



NATIONAL HOME BUILDERS
NHBRC
REGISTRATION COUNCIL

ASSURING QUALITY HOMES

Final Annual Performance Plan 2016/2017



Follow us on:

| | |
|--|-------------------------------------|
| FOREWORD BY CHAIRPERSON OF COUNCIL | 5 |
| INTRODUCTION BY THE CHIEF EXECUTIVE OFFICER..... | Error! Bookmark not defined. |
| BACKGROUND OF THE NATIONAL HOMEBUILDERS REGISTRATION COUNCIL | 12 |
| ANNUAL PERFORMANCE PLAN 2016-2017 – EXECUTIVE SUMMARY | 28 |
| | |
| 1. Updated Situational Analysis..... | 31 |
| 1.1 The NHBRC Performance delivery environment | 31 |
| 1.2 Economic imperatives | 33 |
| 2. Revisions to legislative and other mandates | 38 |
| 3. Overview of 2016-2017 and MTEF (Medium Term Expenditure Framework) estimates..... | 40 |
| 4. Programme and sub-programme plans..... | 43 |
| 4.1 The NHBRC Strategy map | 43 |
| 5. Valuable Final Products | 57 |
| 5.1 Programme 1 – Administration..... | Error! Bookmark not defined. |
| 5.2 Programme 2 – Regulation | Error! Bookmark not defined. |
| 5.3 Programme 3 – Consumer Protection, sub -divided into 2 sub programmes, which are;..... | Error! |
| Bookmark not defined. | |
| 5.4 Materiality Framework | 106 |
| 5.5 Definitions | 107 |
| 5.6 Policy Statement..... | 107 |
| 5.7 Material and Significant | 107 |
| 5.8 Quantitative materiality framework | 108 |
| 5.9 Qualitative Materiality Framework | 108 |
| 5.10 Governance and compliance framework..... | 108 |
| 5.11 Section 55 (2) – Notification in terms of the act | 110 |
| 5.12 Fruitless and Wasteful Expenditure..... | 111 |
| 5.13 Irregular Expenditure | 111 |
| 5.14 Section 54 (3) – Information to be Submitted by Accounting Authority..... | 112 |
| 5.15 Section 66 (1) Restrictions on borrowing, guarantees and other Commitments | 112 |
| 5.16 Section 86 (2) Non Compliance Implications | 112 |
| 5.17 Monthly Materiality..... | 114 |
| 5.18 Compliance..... | 114 |
| 5.19 Communication of the Policy | 114 |
| 5.20 Review and Continual Improvement | 115 |
| 5.21 Risk Analysis Plan | 115 |
| Annexure 1 – key performance areas included..... | 168 |
| Annexure 2 – shareholder compact | 170 |

LIST OF ACRONYMS AND GLOSSARY OF TERMS

| | |
|--------|--|
| ASGISA | Accelerated Shared Growth Initiative of South Africa |
| BBBEEA | Broad Based Black Economic Empowerment Act |
| BCC | Black Construction Council |
| BEE | Black Economic Empowerment |
| BIFSA | Building Industries Federation of South Africa |
| BIS | Business Intelligence System |
| BMO | Black Male Owned |
| BNG | Breaking New Ground |
| BWO | Black Women Owned |
| CEO | Chief Executive Officer |
| CETA | Construction, Education Sector Training Authority |
| CIDB | Construction Industry Development Board |
| COC | Code of Conduct |
| CPI | Consumer Price Index |
| DDG | Deputy Director General |
| DG | Director General |
| DPLG | Department of Provincial and Local Government |
| EDP | Executive Development Programme |
| EE | Employment Equity |
| EEA | Employment Equity Act |
| ED | Executive Director |
| EIA | Environmental Impact Assessment |
| ERP | Enterprise Resource Planning |
| GDP | Gross Domestic Product |
| GIS | Geographical Information Systems |
| HCPMA | Housing Consumers Protection Measures Act |
| HDI | Historically Disadvantaged Individuals |
| IDP | Integrated Development Plans |
| ISO | International Standards Organization |
| ISR | Information Security Regulations |
| LCD | Liquid Crystal Display |
| LRA | Labour Relations Act |
| LGA | Local Government Authorities |
| MDP | Management Development Programme |
| MEC | Member of Executive Committee |
| MEC | Member of Executive Council |
| MinMec | Ministers and Members of the Executive Committee |
| MoU | Memorandum of Understanding |
| MTEF | Medium Term Expenditure Framework |
| NCOP | National Council of Provinces |
| NDHS | National Department of Human Settlements |
| NEPAD | New Partnership for Africa Development |
| NHBRC | National Home Builders Registration Council |
| NSDS | National Spatial Development System |
| NT | National Treasury |
| OHSA | Occupational Health and Safety Act |
| OERP | Oracle Enterprise Resource Plan |

| | |
|--------|---|
| PA003 | Payment Authority Form |
| PCSC | Provincial Customer Service Centers |
| PFMA | Public Finance Management Act |
| PHD | Provincial Housing Departments |
| QMS | Quality Management Systems |
| RW001 | Remedial Works Report |
| SAFCEC | South African Civil Engineering Council |
| SALGA | South African Local Government Association |
| SAPOA | South African Property Owners Association |
| SAQA | South African Qualification Authority |
| SCOPA | Standing Committee on Public Accounts |
| SCM | Supply Chain Management |
| SDP | Supervisory Development Programme |
| SLA | Service Level Agreement |
| SHS | Sustainable Human Settlement |
| SMME | Small Macro and Medium Enterprise |
| VFP | Valuable Final Products |
| YTP | Youth Training Programme |
| ROI | Return on Investment |
| NYC | National Youth Commission |
| CSI | Corporate Social Investment |
| AMCHUD | African Ministerial Conference on Housing & Urban Development |
| SDL | Skills Development Levy |
| CETA | Construction Education Sector Training Authority |
| SDA | Skills Development Act |
| RBO | Relationship by Objectives |
| VPN | Virtual Private Network |
| UISP | Upgrading of informal settlements programme |
| FLISP | Finance Linked Individual Subsidy Programme |
| IRDPA | Integrated Residential Development Programme |
| CRU | Community Residential Units |

FOREWORD BY CHAIRPERSON OF COUNCIL

I am pleased to report to the Honourable Minister of Human Settlements, Ms. Lindiwe Sisulu; that the new Council has settled well in its role as the custodian of good governance, champion of homebuilders and homeowners through the protection of housing consumers. The NHBC is about ensuring quality in the delivery of houses. We have committed to set the tone at the top of the organization by providing ethical, thought and courageous leadership characterized by the ethical values of responsibility, accountability, fairness and transparency in line with best practices.

The National Development Plan (NDP) has argued for the need for integrated planning in terms of Human Settlements. In summary, it asserts that the responsibility for housing delivery, the implementation resides at the municipal level to improve service delivery. As a collective, we undertake to build a sustainable business whose primary focus is on economic, social and environmental impact on the communities in which we operate. We further endeavor to realize our objectives by implementing our mandate through effective strategies and performance plans. This includes our commitment to achieve a clean audit that will culminate in tangible outcomes. The Council adopted top ten (10) priorities to ensure that quality homes are delivered. The priorities are inter alia;

| NO. | DESCRIPTION OF PRIORITIES | INTERVENTIONS |
|-----|-------------------------------|---|
| 1. | Visibility and Accessibility | <ul style="list-style-type: none"> • Media Engagement • Sites visits, marketing campaigns to increase Consumer Awareness. • Roundtable Dialogues with Home builders, contractors, academics in the sectors and housing consumers. • Publications of the Home Building Manual |
| 2. | Leader in knowledge Creation | <ul style="list-style-type: none"> • Centre of Innovation, Research and Development. |
| 3. | Products and Services | <ul style="list-style-type: none"> • Enrollment of new homes, home builder registration and renewals, home building inspections, forensic engineering investigations, assessment of houses for rectification; home builder training and development; home building dispute resolution; litigation and legal advisory services and Geo-technical and materials engineering. |
| 4. | Review of the Operating Model | <ul style="list-style-type: none"> • Use Innovative Building Technology and Alternate Building Systems. • Implementation of the Geographic Information System and HomeQuas including the use of Google Maps |
| 5. | Review of the Legislation | <ul style="list-style-type: none"> • Review sections of the legislations to permit Council to ensure compliance and enforcement without hindrance. • Inspection of homes in the subsidy and non-subsidy sector. |
| 6. | SAP Implementation | <ul style="list-style-type: none"> • Adoptions of a Systems Approach, to manage backlogs, improve inspections and registration of homebuilders. • Improve the control environments in terms proper safeguarding assets of the organization. |
| 7. | Investment Strategy | <ul style="list-style-type: none"> • Adopted a conservative investment plan. |
| 8. | Clean Audit | <ul style="list-style-type: none"> • In the previous financial year, the Council received an unqualified audit opinion with some emphasize of matter. Council has targeted to achieve a clean audit by the year 2017. |
| 9. | Social Transformation | <ul style="list-style-type: none"> • Accelerate high impact programmes for the Youth, Veterans and Women. |

| NO. | DESCRIPTION OF PRIORITIES | INTERVENTIONS |
|-----|--------------------------------------|---|
| 10 | Strategic Capacitation of the entity | <ul style="list-style-type: none"> • Implement a Human Capital Strategy to achieve managerial and leaders of though within the organization. |

At the center of these top ten priorities is spatial planning to integrate housing for consumers with different income levels so as to alter housing patterns by integrating different wealth communities, and eventually uplifting the entire community in the area. The Council via the National Department will take into account municipal data sets-building permits, valuation rolls and planning frameworks to assist the Council in meeting its core mandate.

At our inaugural meeting held on 31 July 2015 in Cape Town, the Minister took the opportunity to brief the newly appointed Council about the enormity of the challenges that confront the National Department of Human Settlements (NDHS), including the technical competencies and technological capacity or lack thereof of dealing with the growing housing backlog of 2,700,000 which continues to grow. The Executive Authority (EA) indicated that her Department has established new systems to address these challenges. Furthermore, she emphasized the crucial role the National Home Builders Registration Council (NHBRC) plays within the Human Settlements environment.

In terms of effectively and efficiently achieving the required targets, the organization has formulated a Balance Scorecard as a measuring instrument. It is further supported by an enterprise risk management framework which addresses strategic risks envisaged/anticipated by the organization.

The NHBRC is committed to the transformation of the housing sector through sustainable human settlements. Our commitment is to contribute towards government service delivery by ensuring that every house constructed in the Republic of South Africa is enrolled with the NHBRC.

In line with the Housing Consumers Protection Measures Act, Council will continue to represent the interests of housing consumers by providing warranty protection against defects in new homes; regulate the home building industry; provide protection to housing consumers in respect of the failure of home builders to comply with their obligations in terms of the Act; establish and promote ethical and technical standards in the home building industry; promote housing consumer rights and provide housing consumer information; communicate with and assist home builders to register in terms of the Act; and assist home builders, through training and inspection, to achieve and to maintain satisfactory technical standards of home building.

In order to achieve these objectives, we have embarked on a strategy which is aimed at creating a culture of service excellence. Our shareholder, customers and suppliers deserve a better service. In order to meet their expectations, we have undertaken to enhance organizational and infrastructural capacity to ensure

service excellence. The rollout of the enterprise resource plan (ERP) was critical to improve the efficiency of our systems and processes. Since its introduction we have seen some improvements in our performance.

The Department of Human Settlements is hands-on-deck to deliver 1.5 million houses and housing opportunities over the Medium Term Strategic Framework period (2014-2019). And Council faces the challenge of supporting the department to expedite its mandate.

As part of our mandate, the NHBRC Centre for Housing Research and Innovation is established to support the Department of Human Settlements in the efficient delivery of quality houses through promotion and the use of innovative and alternative building technologies. The Centre is well equipped and always ready to support the Department of Human Settlements.

The Centre is expected to identify and recommend alternative building materials to contain the costs associated with building materials as well as to expedite housing delivery. The Centre serves as a school for home builders and inspectors for training on the application of technical standards during construction of houses and in the use of alternative and innovative building technologies. It is expected that contractors who are responsible for shoddy work will be subjected to NHBRC corrective measures as contemplated in the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998).

The Road Ahead

The Council is fully aligned to the strategic thrust of the Department and we aim at ensuring that the interests of housing consumers is unequivocally represented by providing warranty protection against defects in new homes. In facilitating an enabling environment, the Council as the authority shall continue to regulate the home building industry. In conclusion, our strategic intention is to provide protection to housing consumers in respect of the failures of homebuilders complying with their obligations in terms of the Housing Consumers Protection Measures Act, No 95 of 1993.

In response to addressing the backlog I hereby present to the Minister the Annual Performance Plan 2016 2017 in concurrence with the MTEF period. The Council adopted ten (10) priorities which it aims to achieve in the upcoming financial year. The Plan is aligned to the National Priorities for human Settlements development.

In conclusion, we reiterate our commitment to achieve a Clean Audit in 2017. A plan to achieve this objective is been implemented to address the Auditor General's findings with emphasis on supply chain management policies and procedures, procurement and legislative compliance. We will continue to monitor progress made in this regard.

Let me take this opportunity to commend our staff and management for their relentless effort to drive service excellent in their respective fields of work and to support Councils' Action plan. As Council, we acknowledge their determination to make this organization a success.

On behalf of the Council, I commit management and Council into an annual compact between the Executive Authority and NHBRC for each year of the MTEF period (2014-2019) based on this Annual Performance Plan.

Mr. Abbey Chikane
Chairperson of Council

OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

The NHBRC would like to align its Strategic Corporate Plan 2014-2019 with the Medium Term Strategic Framework 2014-2019 that has been approved by the National Department of Human Settlements. The MTSF 2014-2019 is aligned and linked to the National Development Plan which is used by the Government of the day. The aim of MTSF and National Development Plan is to transform the functioning of the Human Settlements Sector and workings of the space economy. The aim of government is to transform dysfunctional patterns of residential space that have continued after the advent of the new government since 1994. The NHBRC would also take into consideration the bigger vision of the National Department of Human Settlements which is aimed at 2030 whereby we should observe meaningful and measurable progress in reviving rural areas and creating more functionally integrated, balanced and vibrant human settlements.

The NHBRC has filled all the critical Executive positions in the current financial year and the organization is looking forward to be able to execute its mandate with vigor it deserves. The NHBRC will be putting more emphasis in all the areas that have created problems and raise alarm especially with the Executive Authority and Council. The Inspection model is fully implemented and executed and inspectors will be relocated to places where there is the most need at any particular point in time. Inspection coordinators have been employed to manage inspectors .A total of 200 inspectors have been employed by NHBRC to ensure that inspections are carried out according the designed model.

It has been realized that the regulation of industry required better enforcement and penalties imposed for non-compliant builders and in this regard the entity has strengthened its capacity and resources to ensure full compliance by home builders. The NHBRC continues to suspend all the homebuilders who are failing to adhere to norms and standards, who fails to respond to correspondence from housing consumers and fails to fix structural defects. The details of suspended homebuilders will be shared with provincial human settlements departments and municipalities so that defaulting homebuilders cannot continue to do business when they are not supposed to do so.

The Management is aware that we need to establish good relations with the municipalities across all the nine Provinces because this is where all the building plans are approved. The NHBRC has placed Engineers across all the Provincial Human Settlements Department and Municipalities to ensure that enrolment of homes is facilitated and processed with speed.

The NHBRC will through the Business Service division assist government in the enforcement of industry norms and standards in the provision of services, infrastructure and housing. The aim of the NHBRC is to align its management advisory services to the NDHS housing construction plan and the NHBRC is conducting structural integrity and geotechnical assessments on behalf of the National Department of Human Settlements. The NHBRC will enforce late enrolment in the subsidy sector through the forensic and geotechnical assessment.

The NHBRC is implementing its research and development through the Research and Housing Innovation Centre. The Centre will focus in marketing the Alternate Building Technologies and Innovative Building

Technologies that would assist Government in fast-tracking the delivery of the housing units in the next five years.

The NHBRC would be assisting the department in rolling out the 1,500,000 housing opportunities in the next five years. The focus of the NDHS is to concentrate on the affordable market which would cater for both the subsidy sector and gap market. The Government is focusing on this area because it has become clear that an indicator of the country's progress is in its ability to satisfy some of the fundamental needs of its members which is a roof over the heads. Hence the Department has expanded its mandate to cater for housing, infrastructure and services so that the delivery approach is holistic in its nature.

The Management of NHBRC will focus on making Eric Molobi Innovation Hub to be fully operational and effective. The NHBRC would also like to establish partnerships with TUT (Tshwane University of Technology) and other institutions so that the Centre can be fully utilized especially in the testing of materials and NHBRC must stop the construction of enrolled houses of inferior building materials which are being used in the construction sector. The NHBRC has a role to stop construction when contractors are using substandard materials in the construction site.

The other critical project that Management has been pursuing is to ensure that all the critical policies, processes and procedures are approved by Council so that they are implemented with immediate effect. It is believed that if all the approved policies are applied uniformly and consistently across the organization that would assist in creating an effective organization.

The NHBRC has stabilized over the past financial year and the morale of staff seems to be gaining momentum for the better. The NHBRC has turned a new leaf and direction in relation to the strategy of the organization has been communicated and it is very clear and understood by all employees of the organisation. The Management of the NHBRC is on a mission to create a viable modern organization and as the CEO; I would like to thank the employees for their valuable contribution and support.

In the review of budgeting and planning for the years ending 2016/2017 to 2019/2020, the allocation is deliberately skewed towards the core functions of the Council.

Cost containment measures in as far as operational expenditure is concerned, has actually resulted in a significant decrease of R35 million. The Council has ensured that the budget is aligned to the strategic initiatives with significant emphasize on the top ten priorities.

In an endeavor to fully implement our mandate, we have now fully resourced and capacitated our Inspectorate division with the employment of over 200 full time inspectors. We have moved away from previous approach of using external inspectors rather have our own who are now able to conduct as many inspections as possible per house. This has been a major shift in the work of NHBRC and since the implementation of this process; we have seen a great improvement and enforcement of our norms and standards.

The inspectors will be graded so that they can perform work according to their capacity and that would help in reducing the risk for the organization, the grading would be in such a way that the most experienced

inspector will inspect the complex houses and the least experienced inspector will inspect the less complicated houses.

The SAP Enterprise Resource Planning has gone live on 02 November 2015 and management expectations are that processes will improve and all data will be sourced from the system which will improve alignment and reporting.

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan 2016/2017:

- Was developed by the management of the NHBRC under the guidance of Council
- Takes into account all the relevant policies, legislation and other mandates for which NHBRC is responsible
- Accurately reflects the strategic outcome oriented goals and objectives which NHBRC will endeavor to achieve over the period 2016/2017.

