

Final Revised Strategic Plan 2020 - 2025



LIST OF ACRONYMS AND GLOSSARY OF TERMS

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

EXECUTIVE AUTHORITY STATEMENT

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

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

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

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

Indicator	5 Year targets
Priority development areas targeted for achieving spatial transformation through multi-programme integration are declared	94 priority development areas declared for human settlements development
An integrated implementation programme for the 94 priority development areas completed	Development Plans for all 94 priority development areas, categorized and prioritized with budget & finance options.
Number of houses and serviced sites delivered through a range of programme in the housing code	470 000 housing units
	300 000 serviced sites
Number of rental housing units delivered in priority development areas	Rezone 100% of acquired land within the priority development areas
	30 000 Social Housing 12 000 CRU

Number of informal settlements	1 500 informal settlements upgraded to Phase 3/ formalized (in terms of the HS code)	
Number of title deeds registered	Total number of title deeds registered = 1 193 222	
	Title deeds backlog	New title deeds
	Pre - 1994: 45 535	Post -2019: 300 000
	Post -1994: 500 845	
	Post – 2014: 346 842	

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

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

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



L N SISULU, MP
MINISTER OF HUMAN SETTLEMENTS, WATER & SANITATION

ACCOUNTING AUTHORITY STATEMENT

The Strategic Performance Plan 2020 – 2025 is a mid-term plan of the current term of this Administration and therefore takes cognizance of the performance of the National Home Builders Registration Council (NHBRC) for the first two years. As such, it takes into account a review of the organization's performance, the risks and the changing socio-economic imperatives that the NHBRC faced as it worked towards achieving the strategic goals that it developed and submitted to the Executive Authority and Parliament, at the commencement of the term. The NHBRC also developed the necessary interventions towards that outcome.

The Council of the NHBRC had, during the past two years, seen a gradual improvement in the performance of the organization. This improvement was, however short-lived, as the business of the NHBRC was disrupted, during the 2019 – 2020 financial year, by the COVID 19 pandemic which engendered an unpredictable and disruptive effect on the trajectory of the planned performance of the organization.

It is now close to a year since the first COVID-19 case was announced in South Africa and, following the necessary country lockdown, it is impossible to predict what the future will look like, post COVID-19. The NHBRC, like Governments, businesses, and societies throughout the world, is working hard to adjust to the new normal and Council has therefore had to take a step back and consider various strategic decisions that are aimed at repositioning the NHBRC.

In the main, critical issues of concern were a drop in revenue as the construction industry was affected by the lockdown, lower than budgeted investment which has a direct bearing on the ability to grow the Warranty Fund, as planned, and higher capacity, prior COVID 19, fixed costs. This resulted in a net operating deficit as against a net operating surplus for the organisation.

On the positive side, some industries recorded escalated growth between the second and third quarters of 2020. The largest positive contributors to growth in GDP in the third quarter were the manufacturing, mining and trade industries. The manufacturing industry increased at a rate of 210,2% and contributed 16,2 percentage points to GDP growth.^[1] While we are

hopeful of a similar emerging trend at the NHBRC, as the construction industry is resuscitated again, we remain cognizant of the preliminary data published by Stats SA. This data indicates that the number of residential building plans passed by the larger municipalities decreased by 62.3% between January and October 2020 when compared to the same period last year.

We also take note that the NHBRC's internal business is not insulated from the economic and sector performance and that the planned performance of our core business, is forecast to stagnate. It is anticipated that our home-builder registrations will maintain an annual target of about 2,400 in the MTEF with renewals standing at about 9,000 each year in the next 3 years. The NHBRC will undertake to inspect every house under construction in the non-subsidy and subsidy sector during the current MTSF period.

Based on the above, and in order to respond to these challenges, Council took a number of strategic decisions to mitigate against the above negative factors and risks. Firstly, the Council instructed Management to review and develop an improved Operating Model which includes an Inspectorate Model, the use of digital services, further enhancements in the Legislative Review, a close look at the organisational productivity, innovate on building technologies, a move towards green and sustainable building methods and enhance its research agenda specifically on the above matters.

The NHBRC is committed to improving its *modus operandi* and, in so doing, we plan to maintain our cost-containment strategy at the rate of 10% savings over the next 5 years. We also intend to strengthen our corporate governance by maintaining an implementation rate of between 80% and 100% in our audit, risk, anti-fraud and corruption and compliance plans.

Skills development and transformation of the sector, remain our organisational priorities. In line with this, the NHBRC will train 1,700 home builders during 2021/2022, 2,400 homebuilders during 2022/2023 and 2,500 homebuilders during 2023/2024 financial year. Our social transformation programme continues to target women, youth, people living with disabilities and Military Veterans. Some of the strategies to be followed in the 5 years is to

ensure that the NHBRC improves on its visibility in communities, especially the rural, low income communities and far-flung areas.

Reducing turnaround times and optimising workflow will see the enrolment of all homes with complete documentation in the 2021/5 financial years being completed within 15 working days, in both the subsidy and the non-subsidy sectors.

As Chairperson of the Council of the NHBRC, I would like to commit our Council, the Executive Management and staff to continue service delivery, as directed in our mandate and to continue to support Government in all the efforts to manage the negative impacts of COVID-19 in the Human Settlements sector.

Warm regards

Respectfully,

A handwritten signature in black ink, appearing to read 'Julieka Bayat', with a horizontal line underneath.

Ms. Julieka Bayat
Accounting Authority

ACCOUNTING OFFICER STATEMENT

In the next 5 years, NHBRC plans to intensify its focus in the current operating and inspectorate models, digital services, legislative review, improving organisational productivity, innovative building technologies, moving towards green and sustainable building. In this regard, we will continue to fund our research agenda to specifically research these issues.

A number of elements underpinning the operating model were identified, these included issues relating to the organisational structure, processes, technology, skills and talent as well as effective communication. Furthermore, all of these elements hinge on strong leadership that is capable of driving the organisational culture. This reviewed operating model was approved by Council on 23 September 2020.

In an effort to improve on efficiencies and sustainability, we have embarked on a process to review the existing organisational structure, development of a new organisational structure and conducting an organisational design study for the National Home Builders Registration Council (NHBRC). This is done to ensure that we are in a position to discharge our mandate with a fit for purpose organisational structure that is well capacitated in relevant service critical areas.

The overall financial position of the NHBRC is concerning. This has been exacerbated by Covid-19 and the lock down in the first quarter, with the easing of lock down restrictions we saw some improvements in our financial performance albeit still behind budget, this then necessitated a review of our budget assumptions. The revision of our planning assumptions have resulted in the budget being adjusted downward. With the easing of the restrictions activities throughout our provincial offices have improved. High operational expenditure is still a cause for concern which is being addressed by the continuous implementation of the directive issued by National Treasury on cost containment.

The path to recovery from Covid-19 remains unclear. The general consensus as discussed with our consultants is that our economy continues to face a protracted period of recovery with some restrictions still in place, and that even after the initial recovery phase, most businesses will not return to “back to normal” in the immediate term.

The pandemic will leave permanent marks with disruptions to our operations and is forcing management to think of strategies that will usher in new opportunities.

To ensure that we deliver on our key mandate of protecting the housing consumer through an efficient and effective inspections of homes during construction. We duly reviewed our inspections model and emphasized our interventions in addressing the gaps identified in the entire value chain to ensure that the NHBRC can inspect all homes under construction.

We have through this exercise been able to remodel our inspections framework to improve coverage by enhancing our inspections capacity through a dual source inspection operating model which will add an outsourced channel to the existing in-house inspection resource. We have also put in place key operational interventions to ensure that our inspections process derives a qualitative output.

The digital services programme is driven by the need to expand NHBRC service channels, enhance customer experience and improve operational efficiencies. It is also a response to the 4th industrial revolution that escalates technological advancements in offering services efficiently and seamlessly.

The digital service programme impacts the entire organisation and will thus result in the transformation of the NHBRC business model, operations, skills and service channels to enable the creation and delivery of digitalised products or services as part of the broader e-Government ecosystem.

In addition, this intervention intends to achieve organisational sustainability through potential creation of new revenue streams via these additional digital service channels that will not only unlock new service offerings and new platforms but extend our consumer reach and accessibility.

On legislative review, the Housing Consumer Protection Bill, 2019 ("the Bill"), seeks to repeal the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) ("the Act").

The Act came into effect on 4 June 1999 and has been amended at least three times by the Housing Consumers Protection Measures Amendment Act, 1999 (Act No. 27 of 1999), the Housing Amendment Act, 2001 (Act No. 4 of 2001), and the Housing Consumers Protection Measures Amendment Act, 2007 (Act No. 17 of 2007), respectively. The Department of Human Settlements and the National Home Builders Registration Council (“the Council”) have since identified certain challenges with key provisions of the Act, which impact negatively on the efficient execution of the Council’s mandate, as requiring review.

To this end, we are in the process of reviewing the Bill, which seeks to ensure adequate protection of housing consumers and effective regulation of the home building industry by, inter alia, strengthening the regulatory mechanisms, strengthening the protection of housing consumers, introducing effective enforcement mechanisms and prescribing appropriate penalties or sanctions to deter non-compliance by homebuilders.

The world is experiencing unprecedented levels of rising temperatures because global warming and this has devastating effect on humankind. Member States on global warming advocates that all sectors contribute in reducing carbon footprint to avoid reaching fatal levels by implementing measures that supports limiting global warming to below 2°C. The NHBRC in support of the Department of Human Settlements to provide the sector with diversified products and services and to respond appropriately to the ever-changing climate realities and building needs.

The NHBRC has embarked on journey to explore cost effective appropriate designs, that response to this need together with a selection of innovative building materials with together with the optimised designs offer improved capabilities of reducing reliance on fossil-based energy to deliver preferred ambient temperatures in houses from all climatic zones in South Africa. The NHBRC is pioneering the concept of Smart homes with customer specific designs including prefabricated houses, robust panel walls that offers attractive and robust finishes, incorporating Eco-friendly energy conservation technology in South Africa and in the process, improve the quality of products & construction processes. The concepts would create new housing values with advanced building technology focussed on construction methods, innovative building technology, materials, and cost cutting performance, quality improvement and maintenance of Innovative Building Technology as well as optimising the life cycle costs of prefabricated homes.

