agents to the Financial Intelligence Centre Act to guard against money laundering activities
<b>Source of data</b>	Reports received from inspectors
<b>Method of calculation</b>	List of the number of inspections reports received from inspectors

<b>Means of verification</b>	Inspection reports
<b>Assumptions</b>	100% compliance with Financial Intelligence Centre Act
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Cumulative (year-end)
<b>Reporting cycle</b>	Quarterly
<b>Desired performance</b>	150 inspections performed per annum
<b>Indicator responsibility</b>	Executive Manager: Inspections

### Programme 3: Education and Training

<b>Indicator Title</b>	Percentage increase of registered Estate Agents with the professional designation
<b>Definition</b>	The EAAB has a responsibility to ensure that it removes unnecessary barriers to entry and increases access to the real estate sector by qualified estate agents who have either written professional designation examination or have been granted exemptions.
<b>Source of data</b>	SAP Report
<b>Method of calculation</b>	Number of registered estate agents holding the professional designation / the number of registered estate agents holding a professional designation in the previous year x 100
<b>Means of verification</b>	SAP Report
<b>Assumptions</b>	Increase in percentage of registered Estate Agents with professional designation
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1st April-31st March
<b>Desired performance</b>	30% Increase of registered estate agents with professional designations
<b>Indicator responsibility</b>	Executive Manager: Education & Training

<b>Indicator Title</b>	Increase in percentage Retention rate of Estate Agents enrolled for PDE 4
<b>Definition</b>	The EAAB has a responsibility to ensure that the real estate sector retains estate agents who have enrolled for and passed the exams. Various initiatives must be employed to ensure that real estate is a career of choice that rewards and sustains those who are full status estate agents.
<b>Source of data</b>	SAP Report
<b>Method of calculation</b>	Number of registered estate agents retained in the current year / the total number of registered estate agents enrolled for PDE 4 in the previous year x 100
<b>Means of verification</b>	SAP Report
<b>Assumptions</b>	All practicing Estate Agents comply with SAQA standards.
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	1st April-31st March
<b>Desired performance</b>	30% Increase Retention rate of Estate Agents enrolled for PDE 4
<b>Indicator responsibility</b>	Executive Manager: Education & Training

<b>Indicator Title</b>	Percentage increase of Estate Agents who are registered for CPD and have met CPD requirements in full
<b>Definition</b>	The CPD programme is meant to ensure that estate agents are kept abreast of all topical and relevant developments in the sector. The EAAB has to be innovative and develop CPD programmes that empower the estate agents in order that they improve their service offering to the consumers and comply with the law.
<b>Source of data</b>	SAP Report
<b>Method of calculation</b>	Number of registered and qualifying principal and non-principals excluding intern estate agents) who have acquired the prescribed annual CPD points / total number of registered and qualifying principal and non-principals and excluding intern estate agents
<b>Means of verification</b>	SAP Report
<b>Assumptions</b>	All eligible practicing Estate Agents comply with SAQA standards.
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	1st April-31st March
<b>Desired performance</b>	95% of Estate Agents registered for CPD have met CPD requirements
<b>Indicator responsibility</b>	Executive Manager: Education & Training

#### Programme 4: Transformation

<b>Indicator Title</b>	Number of interns placed with real estate industry host employers through the one learner – one estate agency programme
<b>Definition</b>	The 'One Learner - One Estate Agency' Programme is aimed at placing intern estate agents in the service of registered estate agency enterprises so that they may act under the supervision and control of a suitably qualified mentor.
<b>Source of data</b>	One Learner one estate agency programme report or any report on youth transformation
<b>Method of calculation</b>	Number of PDI applications received and placed in training
<b>Means of verification</b>	One Learner one estate agency programme report
<b>Assumptions</b>	1500 learners recruited and placed
<b>Disaggregation of beneficiaries</b>	Target is for 1500 youth
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	1st of April to 31 <sup>st</sup> March
<b>Desired performance</b>	1500 Interns placed per annum
<b>Indicator responsibility</b>	Executive Manager: Transformation

<b>Indicator Title</b>	Retention rate of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme
<b>Definition</b>	This indicator measures the improvement in the retention rate of youth Interns that have been placed through the One Learner – One Estate Agency "Programme
<b>Source of data</b>	One Learner one estate agency programme report
<b>Method of calculation</b>	Number of Intern retained in the programme /Total number of interns who have successfully completed) *100
<b>Means of verification</b>	One Learner one estate agency programme report
<b>Assumptions</b>	All Interns successfully complete the Programme
<b>Disaggregation of beneficiaries</b>	Target is for 100% youth Interns
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	1st of April to 31 <sup>st</sup> March
<b>Desired performance</b>	90% of youth intern placed with property industry host employers through the "One Learner - One Estate Agency" Programme
<b>Indicator responsibility</b>	Executive Manager: Transformation & Education and Training

<b>Indicator Title</b>	Percentage increase of Full Status Black Women that have been supported through the Principalsisation Programme
<b>Definition</b>	The Principalsisation Programme is aimed at increasing ownership and management control of estate agencies by Black people. This indicator focuses on the participation of Black Women in this Programme
<b>Source of data</b>	Estate Agents Database
<b>Method of calculation</b>	Number of Black Women in participation during current period less the number of Black Women in participation during previous period / Total number of Women in participation during previous period) *100
<b>Means of verification</b>	Estate Agents Database
<b>Assumptions</b>	Availability of Black women to participate in the principalsisation programme
<b>Disaggregation of beneficiaries</b>	Target is for 20% Black women to participate in the principalsisation programme
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	1st of April to 31 <sup>st</sup> March
<b>Desired performance</b>	60% Increase in participation of Black Women to participate in the principalsisation programme per annum
<b>Indicator responsibility</b>	Executive Manager: Transformation