Mr. Shafeeq Abraham's
Chief Financial Officer



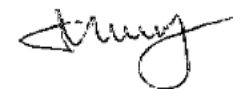
Signature

Dr. Awelani Malada
Head Official responsible for Planning



Signature

Mr. Mongezi Mnyani
Accounting Officer



Signature:

Mr. Abbey Chikane
Chairperson of the Board



Signature:

Ms. Lindiwe Sisulu
Executive Authority

Signature

BACKGROUND OF THE NATIONAL HOMEBUILDERS REGISTRATION COUNCIL

The National Home Builders Registration Council (NHBRC) was established in terms of the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) (as amended). The Council was primarily established to protect the interests of housing consumers and to regulate the home building industry.

Before the commencement of the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) (as amended) a National Home Builders Registration Council (Pty) Ltd was established as a Section 21, non-profit making company. Its key objective was to promote the common interests of persons occupied in the business or profession of homebuilding, through the regulation of the homebuilding industry. The Section 21 Company placed little emphasis on the housing consumer, while the Act was explicit in its protection of housing consumers.

In August 1995 the NHBRC (Pty) Ltd established another company called the National Home Builders Registration Council Fund (Pty) Ltd. The main objective of this company was to establish an indemnity fund to promote the interests of home builders. This was done by making funds available to the National Home Builders Registration Council, on an ex gratia basis, to finance the rectification of defects in housing units where contractors were either unable or unwilling to do.

On 26 March 1999 a statutory council was formed in accordance with the provisions of the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) as amended. The two former Section 21 companies were consequently dissolved on the said date, with all their assets and liabilities transferred to the statutory council.

The NHBRC has delivered valuable services to the South African home building industry since 1 December 1999.

The NHBRC Annual Performance Plan has been designed to ensure that appropriate action plans have been developed in order to convert strategy into real delivery.

The NHBRC welcomes the participation of the private sector and overseas investors in giving innovative projects the financial impetus they deserve. The NHBRC has developed the Eric Molobi Housing Innovation Hub, outside Soshanguve in Thorntree View, Gauteng Province using alternative building technology. This Hub was developed in cooperation with NDHS, Tshwane Municipality, material suppliers and financial institutions. A rural housing innovation Hub is in the process of being developed, with design and delivery focused on meeting specific rural needs.

The key priority of the National Department of Human Settlements is to provide affordable and quality homes for all, simultaneously, using housing delivery to drive a job creation strategy for women, youth and the unemployed. In this way it aims to accelerate delivery of quality homes, accentuate social cohesion and improve the quality of life for all.

The NHBRC will together with the National Department of Human Settlements accelerate service delivery and quality of homes, concentrated mainly in the subsidy and gap market. In line with the above strategy, NHBRC's strategic objectives concentrate on capacity building, better quality homes, job creation, empowerment of the historically disadvantaged, and integrated human settlements. These are achievable through better housing methods and the introduction of innovative technologies in housing. The development of architectural designs, predetermined castings, and clearly defined housing specifications has made homes more affordable. This information is accessible, free of charge, to all home builders, Provincial Human Settlements Departments and Local Government Authorities. Housing is utilised as an instrument for the development of sustainable human settlements.

The NHBRC supports mixed housing developments, enhancing integrated communities with basic social amenities. In this regard, it identifies projects which could yield training opportunities for women, youth and the unemployed as part of the National Development Plan (NDP). It further supports the clustering of projects and the engagement of more than one homebuilder in all government subsidised housing units. Through mixed housing programmes, which include credit linked and full-subsidised homes, homes become assets for wealth creation and empowerment for the poor.

MANDATE OF THE NATIONAL HOME BUILDERS REGISTRATION COUNCIL

The National Home Builders registration council is mandated by the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) to regulate the homebuilding industry and protect the housing consumers. The NHBRC ensures that it delivers on its mandate by delivering on its products and services, key performance areas that are contained in the organizational scorecard. Below are the vision, mission, motto, strategy, strategic objectives and values that have been adopted by Council.

VISION

“To be a champion of the housing consumer”

MISSION

To protect the housing consumers and to regulate the home building environment.

MOTTO

“Assuring Quality homes”

STRATEGY OF NHBRC

- To improve visibility and accessibility in the market while enhancing interaction with our stakeholders.
- To position the NHBRC as a leader in knowledge creation, technical and technological building solutions through strategic partnerships.
- To provide diversified services and products in line with changing building requirements and needs.

VALUES OF NHBRC

| VALUE | MEANING |
|--|--|
| Customer Service & Technical Excellence | We will at all times use our technical competence and skills to provide the best service to our customers in a timely and responsive manner. |
| Learning, growth and Caring Organisation | We will promote continuous learning and growth of our staff for the benefit of improved service delivery |
| Integrity | We will at all times act with integrity, honesty and consideration of our customers and our stakeholder |
| Good Corporate Governance | We will at all times exercise the duty of skill & care , loyalty and act in the best interest of the organisation in all of our transactions as well as act in a manner that promotes transparency |
| Research and Innovation | We will at all times use our innovative ability to come with new products and services. |

CORE BUSINESS OF NHBRC

- Registration of home builders
- Renewals of registration for home builder
- Enrolment of homes
- Late enrolment of homes
- Inspections of homes
- Project enrolment of homes
- Home Enrolment
- Consolidation of homes
- Geotechnical Investigation and Forensic Investigation.
- Resolution of Complaints
- Conciliations between a housing consumer and home builder.
- Legal Advisory and Enforcement of norms and standards.

STRATEGIC OBJECTIVES OF THE NHBRC

- Grow ,protect and sustain the NHBRC warranty fund
- Provide innovative quality products and services that delight the customer
- Strengthen NHBRC operating processes, systems and procedures
- Create a learning environment and build capabilities that deliver NHBRC value products and services

GOVERNANCE

Corporate governance embraces the principles of accountability, discipline, independence, responsibility, fairness and transparency. The role of the Council in this regard is to ensure that in the pursuit of its mandate the NHBRC consistently complies with all relevant governance requirements stemming from amongst others the Protocol on Governance in the Public Sector, the King II Report as applied in the public sector, the HCPMA, PFMA and other relevant legislation.

The Council's focus on risk management is one of its organizational themes ensuring that governance systems and their effectiveness are given priority. Furthermore, to inculcate the culture of compliance to governance requirement, the Council has systematically cascaded some of the responsibilities to all committees, subcommittees (task team), divisions and sections.

OBJECTS OF COUNCIL

The NHBRC has been given a specific mandate by Parliament through the enactment of the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) (as amended). The broad mandate is outlined in the objects of the Act.

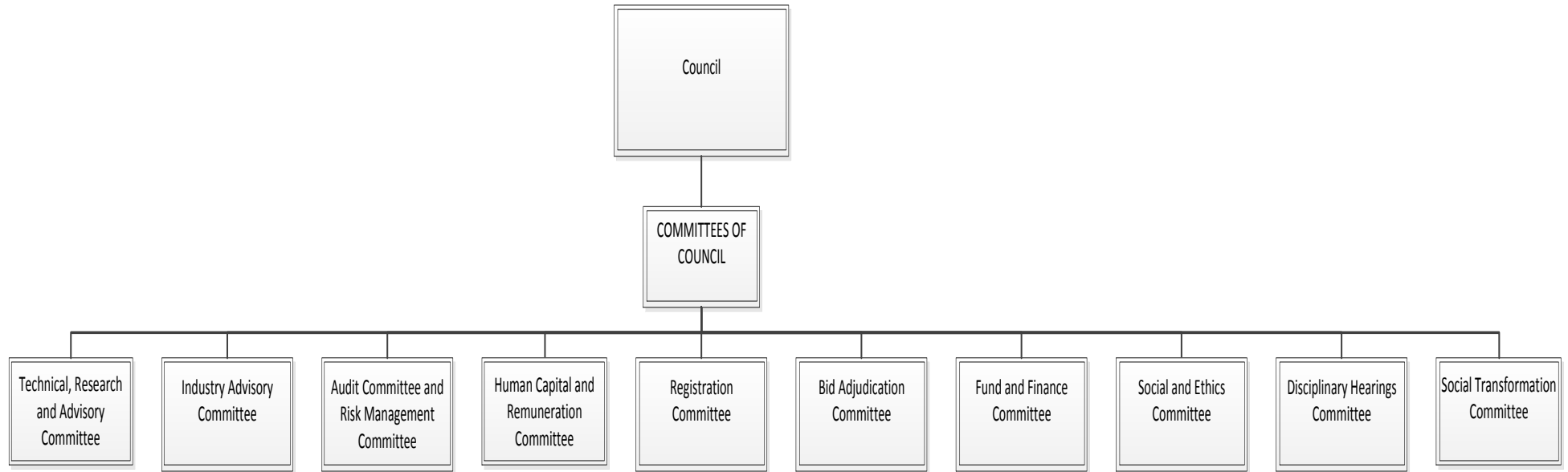
The objects of Council in terms of Section 3 of the Act shall be:

- To represent the interest of housing consumers by providing warranty protection against defined defects in new homes.
- To regulate the homebuilding industry.
- To provide protection to housing consumers in respect of the failure of home builders to comply with their obligations in terms of this Act.
- To establish and promote ethical and technical standards in the homebuilding industry.
- To improve structural quality in the interests of housing consumers and the homebuilding industry.
- To promote housing consumer rights and to provide housing consumer information.
- To communicate with and to assist home builders to register in terms of this Act.
- To assist home builders, through training and inspection, to achieve and to maintain satisfactory technical standards of homebuilding.
- To regulate insurers contemplated in section 23(9) (a); and
- In particular, to achieve the stated objects of this section in the subsidy housing sector.

The strategic objectives, as determined by the NHBRC, are mainly derived from the objects of the Act as reflected above. Flowing from the strategic objectives are critical success factors, the measures and programmes that supports them.

GOVERNANCE STRUCTURE

Figure 1: Governance Structure



COMPOSITION OF THE COUNCIL

The Council shall consist of a minimum of seven and a maximum of 15 members appointed by the Minister of Human Settlement, in terms of Section 4 of the Act. The Minister has appointed 14 members of Council including the Chairperson of Council.

The Composition of Council is as follows:

- Mr. A Chikane: Chairperson
- Ms. J Bayat : Deputy Chairperson
- Ms. X Daku
- Mr. TTC Dlamini
- Ms. HK Dlepu
- Mr. W Jacobs
- Mr. A Kotane
- Mr. PNS Makgathe
- Ms. MC Mohale
- Ms. BN Nzo
- Mr. AP Rapea
- Mr. G Manack
- Mr. LA Potwana
- Mr. OL Molotsi

THE POWERS OF COUNCIL

The Honourable Minister of Housing, through the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) (as amended) confers the following powers on the Council:

THE COUNCIL:

- Shall establish a Remuneration Committee to advise the Council on the remuneration of staff appointed in terms of Section 5, and shall review such remuneration regularly.
- Shall establish the Industry Advisory Committee, the Funds Advisory Committee, the Registration Committee and the Disciplinary Committee, and may establish any other committee that it considers appropriate for the functioning of the Council.
- May appoint the members of the committees contemplated in the first paragraph and the second paragraph above, this may include members of the Council or outsiders, as the case may be.
- May prescribe the powers, composition, procedures and rules pertaining to such Committees: Provided that the Minister shall prescribe the procedures of the Disciplinary Committee.

For the purpose of Subsections, above, “outsiders” include:

- The Chair of the Disciplinary Committee who shall be legally qualified.
- Other persons with the expertise, experience or representative capacity necessary for the functioning of such committees.

The Council shall:

- Keep a register of home builders and register and deregister home builders in accordance with the criteria prescribed by the Minister.
- Enrol and inspect the categories of homes that may be prescribed by the Minister.
- Enter into agreements generally and specifically with provincial housing departments, regarding services to be rendered in respect of projects for the construction of homes whose acquisition will be financed from the proceeds of a state housing subsidy.
- Establish, maintain and administer a fund contemplated in Section 15(4) of the Act, to provide assistance to housing consumers under circumstances where home builders fail to meet their obligations in terms of section 13 (2)(b) (i) and 13 (2) (b) (iii) of the Act.
- Assist in the resolution of disputes between registered home builders and housing consumers.
- Engage in communications to inform housing consumers of their rights under this Act and other relevant matters.
- Provide information to financial institutions, conveyancers, provincial housing departments and any other interested persons, in order to assist them to comply with their obligations in terms of this Act.
- Establish grading categories and criteria in respect of home builders to encourage good building practice and discourage bad building practice.
- Determine the criteria to be applied in the grading system of home builders into different categories for the purpose of differentiated enrolment fees.
- Investigate, at the request of the Minister, the integration of the register of home builders into a possible general register of builders and make recommendations to the Minister; and
- Advise the Minister, on matters referred to it by the Minister, regarding the protection of housing consumers or the objectives of the Act.

The Council may:

- Engage in undertakings to promote the improved structural quality of homes constructed in the Republic;
- Engage in undertakings to improve ethical and technical standards in the homebuilding industry; establish, maintain and administer different funds for different purposes as contemplated in Section 15 (5);
- Keep records of competent persons;
- Issue circulars to be complied with by registered home builders;
- Acquire, register, deal with or dispose of any trademark;

- Make recommendations to the Minister in respect of any amendment to this Act that it deems advisable; and
- Generally do all things necessary or expedient to achieve its objects and the objectives of the Act.

COMMITTEES OF COUNCIL

The Council has established the following nine (10) committees to ensure effective corporate governance:

- Fund Advisory and Finance Committee;
- Registrations Committee;
- Audit and Risk Management Committee;
- Technical Research and Advisory Committee;
- Disciplinary Hearings Committee;
- Human Capital and Remuneration Committee;
- Industry Advisory Committee;
- Bid Adjudication Committee; and
- Social and Ethics Committee
- Social Transformation Committee

Fund Advisory and Finance Committee

The Fund Advisory and Finance Committee are responsible for advising the Council on the prudent management of its funds. The committee makes recommendations to the Council regarding the setting of fees, procedures and policies for approval by the Council, as well as on all matters relating to the management of risk to the warranty fund, and the administration of its fund or any other Council fund. The committee regularly reviews the management financial reports before submission to Council for approval, recommends the budget for approval by Council and advises Council on all other financial matters. The Committee is constituted by the following members:

Members of the Committee

| Name | Position |
|------------------------------------|--------------------------------|
| Mr. G Manack | Chairperson and Council Member |
| Mr. PNS Makgathe | Council member |
| Ms. HK Dlepu | Council member |
| Mr. TTC Dlamini | Council member |
| Vacant Chartered Accountant member | Council member |

Registration Committee

The Registration Committee is responsible for advising the Council on all matters relating to the registration and renewal of registration, suspension and deregistration of home builders under the Act; monitoring the registration and deregistration of home builders, and also to recommends appropriate policies and procedures to Council for approval. The Committee also assesses owner-builder applications received under section 29 of the Act, and determines whether home builders qualify in terms of the Act for exemption from enrolment of their own homes. The Committee is constituted by the following members:

Members of the Committee

| Name | Position |
|-----------------|--------------------------------|
| Mr. TTC Dlamini | Chairperson and Council Member |
| Mr. A Kotane | Council Member |
| Mr. AP Rapea | Council Member |
| Ms. J Bayat | Council Member |
| Mr.LA Potwana | Council Member |

Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for assisting the Council by reviewing the effectiveness of its systems of internal controls and risk management mitigation strategies; reviewing its financial policies and procedures; reviewing financial information reported to its stakeholders; and assessing the effectiveness of the internal and external audit functions. The committee also ensures the maintenance and monitoring of the risk management framework. The committee further reviews the risk register and assessment reports, to ensure efficiency and effectiveness of the risk management strategy and plans.

The Committee is constituted by the following members:

Members of the Committee

| Name | Position |
|----------------|--|
| Vacant | Chairperson and Independent Non-Council Member |
| Mr. G Manack | Council Member |
| Mr. OL Molotsi | Council Member |
| Mr. AP Rapea | Council Member |
| Ms. X Daku | Council Member |

Technical Research and Advisory Committee

The Technical Research and Advisory Committee is responsible for evaluating remedial works claims submitted by provincial offices, and making recommendations to the Council on the appropriate manner of dealing with such claims. It also reviews and approves the setting of NHBRC research agenda.

In addition, the committee advises the NHBRC Business Service division with special emphasis on Technical and Inspectorate section with regards to all technical aspects of construction and innovation (both professional and technical), which may impact on the NHBRC's risk management process.

The Committee is constituted by the following members:

Members of the Committee

| Name | Council Member |
|------------------|--------------------------------|
| Ms. BN Nzo | Chairperson and Council Member |
| Ms. J Bayat | Council Member |
| Mr. TTC Dlamini | Council Member |
| Mr. OL Molotsi | Council Member |
| Mr. PNS Makgathe | Council Member |

Disciplinary Hearings Committee (ad hoc sittings)

This committee is responsible for presiding over cases of alleged contraventions of the Act by home builders, and imposing disciplinary sanctions where home builders are found guilty of contravening the Act. The Committee is constituted by a panel of legally qualified chairpersons and technical assessors who are all independent non-council members appointed by Council for the term of office of Council.