The NHBRC has funded a research in the Green First- Zero Energy concept and this is currently underway and employing various Modular housing, innovative technology, cost cutting performances of quality innovative building systems and standards. Focusing on environmental friendly and sustainable developments. Promoting the “Smart Universal homes” concepts is expected to boasts longevity rate utilising Innovative Building systems, improving indoor environment and global environment and contributing to the “Green Economy of the Home Built Environment”.

At this stage, the full extent of the impact of COVID-19 on NHBRC, construction sector and country is uncertain. We however, commit to reinforce our core mandate in inspectorate, compliance and enforcement.

At the NHBRC, we are fully aware of the declining economy and the threat it poses to jobs. We plan on maintaining our social transformation programme which includes training opportunities for women, youth, homebuilders, artisans, home inspectors, military veterans and people with disabilities. Our training interventions will include experiential learning placements where possible. Job creation, strengthening capacity and sector transformation is just as critical in the development of integrated human settlements as assurance and regulation of home-building.

The NHBRC, under my leadership commits to support the sector, government and South Africa as whole during this uncertain period.

Sincerely,

Mr. Mziwonke Dlabantu
Accounting Officer
National Home Builders Registration Council

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan 2021/2025:

- Was developed by the management of the NHBRC under the guidance of Council and Executive Authority and the Minister of human settlements, water and sanitation
- Considered the NHBRC mandate, relevant policies and legislation
- Accurately reflects the impact and outcomes NHBRC plans to achieve over the period 2021/2025.



Ms. Nurse Chavalala
Acting Executive Manager: Corporate Services



Mr. Craig Makapela
Acting Executive Manager: Business Services



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

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PART A: OUR MANDATE

This strategic corporate plan is based on assessment of the current socio-economic, political environment, ministerial national priorities, National Development Plan 2030 to eradicate poverty, inequality and unemployment and transformation of South African society. NHBRC is mindful housing or shelter is a basic need and access to housing, especially by the poor, plays a critical role in the development of the citizenry, is a step into economic participation and is an asset base.

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

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

1. CONSTITUTIONAL MANDATE

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

2. LEGISLATIVE AND POLICY MANDATES

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

In a nutshell, we believe our role is to assure quality homes in the country through:

- Educating housing consumers and homebuilders on rights and responsibilities within home construction industry
- Introducing innovative and environmentally friendly building technologies
- Providing housing consumers with warranty cover for defined building structural defects
- Training, assessing and regulation of homebuilders to conform to approved standards

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

- Social transformation programme
- E-services plan to digitalise our client and business services
- National Development Plan
- MTSF (2019/24) Human Settlements ministerial priorities

4. RELEVANT COURT RULINGS

None

PART B: OUR STRATEGIC FOCUS

1. VISION

NHBRC's vision is to be the champion of the housing consumer.

2. MISSION

NHBRS's mission is to protect housing consumers through the regulation of home-building sector.

3. VALUES

Below are the values of the NHBRC:

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

NHBRC Strategic Blueprint



NHBRC Strategy has three (3) delivery pillars:

1. Protect housing consumers by:
 - Ensuring they know own rights and responsibilities;

- Encouraging enrolment of homes prior to construction;
 - Advising on the right to access warranty fund for repair of structural defects on homes; and
 - Resolving complaints efficiently and timeously.
2. Enable homebuilders to achieve industry standards by:
- Ensuring they know own rights and obligations;
 - Advising on the legal requirement to register with the NHBRC prior to carrying out any business in the residential property market;
 - Providing ongoing training and assessment opportunities; and
 - Providing inspection services at critical stages of construction.
3. Regulate and enforce compliance to building standards by:
- Participating in the review of public policies in residential property market;
 - Exploring and introducing new technologies and materials to fast-track housing delivery;
 - Enforcing compliance to industry standards and remediating or penalising defaulting homebuilders.

NHBRC Core business

Our core business includes:

- Registration and renewal of homebuilders
- Enrolment and late enrolment of subsidy and non-subsidy houses
- Inspection of subsidy and non-subsidy houses
- Geotechnical investigation
- Forensic investigation
- Dispute resolution
- Conciliation of disputes
- Legal advisory and enforcement of norms and standards

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

4. SITUATIONAL ANALYSIS¹

Over the past several months, the COVID-19 pandemic and the emergency health response brought about a severe global economic downturn. Real GDP growth in South Africa is expected to drop by 7.2% in 2020, primarily due to restrictions on economic activity to contain the spread of the COVID virus. Strengthening South Africa’s competitiveness in a post-pandemic world will require a new social compact, decisive action to stabilise debt and narrow the budget deficit, and determined implementation of reforms to improve the structure of the economy. In combination, these measures will enable millions of South Africans to participate in building a more productive and prosperous society.

Below is the NHBRC SWOT analysis:

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

¹ National Treasury revised Budget and Outlook – June 2020

4.1 EXTERNAL ENVIRONMENTAL ANALYSIS

The global shock prompted by the COVID-19 pandemic, and unprecedented restrictions designed to protect public health, led to a sharp contraction in the domestic economy. Government interventions have cushioned the impact on workers and businesses, but have not offset the full decline. South Africa's economic growth is forecast to fall by 7.2% in 2020 as a result of the crisis, the March and April 2020 credit rating downgrades, and the compounding effects of weak investor confidence. The economic outlook is highly uncertain.

The global economic contraction brought about by COVID-19 has unfolded with unprecedented speed, hitting developing countries particularly hard. In 2020, according to the World Bank, developing economy output is expected to contract for the first time in at least 60 years.

At the beginning of 2020, the exchange rate between the two currencies was USD/ZAR 14.01, implying that one US dollar could buy R14.01, and with R14.01 you could buy \$0.85. The rand has weakened by R2.55 against the dollar since January 1, 2020, a depreciation of 18.2%. However, the South African rand has fluctuated considerably between January 1 and October 2020.

To protect South Africans and prevent the public health system from being overwhelmed, government restricted most economic activity from 26 March to 1 June. The lockdown has taken a severe toll on an already fragile economy. The limited data available suggests a steep contraction across all sectors over the past three months. Construction, retail and hospitality were particularly hard hit, and retail sales restrictions had significant knock-on effects across the economy. Reduced global demand and border closures, alongside uncertainty about the application of lockdown regulations, further hampered activity.

In addition, high levels of uncertainty about the spread of COVID-19, and its containment and treatment, have complicated decision-making for businesses, investors and households the world over. In addition, regular economic surveys are disrupted and delayed, making policymakers more reliant on smaller, less representative surveys. As a result, estimating the economic impact over the period ahead is exceedingly difficult.

4.2 ENVIRONMENTAL ANALYSIS

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

1. Home construction was locked down until June 2020
2. Planned inspections, training and enforcement programmes came to standstill
3. Unprecedented number of blocked/failed projects, affects our revenues

General building activities interrupted abruptly, meant:

- Home ownership transactions stopped- no registration at deeds
- No payment could be processed to:
 - Contractors
 - Suppliers of material
 - Subs contractors
 - Construction staff
- Loss of revenues as a result of lockdown. This is an area of concern for the NHBRC going forward.

As a result, the NHBRC embraced the opportunity to revise our targets and reprioritise our budget in order to achieve our mandate.

NHBRC Footprint and customer centres

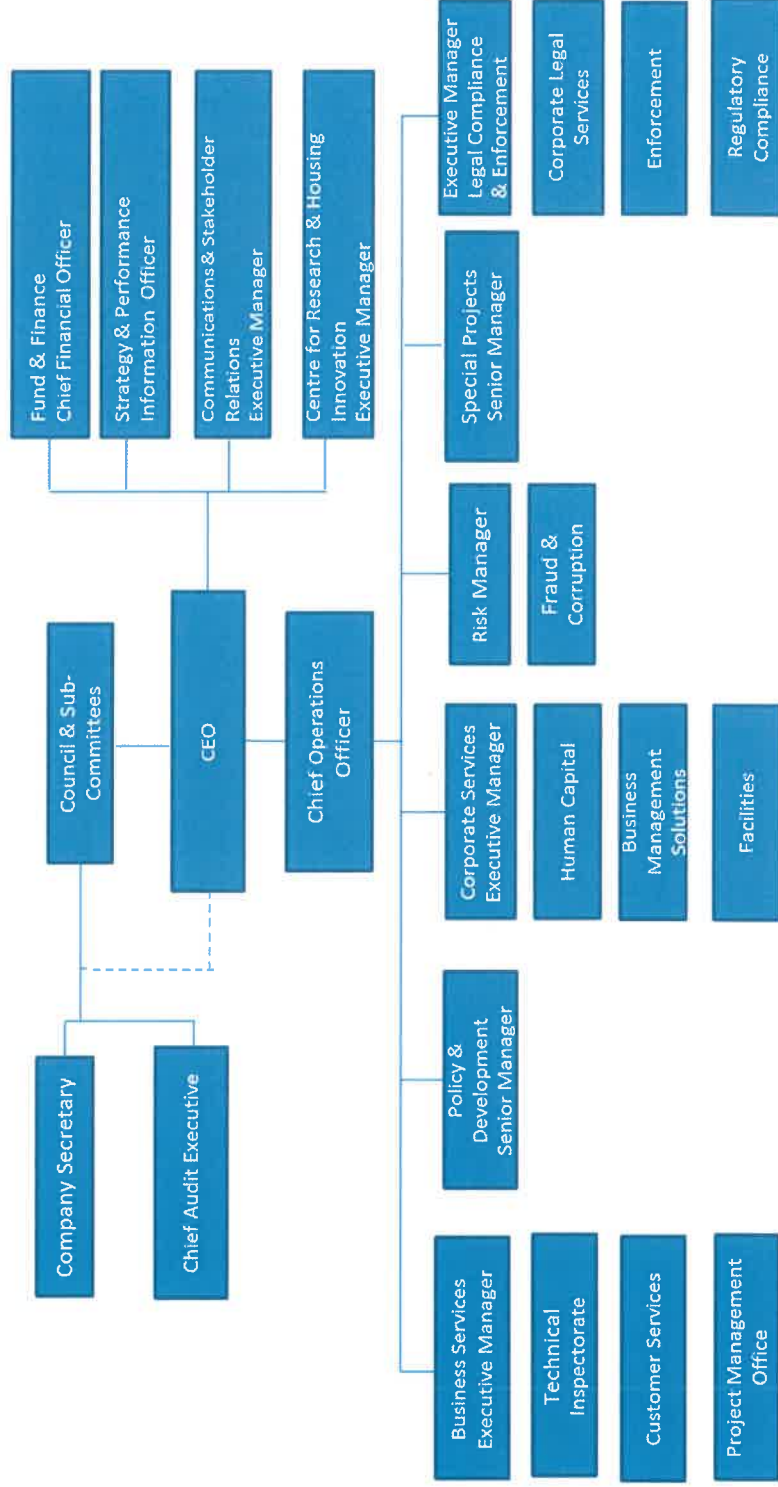
Below are our office locations:

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

NHBRC Organisational structure

We structured our operations to promote efficient and effective service delivery. Below is our organisational structure:

Figure 1. NHBRC Organisational structure²



² This structure is under review

PART C: MEASURING OUR PERFORMANCE

NHBRC adopted a bottom up and consultative strategy planning process. Divisions conducted own planning which culminated into a management committee (MANCO) strategic planning workshop followed by EXCO and council committees and final approval by council.

Programmes and sub-programme plans of the NHBRC

For the period of 2021/2025, NHBRC strategic outcomes are aligned to our three operational programmes, Administration, Regulation and Consumer Protection.

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

Strategic outcomes

Programme	Strategic outcomes
Administration	<ul style="list-style-type: none">• Functional efficient and integrated government• Improved accessibility and visibility of NHBRC products and services• Financially sustainable organisation promoting economic inclusion
Regulation	<ul style="list-style-type: none">• Improved regulatory compliance• Competent homebuilders and technical professionals
Consumer Protection	<ul style="list-style-type: none">• Improved regulatory compliance• Greenhouse gas emission reduction

1. INSTITUTIONAL PERFORMANCE INFORMATION

NHBRC planning methodology included formal consultations with all managers and Council members. Executive managers further deliberated on all plans to ensure alignment with resources and budgets. It also considered the impact of economy, policy environment and conducted a SWOT analysis.

1.1 IMPACT STATEMENT

Impact statement	NHBRC main aim to ensure consumers & builders are informed of rights and responsibilities and a compliant industry
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2. MEASURING OUR OUTCOMES

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

Revision of the Strategic Plan

The key reason for the revision of the NHBRC 2020/25 strategic plan was due to:

- the impact of Covid-19 on the homebuilding industry and the economy at large which resulted in the reduced budget
- reduction in the number of new and existing homebuilders estimated to continue operating
- increase in the number of targeted social transformation programmes

Programme 1: Administration

MTSF	Priority 1: Economic transformation and job creation Priority 2: Education, skills and health		
Outcomes	Outcome indicators	Baseline	Five-year targets
Functional efficient and integrated government	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings
Improved Accessibility and Visibility of NHBRC Products and Services	% Implementation of communication plan	100% Implementation of communication plan	100% implementation of communication plan
Financially sustainable organisation promoting economic inclusion	Number of social transformation programmes implemented	2 Social transformation Programme implemented	19 Social transformation programmes
	BEE spend of %	BEE spend of 65%	BEE spend of >65%

Programme 2: Regulation

MTSF	Priority 4: Spatial integration, human settlements and local government		
Outcomes	Outcome indicators	Baseline	Five-year targets
Improved regulatory compliance	Number of compliant homebuilders registered	89,339 homebuilders registered	58,310 compliant homebuilders registered
	% of homes inspected	100% of homes inspected	100% of homes inspected

Competent homebuilders and technical professionals	Number of homebuilders and technical professionals trained	39,714 homebuilders and technical professionals to be trained	32, 000 homebuilders and technical professionals to be trained
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Programme 3: Consumer Protection

MTSF	Priority 4: Spatial integration, human settlements and local government		
Outcomes	Outcome indicators	Baseline	Five-year targets
Improved regulatory compliance	% of enrolment applications approved	100% of enrolment applications approved	100% of enrolment applications approved
Greenhouse gas emission reduction	Development of criteria and designs for a Green-First Zero energy model house	Construction of a Green-First Zero energy model house	Evaluation and monitoring of Green-First Zero energy model house performance against set criteria

3. EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE-YEAR PLANNING PERIOD

By the end of 2024/2025 the NHBRC plans to have improved cost and internal efficiencies and ensure a sustainable warranty fund and maintain a minimum of 65% procurement spend on BEE and targeted 19 social transformation programmes which target training for women, youth, people living with disabilities and military veterans to drive sector transformation. This will be done through a phased approach over the 5-year period. This is an effort to broaden access to our services in rural and urban areas in equitable measures.

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

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

Below are our programme and associated outcomes explanations:

Programme 1: Administration

Outcome 1: Improved accessibility & visibility of NHBRC products and services	Explanations
Priority 2: Economic transformation and job creation Priority 3: Education, skills and health	Broaden our training and consumer education programmes opportunities to increase visibility and promote access to products and services
Contribution to the NHBRC mandate	NHBRC conducts training programmes in line with legislation
Priority related to women, youth and PWD	NHBRC introduced a social transformation programme which targets women, youth, PWD and military veterans mainly through training interventions
Enablers	Budget
Outcomes' contribution to achieving the intended impact	Target consumers and builders with education programmes promoting NHBRC's mandate

Outcome 2: Financially sustainable organisation promoting economic inclusion	Explanations
Contribution to MTSF priority 1: Economic transformation and job creation Contribution to MTSF priority 6: A capable, ethical and development state NDP 2030: Faster & inclusive economic growth	To ensure NHBRC considers the nationwide imperative to use government procurement to broaden access for SMME, stimulate domestic industry and job creation
Contribution to the NHBRC Mandate	Transformation of the sector and broadening access to SMMEs
Priority related to Women, Youth and PWD	NHBRC plans to spent more than 65% of its procurement spent on BBEE, which includes companies owned by women, youth, PWD
Enablers	Budget
Outcomes' contribution to achieving the intended impact	Broadening access and transformation of sector

Outcome 3: Functional, efficient and integrated governance	Explanations
Priority 2: Economic transformation and job creation Priority 3: Education, skills and health	To maintain ethical standards and accountability for resources
Contribution to the NHBRC Mandate	Compliance with governance structures
Priority related to Women, Youth and PWD	N/A
Enablers	King 4
Outcomes' contribution to achieving the intended impact	Ensure sound and sustainable warranty fund

Programme 2: Regulation

Outcome 4: Improved regulatory compliance	Explanations
Contribution to MTSF priority 4: Spatial integration, human settlements and local governments NDP 2030: Transformation of Human Settlements	NHBRC plans to enforce compliance and improve regulation efficiency We plan to enrol every house constructed
Contribution to the NHBRC mandate	Regulate sector through enrolments, inspections and enforcement of norms and standards
Priority related to women, youth and PWD	N/A
Enablers	Budget
Outcomes' contribution to achieving the intended impact	Ensure housing consumers live in safe and quality houses

Outcome 5: Competent homebuilders and technical professionals	Explanations
Contribution to MTSF priority 4: Spatial integration, human settlements and local governments NDP 2030: Transformation of Human Settlements	NHBRC ensures home builders have capacity to build safe and quality houses through training programmes
Contribution to the NHBRC mandate	It is NHBRC's legal requirement to capacitate the home building industry
Priority related to women, youth and PWD	Our training programmes target women, youth and PWD
Enablers	Budget
Outcomes' contribution to achieving the intended impact	Ensure home builders are capacitated and capable of delivering quality homes

Programme 3: Consumer Protection

Outcome 4: Improved regulatory compliance	Explanations
Contribution to MTSF priority 4: Spatial integration, human settlements and local governments NDP 2030: Transformation of Human Settlements	NHBRC plans to enforce compliance and improve regulation efficiency We plan to enrol every house constructed
Contribution to the NHBRC mandate	Regulate sector through enrolments, inspections and enforcement of norms and standards
Priority related to women, youth and PWD	N/A
Enablers	Budget
Outcomes' contribution to achieving the intended impact	Ensure housing consumers live in safe and quality houses

Outcome 6: Greenhouse gas emission reduction	Explanations
Contribution to MTSF priority 4: Spatial integration, human settlements and local governments	NHBRC has a research agenda, which will be implemented in the MTSF. The agenda aims to advance technology, highlight the impact of climate change on houses, manage policy shifts in the interest of housing consumers, builders, sector and NHBRC
NDP 2030: Transformation of Human Settlements	
Contribution to the NHBRC mandate	Outcomes of the research will be used to introduce new products and new revenue streams
Priority related to women, youth and PWD	N/A
Enablers	Budget
Outcomes' contribution to achieving the intended impact	Outcomes of the research will be used to introduce new products, alternative revenue streams and improve the general business of the NHBRC and sector

4. KEY RISKS AND MITIGATIONS

Outcome	Key risks	Risk mitigations
Functional, efficient and integrated governance	<ul style="list-style-type: none"> • Lack of proper systems and processes • Fraud and corruption • Impact of COVID-19 on operations • Slowing down of risk/fraud plans implementation 	<ul style="list-style-type: none"> • Development of online systems and continuous improvement of processes • Drive fraud and anti-corruption campaigns • Revision of APP targets in 2020 is such that missed targets in 2020 will be brought up to speed before the end of MTSF • Implementation of risk/fraud plans will meet the MTSF target at the end of the 5-year planning period
Improved accessibility and visibility of NHBRC products and services	<ul style="list-style-type: none"> • Declining performance of construction sector affects pool of housing consumers • Impact of COVID-19 on operations 	<ul style="list-style-type: none"> • Planning in line with the sector growth projections • Revision of APP targets in 2020 is such that missed targets in 2020 will be brought up to speed before the end of MTSF
Financially sustainable organisation promoting economic inclusion	<ul style="list-style-type: none"> • Declining performance of construction sector affects NHBRC revenues • Poor corporate governance • Impact of COVID-19 on operations 	<ul style="list-style-type: none"> • Promulgation of the Housing Consumer Protection Bill offers opportunities for alternative revenue streams • Develop a risk management strategy to address corporate governance • Revision of APP targets in 2020 is such that missed targets in 2020 will be brought up to speed before the end of MTSF