<b>Indicator Title</b>	Number of principals established through the Implementation of the Principals Programme
<b>Definition</b>	The Principals Programme is aimed at increasing ownership and management control of estate agencies by Black people. The focus is placed on Black estate agents upgrading to a Principal Estate Agent.
<b>Source of data</b>	Black Estate Agents on the SAP Database
<b>Method of calculation</b>	Calculate the number of Black principals Estate Agents on the SAP Database
<b>Means of verification</b>	Black Estate Agents on the SAP Database
<b>Assumptions</b>	Availability of Black full status estate agents to participate in the principalisation programme
<b>Disaggregation of beneficiaries</b>	200 Black estate agents
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	1st of April to 31 <sup>st</sup> March
<b>Desired performance</b>	200 principals established through the Implementation of the Principals Programme
<b>Indicator responsibility</b>	Executive Manager: Transformation

<b>Indicator Title</b>	Percentage of implementable developed financial incentives for transformation initiatives
<b>Definition</b>	The development of financial mechanisms and incentives that are required to achieve EAABs sustainable transformation initiatives
<b>Source of data</b>	Transformation Report
<b>Method of calculation</b>	Number of financial incentives for transformation initiatives developed
<b>Means of verification</b>	Report
<b>Assumptions</b>	Framework and plan is in place
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	1st of April to 31 <sup>st</sup> March
<b>Desired performance</b>	100% of implementable developed financial incentives for transformation initiatives
<b>Indicator responsibility</b>	Executive Manager: Transformation



<b>Indicator Title</b>	Percentage increase in participation of historically disadvantaged entities in the property sector
<b>Definition</b>	The EAAB aims to increase the Participation rate of historically disadvantaged entities in the property sector
<b>Source of data</b>	Estate agents SAP database
<b>Method of calculation</b>	Number of HDI estate agents participation during current period less the number of HDI estate agents participation during the previous period / Total number of HDI estate agents participation during previous period) *100
<b>Means of verification</b>	Estate agents SAP database
<b>Assumptions</b>	Full participation of historically disadvantaged entities in the property sector
<b>Disaggregation of beneficiaries</b>	30 % increase in participation rate of historically disadvantaged entities
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annual
<b>Desired performance</b>	30% increase in participation rate of historically disadvantaged entities in the property sector
<b>Indicator responsibility</b>	Executive Manager: Transformation

<b>Indicator Title</b>	Funds raised directly or in kind for transformation initiatives
<b>Definition</b>	The EAAB aims to raise funding for EAAB Transformation Initiatives
<b>Source of data</b>	MoUs with fund raising stakeholders
<b>Method of calculation</b>	Amount of funds raised
<b>Means of verification</b>	Review of MoUs with stakeholders
<b>Assumptions</b>	Funds will be raised
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annual
<b>Desired performance</b>	R1 000 000 or equivalent raised for transformation funding initiatives
<b>Indicator responsibility</b>	Executive Manager: Transformation

<b>Indicator Title</b>	Transition to the Property Practitioners Regulatory Authority (PPRA)
<b>Definition</b>	The EAAB is soon to be PPRA and transferring to the old EAA Act to PPA Act
<b>Source of data</b>	Report of implementation of PPRA Act and Regulations

<b>Method of calculation</b>	Sub planning reports on PPRA Act and Regulations
<b>Means of verification</b>	Verification of the report
<b>Assumptions</b>	Well established PPRA
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	Annual
<b>Desired performance</b>	Transition from EAA Act to PPA Act
<b>Indicator responsibility</b>	EXCO

### Programme 5: Fidelity Fund

<b>Indicator Title</b>	Percentage of fully compliant claims paid within six months
<b>Definition</b>	The Fidelity Fund is used to reimburse persons who have suffered pecuniary loss by reason of theft of trust money by an estate agent. Consumers can lodge a claim with the EAAB in terms of the EAA Act to recover such losses.
<b>Source of data</b>	Claims report
<b>Method of calculation</b>	Number of fully compliant claims paid within six months)/(total number of fully compliant claims) * 100
<b>Means of verification</b>	Claims report
<b>Assumptions</b>	All approved claims are fully compliant
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Percentage of compliant claims report
<b>Reporting cycle</b>	1st of April to 31 <sup>st</sup> March
<b>Desired performance</b>	100% of fully compliant claims paid within six months
<b>Indicator responsibility</b>	Chief Financial Officer & Executive Manager: Enforcement & Compliance

**Programme 6: MTSF Contribution**

<b>Indicator Title</b>	Percentage Implementation of a borrower, homeownership and tenant education programme in partnership with DHS entities and other stakeholders Homeowner and tenant education programme and collaborating with NHFC and the Department to promote FLISP (function of the affordable housing market)
<b>Definition</b>	MTSF targets are set during every 5 years and all entities have to be aligned with the Department targets
<b>Source of data</b>	Homeownership and tenant consumer awareness and education programme and project plan
<b>Method of calculation</b>	Number of joint venture agreements with Provincial Government departments.
<b>Means of verification</b>	Percentage Implementation of a borrower, homeownership and tenant education programme in partnership with DHS entities and other stakeholders
<b>Assumptions</b>	Approval of a borrower, homeownership and tenant consumer awareness and education programme.
<b>Disaggregation of beneficiaries</b>	N/A
<b>Spatial Transformation</b>	N/A
<b>Calculation type</b>	Non-cumulative
<b>Reporting cycle</b>	1st of April to 31st March
<b>Desired performance</b>	100% implementation of an approved investment strategy
<b>Indicator responsibility</b>	Education Executive and Corporate Service Executive