Panel members of the Committee

| Name | Positions |
|--------------------|-------------|
| James Matshekga | Chairperson |
| Salminah Maja | Chairperson |
| Aubrey Ngcobo | Chairperson |
| Reshma Maghoo | Chairperson |
| Faith Mlaba | Chairperson |
| Anandroy Ramdaw | Chairperson |
| Derick Block | Chairperson |
| Mandla Mdludlu | Chairperson |
| Ephraim Sebe | Chairperson |
| Tebogo Hlapolosa | Chairperson |
| Bangiso Mhlabeni | Chairperson |
| Paul Modise | Chairperson |
| Pule Tshweu | Chairperson |
| Suping Hlahane | Chairperson |
| Matome Mokgalabone | Chairperson |
| Nandu Malembete | Chairperson |
| Molope Ramolotja | Chairperson |
| Abbey Dlavane | Chairperson |
| Mohamad Motala | Chairperson |

| Name | Positions |
|----------------------|------------------|
| Mosweu Mogotlhe | Chairperson |
| Paul Mothle | Chairperson |
| Mthumunye Duduzile | Chairperson |
| Nonyazi Mzuzu | Chairperson |
| joseph Maseko | Chairperson |
| Joyce Tohlang | Chairperson |
| Harold Knopp | Chairperson |
| Shirley Mabece | Chairperson |
| Boitumelo Mmusinyane | Chairperson |
| David Maree | Chairperson |
| Thabile Mpshe | Chairperson |
| Liv Vuma (Betty) | Chairperson |
| Thabiso Kwena | Chairperson |

Human Capital and Remuneration Committee

The Human Capital and Remuneration Committee advise Council on employees' remuneration policies. This committee also maintains a corporate overview of the Council's human capital policies such as employee sourcing, development, relations and rewards. The Committee is constituted by the following members:

Members of the Committee

| Name | Positions |
|------------------|------------------|
| Mr. AP Rapea | Chairperson |
| Mr. PNS Makgathe | Council member |
| Mr. A Kotane | Council member |
| Ms. X Daku | Council member |

Industry Advisory Committee

The Industry Advisory Committee is responsible for giving advice to the Council on all matters relating to the operations of the home building industry, in addition to acting as a communication channel between the industry and the Council. Industry stakeholders are invitee members of this Committee. The Committee is constituted by the following members:

| Name | Positions |
|----------------|------------------|
| Ms. J Bayat | Chairperson |
| Mr. W Jacobs | Council member |
| Mr. OL Molotsi | Council member |
| Ms. BN Nzo | Council member |
| Ms. MC Mohale | Council member |

Bid Adjudication Committee

The Bid Adjudication Committee adjudicates and awards tenders in line with the NHBRC procurement policy, Delegation of Authority Policy and relevant legislation, including the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and its related regulations, and the Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003), among others. The Committee is constituted by the following members:

| Name | Position |
|----------------|----------------|
| Ms. HK Dlepu | Chairperson |
| Mr. G Manack | Council member |
| Ms. X Daku | Council member |
| Mr. LA Potwana | Council member |
| Ms. MC Mohale | Council member |
| Mr. W Jacobs | Council member |

Social and Ethics Committee

The social and ethics Committee role is to monitor the company's activities with regard to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, labour and employment. It will also draw matters within its mandate to the attention of the Board; and to report matters to the shareholders on the matters within its mandate.\

The Committee is constituted by the following members:

| Name | Position |
|---------------|----------------|
| Mr. A Kotane | Chairperson |
| Mr. A Chikane | Council member |
| Ms. HK Dlepu | Council member |
| Ms. MC Mohale | Council member |
| Mr. W Jacobs | Council member |

Social Transformation Committee

The social and ethics Committee role is to monitor the company's activities with regard to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, labour and employment. It will also draw matters within its mandate to the attention of the Board; and to report matters to the shareholders on the matters within its mandate. The Committee is constituted by the following members:

| Name | Position |
|---------------|----------------|
| Ms. X Daku | Chairperson |
| Mr. A Chikane | Council member |
| Ms. BN Nzo | Council member |
| Ms. J Bayat | Council member |
| Ms. MC Mohale | Council member |
| Ms. HK Dlepu | Council member |

CUSTOMER SERVICE CENTRES

To increase its visibility and service excellence to customers, the NHBRC established Customer Service Centers in all provinces. Activities provided range from registration of home builders; enrolment of new homes; inspection of homes and handling of complaints to conciliation of unresolved complaints.

Specific emphasis is on direct, one-on-one interaction and relationship building at all levels and in all provincial forums. NHBRC's payoff line "Assuring Quality Homes" became a living microcosm of the vision and mission of the NHBRC.

This customer-driven approach has already, and will continue to, improve business efficiency and the quality of service to our customers in respect of the following:

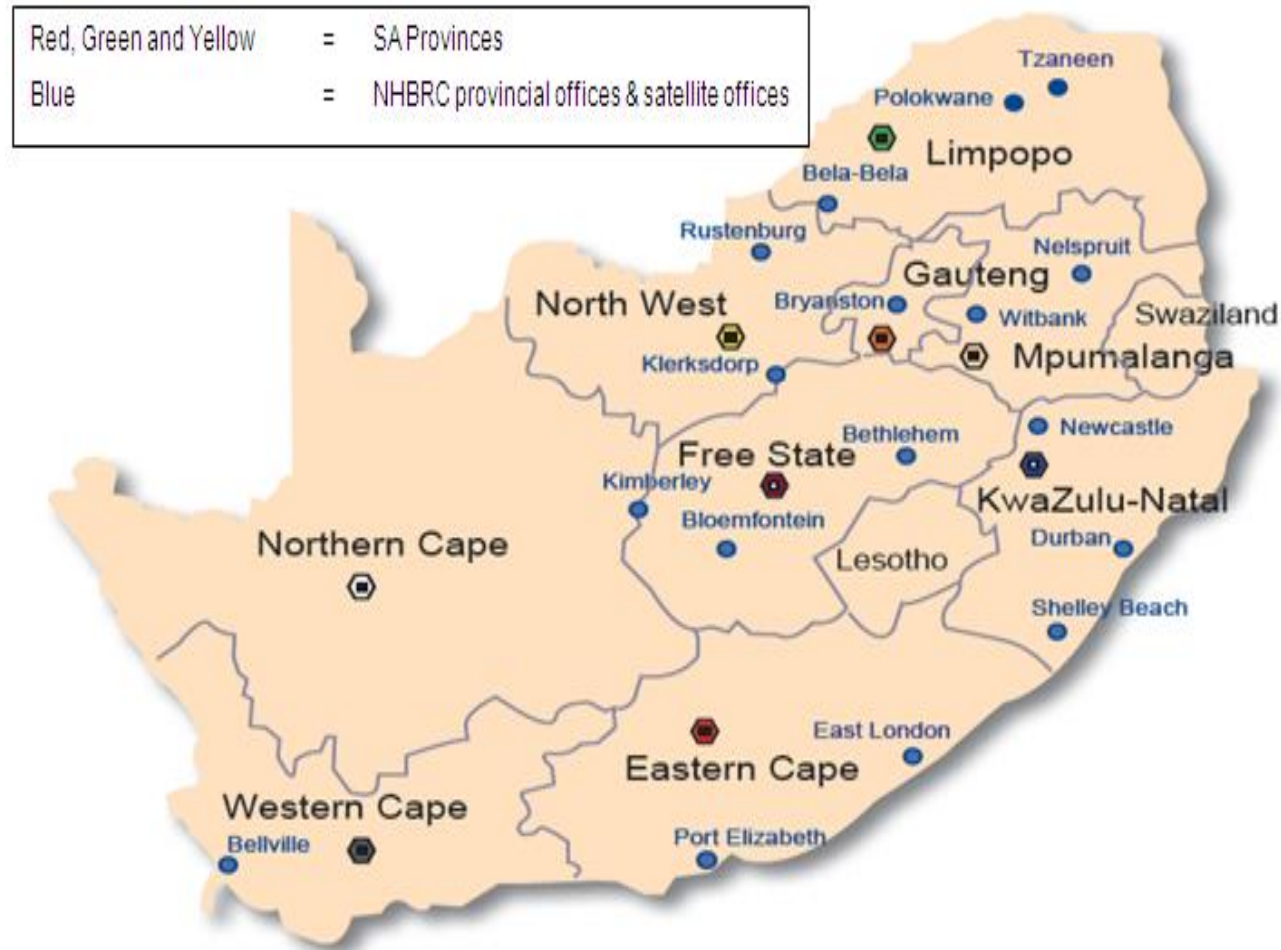
- Customer service
- Operational quality service
- Good corporate governance
- Quick responses to customer demands(turnarounds)
- Reduced time frames

The service points which compliment Customer Service centres have been established to improve the accessibility.

CUSTOMER SERVICE CENTRE STRUCTURE

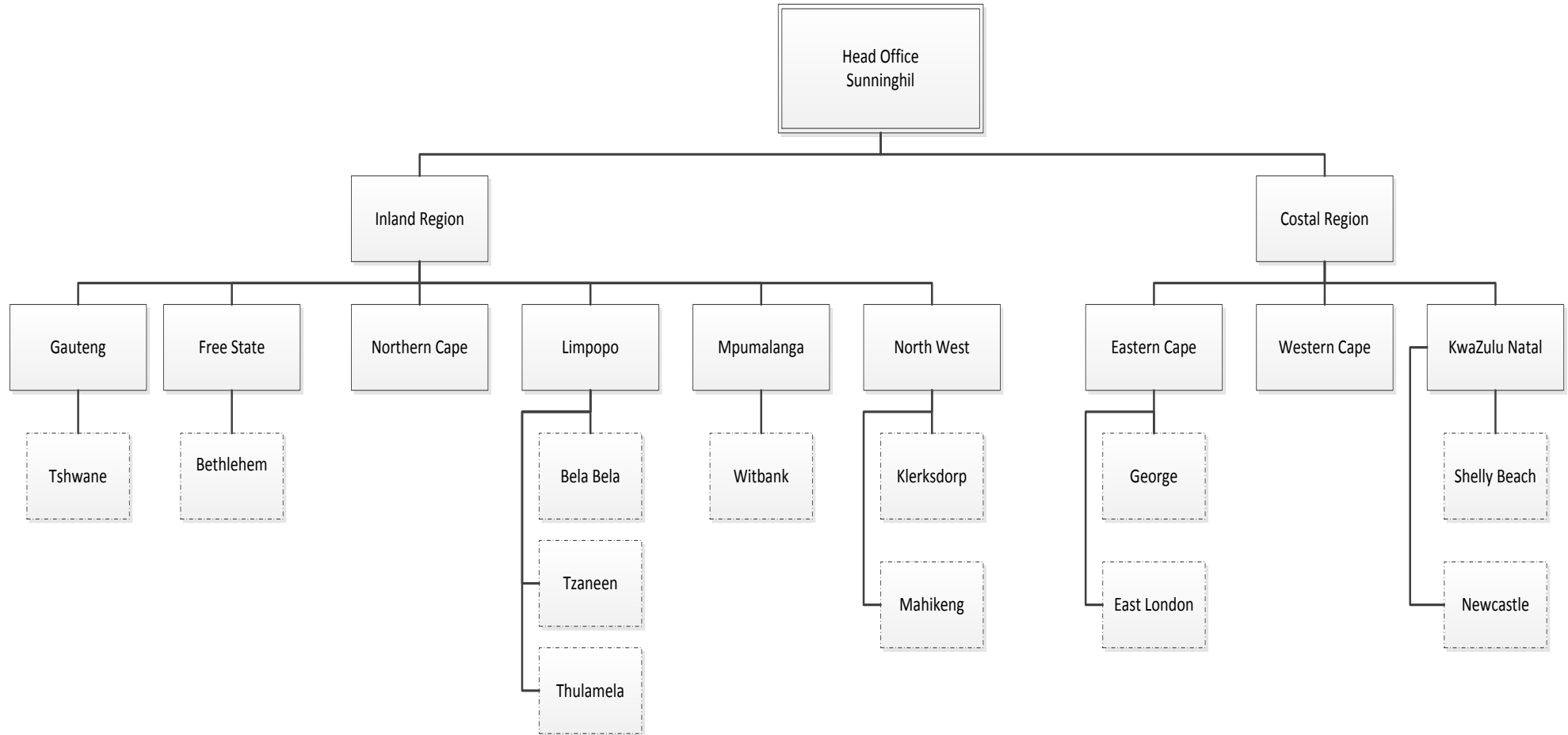
The map below reflects the areas where the NHBRC is represented

Map 1



REGIONAL AND PROVINCIAL OFFICES

Figure 2 : Régional, Provincial Offices and the service points of the NHBRC



ANNUAL PERFORMANCE PLAN 2016-2017 – EXECUTIVE SUMMARY

The Annual Performance Plan 2016-2017 is predicated and developed based on the empirical performance information which is contained in the Strategic Corporate Plan 2014-2019 and the budget performance and score card projections for the period 2016-2017 within the context of the NHBRC mandate as defined in the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998).

The primary mandate of the NHBRC as defined in the Act is to protect housing consumers by establishing, implementing, regulating quality standards in the home building industry, establishing a warranty fund and providing assistance to housing consumers under circumstances where home builders fail to meet their obligations, building the capacity of home builders and housing consumers with specific emphasis to the historically disadvantaged individuals, representing the interests of housing consumers by providing warranty protection against defects in new homes, regulating the home building industry, providing protection to housing consumers in respect of the failure of home builders to comply with their obligations in terms of the Act, establishing and promoting ethical and technical standards in the home building industry, improving structural quality in the interest of housing consumers and the home building industry, promoting housing consumer rights and providing housing consumer information, communicating with and assisting home builders to register in terms of the Act as well as assisting home builders through training and inspections.

The Annual Performance Plan 2016-2017 is also based on the need to accentuate the NHBRC role as a regulator in the home building industry and the Human Settlement Ministerial directives especially, the need to enrol all applications and/or requests of government subsidized projects, the deregistration, re-instated and registration of home builders in all provinces and municipalities. The role of the division is being strengthened by the suspensions and deregistration of homebuilders that have been done in the previous year with the aim of ensuring that norms and standards in the homebuilding industry are adhered to. The Legal Compliance and Enforcement Division would consist of three sections. The sections are Corporate legal services, Enforcement and Compliance. The aim is to strengthen the enforcement mandate of the NHBRC to ensure that all homebuilders comply with the statutory mandate of the organisation.

The NHBRC has seen a need to strengthen the inspection mandate through increasing the inspection staff to over 200 and ensure maximum representation in all the nine provinces of South Africa. The position of Senior Home Inspectors has been created to ensure that inspections are done properly which would help to reduce the risk and exposure to the warranty fund. The senior home inspectors shall report to inspectorate co-ordinators who will have the duty to manage all the senior home inspectors. The whole of the Business Services division has been restructured to ensure maximum synergy within the section. The technical section has been combined with the inspectorate section to reduce the span of control and ensure maximum delivery in order to offer maximum protection to the stakeholders.

The role of the project management office is enhanced within the Business Services Division to be used to identify constraints towards sustainable implementation of projects and also develop common understanding between the professionals in value chain process and management of projects. The PMO section will also ensure that intervention strategies are developed to address the challenges they face as a business unit.

The role of the section will also cut through the whole organisation in assisting each and every section in carrying out projects. The Policies, processes and procedures will be developed for the section which will be used to guide the operations in carrying out its mandate. One of the challenges that will be facing PMO will be dealing with cases where construction will take place outside the areas where geotechnical investigations have been conducted due to changes in social priorities. Management will ensure that all the vacant posts are filled as to ensure maximum delivery of objectives. The functions of section is be enhanced by ensuring that Engineers are placed at the provincial human settlements departments and municipalities really assist the NHBRC in facilitating the geotechnical assessment in fast racking enrolment of homes.

The sole purpose of the inspectorate division is to ensure that they protect the NHBRC's warranty fund through effective inspections audits and ensure that all enrolled homes are fit for purposes and there is also a need to proactively identify homes with potential structural defects and offer the remedial solutions that will benefit the housing consumer.

In its endeavour to execute its mandate effectively and efficiently and promote intergovernmental relations with stakeholders like Council for Geoscience, SAPOA, SABS and Agrément SA. Together with CSIR the NHBRC will be implementing the recommendations of the alternative building technologies and innovative building technologies. The aim is to use technologies in order to reduce the backlog in delivering sustainable human settlements to the majority of South Africans who live without shelter.

The economic pressures that inhibit growth in the non-subsidy sector are a main contributor to stagnation in the homebuilding industry. Much activity is projected in the non-subsidy sector and the gap market as a result of government intervention in this regard. Economic data shows that approximately 41% of housing demand is in the R0,00 -R500, 000 and approximately 28% of housing demand is in the R500k – R 1 million.

NHBRC performance in all its Valuable Final Products (VFPs) peaked in the period 2006/7 and 2007/08 due to the boom in the homebuilding industry. Performance since then has dropped and levelled off. Projections in the period going forward indicate a slight growth based primarily on the non-subsidy sector. Whilst the quantum of projected houses to be built show a slight increase, revenues continue to be strained due to the lower value of houses to be built and the regulated enrolments and registration tariffs prescribed by the Act .

Against this backdrop the Annual Performance Plan 2016-2017 and the period going forward puts an emphasis on ensuring that all houses including rural and People Housing Processes (PHPs) and gap market houses are enrolled, inspected and certified by the NHBRC and that the building of housing projects by the provinces and municipalities meet the required geotechnical requirements and home building standards. The plan also aims at ensuring that all homebuilders are registered and that their capacity to build quality homes is enhanced through training and technical advice. Punitive action will be taken against homebuilders that do not meet national standards through the NHBRC enhanced Legal Compliance and Enforcement unit. A Project Management Office (PMO) has been established to track and assist with troubleshooting to ensure that NHBRC projects are completed in time and within budgeted costs

The budget assumptions are therefore predicated on the above factors as well as on the fact that there is a projected recovery in residential homes market in the R250, 000-R500, 000 markets in spite of consistencies

in interest rates, borrowing is negatively impacted upon by high levels of indebtedness and the National Credit Act, 2005(Act No. 34 of 2005). Late enrolments are budgeted at 5% of total enrolments and the subsidy market assumptions are based on the housing delivery plan of the Human Settlements Department. The NHBRC will be processing late enrolments in the subsidy sector through forensic and geotechnical investigation.

The number of staff is based on the optimal performance that will be required to meet the NHBRC challenges and its mandate. The number of inspectors required is predicated on the empirical peak period of housing delivery by the Department of Human Settlements historical performance.

The NHBRC is a member of the International Housing Association (IHA) and International Home and Housing Warranty Association (IHHWA) which aims to provide a global forum for networking, information sharing, and discussion of common issues and concerns related specifically to housing and the home building sector. The IHA brings together organisations from across the world that are interested in the home building industry to provide a forum for organisations to establish contact and build relationships around the world and exchange policy information on the built environment.

The National Department of Human Settlements has established a Project Management Unit (PMU) which is aimed at providing technical support .The NHBRC is working closely with the NDHS PMU because NHBRC has established a Project Management Office (PMO) which would be able to work directly with the PMU from NDHS. The NHBRC Project Management Office (PMO) will continue to assist with conducting assessments on houses for the rectification. It should be noted that municipalities are being accredited and they will be offering the same services as the PHSD (Provincial Human Settlements Departments).Once they are accredited to carry out their functions the NHBRC should be able to communicate and work directly with them.

1. Updated Situational Analysis

The Strategic Corporate Plan 2014-2019 and beyond is structured taking into consideration the important factors of the current socio political and economic environment operating in South Africa and the human settlements environment in particular. Consideration of the degree to which the organisation can achieve its stated objectives must be informed by these imperatives.

1.1 The NHBRC Performance delivery environment

1.1.1 The Socio-political imperatives

The South African government is implementing the National Developmental Plan in its endeavour to deliver on the goals that were set to be achieved. The plan is for the government to deliver **1,5 million** housing opportunities in order to better the lives of the ordinary South Africans. The delivery of 1,5 million opportunities will be spread over a period of five years from 2014/2015 to 2018/2019.