Improved regulatory compliance	<ul style="list-style-type: none"> Ensuring regulatory compliance is expensive and the declining revenues poses a risk to execution of this mandate Impact of COVID-19 on operations 	<ul style="list-style-type: none"> Promulgation of the Housing Consumer Protection Bill offers opportunities for alternative revenue streams Revision of APP targets in 2020 is such that missed targets in 2020 will be brought up to speed before the end of MTSF
Competent homebuilders and technical professionals	<ul style="list-style-type: none"> Home builder training is expensive and the declining revenues poses a risk to execution of this mandate Impact of COVID-19 on operations 	<ul style="list-style-type: none"> Promulgation of the Housing Consumer Protection Bill offers opportunities for alternative revenue streams Revision of APP targets in 2020 is such that missed targets in 2020 will be brought up to speed before the end of MTSF
Greenhouse gas emission reduction	<ul style="list-style-type: none"> Insufficient funding for research agenda 	<ul style="list-style-type: none"> Written motivation to council to fund research agenda

5. PUBLIC ENTITIES

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

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDS)

1. PROGRAMME 1: ADMINISTRATION

Unqualified audit opinion with no material findings

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

% implementation of communication plan

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

Number of social transformation programmes implemented

Indicator title	Number of social transformation programmes implemented
Definition	Is a process of holistically changing the human settlements delivery landscape through the actions of all employees and members of the NHBC Council to ensure empowerment and mainstreaming of women, youth, people with disabilities and military veterans
Source of data	Social transformation charter Approved social transformation plan List of programmes implemented with the list of beneficiaries (ID numbers, Gender, Force number/confirmation of disability)
Method of calculation or assessment	Count of number of social transformation programmes implemented
Assumptions	Participants will be willing to take part in social transformation activities.
Disaggregation of beneficiaries (where applicable)	19 programmes implemented
Spatial transformation (where applicable)	N/A
Desired performance	19 social transformation programmes implemented
Indicator responsibility	Manager Human Capital

BEE spend of %

Indicator title	BEE spend of %
Definition	Procure >65% of products & services from BEE accredited suppliers registered on the NHBC database or through competitive bidding processes.
Source of data	Input information from suppliers awarded contracts. Data collected from the ERP system with the list of suppliers paid through the supply chain
Method of calculation or assessment	Total amount of discretionary spend paid to accredited BEE service providers within a specified period divide by the total amount of discretionary spend paid to all service providers for the same period multiply by 100. BEE certified service provider is verified via certification.

Indicator title	BEE spend of %
Assumptions	N/A
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	BEE spend >65%
Indicator responsibility	Chief Financial Officer

2. PROGRAMME 2: REGULATION

Number of compliant homebuilders registered

Indicator title	Number of compliant homebuilders registered
Definition	<p>Registration includes evaluation for technical, financial, managerial competence of the homebuilder and payment of prescribed registration fees in order to obtain a license to trade in the sector. Homebuilders wishing to obtain NHBRC certificate are required to submit NHBRC application with supporting documents, pay prescribed non-refundable registration fee, undertake technical assessment and pass it according to the prescribed minimum score, pay annual fee and obtain NHBRC certificate valid for 1 year from date of issue. Annual renewal of homebuilder registrations, which includes verification of material changes from initial registration with regards to technical manager and contact details. Registered homebuilders are required to submit a renewal form, update personal/company details, pay prescribed annual fee, undertake technical assessment where technical manager has changed and obtain new certificate valid for a period of one year from the expiry date of the previous certificate.</p> <p>A compliant homebuilder will be the builder will complied with all the registrations requirements and obtained NHBRC membership certificate.</p>
Source of data	<p>Application forms, copy of registration certificates and other supporting documents submitted by homebuilders captured on the CRM system.</p> <p>List of registered homebuilders issued with registration certificates</p>
Method of calculation/Assessment	<p>Number of certificates issued to registered homebuilders.</p>
Assumptions	<p>Homebuilders will apply to register with the NHBRC.</p> <p>Technical Managers will pass the technical assessments.</p> <p>Homebuilders will pay registration and/ annual fees.</p>
Disaggregation of beneficiaries (where applicable)	<p>N/A</p>
Spatial transformation (where applicable)	<p>N/A</p>

Desired performance	58,310 compliant homebuilder registrations
Indicator responsibility	Executive Manager: Business Services

% of homes inspected

Indicator title	% of homes inspected
Definition	<p>This indicator measures the percentage of enrolled homes inspected in the non-subsidy and subsidy sector as per Section 3(h) of Act 95/1998 (as amended), and as per Rule 11(10)(b) of the Regulations to this Act. Inspections will be conducted to confirm compliance with the prescribed NHBRC technical requirements as per the NHBRC Home Building Manual.</p> <p>NHBRC will cover the following four inspection stages during the inspection process: Sub-structure, Super-structure, Practical Completion and Storm Water.</p> <p>The outcome of the inspection process is to ensure that all structural elements in enrolled homes, will comply with the NHBRC technical requirements.</p> <p>Homes under-construction are determined by the request from homebuilders for first inspection which is mandatory.</p> <p>Only enrolled homes will be inspected as unenrolled homes are in contravention of the ACT</p>
Source of data	<p>Database on enrolments under construction where homebuilders request first mandatory inspection. The inspection information is collected by NHBRC Inspectors and captured into the QM (Mobile Solution) system.</p> <p>Builder quality index for homes (BQIH) form is used to record the inspection information.</p>
Method of calculation or assessment	<p>The total number of homes inspected divide by the total number of homes under-construction multiply by 100</p>
Assumptions	<p>Database of inspection requests from the homebuilder</p> <p>Inspection reports</p>
Disaggregation of beneficiaries (where applicable)	N/A

Indicator title	% of homes inspected
Spatial transformation (where applicable)	N/A
Desired performance	100% inspection of all enrolled homes
Indicator responsibility	Executive Manager: Business Services

Number of homebuilders and technical professionals trained

Indicator title	Number of homebuilders and technical professionals trained
Definition	<p>To capacitate homebuilders and technical professionals with technical building skills, competencies and capacity to meet technical building standards necessary to improve quality of homes construction. Homebuilders refer to</p> <ul style="list-style-type: none"> • NHBRC registered builders, employees of the registered homebuilder and builders intending to register • Women who participate in construction industry or intend to enter the construction industry • Military Veterans South African who rendered military service to any of the military organisations, former statutory and liberation armies, which were involved on all sides of South Africa's liberation war from 1960 to 1993; served in the then Union Defence Force. The training also include the children of the military veterans. • People with disability who have been declared by medical practitioner • Artisans are the pupil who have been accepted by the Tvet to practices as artisans is a specialised field • Youth who are persons under the age of 35 at the time of making an application for NHBRC training • Technical professional are NHBRC staff members with employee number and employees from the municipality or provincial departments as verified by the letter from the municipality
Source of data	<p>Memorandum with TVETs</p> <p>External service providers and internal trainers conducting training</p> <p>Applications for training by homebuilders</p> <p>Applications for training by other stakeholders</p> <p>Attendance register/certificates</p>

	Report of learners
Method of calculation or assessment	Number of individuals who attending a training Calculation is based on the number of homebuilders per module using unique ID numbers/NHBRC Registration number/employee number/grant number/force number/student number/gender
Assumptions	Learners available to attend and complete training Funds to sponsor training
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	32, 000 homebuilders and technical professionals trained
Indicator responsibility	Manager: Centre for research and Housing innovation

3. PROGRAMME 3: CONSUMER PROTECTION

% of enrolment applications approved

Indicator title	% of enrolment applications approved
<p>Definition</p>	<p>The Department submits application for subsidy enrolment of homes or projects pre and post construction. A compliant enrolment refers to an application where all the mandatory supporting documents have been submitted to the NHBRC. The application letter for enrolment should indicate the following:</p> <ul style="list-style-type: none"> Project Name Home Builders name Enrolment & Programme Type Number of Units Unique (HSS/G) Number <p>The application letter will be accompanied by the following supporting documents:</p> <ul style="list-style-type: none"> Phase 1 & 2 Geotechnical Report DSR & CGS B4 Certificate (for dolomitic areas) Survey General (SG) Diagram Site Development Plan (SDP) with ERF Numbers Services Drawings/certificate or as-built drawings NHBRC Certificate, ECSA Certificate and SACAP Certificate Approved Municipal Drawings Signed Engineering Drawings Preliminary Schedule of Works Beneficiary List <p>The Developer pays the enrolment fee based on the quantum amount of the subsidy programme type.</p>

	<p>The enrolment approval letter is then issued to the developer.</p> <p>For non-subsidy</p> <p>Homebuilder submits application for enrolment of homes pre or post construction with the following documents:</p> <p>Individual home or Sectional title form signed by the homebuilder and engineer</p> <p>Building plans</p> <p>Building contract/price breakdown</p> <p>Proof of land value</p> <p>Pay prescribed enrolment fee according to the NHBRC price schedule (minimum 1.3% of the total enrolment value)</p> <p>Proof payment</p> <p>Financial bank guarantee of 80% in terms of sectional title where 20% is paid during enrolment</p> <p>Financial guarantee in terms of late enrolment (if applicable)</p> <p>Payment of late enrolment fees in case of late enrolment where construction has already commenced</p> <p>NHBRC issue enrolment certificate/ST001</p>
Source of data	<p>Application for project/home enrolment received from provincial departments of Human Settlements or Homebuilder</p> <p>The information is collected by NHBRC Provincial offices and recorded manually and /or on the CRM system.</p> <p>Copy of enrolment certificates/ST001 or approval letter for subsidy</p>
Method of calculation or assessment	<p>Total number of approved project/home enrolments divide by the total number of enrolments approved or issued (Certificate/ST001 printed) multiply by 100.</p>
Assumptions	<p>Developers and Homebuilders will submit compliant documents</p> <p>Enrolment fees will be paid on time</p>
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	100% of projects/home enrolments approved/issued

Indicator responsibility

Executive Manager: Business Services

Evaluation and monitoring of Green-First Zero energy model house performance against set criteria

Indicator title	Evaluation Green-First Zero energy model house performance
Definition	<p>Government promotes the use of designs and innovative building materials that supports the reduction of carbon emission and use less fossil based energy consumption. The indicator seeks to bring new knowledge in terms of designs and building materials with capabilities of improving energy consumption resulting in reduced carbon emission.</p> <p>By adopting criteria that supports reduced gas emissions, the NHBRC is to recommend designs and innovative building materials which when used in the form of a constructed house will result in an improved energy consumption compared with a similar design constructed from conventional material, thus achieving the target of reduced gas emissions.</p> <p>The indicator describes the process of designing and identifying innovative building materials with potential to yield improved consumptions of fossil-based energy hence the Green First-Zero energy model house. The process includes: 1. Adoption of Green First-Zero energy model house criteria, 2. Drafting & Adoption of drafted designs with potential to reduce energy consumption against the set criteria. 3. Construction of a Green First-Zero energy house utilising Innovative Building technology house and then evaluate and monitor the performance of the house against the criteria to determine the effectiveness of adopted designs and innovative building material towards the reduction of gas emission.</p>
Source of data	Draft design(s) by the NHBRC and progress reports
Method of calculation or assessment	Evaluated of Green-First Zero energy model house performance
Assumptions	<p>There will be funds to sponsor the projects</p> <p>The house will achieve the green energy certification</p>
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Desired performance	Complaint green first zero energy model house

Indicator title	Evaluation Green-First Zero energy model house performance
Indicator responsibility	Manager: Centre for research and Housing innovation

- 4. ANNEXURES TO THE STRATEGIC PLAN**
Not applicable

- 5. ANNEXURE A: DISTRICT DEVELOPMENT MODEL**
Not applicable to NHBRC

6. ANNEXURE B: BUDGET UP TO 2024/2025 FINANCIAL YEAR

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
PROPOSED ANNUAL BUDGET
FOR THE FINANCIAL YEAR 2021/22 to 2024/25**

NATIONAL HOME BUILDERS REGISTRATION COUNCIL BUDGETED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 31 MARCH 2021 TO 31 MARCH 2022																
Description	2017 - 2018		2018 - 2019		2019 - 2020		2020 - 2021		2021 - 2022		2022-2023		2023-2024		2024-2025	
	Audited Actual	845 952 736	Audited Actual	957 026 430	Audited Actual	923 826 279	Approved Budget	892 207 146	Proposed Budget	759 368 192	Budget	819 757 582	Budget	846 809 582	Budget	874 754 298
Revenue	43 458 923	101 043 788	80 016 941	34 180 257	63 545 036	73 308 205	75 727 375	78 226 379								
Fees revenue																
Reg - Administration	3 123 790	3 374 924	3 351 283	2 303 000	1 927 940	2 378 999	2 457 506	2 538 604								
Reg - Annual	1 294 554	2 380 974	2 033 829	1 842 120	1 542 118	1 902 910	1 965 706	2 030 574								
Reg - Annual Renewals	9 923 722	9 436 914	10 494 094	7 368 480	7 597 429	7 611 640	7 862 824	8 122 297								
Project Enrolment	26 620 567	82 945 375	61 619 160	19 929 602	50 185 009	58 587 278	60 520 658	62 517 840								
Reg - Builders Manual	1 586 025	1 754 493	1 690 313	-	-	-	-	-								
Late Enrolment Fees	518 064	651 729	434 201	1 000 000	800 000	1 033 000	1 067 089	1 102 303								
Document sales	392 201	499 379	394 060	1 737 055	1 492 540	1 794 378	1 853 592	1 914 761								
Non Subsidy Enrolment Fees	655 563 715	592 533 678	559 494 346	670 098 397	552 477 697	602 211 644	622 084 628	642 613 421								
Speculative	341 518 557	312 822 603	284 246 459	342 748 264	255 006 240	294 923 629	304 656 108	314 709 760								
Cluster Sectional Title	314 045 158	279 711 075	275 247 887	327 350 132	297 471 457	307 288 016	317 428 520	327 903 661								
Subsidy enrolment fees	132 486 380	232 361 454	219 516 260	165 128 493	125 345 459	120 577 733	124 556 798	128 667 173								
Home Enrolment (0.75%)	132 486 380	232 361 454	219 516 260	8 054 240	22 027 588	8 320 030	8 594 591	8 878 213								
Consolidation (2.1%)	-	-	-	157 074 252	103 317 871	112 257 703	115 962 207	119 788 960								
Other Revenue	7 298 213	30 412 510	49 452 122	2 800 000	3 000 000	3 000 000	3 099 000	3 201 267								
Legal DC Penalty	2 554 058	5 460 257	11 312 700	2 800 000	3 000 000	3 000 000	3 099 000	3 201 267								
Sundry Income	4 744 155	24 952 253	38 139 422	-	-	-	-	-								
Technical Services Revenue	7 145 505	675 000	15 346 610	20 000 000	15 000 000	20 660 000	21 341 780	22 046 059								
Technical Service	5 206 050	-	8 662 210	3 000 000	3 000 000	3 099 000	3 201 267	3 306 909								
Geotechnical	-	675 000	-	7 000 000	5 000 000	7 231 000	7 469 623	7 716 121								
Forensic Assessment	1 939 455	-	6 684 400	10 000 000	7 000 000	10 330 000	10 670 890	11 023 029								
Testing Services	-	-	-	-	-	-	-	-								
Total Revenue	845 952 736	957 026 430	923 826 279	892 207 146	759 368 192	819 757 582	846 809 582	874 754 298								

Description	2017 - 2018		2018 - 2019		2019 - 2020		2020 - 2021		2021 - 2022		2022-2023		2023-2024		2024-2025	
	Audited Actual	Audited Actual	Audited Actual	Audited Actual	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Operating Expenses	20 792 879	3 763 286	4 439 967	23 064 823	10 792 940	11 149 107	11 517 028	11 897 090								
Accreditation Fees	662 643	-7 965	33 099	875 000	927 000	957 591	989 192	1 021 835								
Direct Cost of Builders Manuals	1 415 279	1 192 899	1 454 724	938 405	681 284	703 766	726 990	750 981								
Outstanding claims provision	13 295 901	1 660 884	-9 603 207	9 000 000	-	-	-	-								
Direct Cost of Certificates	444 714	-	-	251 418	384 657	397 350	410 463	424 008								
Technical Services	4 974 341	917 468	12 555 351	12 000 000	8 800 000	9 090 400	9 390 383	9 700 266								
General & Administration	11 483 423	11 590 446	8 514 159	7 068 958	4 892 838	5 054 302	5 221 094	5 393 390								
Motor Vehicle Expenses	354 176	545 202	470 474	665 200	602 050	621 918	642 441	663 641								
Office Equipment Expenses (printers lease)	6 195 721	5 926 049	3 281 911	3 490 058	3 053 801	3 154 576	3 258 677	3 366 213								
Mobile Office Expenses	4 719 600	480 600	-	-	-	-	-	-								
Office Furniture Expenses	37 568	3 895 588	4 203 360	886 200	775 425	801 014	827 447	854 753								
Relocation cost	-	-	65 132	1 500 000	-	-	-	-								
Generator/ UPS Expenses	176 358	743 007	493 281	527 500	461 563	476 794	492 528	508 782								
Council Related Costs	9 221 124	9 810 797	11 332 167	10 745 200	8 785 488	9 075 409	9 374 897	9 684 269								
Council Remuneration	5 371 483	5 367 871	4 571 330	5 382 900	4 710 038	4 865 469	5 026 029	5 191 888								
Disciplinary Committee costs	3 849 640	4 442 927	6 760 837	5 362 300	4 075 450	4 209 940	4 348 868	4 492 381								
Permanent Staff Costs	453 805 821	485 737 251	534 444 533	522 047 638	502 690 510	503 391 106	504 114 822	504 862 421								
Permanent Staff : Salary	329 433 820	440 727 900	472 463 541	476 460 317	476 460 317	476 460 317	476 460 317	476 460 317								
Permanent Staff : Incentive Bonus	14 235 708	14 130 969	26 452 038	21 477 537	-	-	-	-								
Staff Costs - Allowances	83 330 390	11 687 279	11 414 107	14 737 377	14 737 377	15 223 710	15 726 093	16 245 054								
Other Employment Costs	11 347 299	3 410 391	10 714 273	3 122 407	6 492 815	6 707 078	6 928 412	7 157 049								
Temporary staff	15 458 605	15 780 712	13 400 574	6 250 000	5 000 000	5 000 000	5 000 000	5 000 000								