The NHBRC has to align its deliverables with outcome 8. Outcome 8 deals with sustainable human settlements and improved quality of human settlements. The NHBRC does that by ensuring compliance to national norms, standards and quality within the home building sector. The standards are implemented in the industry. The NHBRC also assists the public and private sectors in improving programme and project management through training and transfer of skills. To ensure that we have established the project management office in ensuring that all projects are delivered using the project management principles, which will be working in line with the national department of human settlements project management unit. NHBRC also contribute and assists the national department of human settlements in the improvement of governance and performance in the sector. The entity does that by ensuring that all the timelines in submitting the statutory required reports are adhered after they have followed all the necessary approvals.

In the context of National Development Plan 2030 points out that since 1994 more than 3,7 million subsidised housing units have been built for the poor and access to basic services has expanded. The NHBRC has enrolled almost 8,000,000 homes in the past seven years in the non-subsidy sector which translates to those homes qualifying for a warranty scheme. This is to ensure that homes become an asset to owners and they could be habitable over longer period of time.

The National Planning Commission Diagnostic report showed that differential migration patterns largely affect national patterns of job creation and job losses. Although rural-urban migration is significant about 78% of migration from rural areas and small towns was to other rural areas and small towns. Consequently, while the growth of large urban centres needs to be managed, planning must also respond to changing patterns of population distribution in rural areas. Informal settlements present a particular challenge. Most job seeking migrants moving to Cities first live in informal settlements, which are an affordable entry to the

City. Many migrants cannot break into the urban labour market and find it difficult to move out of shacks into more formal accommodation.

The NHBRC has to ensure that it finalises the issue of compliance with procedural manual and close on all the grey areas and solicit information amongst the municipalities, department and provincial human settlements departments to ensure that the guidelines are simplified according to the National Building Regulations (NBR).

The NHBRC has to align its deliverables to Outcome 8. The Government's Outcome 8 deals with Sustainable Human Settlements and the improved quality of Human Settlements and covers the upgrade of human settlements, delivery of affordable rental units, land acquisition and improved property management.

Outcomes 8 include the provision of 400,000 households in informal Settlements with basic services and tenure; the facilitation of 80,000 rental housing units, the release of 6,250 hectares of state and public land for human Settlements development; the facilitation of access to finance for housing to 600,000 households who fall into the Gap Market. The Minister of Human Settlements, Ms. Lindiwe Sisulu has indicated that she needs to put the target to create 1,500,000 housing opportunities in South Africa in the next five years.

In this context, the National Development Plan 2030 points out that since 1994, more than 3,7 million subsidised housing units have been built for poor and that access to basic services has expanded. A total of 97% of households have access to water and almost 75% have access to sanitation and electricity. Despite these achievements access to adequate housing remains a daily challenge for many South Africans.

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

The aforesaid challenges faced by institutions operating in the human settlement environment have specific reference and implications to the contribution of the NHBRC in the human settlement discourse. This means that the institution's regulatory framework and the setting of norms and standards must take into consideration the constraints posed by these socio political imperatives. The NHBRC requires retooling in order to remain relevant with its geotechnical engineering capacities, its leadership in the setting of building standards and norms, innovation with new housing technologies especially greening solutions and meeting the challenges of the ever growing levels of city and rural densification population patterns. To remain relevant in this discourse the NHBRC requires strategies and tactics that will bring it closer to the implementing institutions by enhancing its stakeholder relationships and building strong and strategic partnerships that add value to the human settlement challenges that are faced by Provincial and Local

Governments. Increasingly the role of the NHBRC as a regulator and housing consumer protector would have to be preceded by better communication and joint action.

1.2 Economic imperatives

The economy of South Africa has posted real economic growth of 1.9% in 2015 with the forecasts by the Barclays Research Group (ABSA) forecasting that growth to be slightly higher at 2,2% in 2015, and rising to 2,8% in 2016/2017 financial year. This positive indication that our economy is in a healthy state and consumer price index targeted to be at 6% the NHBRC can project with confidence that in 2016/2017 year the enrolments could be achieved at around 54,000. The residential building activity which is subdued over the past five years will continue to be driven by economic, consumer and housing demand and supply sectors. The NHBRC does not operate in isolation and the performance of the sector in terms of the building plans approved plays a role in assisting the entity in projecting its performance in the non-subsidy in the 2016/2017 financial year. The expectation is that by 2016/2017 the local government institutions will approve building plans to the tune of 54,000.

The power of the South African currency has declined in the last quarter. Interest rates remain constant at 9%. South Africa needs to take the following steps to mitigate the risk in the short term i.e. counter cyclical fiscal policy, use the monetary policy to curb inflation. South Africa needs to continue accumulation of foreign reserves in order to manage capital inflows and prevent prolonged security net by putting interventions to protect the most vulnerable, particularly the young who cannot find jobs. We also need to create flexible human settlements that are responsive to changing locations of work (such as available rental stock and good and affordable public transport systems).

According to StatsSA (Statistics South Africa), year on year growth in building plans approved for 2015 to 2016 are at 16%. Mortgage lending growth is currently at 2.4%. It is expected that there will be limited improvement in the period going forward for mortgage lending.

The South African Reserve Bank credit data continues to point to the South African household sector slowly reducing its vulnerability to interest rate hiking through keeping credit growth at rates that are expected to be below that of nominal disposable income growth.

Data released by the South African Reserve Bank indicate that year-on-year growth in the value of outstanding mortgage balances remained relatively low up to July 2015. Against the background of economic trends and the state of household finances and consumer confidence, mortgage advances growth is forecast to remain well in single digits towards the end of 2015 and into 2016. Expected low interest rates over the next 12 months in the 2016/2017 financial year will support the property market and keep mortgage finance relatively affordable.

ABSA suggests that whilst housing prices are still dropping, buyers are few. Although house prices continue to drop and interest rates on bonds have remained at almost a 40-year low, few South Africans have been able to take advantage of great deals on property. This is largely due to debt problems, bad credit records

and the strain on household finances caused by rising inflation. High levels of indebtedness continue to restrict housing consumer's affordability and ability to borrow.

ABSA's housing review for the first quarter of 2015 based on transactions the bank was involved in, says affordability and access to mortgage finance will remain key to demand. Prices in real terms are set to deflate further through 2016.

Year-on-year growth in the average value of homes in the middle segment of the South African housing market continued to show some strain in July 2012. Price levels in the large-home category remained virtually unchanged in nominal terms over the past few months, with prices in the medium-sized segment showing some signs of a gradual improvement. The small segment continued to record price deflation up to July, but the pace of deflation is slowing down since March of 2015/2016 financial year.

Economic and household sector trends will remain key to the housing market in the rest of the 2016/2017 year. The housing market is forecast to continue to show a relatively subdued price performance towards the end of the year and into 2016/2017 financial year. House prices are projected to continue to deflate in real terms over the next 18 months, which will be the result of trends in nominal prices and headline consumer price inflation during this period.

Outstanding private sector mortgage balances, comprising both commercial and residential mortgage loans, showed growth of 2,2% y/y in June 2015, impacted by a further slowdown in corporate mortgage balances growth of 1,1% y/y from 1,7% y/y in May. Growth in the value of outstanding household mortgage balances, largely related to residential property, improved somewhat further to 2,6% y/y in June this year from 2,4% y/y in May.

Mortgage advances growth is forecast to remain in single digits in the rest of 2015/2016, set to be impacted by economic trends, household finances and consumer confidence which will affect the property market.

The first six months of 2015 levels of activity in respect of planning and construction of new housing in SA continued to show strain compared with corresponding period last year. The number of housing units for which building plans were approved by local government was down by 12%. The first quarter saw a decline of 14% followed by a further decline of 9.3% year on year in second quarter. The category of houses with a >80m² showed a strong improvement of 21% year on year first quarter but contracted by 3.6% year on year on the second quarter. These trends are regarded as an indication of expectations regarding the demand of new housing towards the end of year and into 2015 against the background of prevailing and expected supply conditions in the housing market. The abovementioned trends in residential building activity came against the backdrop of economic developments impacting household finances and consumer confidence.

In the affordable housing segment, there was a marginal increase in prices in the first quarter. But in real terms prices for houses of between 80m² and 140m² dropped 22%; those between 141m² and 220m² dropped 5.7%; and those between 221m² and 400m² dropped 5.1%.

In the luxury housing segment (R3.6-million to R13.4-million), prices dropped in real terms by an average of 2.6%. The average cost of building a house from scratch rose 1% in real terms. By comparison, the price of an existing house would have been 7.9% less.

In spite of the favourable economic climate in South Africa, recovery of the residential building market remains under pressure. An existing home is cheaper to buy than a newly constructed home by 37% (ABSA Property). Bank lending criteria are still restrictive and sensitive to risk appetite as a result of the National Credit Act, 2005 (Act No. 34 of 2005).

The ABSA report found that the North West province experienced the largest growth in nominal prices (not adjusted for inflation), up 15.5%, while the Northern Cape did almost as well at 12.4% up. KwaZulu-Natal and the Eastern Cape saw the greatest declines in nominal house prices, 6.9% and 6.7% down respectively.

East London experienced the greatest climb in nominal values of any metropolitan region, with 11.2% price growth. Nearby Port Elizabeth saw the greatest drop, 18.5%. Nearly all coastal regions experienced a decline in nominal values.

The outlook that is projected by players in the housing market has particular relevance to the operations of the NHBRC going forward. Of particular relevance to the NHBRC is the slow growth in the building of new houses. This has a direct relationship with the extent to which the NHBRC can project its revenues to remain a sustainable regulator of the housing industry. Reliance will have to be placed on the subsidy market.

An indicator that more and more NHBRC activity is concentrated primarily in R0-R500k is regulated in the figure below which shows that almost 50% of housing development is in this range for the PA003. The performance of the NHBRC in the range of R0-R500k in the sectional title shows that the NHBRC is performing at 47% and the speculative category is at 41%.

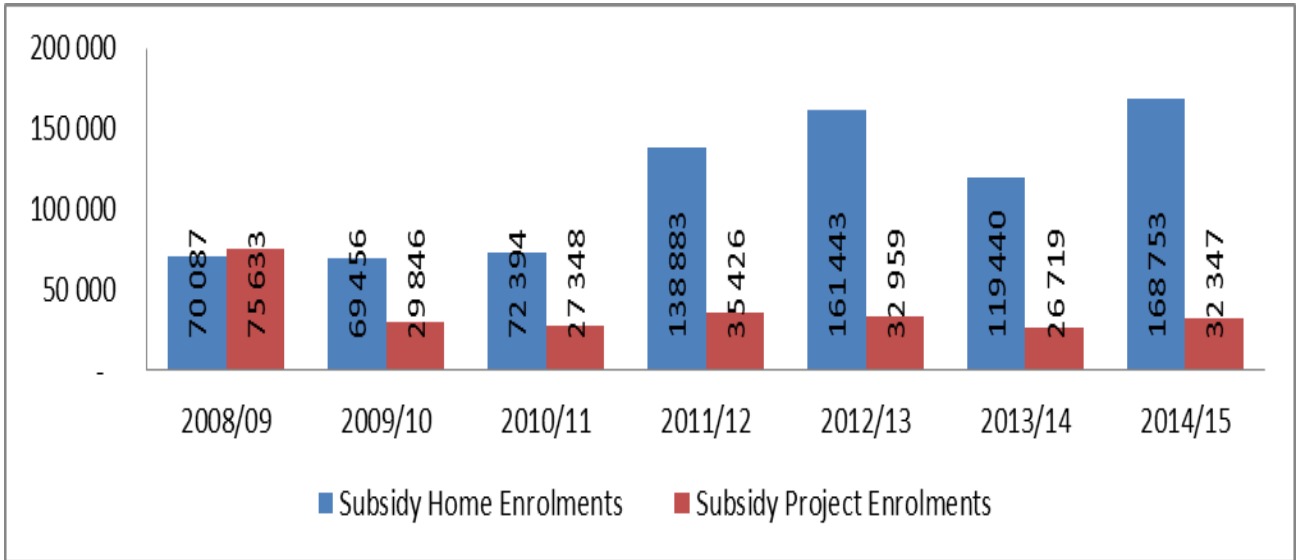
The overall performance of the NHBRC in the 0-500k category for the non-subsidy is at 45%, the R500-R1m category is performing at 30%, the R1m-R2m category is performing at 16%, the R2m-R5m category is performing at 8% and the >R5m category is performing at 1.3%.

Enrolment Categories in non-subsidy sector

| Category | PA003 | Sectional Title | Speculative | TOTAL |
|------------------|--------------|------------------------|--------------------|---------------|
| 0-500k | 2 | 12,212 | 8,729 | 20,943 |
| 500k-R1m | 3 | 8,665 | 5,626 | 14,294 |
| R1m-R2m | 0 | 4,740 | 5,398 | 10,138 |
| R2m - R5m | 2 | 952 | 3,945 | 4,899 |
| >R5m | 2 | 74 | 799 | 875 |
| TOTAL | 9 | 26,643 | 24,497 | 51,149 |

This ties in closely with the home enrolment figures in the subsidy market as reflected below.

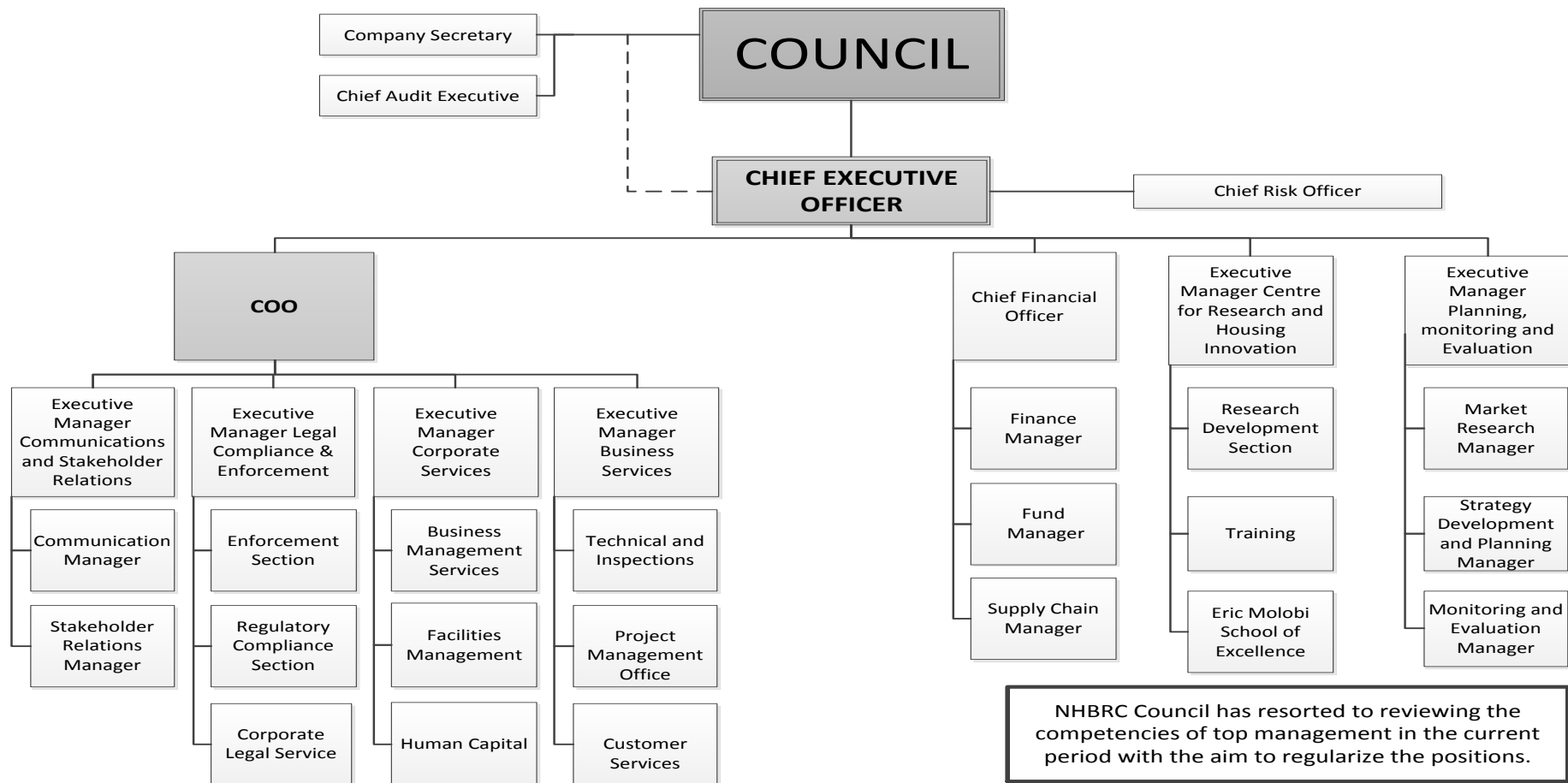
Number of projects and home enrolment overtime



The NHBRC organisational structure

In order to meet its strategic objectives as described in the strategy map the NHBRC, has functionally designed itself as reflected in Figure 1 at the high level.

Figure 1. NHBRC High Level Organisation Design



Organizational Structure

Above is the new NHBRC organizational structure which is aimed at enhancing the functioning of the organization. Management has suggested a new structure with two divisions, which are Communications and Stakeholder and the Centre for Research and Housing Innovation. The new structure will also be managed in such a way that we can reposition the entire functioning of the NHBRC.

Human Capital Analysis in terms of skills

Centre For Research and Housing Innovation

| | Skills Needed | Current Skills in place | Professional Qualifications | Skills required |
|---|--------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| 1 | Engineering | Engineering | Registered Engineer | Engineering |
| 2 | Architectural | Architectural | Registered Architecture | Architectural |
| 3 | Construction Economics | None | Registered Construction Economist | Constructive Economics |
| 4 | Geographic Information systems | Geographic Information Systems | GIS Specialist | Geographic Information Systems |
| 5 | Social Sciences | None | Specialist Social Scientist | Social Sciences |
| 6 | Building Sciences | None | Registered Building Scientist | Building Sciences |

Above is the skills identified for the success of the centre for research and innovation hub.

Legal, Compliance and Enforcement Division

| | Skills & Qualifications Needed | Current Skills in place | Professional Qualification | Skills required |
|---|--|--------------------------|----------------------------|------------------------------|
| 1 | LLB | LLB | Registered Lawyer | LLB/ LLM |
| 2 | Contract Management | LLB | Registered Lawyer | LLB/ LLM |
| 3 | Negotiation, Mediation and Arbitration | Negotiation | Negotiation Specialist | Mediation and Arbitration |
| 4 | Prosecution and Disciplinary | Prosecution Disciplinary | Registered Lawyer | Persecution and Disciplinary |
| 5 | Compliance and Governance | Compliance | Compliance Specialist | Compliance and Governance |
| 6 | Litigation Management | Litigation Management | Litigation Specialist | Litigation Management |

Above is the skills identified for the success of the Legal, Compliance and Enforcement division.