Description	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022-2023	2023-2024	2024-2025
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
General Costs	164 492 361	150 278 455	203 954 248	172 378 738	133 960 287	138 380 977	142 947 549	147 664 818
Insurance Paid	1 175 926	2 528 270	1 009 008	2 200 000	2 000 000	2 066 000	2 134 178	2 204 606
Information Technology	41 845 932	31 466 760	49 859 798	31 904 872	26 501 000	27 375 533	28 278 926	29 212 130
Legal Fees	11 622 706	12 020 177	19 619 679	13 100 000	13 200 000	13 635 600	14 085 575	14 550 399
Marketing Fees	8 275 471	8 338 190	20 990 560	20 715 000	12 460 000	12 871 180	13 295 929	13 734 695
Telephone Expenses	17 726 755	16 606 086	17 480 467	18 000 000	15 460 800	15 971 006	16 498 050	17 042 485
Travelling Expenses	27 058 834	26 825 722	30 908 968	19 266 011	12 351 117	12 758 704	13 179 741	13 614 673
Travelling Expenses-Inspectors	19 739 336	20 831 176	28 724 096	34 871 582	22 735 600	23 485 875	24 260 909	25 061 519
Training for Emerging	8 499 625	9 367 821	2 449 933	-	-	-	-	-
Training and Development Staff	3 526 160	5 109 102	6 501 487	3 908 673	5 075 822	5 243 324	5 416 354	5 595 094
Training - Youth, Women & Veterans	18 118 988	8 611 974	12 247 737	15 050 000	13 058 673	13 489 609	13 934 766	14 394 614
Training & DevInterns- STEP	-	-	2 400 271	3 000 000	2 000 000	2 066 000	2 134 178	2 204 606
Audit Fees	5 475 634	5 771 511	9 814 801	6 000 000	6 000 000	6 198 000	6 402 534	6 613 818
General Office costs(Unifrom,Grocery)	1 426 994	2 801 666	1 947 442	4 362 600	3 117 275	3 220 145	3 326 410	3 436 181

Description	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022-2023	2023-2024	2024-2025
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
Other Expenses	70 893 671	55 073 434	66 536 307	74 030 378	62 588 871	64 077 004	65 614 244	67 202 216
Bank Charges	2 975 976	2 660 680	1 317 168	3 000 000	2 050 000	2 117 650	2 187 532	2 259 721
Provision for doubtful debts	17 909 896	-	1 650 405	-	-	-	-	-
Cleaning	1 925 122	2 667 940	1 650 405	2 732 450	2 390 894	2 469 793	2 551 296	2 635 489
New employees take over contract	78 181	131 620	4 459 753	-	-	-	-	-
Catering: Internal Activities	2 486 640	3 602 260	4 459 753	1 866 295	1 633 008	1 686 897	1 742 565	1 800 070
Conferences and Seminars	-	-	-	2 250 000	1 687 500	1 743 188	1 800 713	1 860 136
Venues and facilities	4 466 267	4 515 980	4 866 991	2 645 000	1 083 750	1 119 514	1 156 458	1 194 621
Consulting Fees	10 003 382	7 982 469	16 079 917	15 850 000	15 566 667	16 080 367	16 611 019	17 159 182
Courier & Freight	817 520	166 143	612 095	733 675	550 256	568 415	587 172	606 549
PE - Electricity & Water	4 428 417	4 516 814	5 308 171	5 592 555	4 893 486	5 054 971	5 221 785	5 394 104
Entertainment Expenses	5 413	5 626	-479	-	-	-	-	-
Fines and Penalties	4 390	1 179 180	670	-	-	-	-	-
Flowers & Gifts	162 380	174 615	223 724	456 250	202 188	208 860	215 752	222 872
P/P: Mun rates & Tax	825 901	620 459	945 615	2 492 000	1 880 500	1 942 557	2 006 661	2 072 881
PE - Rent of Premises	12 132 563	14 728 281	17 831 717	19 993 085	17 493 949	17 493 949	17 493 949	17 493 949
PE - Repair & Maintenance	477 333	543 356	1 311 306	1 012 800	886 200	915 445	945 654	976 861
Postage	291 015	341 199	314 653	554 403	485 103	501 111	517 648	534 730
Printing	2 140 908	1 105 335	1 648 898	1 680 088	1 260 066	1 301 648	1 344 603	1 388 974
Security	3 313 192	4 003 192	3 781 919	4 500 000	3 837 500	3 964 138	4 094 954	4 230 088
Special Projects	-2	1 886 082	33 672	200 000	175 000	180 775	186 741	192 903
PE - Plant Expenses	138 860	44 983	42 871	395 625	346 172	357 596	369 396	381 586
Stationery	2 432 704	845 648	1 808 763	2 045 118	1 789 478	1 848 531	1 909 533	1 972 547
Subscriptions	634 731	567 199	577 094	683 640	598 185	617 925	638 317	659 381
Rounding Differences / Minor Ad	-27	-19	752 708	-	-	-	-	-
Office Refurbishment	263 687	1 233 768	687 709	1 990 000	1 041 250	1 075 611	1 111 106	1 147 773
Other Costs - Rental of Premises	1 586 004	1 269 151	1 834 126	1 887 395	1 651 471	1 705 969	1 762 266	1 820 421
Off-site Archiving	1 381 241	250 182	441 876	1 470 000	1 086 250	1 122 096	1 159 125	1 197 377
Interest Paid	11 978	31 289	4 964	-	-	-	-	-
EXPENSES	730 689 278	716 253 669	829 221 381	809 335 735	723 710 933	731 127 905	738 789 633	746 704 203

Description	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022-2023	2023-2024	2024-2025
	Audited Actual	Audited Actual	Audited Actual	Approved Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
SURPLUS/(DEFICIT) BEFORE INTEREST AND DEPRECIATION	115 263 459	240 772 760	94 604 898	82 871 411	35 657 258	88 629 676	108 019 949	128 050 096
DEPRECIATION AND AMORTIZATION	23 849 690	23 357 650	22 073 948	27 443 920	22 200 420	22 933 034	23 689 824	24 471 588
Amortization	15 238 120	15 276 266	15 272 400	16 352 500	14 852 000	15 342 116	15 848 406	16 371 403
Depreciation	8 611 544	8 081 384	6 801 548	11 091 420	7 348 420	7 590 918	7 841 418	8 100 185
Operating Profit after amortisation, depreciation	91 413 769	217 415 111	72 530 950	55 427 491	13 456 838	65 696 643	84 330 125	103 578 507
Actuarial adjustment	(69 269 227)	(48 710 815)	(110 310 227)	-	-	-	-	-
Change in unearned premium provision	(133 336 797)	31 370 618	(146 019 405)	-	-	-	-	-
Change in unexpired risk provision	64 067 570	(80 081 433)	35 709 178	-	-	-	-	-
adjustment	22 144 542	168 704 296	(37 779 277)	55 427 491	13 456 838	65 696 643	84 330 125	103 578 507
Research & Development	770 147	1 739 484	2 314 907	7 000 000	3 000 000	3 099 000	3 201 267	3 306 909
Profit from operating activities	21 374 395	166 964 811	(40 094 183)	48 427 491	10 456 838	62 597 643	81 128 858	100 271 599
Interest Received	592 698 386	423 538 888	176 813 031	500 690 861	477 118 507	492 863 418	509 127 910	525 929 131
Interest Received	391 750 017	435 025 136	456 840 513	445 236 000	420 000 000	433 860 000	448 177 380	462 967 234
Dividend income	13 766 575	16 475 368	17 868 438	16 300 000	16 789 000	17 343 037	17 915 357	18 506 564
Realized (Gain)/loss	197 549 213	(17 350 295)	(288 988 951)	51 154 861	52 689 507	54 428 261	56 224 393	58 079 798
Asset management service fees	(10 367 419)	(10 611 322)	(8 906 968)	(12 000 000)	(12 360 000)	(12 767 880)	(13 189 220)	(13 624 464)
Surplus/(Deficit)	614 072 761	590 503 699	136 718 848	549 118 352	487 575 345	555 461 060	590 256 768	626 200 730

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
BUDGETED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021 TO 31 MARCH 2025**

	Notes	2017/18 Actual R	2018/19 Actual R	2019/20 Actual R	2020/21 Budget R	2021/22 Budget R	2022/23 Budget R	2023/24 Budget R	2024/25 Budget R
ASSETS									
Non-current assets		6 388 081 181	6 202 458 507	6 784 244 698	7 600 225 373	8 164 327 167	8 758 865 090	9 447 684 857	10 127 734 803
Property, plant and equipment	1	93 087 014	88 375 634	86 818 067	108 781 647	99 314 368	89 773 725	79 131 049	67 856 240
Intangible Asset	2	86 215 158	71 291 392	56 013 993	90 866 492	96 866 492	81 524 376	65 675 970	98 418 777
Investments	3	6 208 779 009	6 042 791 480	6 641 412 639	7 400 577 235	7 968 146 308	8 587 566 991	9 302 877 839	9 961 459 787
Current assets		360 199 950	1 170 005 264	823 978 602	627 748 245	600 739 801	623 818 831	589 550 026	602 302 268
Inventories		13 158 231	11 940 688	10 473 048	9 473 048	7 473 048	6 421 431	4 921 431	3 421 431
Accounts receivables	4	15 991 624	61 458 431	46 635 411	68 986 694	66 530 246	64 487 865	61 338 954	59 968 800
Cash and cash equivalents	5	331 050 095	1 096 606 145	766 870 143	549 288 503	526 736 507	552 909 535	523 289 641	538 912 038
		6 748 281 131	7 372 463 770	7 608 223 300	8 227 973 618	8 765 066 968	9 382 683 921	10 037 234 883	10 730 037 071
EQUITY AND LIABILITIES									
Reserves		5 170 537 838	5 761 041 537	5 897 760 384	6 446 878 735	6 934 454 081	7 489 915 141	8 080 171 909	8 706 372 639
Accumulated Surplus		5 153 844 441	5 753 715 961	5 892 884 741	6 421 886 144	6 919 888 108	7 486 349 251	8 058 211 107	8 666 655 204
Emerging contractor Reserves		16 693 397	7 325 576	4 875 642	24 992 591	14 565 972	3 565 889	21 960 802	39 717 434
Current liabilities		148 268 553	134 806 913	143 953 608	159 757 749	152 828 953	155 951 910	159 457 513	163 142 780
Accounts payable	6	123 865 986	100 385 833	100 239 977	115 169 845	107 049 292	109 562 655	112 140 473	114 879 399
Deposits Gaurantees	7	24 402 567	34 421 080	43 713 631	44 587 904	45 479 662	46 389 255	47 317 040	48 263 381
Technical liabilities		1 429 474 739	1 476 615 320	1 566 509 308	1 621 337 134	1 678 083 933	1 736 816 871	1 797 605 462	1 860 521 653
Provision for outstanding claims		51 177 873	49 607 639	29 191 401	30 213 100	31 270 558	32 365 028	33 497 803	34 670 227
Provision for unearned premium		1 081 444 036	1 050 073 418	1 196 092 823	1 237 956 071	1 281 284 534	1 326 129 492	1 372 544 025	1 420 583 066
Provision for unexpired risk		296 852 830	376 934 263	341 225 085	353 167 963	365 528 842	378 322 351	391 563 633	405 268 361
		6 748 281 131	7 372 463 770	7 608 223 300	8 227 973 618	8 765 066 967	9 382 683 922	10 037 234 883	10 730 037 072

NHBRC FINAL STRATEGIC PLAN 2020/2025

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
BUDGETED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING 31 MARCH 2021 TO 31 MARCH 2025**

	Accumulated Surplus	Emerging Contractor Reserve	Total
Balance at 2016/2017	4 531 272 035	25 193 022	4 556 465 057
Net surplus for the period	614 072 781		614 072 781
Utilised	8 499 625	(8 499 625)	-
Balance at 2017/2018	5 153 844 441	16 693 397	5 170 537 838
Net surplus for the period	590 503 699		590 503 699
Utilised	9 367 821	(9 367 821)	-
Balance at 2018/2019	5 753 715 961	7 325 576	5 761 041 537
Net surplus for the period	136 718 848		136 718 848
Utilised	2 449 933	(2 449 933)	-
Balance at 2019/2020	5 892 884 741	4 875 642	5 897 760 384
Net surplus for the period	549 118 352		549 118 352
Transfer to reserve	(30 000 000)	30 000 000	-
Utilised	9 883 051	(9 883 051)	-
Balance at 2020/2021	6 421 886 144	24 992 591	6 446 878 735
Net surplus for the period	487 575 345		487 575 345
Utilised	10 426 619	(10 426 619)	-
Balance at 2021/2022	6 919 888 108	14 565 972	6 934 454 081
Net surplus for the period	555 461 060		555 461 060
Utilised	11 000 083	(11 000 083)	-
Balance at 2022/2023	7 486 349 251	3 565 889	7 489 915 141
Net surplus for the period	590 256 768		590 256 768
Transfer to reserve	(30 000 000)	30 000 000	-
Utilised	11 605 088	(11 605 088)	-
Balance at 2023/2024	8 058 211 107	21 960 802	8 080 171 909
Net surplus for the period	626 200 730		626 200 730
Transfer to reserve	(30 000 000)	30 000 000	-
Utilised	12 243 367	(12 243 367)	-
Balance at 2024/2025	8 666 655 204	39 717 434	8 706 372 639

**BUDGETED CASH FLOW STATEMENT
FOR THE YEAR ENDING 31 MARCH 2021 TO 31 MARCH 2025**

	Note	2017/2018 Actual R	2018/2019 Actual R	2019/2020 Actual R	2020/2021 Budget R	2021/2022 Budget R	2022/2023 Budget R	2023/2024 Budget R	2024/2025 Budget R
Cash generated from operations	8	157 086 382	184 062 540	108 786 060	156 867 849	40 278 364	242 582 892	239 619 865	262 911 527
Interest Paid		(11 978)	(31 289)	(4 964)	-	-	-	-	-
Interest Received		12 970 552	23 905 548	30 003 499	30 903 604	31 830 712	32 785 633	33 769 202	34 782 278
Cash flow from operating activities		170 044 956	207 936 800	138 784 595	187 771 453	72 109 076	275 366 525	273 389 067	297 693 805
Investing activities									
Additions to property, plant and equipment		(4 746 560)	(3 693 155)	(5 339 373)	(33 055 000)	(2 000 000)	(2 500 000)	(2 000 000)	(2 000 000)
Additions to intangible asset		-	(352 499)	-	(18 500 000)	(6 000 000)	-	-	-
Purchase of financial assets		(29 732 149)	(2 366 877)	(14 009 771)	-	-	-	-	-
Proceeds on sale of financial assets		-	567 262 899	(438 358 422)	(353 798 093)	(86 661 072)	(269 247 494)	(274 835 934)	(229 017 213)
Cash flow from investing activities		(34 478 709)	560 850 368	(457 707 566)	(405 353 093)	(94 661 072)	(271 747 494)	(276 835 934)	(231 017 213)
Cash flow from financing activities									
Claims paid		(9 436 711)	(3 231 118)	(10 813 031)	-	-	-	-	-
Net decrease in cash and cash equivalents		126 129 536	765 556 050	-329 736 002	(217 581 640)	(22 551 996)	3 621 032	-3 446 867	66 676 592
Cash and cash equivalents at beginning of year		204 920 559	331 050 095	1 096 606 145	766 870 143	549 288 503	549 288 503	526 736 507	523 289 641
Cash and cash equivalents at the end of the year		331 050 095	1 096 606 145	766 870 143	549 288 503	526 736 507	552 909 535	523 289 641	589 966 233

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2021 TO 31 MARCH 2025**

1 Property, plant and equipment

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

Balance at 2019/2020							
Opening net carrying amount	8 661 672	10 489 439	1 188 730	17 751 947	50 283 846	88 375 634	
Cost	21 751 346	24 591 706	1 565 239	17 751 947	75 707 782	141 368 020	
Accumulated depreciation	(13 089 674)	(14 102 267)	(376 509)	-	(25 423 936)	(52 992 386)	
Additions	3 709 524	1 629 849	-	-	-	5 339 373	
Disposal	(87 204)	(8 186)	-	-	-	(95 390)	
Depreciation	(1 682 374)	(1 221 076)	(112 711)	-	(3 785 388)	(6 801 549)	
Closing net carrying	10 601 618	10 890 025	1 076 019	17 751 947	46 498 458	86 818 067	
Cost	25 373 666	26 213 369	1 565 239	17 751 947	75 707 782	146 612 003	
Accumulated depreciation	(14 772 048)	(15 323 343)	(489 220)	-	(29 209 324)	(59 793 935)	
Balance at 2020/2021							
Opening net carrying amount	10 601 618	10 890 026	1 076 019	17 751 947	46 498 458	86 818 068	
Cost	25 373 666	26 213 369	1 565 239	17 751 947	75 707 782	146 612 003	
Accumulated depreciation	(14 772 048)	(15 323 343)	(489 220)	-	(29 209 324)	(59 793 935)	
Additions	20 060 000	12 495 000	500 000	-	-	33 055 000	
Depreciation	(2 576 399)	(3 078 874)	(150 944)	-	(5 285 204)	(11 091 420)	
Closing net carrying	28 085 219	20 306 151	1 425 075	17 751 947	41 213 254	108 781 647	
Cost	45 433 666	38 708 369	2 065 239	17 751 947	75 707 782	179 667 003	
Accumulated depreciation	(17 348 447)	(18 402 217)	(640 164)	-	(34 494 528)	(70 885 355)	

Balance at 2021/2022									
	28 085 219	20 306 152	1 425 075	17 751 947	41 213 254	108 781 648			
Opening net carrying amount									
Cost	45 433 666	38 708 369	2 065 239	17 751 947	75 707 782	179 667 003			
Accumulated depreciation	(17 348 447)	(18 402 217)	(640 164)	-	(34 494 528)	(70 885 355)			
Additions	1 000 000	1 000 000	-	-	-	2 000 000			
Depreciation	(2 705 219)	(3 232 817)	(158 491)	-	(5 370 752)	(11 467 279)			
Closing net carrying	26 380 000	18 073 334	1 266 583	17 751 947	35 842 503	99 314 368			
Cost	46 433 666	39 708 369	2 065 239	17 751 947	75 707 782	181 667 003			
Accumulated depreciation	(20 053 666)	(21 635 034)	(798 656)	-	(39 865 279)	(82 352 635)			
Balance at 2022/2023									
	26 380 000	18 073 335	1 266 583	17 751 947	35 842 503	99 314 369			
Opening net carrying amount									
Cost	46 433 666	39 708 369	2 065 239	17 751 947	75 707 782	181 667 003			
Accumulated depreciation	(20 053 666)	(21 635 034)	(798 656)	-	(39 865 279)	(82 352 635)			
Additions	1 000 000	1 000 000	500 000	-	-	2 500 000			
Depreciation	(2 840 480)	(3 394 458)	(166 416)	-	(5 639 289)	(12 040 643)			
Closing net carrying	24 539 521	15 678 876	1 600 167	17 751 947	30 203 213	89 773 725			
Cost	47 433 666	40 708 369	2 565 239	17 751 947	75 707 782	184 167 003			
Accumulated depreciation	(22 894 145)	(25 029 492)	(965 072)	-	(45 504 569)	(94 393 278)			

Balance at 2023/2024							
Opening net carrying amount	24 539 521	15 678 877	1 600 167	17 751 947	30 203 213	89 773 726	
Cost	47 433 666	40 708 369	2 565 239	17 751 947	75 707 782	184 167 003	
Accumulated depreciation	(22 894 145)	(25 029 492)	(965 072)	-	(45 504 569)	(94 393 278)	
Additions	1 000 000	1 000 000	-	-	-	2 000 000	
Depreciation	(2 982 504)	(3 564 181)	(174 737)	-	(5 921 254)	(12 642 675)	
Closing net carrying	22 557 017	13 114 695	1 425 431	17 751 947	24 281 960	79 131 049	
Cost	48 433 666	41 708 369	2 565 239	17 751 947	75 707 782	186 167 003	
Accumulated depreciation	(25 876 649)	(28 593 673)	(1 139 808)	-	(51 425 822)	(107 035 953)	
Balance at 2024/2025							
Opening net carrying amount	22 557 017	13 114 696	1 425 431	17 751 947	24 281 960	79 131 050	
Cost	48 433 666	41 708 369	2 565 239	17 751 947	75 707 782	186 167 003	
Accumulated depreciation	(25 876 649)	(28 593 673)	(1 139 808)	-	(51 425 822)	(107 035 953)	
Additions	1 000 000	1 000 000	-	-	-	2 000 000	
Depreciation	(3 131 629)	(3 742 390)	(183 474)	-	(6 217 317)	(13 274 809)	
Closing net carrying	20 425 388	10 372 305	1 241 957	17 751 947	18 064 643	67 856 240	
Cost	49 433 666	42 708 369	2 565 239	17 751 947	75 707 782	188 167 003	
Accumulated depreciation	(29 008 278)	(32 336 063)	(1 323 282)	-	(57 643 139)	(120 310 762)	