Finance division

| | Skills Needed | Current Skills in place | Skills required |
|---|----------------------------|----------------------------------|--|
| 1 | SCM Skills | Acquisition Management | Logistics Management |
| | | Demand Management | Compliance Management |
| 2 | Internet Management Skills | Financial Reports and Accounting | Investment Management |
| | | | Cash Management and Liquidity Management |

Above is the skills identified for the success of the Finance division.

Business Services Division

| | Skills Needed | Current Skills in place | Professional Qualifications | Skills required |
|---|-------------------------------|--|--|-------------------------------|
| 1 | Construction Management | Construction Management | Registered Construction Management Officer | Constructive Management |
| 2 | Quantity Survey | Quantity Survey | Registered Quantity Survey | Quantity Survey |
| 3 | All Fields of Engineering | Civil, Structural and geotechnical engineering | Registered Civil, Structural, Geotechnical Engineers | Geotechnical Engineering |
| 4 | Conflict/ Dispute Resolution | Complaints Management | Registered Complaints Management Officer | Conflict/ Dispute Management |
| 5 | Customer Relations Management | Complaints Management | Registered Customer Relations Management Officer | Customer Relations Management |

Above is the skills identified for the success of the Business Services division.

2. Revisions to legislative and other mandates

In the period covering the Strategic Corporate Plan 2014-2019 cognisance must be taken of the revisions that are contemplated and are due for enactment in the legislative environment of the NHBRC.

Since the promulgation of the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998), the NHBRC has been experiencing numerous challenges and weaknesses in the current Housing consumers Protection Measures Act, 1998 (Act No. 95 of 1998) that were impeding its effective and efficient implementation. The NHBRC is in the process of amending the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998).

In many respects, the HCPMA is seen not to be compliant with other legislation such as the Public Finance Management Act, 1999(Act No. 1 of 1999), the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000), the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000), the Consumer Protection Act, 2008 (Act No. 68 of 2008) and the National Regulator for Compulsory Specification Act, 2008 (Act No. 5 of 2008).

3. Overview of 2016-2017 and MTEF (Medium Term Expenditure Framework) estimates

| | Audited Outcomes | | | Budget | Medium term expenditure estimate | | | |
|---|------------------|-----------|-------------|-------------|----------------------------------|-------------|-------------|-------------|
| | 2012-2013 | 2013-2014 | 2014 - 2015 | 2015 - 2016 | 2016 - 2017 | 2017 - 2018 | 2018 - 2019 | 2019 - 2020 |
| | Actual | Actual | Budget | Budget | Budget | Budget | Budget | Budget |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Programme 1: Administration | | | | | | | | |
| Business Management Solutions | | | | | | | | |
| Achieve 99% of uptime of ICT systems | 20,529 | 28,188 | 60,957 | 90,000 | 55,000 | - | - | - |
| Human Capital Solutions | | | | | | | | |
| Train and develop a workforce of 300 | 383 | 489 | 718 | 1500 | 1600 | 1712 | 1,832 | 1,960 |
| Finance | | | | | | | | |
| Investment surplus as a percentage of actuarial liabilities | 578,340 | 502,602 | 535,565 | 264,628 | 331,743 | 355,847 | 380,633 | 408,211 |
| % Discretionary spend on BEE | | | | | | | | |
| Planned net profit | 578,340 | 502,603 | 535,565 | 264,628 | 331,743 | 355,847 | 380,633 | 408,211 |
| Audit Management | | | | | | | | |
| Implementation of the Approved IA Assurance plan | - | 1,500 | 1,575 | 2,000 | 2,136 | 2,281 | 2,436 | 2,602 |
| Implementation of the Approved annual compliance Plan. | | 500 | 550 | 600 | 641 | 684 | 731 | 781 |
| Programme 2: Regulation | | | | | | | | |
| Registration of homebuilders | | | | | | | | |
| Number of homebuilders to be registered | 4,687 | 4,183 | 6,163 | 4,144 | 4,641 | 4,957 | 5,294 | 5,654 |
| Renewal of registrations | | | | | | | | |
| Number of homebuilders to renew their registration. | 8,656 | 7,317 | 8,558 | 6,953 | 7,425 | 7,930 | 8,470 | 9,046 |
| Inspections | | | | | | | | |
| Number of homes inspected in the subsidy sector | 42,240 | 50,263 | - | - | | | | |
| Number of homes inspected in the non- subsidy sector | 18,103 | 17,304 | - | - | | | | |
| Legal, Compliance and Enforcement | | | | | | | | |
| Number of days it takes to suspend a homebuilder on a prosecutable matter | 1,338 | 5,500 | 1,500 | 1,583 | 1,690 | 1,805 | 1,928 | 2,059 |
| Number of days it takes to prosecute defaulting homebuilders of defaulting home builders. | 3,005 | 3,000 | 1,000 | 1,055 | 1,127 | 1,203 | 1,285 | 1,373 |
| Programme 3: consumer protection | | | | | | | | |
| Sub programme 1 : subsidy Sector | | | | | | | | |
| Home enrolments in the subsidy sector | | | | | | | | |
| Number of Home enrolments units as received from National Department of Human Settlements | - | - | - | 276,668 | 341,006 | 364,194 | 388,960 | 415,409 |
| Late Enrolment of Homes | | | | | | | | |
| Number of late enrolments to be conducted in the non-subsidy sector | 44 | 1,181 | 525 | 502 | 536 | 509 | 484 | 460 |
| Number of Late Enrolment of Homes to be processed in the Subsidy sector | | | | | | | | |
| Risk Section | | | | | | | | |
| Implementation of the approved risk management plan | - | 2,144 | 2,000 | 2,000 | 2,136 | 2,281 | 2,436 | 2,602 |
| Sub-Programme 2: non-Subsidy Sector | | | | | | | | |
| Enrolments | | | | | | | | |
| Number of Enrolment units to be conducted in the non-subsidy sector | 428,292 | 414,474 | 550,532 | 452,339 | 511,975 | 546,789 | 583,971 | 623,681 |
| Consumer Complaints | | | | | | | | |
| % of housing consumer complaints resolved or escalated to conciliation within 60 days of being captured | - | - | - | - | - | - | - | - |
| % conciliations resolved or escalated to remedial works process within 30 days of being received | - | - | - | - | - | - | - | - |
| Communications management | | | | | | | | |
| % execution of plans against the strategy | | 18,555 | 25,437 | 26,836 | 28,661 | 30,610 | 32,691 | 34,914 |
| % execution of organisational reputational strategy | | | | | | | | |
| Centre for research and innovation | | | | | | | | |
| Number of emerging homebuilders trained | 2,288 | 8,609 | 10,000 | 10,550 | 12000 | 12,816 | 13,687 | 14,618 |
| Number of Government programmes (women, youth, military veterans and people with disabilities) | - | - | - | - | - | - | - | - |
| % execution of research projects as per approved Research Agenda | | | 4,100 | 10,000 | 65,000 | 69,420 | 74,141 | 79,182 |
| Approved Research Agenda | | | | | | | | |
| Maintain SANAS accreditation | | | | | | | | |
| Publications and conference proceedings | | | | | | | | |
| Publications for external and internal stakeholders | | | | | | | | |
| 9 information sharing workshops held across nine provinces | | | | | | | | |

| | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|--|
| Economic classification | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 202,211 | 454,918 | 331,732 | 451,374 | 455,566 | 480,646 | 507,106 | 535,024 | |
| Social contributions | 618 | - | | | | | | | |
| Goods and services | | | | | | | | | |
| Administrative fees | 34,938 | 44,880 | 91,306 | 27,242 | 24,094 | 23,233 | 24,813 | 26,500 | |
| Advertising | 6,350 | 33,245 | 29,467 | 36,198 | 36,159 | 38,618 | 41,244 | 44,049 | |
| Agency and support / outsourced services | 65,381 | 80,584 | 1,456 | 4,430 | 4,732 | 5,053 | 5,397 | 5,764 | |
| Assets less than R5 000 | | | | | | | | | |
| Audit costs | 3,103 | 3,000 | 3,500 | 3,600 | 3,845 | 4,106 | 4,385 | 4,684 | |
| Bank charges | 1,222 | 1,880 | 2,573 | 3,284 | 3,507 | 3,746 | 4,001 | 4,273 | |
| Board costs | 3,307 | 5,900 | 5,298 | 7,160 | 7,647 | 8,167 | 8,722 | 9,315 | |
| Bursaries (employees) | 383 | - | 718 | 1,000 | 1,068 | 1,141 | 1,218 | 1,301 | |
| Catering: internal activities | | | | | | | | | |
| Communication | 10,056 | 25,021 | 18,779 | 32,914 | 24,493 | 26,159 | 27,938 | 29,838 | |
| Computer services | 10,985 | 24,255 | 19,600 | 22,943 | 24,503 | 26,169 | 27,948 | 29,849 | |
| Consultants | 9,472 | 18,740 | 30,234 | 23,450 | 25,045 | 26,748 | 28,566 | 30,509 | |
| Contractors | 245,080 | 54,794 | 20,002 | 67,700 | 72,304 | 77,221 | 82,472 | 88,080 | |
| Entertainment | 900 | 750 | 144 | 118 | 126 | 135 | 144 | 154 | |
| Inventory | 900 | 1,403 | 252 | 716 | 765 | 817 | 873 | 932 | |
| Lease Payments | 15,782 | 10,321 | 10,001 | 12,978 | 13,860 | 14,802 | 15,809 | 16,884 | |
| Legal fees | 4,993 | 10,500 | 6,350 | 8,300 | 8,864 | 9,467 | 10,111 | 10,798 | |
| Non-life insurance | 1,810 | 2,050 | 1,445 | 2,250 | 2,403 | 2,566 | 2,741 | 2,927 | |
| Printing and publication | 1,357 | 1,789 | 1,980 | 2,064 | 2,204 | 2,354 | 2,514 | 2,685 | |
| Property payments | | | | | | | | | |
| Repairs and maintenance | 2,520 | 5,916 | 1,141 | 6,497 | 6,939 | 7,411 | 7,914 | 8,453 | |
| Research and development | 656 | 2,000 | 7 | 10,000 | 65,000 | 69,420 | 74,141 | 79,182 | |
| Training and staff development | 4,990 | 22,790 | 9,662 | 7,497 | 8,007 | 8,551 | 9,133 | 9,754 | |
| Travel and subsistence | 16,021 | 19,478 | 47,209 | 47,961 | 51,222 | 54,705 | 58,425 | 62,398 | |
| Water and electricity | 3,499 | 2,250 | 2,584 | 1,620 | 1,730 | 1,847 | 1,973 | 2,107 | |
| Venues and facilities | 1,522 | 7,461 | 4,808 | 9,160 | 9,783 | 10,448 | 11,159 | 11,917 | |
| | | | | | | | | | |
| Other unclassified expenditure | -1 | 3,000 | 0 | 8,050 | 8,597 | 9,182 | 9,806 | 10,473 | |
| Amortization | 5,632 | 17,412 | 936 | 15,952 | 22,599 | 22,599 | 22,599 | 22,599 | |
| Depreciation | 6,175 | 11,135 | 8,195 | 9,214 | 10,884 | 11,817 | 12,751 | 14,217 | |
| Total expenditure | 659,862 | 865,472 | 649,380 | 823,671 | 895,947 | 947,129 | 1,003,903 | 1,064,666 | |

RELATED EXPENDITURE TRENDS TO OUTCOME ORIENTED GOALS

STRATEGIC OUTCOME ORIENTED GOALS OF THE NATIONAL HOME BUILDERS REGISTRATION COUNCIL

The NHBRC's strategic outcome oriented goals will be linked to the budget structure that has been adopted for official use.

| | |
|-----------------------------------|---|
| Strategic Outcome oriented Goal 1 | Well administered organization that has Governance in place |
| Goal Statement | By the end of 2018/2019 the NHBRC will have improved its supply chain management process. The Audit process of the organization is done in line with practice of the day. By the end of 2018/2019 the NHBRC will have improved its staff compliment so that they excel in discharging their services. |
| Cost of the Programme | R256,153,486 |

| | |
|-----------------------------------|--|
| Strategic Outcome oriented Goal 2 | A well-functioning regulatory body that ensures that industry adheres to the norms and standards |
| Goal Statement | By the end of 2018/2019 the NHBRC shall ensure that all the homebuilders who engage in the activities of the homebuilding are registered. The homebuilders who do not adhere to norms and standards shall be suspended and deregistered from practicing in the sector. The NHBRC shall train homebuilders and youth in construction related programmes so that they continue to uphold the norms and standards in the construction sector. |
| Cost of the Programme | R393,558,160 |

| | |
|-----------------------------------|---|
| Strategic Outcome oriented Goal 3 | Well protected housing consumers for the Country |
| Goal Statement | By the end of 2018/2019 the NHBRC shall ensure all the homes that are built in the Country are enrolled with the regulator. The NHBRC shall continue to issue the enrolment certificates for both the subsidy and the non-subsidy sector. |
| Cost of the Programme | R201,392,681 |

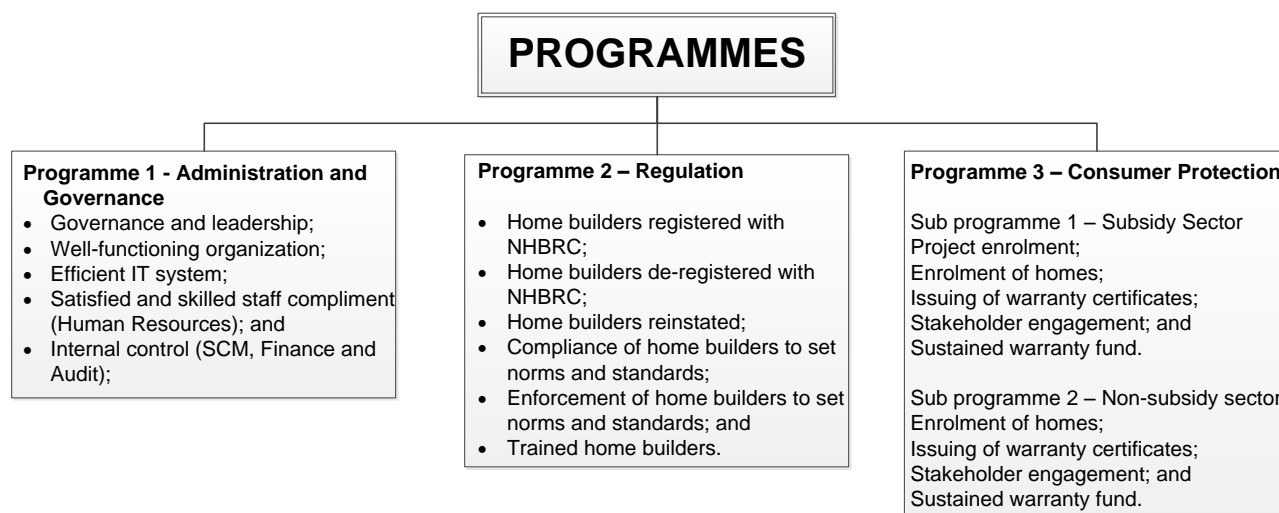
PART B: Program and Sub-program plans

The Structure of the NHBRC shall consist of four divisions which will contribute to the different Balanced Score Card perspectives, which are:

- a) Business Services Division
- b) Corporate Services Division
- c) Legal , Compliance and Enforcement Division
- d) Finance and Fund Division

Valuable Final Products

The Valuable Final Products are divided into three programmes, viz:



4. Programme and sub-programme plans

4.1 The NHBRC Strategy map

Based on the NHBRC strategic intent and the NHBRC strategy map presented in Appendix A, the performance levels for the period 2016/2017 are hereunder articulated within the context of the four balanced score card perspectives. The four perspectives are: **Financial perspective, Customer perspective, Internal business processes and Innovation, growth and development perspective.**

The Financial perspective

The Financial perspective deals with all financial measures that financially impact on the NHBRC. The strategic objective “to grow, protect and sustain the warranty fund”, is fundamental to the long term sustainability of the entity.

The revenue trend is based on the enrolment of homes where the building activity in the segment of flats and townhouses over the MTEF period has showed some growth with slow growth evident in the segment of larger homes. The market for new houses will be affected by trends on the macroeconomic front (economic growth, employment, inflation, interest rates). The state of household finances (income, consumption, savings, debt levels, debt servicing, and credit risk profiles) consumer confidence and property market related factors (investment, sentiment, property running costs, building costs). These factors will be reflected in new-housing demand and supply conditions, market activity, transaction volumes, price levels and the demand for mortgage finance.

The non-subsidy revenue for the budget period 2015/2016 compared with the 2016/2017 budget is estimated to grow by 16%. The subsidy revenue will increase by 23% based on the assumption that all homes will be enrolled in this segment. It is expected that revenue will increase by at least 8% compared to the 2015/2016 financial year over the MTEF period, based on projected macro-economic indicators.

NHBRC is re-engineering the Supply Chain Management section. Management has realised that the root cause for the supply chain are as follows:

- Lack of/ or ineffective policies, processes and procedures as it pertains to SCM, Irregular expenditure and BBBEE.*
- Lack of demand planning and integration with business needs.*
- Lack of appropriate control monitoring and compliance in the SCM function.*
- Limited, and where present cumbersome, analytical and reporting capabilities on the ERP system.*
- Relatively new SCM team with recruitment on critical positions still in progress.*
- Limited business user knowledge, discipline and accountability for compliance to SCM requirements.*

The key challenge that needs to be addressed are of a slow and ineffective SCM function resulting in slow delivery of goods and services to the business and Audit findings for non-compliance to Treasury Regulations resulting in irregular expenditure and increased risk of fraud and corruption.

The NHBRC has established the following measures to close the gap in terms of challenges that were identified:

- Comprehensive independent maturity assessment carried out on the SCM function with a view to developing the function.
- SCM, Unauthorized Irregular and Fruitless Expenditure and BBBEE policy currently being updated and finalized.
- More efficient and automated SCM processes and related controls have been designed and will be enabled by SAP.
- Improved analytical and reporting, particularly on non-compliances, currently being designed on SAP.
- Implementation of Demand Management, integrated with the budgeting and planning process, carried out to fully understand business requirements and to inform SCM resourcing requirements.
- Implementation of contracts for items less than R500 000, instead of 3 quotes, for frequently purchased items.
- Improved Control Framework and compliance thereto to be designed and implemented.

- Finalisation of the SCM organogram and recruitment in progress. To be followed by appropriate training and accreditation of SCM officials.
- Training of end users on *SCM policies, procedures and applicable accountabilities*.

The continuous process of housing consumer education, marketing and branding of the NHBRC has been on-going to ensure that housing consumers are informed of their obligations and rights. Budget for the 2016/2017 year has been increased to R36 million to focus on Communication and Marketing Strategy which will focus on educating housing consumers on their rights and obligations.