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2021 TO 31 MARCH 2025**

2 Intangible Asset

	Software development	Total
Balance at 2017/2018		
Opening net carrying amount	101 952 148	101 952 148
Cost	175 858 460	175 858 460
Accumulated Amortisation	(73 906 312)	(73 906 313)
Disposal	(53 951 688)	(53 951 688)
Amortisation on Disposals	53 452 817	53 452 817
Amortisation	(15 238 120)	(15 238 120)
Closing net carrying amount	86 215 158	86 215 158
Cost	121 906 772	121 906 773
Accumulated Amortisation	(35 691 614)	(35 691 614)
Balance at 2018/2019		
Opening net carrying amount	86 215 158	86 215 159
Cost	121 906 772	121 906 773
Accumulated Amortisation	(35 691 614)	(35 691 614)
Additions	352 499	352 499
Amortisation	(15 276 266)	(15 276 266)
Closing net carrying amount	71 291 392	71 291 392
Cost	122 230 124	122 230 125
Accumulated Amortisation	(50 938 732)	(50 938 732)
Balance at 2019/2020		
Opening net carrying amount	71 291 392	71 291 392
Cost	122 230 124	122 230 125
Accumulated Amortisation	(50 938 732)	(50 938 732)
Disposal	(61 537)	(61 537)
Amortisation on Disposals	56 537	56 537
Amortisation	(15 272 400)	(15 272 400)
Closing net carrying amount	56 013 992	56 013 993
Cost	122 168 587	122 168 587
Accumulated Amortisation	(66 154 595)	(66 154 595)
Balance at 2020/2021		
Opening net carrying amount	56 013 992	56 013 992
Cost	122 168 587	122 168 588
Accumulated Amortisation	(66 154 595)	(66 154 595)
Additions	18 500 000	18 500 000
Amortisation	16 352 500	16 352 500
Closing net carrying amount	90 866 492	90 866 492
Cost	140 668 587	140 668 587
Accumulated Amortisation	(49 802 095)	(49 802 095)

Balance at 2021/2022		
Opening net carrying amount	90 866 492	90 866 492
Cost	140 668 587	140 668 588
Accumulated Armotisation	(49 802 095)	(49 802 095)
Additions	6 000 000	6 000 000
Armotisation	(14 852 000)	(14 852 000)
Closing net carrying amount	96 866 492	96 866 492
Cost	146 668 587	146 668 587
Accumulated Armotisation	(49 802 095)	(49 802 095)
Balance at 2022/2023		
Opening net carrying amount	96 866 492	96 866 492
Cost	146 668 587	146 668 588
Accumulated Armotisation	(49 802 095)	(49 802 095)
Armotisation	(15 342 116)	(15 342 116)
Closing net carrying amount	81 524 376	81 524 376
Cost	131 326 471	131 326 471
Accumulated Armotisation	(49 802 095)	(49 802 095)
Balance at 2023/2024		
Opening net carrying amount	81 524 376	81 524 376
Cost	131 326 471	131 326 472
Accumulated Armotisation	(49 802 095)	(49 802 095)
Armotisation	(15 848 406)	(15 848 406)
Closing net carrying amount	65 675 970	65 675 970
Cost	115 478 065	115 478 065
Accumulated Armotisation	(49 802 095)	(49 802 095)
Balance at 2024/2025		
Opening net carrying amount	65 675 970	65 675 970
Cost	115 478 065	115 478 066
Accumulated Armotisation	(49 802 095)	(49 802 095)
Armotisation	16 371 403	16 371 403
Closing net carrying amount	98 418 777	98 418 777
Cost	131 849 468	131 849 468
Accumulated Armotisation	(33 430 692)	(33 430 692)

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDING 31 MARCH 2021 TO 31 MARCH 2025**

	2017/18 Actual R	2018/19 Actual R	2019/20 Actual R	2020/21 Budget R	2021/22 Budget R	2022/23 Budget R	2023/24 Budget R	2024/25 Budget R
3 Investment in securities								
Available-for-sale investments								
Opening balance	5 600 622 985	6 208 779 009	6 042 791 480	6 641 412 639	7 400 577 235	7 968 146 308	8 587 566 991	9 302 877 839
Interest received and Investment income	405 516 592	451 500 505	456 840 513	420 000 000	451 203 037	482 460 196	514 846 876	548 397 211
Administration fee	(10 367 419)	(10 611 322)	(8 906 968)	(12 360 000)	(12 767 880)	(13 189 220)	(13 624 464)	(14 074 072)
Fair value net gains/ (loss)	197 549 213	(17 350 295)	(288 988 951)	52 689 507	54 428 261	56 224 393	29 039 899	29 998 216
(Withdrawal) / Additions	15 457 638	(589 526 417)	439 676 565	298 835 089	74 705 656	93 925 313	185 048 538	94 260 593
	6 208 779 009	6 042 791 480	6 641 412 639	7 400 577 235	7 968 146 308	8 587 566 991	9 302 877 839	9 961 459 787
4 Accounts receivable								
Trade debtors	75 263 119	98 378 790	48 776 777	69 767 495	63 424 995	57 659 086	52 417 351	47 652 138
Provision for bad debts	(72 409 926)	(61 007 113)	(30 641 038)	(27 655 489)	(25 323 172)	(23 021 065)	(20 928 241)	(19 025 674)
Sundry debtors	13 138 432	24 086 754	28 499 672	27 074 688	28 428 423	29 849 844	29 849 844	31 342 336
	15 991 624	61 458 431	46 635 411	68 986 694	66 530 246	64 487 865	61 338 954	59 968 800
5 Cash and cash equivalents								
Bank	252 242 894	450 551 639	559 078 618	331 124 687	297 680 921	312 564 967	282 796 875	282 796 875
Short-term bank deposits	93 003	77 409	172 851	164 208	155 998	-	148 198	148 198
Call Account	78 714 198	645 977 096	207 618 674	217 999 608	228 899 588	240 344 567	240 344 567	255 966 964
	331 050 095	1 096 606 145	766 870 143	549 288 503	526 736 507	552 909 535	523 289 641	538 912 038
6 Accounts payable								
Accounts payable	24 032 368	27 262 684	31 896 116	45 459 106	35 944 338	37 035 602	38 162 879	39 422 254
Leave Accrual	24 291 534	22 537 063	27 986 278	28 546 003	29 116 923	29 699 262	30 293 247	30 899 112
Sundry creditors	75 542 084	50 586 086	40 357 584	41 164 736	41 988 030	42 827 791	43 684 347	44 558 034
	123 865 986	100 385 833	100 239 977	115 169 845	107 049 292	109 562 655	112 140 473	114 879 399

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDING 31 MARCH 2021 TO 31 MARCH 2025**

	2017/18 Actual R	2018/19 Actual R	2019/20 Actual R	2020/21 Budget R	2021/22 Budget R	2022/23 Budget R	2023/24 Budget R	2024/25 Budget R
7 Deposits Gaurantees								
Bank Gaurantees	24 402 567	34 421 080	43 713 631	44 587 904	45 479 662	46 389 255	47 317 040	48 263 381
	24 402 567	34 421 080	43 713 631	44 587 904	45 479 662	46 389 255	47 317 040	48 263 381
8 Reconciliation of surplus to cash generated from operations								
Surplus for the period	614 072 781	590 503 699	136 718 848	549 118 352	405 894 455	555 461 060	590 256 768	626 200 730
Adjust for non cash items:								
Depreciation of property, plant and equipment	8 611 544	8 081 384	6 601 548	7 348 420	7 590 918	7 841 418	8 100 185	8 367 491
Amortisation of Intangible Asset	15 238 120	15 276 266	15 272 400	14 852 000	15 342 116	15 848 406	16 371 403	16 911 660
Claims paid	9 436 711	3 231 118	10 813 031					
Transaction cost on investment	1 303 958	724 845	556 566	592 743	631 272	672 304	716 004	762 544
Net loss on disposal of property plant and equipment	1 152 885	323 177	100 393	110 432	117 610	125 255	125 255	-
Administration fee	10 367 419	10 611 322	8 906 968	12 360 000	12 767 880	13 189 220	13 624 464	14 074 072
Fair value gain on financial instruments	(197 549 213)	17 350 295	286 988 951	52 669 507	54 428 261	56 224 393	29 039 899	29 998 216
Dividend received	(13 766 575)	(16 475 366)	(17 868 438)	(16 789 000)	(17 343 037)	(17 915 357)	(18 506 564)	(19 117 281)
Movement in technical provision	64 686 858	30 872 341	89 893 988	54 827 826	56 746 800	58 732 938	60 788 590	63 828 020
Interest paid	11 978	31 289	4 964	5 461	-	-	-	-
Interest received	(391 750 016)	(435 025 136)	(456 840 513)	(481 966 741)	(508 474 911)	(448 177 380)	(462 967 234)	(478 245 152)
Operating income before working capital changes	121 816 450	225 505 231	83 348 707	193 149 000	27 701 363	242 002 257	237 548 771	262 780 299
(Increase) / Decrease in inventory	21 906	1 217 543	1 467 640	1 000 000	2 000 000	1 051 617	1 500 000	1 500 000
(Increase) / Decrease in accounts receivable	29 297 451	(45 466 807)	14 823 021	(22 351 263)	2 456 448	2 042 381	3 148 911	1 370 154
Increase / (Decrease) in accounts payable	5 950 575	2 806 573	9 146 694	(14 929 868)	8 120 553	(2 513 363)	(2 577 818)	(2 738 927)
	157 086 382	184 062 540	108 786 060	156 867 849	40 278 364	242 582 892	239 619 865	262 911 527