The Communication Strategic Objectives will focus on the following:

- *Awareness of NHBRC positioning, mandate, services, values, benefits to create relevance.*
- *Education about the NHBRC and its programs to improve brand positioning, perception and access.*
- *Promote access in order to improve interaction and communication with all stakeholders.*
- *Relationship building in order to develop win-win relations with all key stakeholders internally and externally.*

The Communication interventions will focus on the following:

- *Internal Communications*
- *Stakeholder management*
- *Media Engagement*
- *Public relations*
- *Brand management*

In order to enhance measurement and evaluation of the NHBRC, the Communication and Stakeholder Section will ensure that the following tasks are carried out:

- *Annual stakeholder surveys*
- *Quarterly employee dipstick research*
- *Best Company to work for campaigns*
- *Media monitoring*
- *Reputation tracking*
- *Return on Investment (ROI) for campaigns, events etc*
- *Google Analytics*
- *Customer Satisfaction Index*
- *Internal Employee feedback sessions*
- *Audit findings*
- *Policies and Procedures*

The inspection model, which mitigates the risk to the warranty fund, by inspecting homes under construction, has been revised for the 2016/2017 budget. The NHBRC has developed this model which would enable them to predict with certainty the number of inspections done by an inspector in an hour, a day, a week, a month and per annum. The model would assist management to account for the performance of each and every inspector. Management has ensured that inspectors can be moved around to an area where there is most pressure for the inspection duty by developing a relocation policy that would make it easy to place inspectors.

The table below indicates the inspection projections that are in place.

| Province | Projected Subsidy Units | | Projected Totals Inspections | | | Home Inspectors | |
|---------------|--|--|---|---|---|--|--|
| | Projected Units 2015-2016 Home Enrol + Consolidation + CRU+ USP & FLUSP) | Total Projected Inspections (4 x Inspection) | Projected Inspections per Inspector per year. | Projected Inspections per Inspector per month | Projected Inspections per Inspector per Day | Total No of Inspectors: Actuals as at Jan 2015 | Total No of Inspectors Needed to meet the target of 4 insp. Per home |
| EC | 25 664 | 102 656 | 2 852 | 238 | 11 | 33 | 3 |
| FS | 17 918 | 71 672 | 3 413 | 284 | 13 | 15 | 6 |
| GP | 97 813 | 391 252 | 6 521 | 543 | 24 | 20 | 40 |
| KZN | 39 885 | 159 540 | 3 545 | 295 | 13 | 36 | 9 |
| LP | 18 570 | 74 280 | 2 652 | 221 | 10 | 24 | 4 |
| MP | 19 455 | 77 820 | 2 779 | 232 | 10 | 18 | 10 |
| NC | 6 035 | 24 140 | 3 018 | 251 | 11 | 8 | 0 |
| NW | 28 881 | 115 444 | 3 208 | 267 | 12 | 27 | 10 |
| WC | 39 983 | 159 932 | 4 998 | 416 | 18 | 18 | 12 |
| Totals | 294 184 | 1 176 736 | 3 665 | 305 | 14 | 199 | 94 |

Please note: With the exception of Northern Cape all of the 8 Provincial offices would need additional Home Inspectors

USP = Up-Grade of Informal Settlements Programme

FLUSP = Financially Linked Individual Subsidy Programme

CRU = Community Rental Units

H = Home Inspector

SH = Senior Home Inspector

Please note that the totals under Projected Subsidy are taken from the Provincial Targets as per the Provincial Business Plan 2015-2016

Through the Centre for Research and Housing Innovation the NHBRC has developed a school of inspectors where inspectors will be trained and skilled on different inspection methods so that they can perform the inspection duty with excellence.

This will improve the quality and timing of home inspections by suitably qualified inspectors. The inspection model has increased the payroll cost for an additional 200 inspectors at R86 million for the current budget of 2016/2017 financial year.

In the 2016/2017 budget the reserve for emerging contactors has increased by R36 million and budget for training of youth, woman and military veterans and people with disabilities by R 10 million. The NHBRC will be expanding the training service to focus on artisan training and home inspector training.

Notwithstanding these increases the total increase in operating and fixed costs has increased in line with inflation by 6.8% for the 2016/2017 budget. The net budgeted surplus for 2016/2017 is projected at R 331 million.

The performance levels/targets and strategies for this perspective are summarised in the logical framework matrix marked as appendix B.

The customer perspective

The customer perspective seeks to define the products and services that will be supplied by the organisation and how the organisation will maintain its customer base. Given the review of the NHBRC final valuable products and the organisational values, the strategic objective for this perspective is *“to provide innovative quality products and services that will delight the customer”*.

The NHBRC has been engaged in the process of finalizing the policies, procedures and process maps in the 2015/2016 financial year with the view of implementing immediately so that all provinces are uniformly conducting business in the required guidelines.

In this regard our operations are geared at enrolling at least 53,994 housing units in the non-subsidy sector and registering at least 4,068 of new home builders and 13,034 registration renewals. At least 140,196 home enrolments will be realised in the subsidy sector for the 2016/2017 financial year.

The table below indicates deliverables per province for the Medium term Strategic Framework:

| PROVINCIAL TARGETS | | | | | | | | | | |
|--------------------|----------|--------|---------|--------|--------|--------|--------|--------|---------|---------|
| MTSF Priority | Province | | | | | | | | | |
| | EC | FS | GP | KZN | LP | MP | NW | NC | WC | Total |
| UISP Annual | 9,959 | 9,876 | 56,442 | 16,155 | 5,652 | 8,957 | 17,251 | 3,037 | 22,672 | 150,000 |
| UISP MTSF | 49,793 | 49,380 | 282,210 | 80,773 | 28,261 | 44,783 | 86,254 | 15,184 | 113,361 | 750,000 |
| FLISP Annual | 724 | 819 | 5,570 | 1,165 | 458 | 848 | 1,804 | 296 | 2,316 | 14,000 |
| FLISP MTSF | 3,621 | 4,097 | 27,849 | 5,827 | 2,290 | 4,240 | 9,018 | 1,482 | 11,578 | 70,000 |
| Social Hou Annual | 392 | 387 | 1,981 | 617 | 210 | 309 | 570 | 113 | 822 | 5,400 |
| Social Hou MTSF | 1,960 | 1,933 | 9,903 | 3,086 | 1,050 | 1,545 | 2,852 | 565 | 4,108 | 27,000 |
| Ind. Sub Annual | 13,149 | 6,416 | 30,460 | 19,788 | 11,050 | 8,381 | 8,276 | 2,349 | 12,733 | 113,380 |
| Ind. Sub MTSF | 65,743 | 32,078 | 152,301 | 98,940 | 55,251 | 41,903 | 41,378 | 11,743 | 63,663 | 563,000 |
| CRU Annual | 240 | 120 | 560 | 360 | 200 | 160 | 160 | 40 | 240 | 2,080 |
| CRU MTSF | 1,200 | 600 | 2,800 | 1,800 | 1,000 | 800 | 800 | 200 | 1,200 | 10,400 |



The NHBRC is aligning its delivery with the MTSF targets that the shareholder is aiming to deliver in the next five years.

CATALYTIC PROJECTS

The Honourable Minister of Human Settlements has decided on catalytic projects. The catalytic projects would be covering all the nine provinces of South Africa. On 15 July 2014, the Minister of Human Settlements announced her 100 Days Programme (15 July 2014 to 13 October 2014) in her Budget Vote

Speech. The Minister further announced the same programme to the Human Settlements Portfolio Committee on 19 August 2014. (Note that the Minister's 100 Days Programme is aligned to the Department's 2014-2019 Medium Term Strategic Framework (MTSF). One of the outcomes of the MTSF is to ensure Adequate Housing and Improved Quality Living Environments, and one of the key commitments in the Minister's 100 Days Programme that seeks to achieve this outcome is the "identification and implementation of 50 national priority catalytic projects using different tenure options to deliver mega, high impact integrated and sustainable human settlements that clearly demonstrate spatial, social and economic integration. The **50 catalytic projects** are to be implemented during the five-year MTSF period (targeting the implementation of 10 projects per year). The catalytic projects required are aligned to the Human Settlements Master Spatial Plan (MSP) currently being developed by the Department of Human Settlements. The MSP also seeks to promote the integration of basic services and social amenities in human settlement developments in line with general principles applicable to housing development as outlined in the Housing Act, Breaking New Ground (BNG concept) and National Development Plan. The underlying principle of all these catalytic projects is to ensure spatially targeted interventions whose main objective is to restructure settlement patterns and impact on the environment. Following the Minister's pronouncement on catalytic projects, the National Department of Human Settlements (NDHS) and Housing Development Agency (HDA) invited metropolitan municipalities and provinces to submit catalytic project proposals for consideration and assessment and as part of efforts to up-scaling delivery of high impact mega catalytic projects towards achievement of MTSF human settlements targets (1.5 million housing opportunities). In order for a project to be considered catalytic, the project proposals must allow for different tenure options providing for mega, high impact integrated and sustainable human settlements that clearly demonstrate spatial, social and economic integration aligned to human settlements Master Spatial plan in collaboration with provinces and municipalities.

Assessments of the proposal (Catalytic projects) have been concluded and the ministry will make an announcement on the actual number of the projects and the exact location where they will be delivered. The NHBC will take the necessary steps after the Ministry has made the pronouncement.

DELIVERY TARGETS AS CONTAINED IN THE REVISED BUSINESS PLANS OF THE NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

Overall HSDG 2015/16

National Targets

| 2015/16 Planned National Targets per Province | National Sites | National Units | Total Opportunities |
|---|----------------|----------------|---------------------|
| Eastern Cape | 10 040 | 13 768 | 23 808 |
| Free State | 3 686 | 4 819 | 8 505 |
| Gauteng | 14 901 | 25 205 | 40 106 |
| KwaZulu Natal | 8 885 | 21 066 | 29 951 |
| Limpopo | 6 085 | 7 760 | 13 845 |
| Mpumalanga | 8 260 | 9 215 | 17 475 |
| Northern Cape | 1 325 | 1 404 | 2 729 |
| North West | 4 407 | 10 342 | 14 749 |
| Western Cape | 6 277 | 10 401 | 16 678 |
| | 63 866 | 103 980 | 167 846 |



BUILDING THE FUTURE TODAY, TOGETHER

1

The revised delivery targets of the National Department of Human Settlements for the 2015/2016 financial year is 167,846. The NHBRC is committed to enrolling and inspecting the numbers that are contained in the revised business plans of the National Department of Human Settlements. The MTSF talks of delivering a total of 293,801 units but it shows that there is a shortfall of **125,955** units as reflected in the delivery targets of the Department and the MTSF targets of the Department.

The NHBRC is mandated by the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) to inspect all homes that has been enrolled with it. The Minister of Human Settlements has informed the sector that for 2015/2016 a total of 293,801 homes will be built by the Department, but on the contrary when the Department revised its target they planned for 167,846 housing opportunities. The challenge with this scenario is that NHBRC can only enroll and inspect projects that have been delivered to it. If the projects are not delivered to the NHBRC as they appear in the approved plans the NHBRC can't enroll and inspect them as required by law. The NHBRC has noted delivery constraints that are experienced by Department over the years. If the Department plans for projects to be delivered and they do not materialize that has a direct impact on the delivery of the NHBRC, because the NHBRC bases its delivery plans in the subsidy sector based on what the Department will deliver for a particular financial year.

The table above shows that the National Department of Human Settlements will deliver a total of 63,866 sites (project enrolments) and a total of 103,980 top structure (Home Enrolments). The highest number of delivery targets is in Gauteng with 14,901 and the least number of delivery target is in Northern Cape in terms of both the sites and the top structure.

The NHBRC will be performing and executing remedial work in the subsidy sector and will be using the same policies that are applied in the non-subsidy sector and the protocol will remain the same. Legal Enforcement

and Compliance division together with Technical and Inspectorate Section will ensure that the approved norms and standards are adhered to within the sector.

MEDIUM TERM STRATEGIC FRAMEWORK TARGETS FOR 2016/2017 FINANCIAL YEAR

Council has developed ten priorities which are linked to their action plan which would be used as a measuring stick in assisting them to achieve their targets. Council would like to drive the organization towards achieving the ten envisaged priorities. The ten priorities are as follows:

1. Visibility and accessibility
2. Leader in knowledge creation
3. Products and services
4. Review of the operating model
5. Review of the legislation
6. SAP implementation
7. Investment strategy
8. Clean audit
9. Social transformation strategy
10. Strategic capacitation of the NHBRC

MEDIUM TERM STRATEGIC FRAMEWORK FOR 2016/2017 FINANCIAL YEAR

| PROVINCE | UISP | FLISP | SOCIAL | IRDP | RURAL | CRU | TOTAL |
|-----------------|---------------|---------------|---------------|----------------|--------------|--------------|----------------|
| EC | 3,201 | 1,113 | 429 | 18,913 | 0 | 384 | 24,040 |
| FS | 9,811 | 1,351 | 474 | 9,108 | 0 | 10 | 20,754 |
| GP | 10,264 | 9,059 | 3092 | 46,700 | 0 | 493 | 69,608 |
| KZN | 5,348 | 1,778 | 829 | 25,739 | 0 | 422 | 34,116 |
| LP | 9,366 | 663 | 350 | 16,392 | 0 | 250 | 27,561 |
| MP | 12,670 | 1,379 | 480 | 11,860 | 0 | 208 | 26,597 |
| NW | 4,595 | 483 | 188 | 3,456 | 0 | 59 | 8,781 |
| NC | 28,383 | 2,993 | 857 | 10,925 | 0 | 93 | 43,251 |
| WC | 7,394 | 3,793 | 1,000 | 18,073 | 0 | 35 | 30,295 |
| TOTAL | 91,032 | 22,612 | 7,699 | 161,706 | 0 | 1,954 | 285,003 |

In line with delivery targets of Minister of delivering 1, 460, 000 houses over a five year period, the NHBRC will contribute by enrolling a total of 285,003 units for the different subsidy instruments in the 2016/2017 financial year.

The NHBRC has also realised a gap in the management and support of projects from its side and hence the establishment of the Project Management Office. Through the Unit the NHBRC will ensure that all projects are enrolled and also enforce the use of project management standards on all the projects within NHBRC In order to ensure successful enrolment of homes in the subsidy sector, the NHBRC has placed Engineers at all Provincial Human Settlements Department so that the enrolment process can be fast tracked. The PMO will ensure that we manage the late enrolments in the subsidy sector through the forensic and geotechnical investigations.

NHBRC will also ensure that 100% execution of the plans against the strategy. The Communication section prides itself in the provisioning and protecting the NHBRC brand reputation and a 100% execution of the organizational reputational survey.

The Legal Compliance and Enforcement division had capacitated staff at the provincial level to ensure compliance with HCPMA. The NHBRC has acquired and employed staff to ensure that the division can deliver on its mandate and functions. It was also identified that there is a lack of capacity to investigate matters and gather evidence on behalf of the NHBRC's prosecutors and the South African Police Services and as such the NHBRC was quick to appoint legally qualified investigators which would mostly focus on the criminal related matters. The division will also ensure that suspension of defaulting homebuilders is done within 14 days from date of receipt of file and it will also prosecute defaulting homebuilders within 160 days from date of suspension. The Act of the NHBRC is in the process of being amended in order to increase benefits for the housing consumers.

The new products that NHBRC would like to explore are as follows:

- *Explore the formal application of ADR mechanisms such as mediation and arbitration processes at a fee of R450 an hour plus reasonable disbursements.*
- *Indirect revenue as grading is performance based – minimum claims.*
- *Improved/continued relations with human settlements departments in terms of provision of services in respect of government projects to ensure structural integrity of homes.*
- *Any other source" means that Council may create other avenues/initiatives in line with Council's objects to source additional funds.*
- *Training/capacity building fund*

The NHBRC needs to deal with the issue of failure to do recoveries; the cost recovery strategy has been established to ensure the implementation thereof. The division is also convening meetings with relevant members of SAPS in order to get them to co-operate in the enforcement of Section 21 of the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998). The NHBRC is also in the process of training all provincial officers, quality assurance and inspectors so that they can monitor all the inconsistencies and non-compliance with the Act and provide continuous advice/support.

The Technical and Inspectorate section has been established and is currently running and delivering on its mandate. The NHBRC is building internal capacity of competent staff (both technical and administrative) in order to meet the needs of housing consumers and the stakeholders. The NHBRC will also need to align its business processes and procedures to the home building environment so as to ensure that we do not stop progress on projects while we enforce compliance in terms of the homebuilding manual and the Act. Some of the Challenges that are faced by the NHBRC are that it should align inspection Building Quality Index in Housing (BQIH) Form and the reporting thereof. The NHBRC must also enrol subsidy homes where projects are partially completed. The NHBRC should be able to quantify the amount of risk on enrolled homes

against the warranty fund. *The NHBRC is implementing inspection protocol which will align the three spheres of government and enforcing the alignment thereof.*

Quality Assurance of the NHBRC will also enhance the customers' peace of mind as it will ensure that all houses that are being built and enrolled once are inspected, including Rural Housing Projects and Peoples Housing Process (PHP) homes. The new inspection model ensures that inspectors are classified according to their grades (Level 1 to Level 4 with Level 1 being the most experienced and Level 4 being the least experienced). Houses will be allocated to inspectors based on their level of experience which would match the type of house to be inspected. The NHBRC has appointed inspection co-ordinators who would manage the whole inspection process to ensure better co-ordination and evaluation thereof.

Through the training section, the NHBRC aims at enhancing the building skills of home builders and will to this extent develop relevant course materials to promote excellence in the home building environment. This will also contribute to the improvement of professionals in the built environment as well as increase the level of compliance with building regulations, standards and norms in general. The NHBRC will focus its training on *women, youth, homebuilders, and people with disabilities, military veterans, artisans and home inspectors.*

The NHBRC will be establishing a school of inspectors and a school of homebuilders to ensure that competent inspectors and homebuilders are produced which help improve quality delivery on the ground. The NHBRC has a three year artisan development programme and is collaborating with colleges and TVET (Technical and Vocational Educational Training) institutions in order to produce good builders.

Similarly, the performance levels/targets and strategies for this perspective are summarised in the logical framework matrix marked as appendix B.

Internal business processes

The internal business processes perspective addresses the institutional processes and systems that make the organisation deliver its final value products in a cost-effective manner. In this context the strategic objective for this perspective is to "*strengthen NHBRC operating processes, systems and procedures*".

Structural claims will be evaluated in twenty days. Value adding strategic partnership will be forged with the main industry players and municipalities across the country. The NHBRC will ensure that all the subsidy projects that are enrolled will be subjected to an inspection process.

The NHBRC will be reporting per subsidy instrument and the focus will be on:

1. Upgrading of Informal Settlements (UISP)
2. Social Housing Programme
3. Finance Linked Individual Subsidy Programme (FLISP)
4. Integrated Residential Development Programme
5. Rural Housing Programme

6. Community Residential Units

The Business Management Solutions section is will ensure that we achieve a 99% uptime of ICT system. The NHBRC is also in the process of locating a suitable business continuity site so that it could accommodate employees in case of a disaster. NHBRC has also identified that there is a high level of low computer literacy amongst employees and as such Human Capital Section has piloted computer training at three NHBRC offices with a huge success and an option of online internet e-learning is also being considered. The NHBRC was very proactive in the sense that they have been running a Change Management workshop as well to ensure that staff adjusts to the implementation process of Enterprise Resource Planning.

The Project Management Office (PMO) has taken off and its main objective is to ensure that all the projects are enrolled and also to enforce project management standards on all projects of the NHBRC. PMO will focus its attention in the identification, monitoring and tracking of all NHBRC projects to ensure that these are completed within the specified timeframes and within budget. The PMO section will focus on the following:

- Assessments of blocked/Incomplete project for enrolment purposes- i.e. enforcing the NHBRC Housing Consumer Protection Measures Act, 1998 (Act No. 95 of 1998).
- Assessments of pre- 1994 housing stock for remedial purpose in order to comply with the National Building Regulation and Standards Act, 1997 (Act No. 103 of 1977) for supporting Government in implementing the National Rectification Policy.
- Assessments of Post 1994- 2002 housing stock for remedial purposes in order to comply with the National Building Regulation and Standards Act, 1997(Act No. 103 of 1977).
- Strategic geo-technical Investigation and reporting in order to assist PDHS/Municipalities as a form of key NHBRC strategy intervention on delivery by Government. I.e. enforcing the NHBRC Housing Consumer Protection Measures Act, 1998 (Act No. 95 of 1998).

The benefits that the NHBRC will derive from the Project Management Office section are as follows:

- Project execution Systems & Technology and Project based Cultures.
- Introduction and implementation of standardized project management methodologies/standards at the NHBRC including: institutionalized project based processes & procedures.

The PMO section will also ensure the development of Project Management Competencies as another NHBRC competency area to support Government initiatives so that projects are executed through to completion and overall delivery of projects in a consistence and structured manner.

Innovation, learning and growth perspective

The strategic objective of this perspective is *“to create a learning environment and build capabilities that deliver NHBRC value products and services”*. This perspective focuses primarily on the people’s process and the creation of a nurturing environment in the organization.

The NHBRC will be developing simplified guidelines on National Building Regulations and those guidelines shall be workshopped so that all the affected parties are empowered and could understand and implemented the guidelines.

Human Capital will focus on training and developing 300 workforces for the 2016/2017 financial year and other HC solutions to support NHBRC business processes, improving and strengthening the NHBRC human capital skills base as well as reviewing and developing NHBRC performance and business environment enhancing solutions.

Human Capital will ensure that the following critical interventions are in place:

- *Identification, selection and placement of suitable candidates for available positions*
- *Ensure retention of staff to keep turnover at a minimum*
- *Ensure that succession planning in place*
- *Conduct skills audit to fill gaps in terms of the required skills*
- *Continuous development of the current staff*

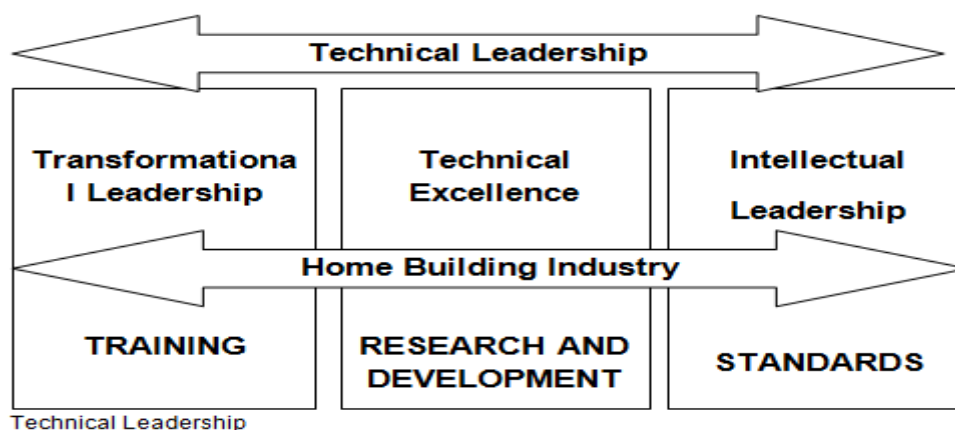
NHBRC has established a Centre for Research and Housing Innovation (“The Centre”). The purpose of The Centre is to support the attainment of Technical Excellence in the home building industry, by encouraging innovation and facilitating the development and transfer of information, knowledge, best practice and standards relating to the industry. The Centre for Research and Housing Innovation is established along the similar lines to other international warranty organisations such as the UK National House Building Council Foundation.

The NHBRC is also represented in the Agrèment Board to ensure that NHBRC provide strategic input on all issues of ABT and IBT. The Minister is focusing on utilizing ABT and IBT in order to increase the delivery of housing opportunities and promote energy efficiency standards into the subsidy market.

The strategy of The Centre is to:-

- position NHBRC as a leading knowledge, technical and housing technology solutions provider through strategic partnerships;
- assist in the business growth of NHBRC through focussed business development, i.e. assist in growing NHBRC’s income in a market-driven, financially sustainable, relevant and impactful way;
- enhance impact on South Africa’s Sustainable Human Settlements; and
- Leverage NHBRC’s intellectual capital and knowledge resources through harnessing the power of information and communication technology.

Figure 2. Positioning the NHBRC for technical leadership



The figure above presents an overview of the Technical Leadership of The Centre.

The Centre's definition for intellectual, technical and transformational leadership is:-

- **Intellectual leadership** – to be acknowledged by stakeholders as a leader in home building industry, innovation and change in the industry.
- **Technical leadership** – to be acknowledged to support the attainment of Technical Excellence in the home building industry, by encouraging innovation and facilitating the development and transfer of information, knowledge, best practice and raising the standards in the home building industry.
- **Transformational leadership** – the acceptance by industry players, companies and stakeholders as key contributor of industry change through the delivery of relevant services and training for technical and socio-economic change, and making a difference in the lives of South Africans by enhancing service delivery through improved quality control of construction processes.

The table below defines specific actions for each of the focus areas that will position The Centre for research and innovation as a leader in each area.

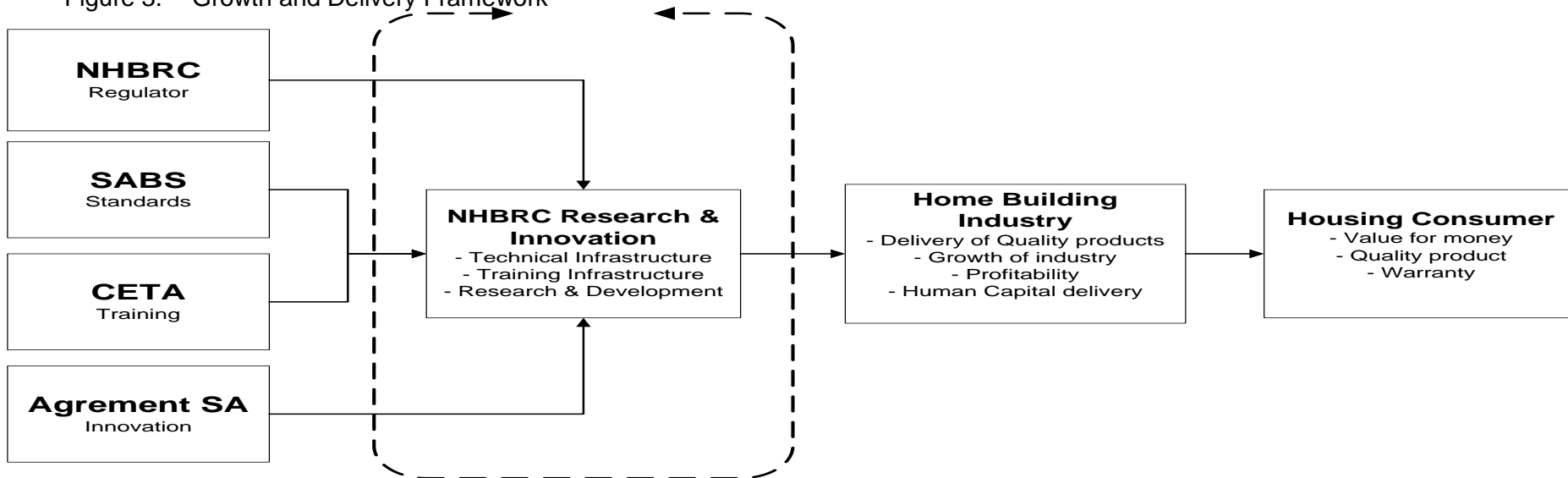
Table 1: Actions for each focus area

| Focus Area | Intellectual | Technical | Transformational |
|--|---|---|--|
| Research and Development | Alliance with Agrément SA, CSIR, SABS, Banks, and academic institutions | <ul style="list-style-type: none"> ▪ Production of technical brochures ▪ Knowledge base ▪ Introduction of revised and new standards in the industry ▪ Technical publications in journals and conference proceedings | <ul style="list-style-type: none"> ▪ Assist system developers in introducing new products in the industry ▪ Quality products in market ▪ Assist in delivery of quality houses |
| Upliftment of emerging home builders and Quality Assurers through training | Alliance with CETA, ECSA | <ul style="list-style-type: none"> ▪ Production of training materials ▪ Simplified home building manuals ▪ Training of emerging home builders and Quality Assurers (Inspectors) | <ul style="list-style-type: none"> ▪ Home building performance improvement ▪ Qualified home builders in industry ▪ Certification of Inspections |
| Standards | Alliance with Agrément SA & SABS | <ul style="list-style-type: none"> ▪ Development of technical requirements ▪ Production of Home Building Manuals ▪ Development of technical guidelines ▪ Training of professionals in the built environment. | <ul style="list-style-type: none"> ▪ Development of housing policies ▪ Contribution to Sustainable Human Settlements |

Growth and Delivery Framework

The figure below presents an overview of the proposed growth environment to increase the relevance of NHBRC and The Centre, and value for money for the housing consumer.

Figure 3. Growth and Delivery Framework



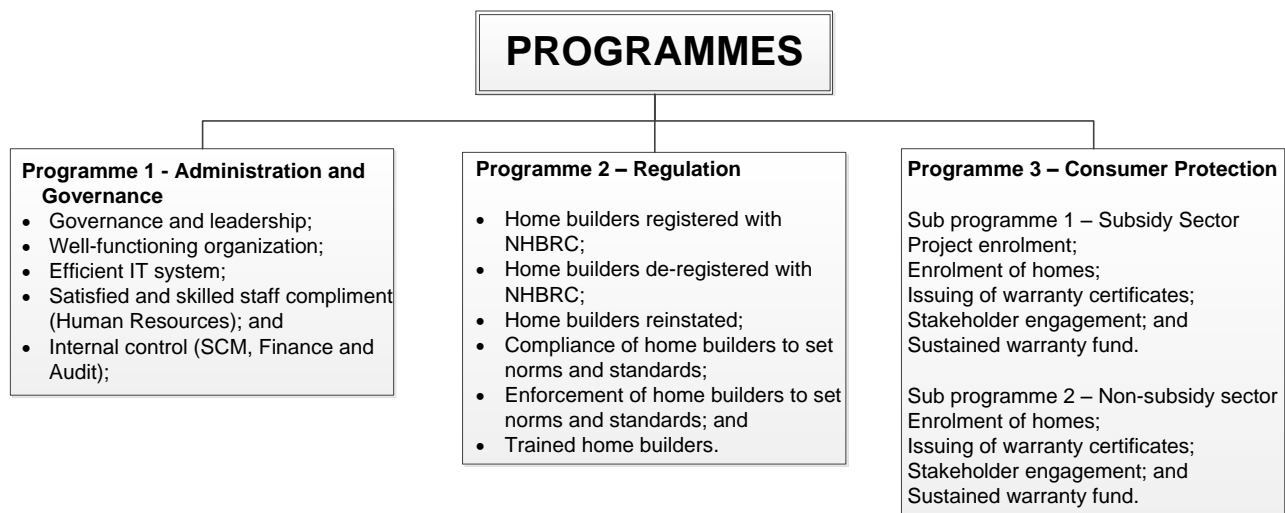
BENEFITS for establishment of the NHBRC’s Centre for Housing Innovation and Research

The following are some of the envisaged benefits of establishing The Centre:-

- Promotion of quality building materials resulting in potentially reduced risk to the NHBRC warranty fund;
- Promotion of unconventional and/or alternative housing systems, providing a broader range of products and potentially better houses;
- Faster delivery of quality houses, and hence assisting in the reduction of the backlog;
- Development and growth of SMME;
- Long-term sustainability of NHBRC;
- Promote collaboration and partnership with relevant key players in the construction industry;
- Visibility of NHBRC;
- Relevance of NHBRC to Government initiatives; and
- Stimulate economic growth in the home building industry and social development and Upliftment.

5. Valuable Final Products

The VFP will be divided into three programmes, viz:



Programme 1: Administration and Governance

NHBRC has agreed to an administration and governance programme together with National Department of Human Settlements and National Treasury. The administration and governance programme ensures that KPA's that are related to administration and governance are covered in the Annual Performance Plan. The KPA's are from Human Resource, Audit, Risk and Business Management Solutions. All the KPA's will be monitored and evaluated on a quarterly basis.

Business Management Solutions

Programme Purpose: The purpose of BMS is the management of computer based information systems and relating infrastructure.

Human Capital Section

Programme Purpose: The purpose of Human Capital section is the provision of specialist seamless human capital management

Finance

Programme purpose: To manage the finances of Council

Audit Management

Programme Purpose: Internal audit is an independent objective assurance and consulting activity designed to add value and improve an organisation operations. It helps organization accomplish its objectives by bringing a systematic; disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

| Strategic Objective | Program performance indicators | 5 year Strategic Corporate Plan targets | Audited/Actual Performance | | | | Estimated Performance | MTEF period | | | | |
|---|---|--|----------------------------|---|---|--|--|--|--|--|--|-----------|
| | | | 2014-2019 | | 2012/2013 | 2013/2014 | | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| Strengthen NHBC operating processes, systems and procedures | % of uptime ICT systems | % of uptime ICT systems | - | - | - | - | Achieve 99% uptime of ICT systems | Achieve 99% uptime of ICT systems | Achieve 99% uptime of ICT systems | Achieve 99% uptime of ICT systems | System generated report | |
| Grow, protect and sustain the warranty fund | Number of skilled workforce to be trained | 1,590 | - | - | - | 150 workforce trained and developed | Train and develop 300 workforce | Train and develop 300 workforce | Train and develop 330 workforce | Train and develop 360 workforce | System generated report | |
| Grow, protect and sustain the warranty fund. | Investment supplies as a percentage of actuarial liabilities. | Investment assets to exceed the actuarial liabilities by 200%. | - | - | Expenditure to income ratio equal or better than budget | Controllable expenditure was below revenue by 38%. | Investment asset to exceed actuarial liabilities by 200%. | Investment asset to exceed actuarial liabilities by 200%. | Investment asset to exceed actuarial liabilities by 200%. | Investment asset to exceed actuarial liabilities by 200%. | Financial statements. | |
| | % discretionary spent on BBBEE suppliers | BBBEE spend > 51% | - | - | - | BBBEE spend <51%(at 58% was achieved) | BBBEE spend > 51% | BBBEE spend > 51% | BBBEE spend > 51% | BBBEE spend > 51% | Systems generated report | |
| | Planned net profit | R2230,000,000 | - | - | - | - | R300m | R361m | R397m | R436m | Financial Statements | |
| Grow, protect and sustain the warranty fund | % of the Implementation of the approved audit plan. | 95% implementation of the approved internal audit plan | - | - | - | - | 95% implementation of the approved internal audit plan | 95% implementation of the approved internal audit plan | 95% implementation of the approved internal audit plan | 95% implementation of the approved internal audit plan | Deliverables as per project plan | |
| | % of effective governance, risk management and control environment. | 100% implementation of the approved Annual compliance Plan. | - | - | - | - | 100% implementation of the approved Annual compliance Plan | 100% implementation of the approved Annual compliance Plan | 100% implementation of the approved Annual compliance Plan | 100% implementation of the approved Annual compliance Plan | Approved governance risk and compliance plan | |

| Strategic Objective | Program performance indicators | 5 year Strategic Corporate Plan targets | Audited/Actual Performance | | | | Estimated Performance | MTEF period | | | |
|---|---|--|----------------------------|---|-----------|-----------|---|--|--|--|----------------------------------|
| | | | 2014-2019 | | 2012/2013 | 2013/2014 | | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 |
| Strengthen NHBC operating processes, systems and procedures | % of approved risk management plan implemented. | 100% implementation of the approved risk management plan | - | - | - | - | 95% implementation of the approved risk management plan | 100% implementation of the approved risk management plan | 100% implementation of the approved risk management plan | 100% implementation of the approved risk management plan | Deliverables as per project plan |

Quarterly breakdown for 2016/2017

| Performance indicator | Reporting period | Annual target | Quarterly targets | | | |
|---|------------------|---|---|---|---|---|
| | | | 1 st | 2 nd | 3 rd | 4 th |
| % of uptime ICT systems | Quarterly | | Achieve 99% uptime of ICT systems | Achieve 99% uptime of ICT systems | Achieve 99% uptime of ICT systems | Achieve 99% uptime of ICT systems |
| | Biannual | | | | | |
| | Annual | Achieve 99% uptime of ICT systems | | | | |
| Number of skilled workforce to be trained | Quarterly | | Train 75 workforce | Train 150 workforce (cumulative) | Train 225 workforce (cumulative) | Train 300 workforce (cumulative) |
| | Biannual | | | | | |
| | Annual | Train and develop 300 workforce | | | | |
| Financial Sustainability | Quarterly | | Investment assets to exceed actuarial liabilities by 200% | Investment assets to exceed actuarial liabilities by 200% | Investment assets to exceed actuarial liabilities by 200% | Investment assets to exceed actuarial liabilities by 200% |
| | Biannual | | | | | |
| | Annual | Investment surplus as a percentage of actuarial liabilities | | | | |
| BEE spend | Quarterly | | BBBEE spend > 51% | BBBEE spend > 51% | BBBEE spend > 51% | BBBEE spend > 51% |
| | Biannual | | | | | |
| | Annual | % discretionary spent on BBBEE suppliers | | | | |
| Planned profits | Quarterly | | R90m | R90m | R90m | R91m |
| | Biannual | | | | | |
| | Annual | Planned net profit | | | | |

| Performance indicator | Reporting period | Annual target | Quarterly targets | | | |
|---|------------------|--|---|--|--|---|
| | | | 1 st | 2 nd | 3 rd | 4 th |
| % implementation of the approved audit plan. | Quarterly | | 50% execution achieved | 75% execution achieved | 85% execution achieved | 95% execution achieved |
| | Biannual | | | | | |
| | Annual | 95% implementation of the approved internal audit plan | | | | |
| % of effective governance, risk management and control environment. | Quarterly | | 25% implementation of the approved Annual compliance Plan | 50% implementation of the approved Annual compliance Plan (cumulative) | 75% implementation of the approved Annual compliance Plan (cumulative) | 100% implementation of the approved Annual compliance Plan (cumulative) |
| | Biannual | | | | | |
| | Annual | 100% implementation of the approved Annual compliance Plan | | | | |
| % of approved risk management plan implemented | Quarterly | | 100% implementation of the approved risk management plan | 100% implementation of the approved risk management plan | 100% implementation of the approved risk management plan | 100% implementation of the approved risk management plan |
| | Biannual | | | | | |
| | Annual | % implementation of the approved risk management plan | | | | |

Reconciling performance targets with the budget and MTEF

| Expenditure | 2012-2013 | 2013-2014 | 2014 - 2015 | 2015 - 2016 | 2016 - 2017 | 2017 - 2018 | 2018 - 2019 |
|--|-----------|-----------|-------------|-------------|-------------|-------------|-------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| % of uptime ICT systems | 20,529 | 28,188 | 60,957 | 90,000 | 55,000 | - | - |
| Number of skilled workforce to be trained | 383 | 489 | 718 | 1,500 | 1,600 | 1,712 | 1,832 |
| Investment surplus as a percentage of actuarial liabilities | 578,340 | 502,602 | 535,565 | 264,628 | 331,743 | 355,847 | 380,633 |
| % discretionary spent on BBBEE suppliers | | | | | | | |
| Planned net profit | 578,340 | 502,603 | 535,565 | 264,628 | 331,743 | 355,847 | 380,633 |
| % implementation of the approved internal audit plan | - | 1,500 | 1,575 | 2,000 | 2,136 | 2,281 | 2,436 |
| % of effective governance, risk management and control environment | - | 500 | 550 | 600 | 641 | 684 | 731 |

Programme 2: Regulation

NHBRC has agreed to a regulation programme together with National Department of Human Settlements and National Treasury. The regulation programme ensures that KPA's that are related to regulation are covered in the Annual Performance Plan. The KPA's are from Business Services, Legal, Compliance and Enforcement and Women Empowerment Programme. All the KPA's will be monitored and evaluated on a quarterly basis.

Home Builder Registration

Programme purpose: The purpose of the Home Builder Registration program is to register all home builders in the building industry for compliance with Housing Consumers Protection Measures Act, 1998 (Act No.95 of 1998) as amended.

Renewal of Home Builder Registration

The purpose of renewal of home builder registration program is to renew homebuilders in the home building industry for compliance with Housing Consumers Protection Measures Act, 1998 (Act No.95 of 1998)

Inspections of homes (Subsidy and Non-Subsidy)

The purpose of inspections section is to ensure that all enrolled homes are inspected.

Legal Compliance and Enforcement

Programme Purpose is to contribute towards an efficient and effective implementation of the NHBRC's mandate by ensuring compliance with the applicable legislative framework, enforcement of the Act and provision of cutting edge legal advisory services.

Women Empowerment Programme

The purpose of women empowerment programme is to ensure that women gather the necessary skills in order to add value and participate in the construction sector.

Programme performance indicators for annual targets 2016/2017

| Strategic Objective | Performance Indicators | 5 year Strategic Corporate Plan | Audited/Actual Performance | | | Estimated Performance | MTEF period | | | |
|--|---|---------------------------------|----------------------------|--|---|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------|
| | | | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Portfolio of Evidence |
| Provide innovative quality products and services that delight the customer | Number of homebuilders to be registered | 20,051 | - | 70% of registrations processed and certified/rejected within 5 days from receipt of applications | 4,257 homebuilders were registered. | 3,500 homebuilders to be registered. | 4,068 homebuilders to be registered. | 4,474 homebuilders to be registered | 4,921 homebuilders to be registered | System generated report |
| Provide innovative quality products and services that delight the customer | Number of homebuilders to renew their registration | 69,588 | - | 70% of renewal of qualifying registered builders applications within 3 days of receiving such applications | 11,155 homebuilders who renewed their registration. | 13,218 to renew their registration | 13,034 to renew their registration | 14,337 to renew their registration | 15,770 to renew their registration | System generated report |
| Provide innovative quality products and services that delight the customer | Number of homes to be inspected in the subsidy sector | 1,909,017 | - | - | - | 167,846 | 140,196 | 154,215 | 169,636 | System generated report |
| | Number of homes to be inspected in the non-subsidy sector | 1,182,777 | - | - | - | 50,205 | 53,994 | 59,393 | 65,332 | System generated report |

| Strategic Objective | Performance Indicators | 5 year Strategic Corporate Plan | Audited/Actual Performance | | | Estimated Performance | MTEF period | | | |
|--|---|---|----------------------------|-----------|---|--|---|---|---|-----------------------------------|
| | | | 2012/2013 | 2013/2014 | 2014/2015 | | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| Strengthen NHBC operating processes, systems and procedures | Number of days it takes to suspend a home builder on a prosecutable matter | 80% of prosecutable matters suspended within 14 days of receipt of instructions by paralegal. | - | None | 53% suspension of defaulting home builders within 10 days from date of receipt. | 80% of suspended home builders within 14 days from date of receipt., | 80% of prosecutable matters suspended within 14 days of receipt of instructions by paralegal. | 80% of prosecutable matters suspended within 14 days of receipt of instructions by paralegal. | 80% of prosecutable matters suspended within 14 days of receipt of instructions by paralegal. | System generated report. |
| | Number of days it takes to prosecute defaulting homebuilders of defaulting home builders. | 80% of prosecutable matters presented before DC committee within 160 days from date of suspension | - | 94% | 83% of homebuilders prosecuted within 180 days from date of suspension | 80% of prosecuted homebuilders within 160 days from date of suspension | 80% of prosecutable matters presented before DC committee within 160 days from date of suspension | 80% of prosecutable matters presented before DC committee within 160 days from date of suspension | 80% of prosecutable matters presented before DC committee within 160 days from date of suspension | System generated report |
| Provide innovative quality products and services that delight the customer | Number of women to be trained on construction related courses | 560 | - | - | 100 | 100 | 110 | 120 | 130 | Certificates of courses attained. |

*Renewal of registration by homebuilders depends on the economic activities in the construction sector.

Quarterly targets for 2016/2017

| Performance indicator | Reporting period | Annual target | Quarterly targets | | | |
|---|------------------|--|--|--|--|--|
| | | | 1 st | 2 nd | 3 rd | 4 th |
| Number of homebuilders to be registered | Quarterly | | 1,424 homebuilders to be registered | 610 homebuilders to be registered | 814 home builders to be registered | 1,220 home builders to be registered |
| | Biannual | | | | | |
| | Annual | Number of homebuilders to be registered | | | | |
| Number of homebuilders to renew their registration | Quarterly | | 4,562 to renew their registration | 1,955 to renew registration | 2,607 to renew registration | 3,910 to renew registration |
| | Biannual | | | | | |
| | Annual | Number of homebuilders to renew their registration | | | | |
| Number of homes to be inspected in the subsidy sector | Quarterly | | 33,297 | 40,307 | 47,317 | 19,275 |
| | Biannual | | | | | |
| | Annual | 140,196 of homes to be inspected in the subsidy sector | | | | |
| Number of homes to be inspected in the non- subsidy sector | Quarterly | | 14,137 | 12,860 | 13,179 | 13,818 |
| | Biannual | | | | | |
| | Annual | 53,994 of homes to be inspected in the non-subsidy sector | | | | |
| Number of days it takes to suspend a homebuilder on a prosecutable matter | Quarterly | | 80% of prosecutable matters suspended within 14 days of receipt of instructions by Paralegal | 80% of prosecutable matters suspended within 14 days of receipt of instructions by Paralegal | 80% of prosecutable matters suspended within 14 days of receipt of instructions by Paralegal | 80% of prosecutable matters suspended within 14 days of receipt of instructions by Paralegal |
| | Biannual | | | | | |
| | Annual | 80% of prosecutable matters suspended within 14 days of receipt of instructions by Paralegal | 80% of prosecutable matters presented before disciplinary committee within 160 days from date of suspension. | 80% of prosecutable matters presented before disciplinary committee within 160 days from date of suspension. | 80% of prosecutable matters presented before disciplinary committee within 160 days from date of suspension. | 80% of prosecutable matters presented before disciplinary committee within 160 days from date of suspension. |

| Performance indicator | Reporting period | Annual target | Quarterly targets | | | |
|---|------------------|---|-------------------|-----------------|-----------------|-----------------|
| | | | 1 st | 2 nd | 3 rd | 4 th |
| Number of days it takes to prosecute defaulting home builders | Quarterly | | | | | |
| | Biannual | | | | | |
| | Annual | 80% of prosecutable matters presented before Disciplinary committee within 160 days from date of suspension | | | | |
| Number of women to be trained on construction related courses | Quarterly | | - | - | - | 110 |
| | Biannual | | | | | |
| | Annual | 100 women to be trained on construction related courses | | | | |

*APP 2016/2017 only measures the number of homes to be inspected and not the number of inspection stages to be conducted. The inspection stages will still be measured at the Level 2 Scorecard.

Reconciling performance targets with the budget and MTEF

Expenditure estimates: Home Builder Registration (**Revenue collected**)

| Expenditure | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Number of homebuilders to be registered | 4,687 | 4,183 | 6,163 | 4,144 | 4,641 | 4,957 | 5,294 |
| Number of homebuilders to renew their registration | 8,656 | 7,317 | 8,558 | 6,953 | 7,425 | 7,930 | 8,470 |
| Number of homes to be inspected in the subsidy sector | 42,240 | 50,263 | | - | - | - | - |
| Number of homes to be inspected in the subsidy sector | 18,103 | 17,304 | - | - | - | - | - |
| Number of days it takes to suspend a homebuilder on a prosecutable matter | 1,338 | 5,500 | 1,500 | 1,583 | 1,690 | 1,805 | 1,928 |
| Number of days it takes to prosecute defaulting homebuilders of defaulting home builders. | 3,005 | 3,000 | 1,000 | 1,055 | 1,127 | 1,203 | 1,285 |
| 100 women to be trained on construction related courses | - | - | - | - | - | - | - |

Programme 3: Consumer Protection

NHBRC has agreed to a Consumer Protection programme together with National Department of Human Settlements and National Treasury. The Consumer Protection programme ensures that KPA's that are related to Consumer Protection are covered in the Annual Performance Plan. The KPA's are from subsidy home enrolment, subsidy late enrolment and risk section. All the KPA's will be monitored and evaluated on a quarterly basis.

Sub programme 1: (Subsidy Sector)

Home Enrolment (Subsidy Sector)

The purpose of the program is to enrol all homes under construction as stipulated in the Housing Consumers Protection Measures Act, 1998 (Act No.95 of 1998)

Late enrolment of homes

The purpose of late enrolment of homes is to allow homebuilder to engage in the process of late enrolment of homes.

Programme performance indicators for annual targets 2016/2017

Risk Section

The purpose of Risk Section is to drive and entrench world class enterprise-wide risk management across the business In order to;

- Ensure the NHBRC becomes risk intelligent and embed it in its day to day business
- To proactively assist Management and Council to ensure risks to strategic objectives are understood, effectively managed or exploited.
- To provide diversified services and products in line with changing business requirements

Programme performance indicators for annual targets 2016/2017

| Strategic Objective | Performance indicator | 5 year Strategic Corporate Plan targets | Audited/Actual Performance | | | Estimated performance | MTEF period | | | |
|---|---|---|----------------------------|---|--|--|---|--|--|--------------------------|
| | | 2014-2019 | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | Portfolio of Evidence |
| To grow and protect the NHBC warranty | Number of homes enrolled as aligned with business plans of National Department of Human Settlements | 796,085 | - | 90% of home enrolments assessed within 15 days of such applications | A total of 168,753 homes enrolled in the subsidy sector. | A total of 167,846 subsidy units enrolled as received from the National Department of Human Settlements. | 140,196 subsidy homes enrolled as aligned with business plans of NDHS | 152,000 subsidy homes enrolled as received from National Department of Human Settlements | 167,290 subsidy homes enrolled as received from National Department of Human Settlements | System generated report |
| Strengthen NHBC operating processes, systems and procedures | Number of late enrolments to be processed in the non-subsidy sector | 2,079 | - | 5% of home builder late enrolment certificate issued within 3 working days from date of meeting all requirements as per checklist | A total of 1,483 late enrolments were done in the non-subsidy sector | 1,255 late enrolments to be processed in the non-subsidy sector. | 1,349 late enrolments to be processed in the non-subsidy sector | 1,483 late enrolments to be processed in the non-subsidy sector | 1,631 late enrolments to be processed in the non-subsidy sector | System generated report. |
| | Number of late enrolment processed in the subsidy sector | 7,171 | - | - | None | 40,700 late enrolments to be processed in the subsidy sector | 40,700 late enrolments to be processed in the subsidy sector | 44,700 late enrolments to be processed in the subsidy sector | 49,177 late enrolments to be processed in the subsidy sector | System generated report. |

Quarterly targets for 2016/2017

| Performance indicator | Reporting period | Annual target | Quarterly targets | | | |
|---|------------------|--|-------------------|-----------------|-----------------|-----------------|
| | | | 1 st | 2 nd | 3 rd | 4 th |
| Number of homes enrolled as aligned with business plans of National Department of Human Settlements | Quarterly | | 33,297 | 40,307 | 47,317 | 19,275 |
| | Bi-annual | | | | | |
| | Annual | 140,196 of Home enrolled as aligned with business plans of NDHS | | | | |
| Number of late enrolments to be processed in the non-subsidy sector | Quarterly | | 353 | 322 | 329 | 345 |
| | Biannual | | | | | |
| | Annual | 1,349 of late enrolments to be processed in the non-subsidy sector | | | | |
| Number of late enrolment processed in the subsidy sector | Quarterly | | 10,175 | 10,175 | 10,175 | 10,175 |
| | Biannual | | | | | |
| | Annual | 40,700 of late enrolment processed in the subsidy sector | | | | |

Expenditure estimates: Project and Home Enrolments (Revenue collected)

| Program performance indicator | Audited/Actual Performance | | | | Estimated Performance | | |
|---|----------------------------|-----------|-----------|-----------|-----------------------|-----------|-----------|
| | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | R'000 |
| Number of homes enrolled as aligned with business plans of National Department of Human Settlements | - | - | - | 276,668 | 341,006 | 364,194 | 388,960 |
| Number of late enrolments to be processed in the non-subsidy sector | 44 | 1,181 | 525 | 502 | 536 | 509 | 484 |
| Number of late enrolment processed in the subsidy sector | - | - | - | - | - | - | - |
| % of approved risk management plan implemented. | - | 2,144 | 2,000 | 2,000 | 2,136 | 2,281 | 2,436 |

| Program performance indicator | Audited/Actual Performance | | | | Estimated Performance | | |
|---|----------------------------|-----------|-----------|-----------|-----------------------|-----------|-----------|
| | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Number of homes enrolled as aligned with business plans of National Department of Human Settlements | - | - | - | 276,668 | 341,006 | 364,194 | 388,960 |
| Number of late enrolments to be processed in the non-subsidy sector | 4 | 1,181 | 525 | 502 | 536 | 509 | 484 |
| Number of late enrolment processed in the subsidy sector | - | - | - | - | - | - | - |
| % of approved risk management plan implemented. | - | 2,144 | 2,000 | 2,000 | 2,136 | 2,281 | 2,436 |

Sub programme 2: (Non-Subsidy Sector)

Enrolments

The purpose of the program is to enrol all homes under construction as stipulated in the Act.

Consumer Complaints

The purpose of the program is to resolve all complaints lodged with the NHBC.

Communications Management

The purpose of the program is to appropriately position and protect the NHBC reputation, image and brand in the marketplace

Centre for research and housing innovation

The purpose of the program is to promote research and innovation in housing through technical, transformational and intellectual leadership.

Programme performance indicators for annual targets 2016/2017

| Strategic objective | Performance indicators | 5 year Strategic Corporate Plans targets | Audited/Actual Performance | | | | Estimated performance | MTEF period | | | |
|---|--|--|----------------------------|-----------|---|--|--|---|---|---|-------------------------|
| | | | 2014-2019 | 2012/2013 | 2013/2014 | 2014/2015 | | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| Strengthen NHBC operating processes, systems and procedures | Number of enrolments to be processed in the non-subsidy sector | 280,073 | - | - | 90% of home enrolments processed and certified/rejected within 24 working hours from date | A total of 51,149 home enrolled in the non-subsidy sector. | 50,205 enrolments processed in the non-subsidy sector. | 53,994 enrolments processed in the non-subsidy sector | 59,393 enrolments processed in the non-subsidy sector | 65,332 enrolments processed in the non-subsidy sector | System generated report |

| Strategic objective | Performance indicators | 5 year Strategic Corporate Plans targets | Audited/Actual Performance | | | | Estimated performance | MTEF period | | | |
|---|---|---|----------------------------|-----------|------------|-------------------------------------|---|---|---|---|---|
| | | | 2014-2019 | 2012/2013 | 2013/2014 | 2014/2015 | | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| | | | | | of receipt | | | | | | |
| Strengthen NHBC operating processes, systems and procedures | Number of consumer complaints resolved. | 70% of housing consumer complaints resolved or escalated to conciliation within 60 days of being captured | | | - | 108 complaints resolved | 70% of housing consumer complaints resolved or escalated to conciliation within 60 days of being captured | 70% of housing consumer complaints resolved or escalated to conciliation within 60 days of being captured | 70% of housing consumer complaints resolved or escalated to conciliation within 60 days of being captured | 70% of housing consumer complaints resolved or escalated to conciliation within 60 days of being captured | System generated report |
| | Number of conciliations resolved between a homebuilder and housing consumer | 70% of conciliations resolved or escalated to remedial works process within 30 days of being received | | | - | 152 conciliations matters resolved | 70% of conciliations resolved or escalated to remedial works process within 30 days of being received | 70% of conciliations resolved or escalated to remedial works process within 30 days of being received | 70% of conciliations resolved or escalated to remedial works process within 30 days of being received | 70% of conciliations resolved or escalated to remedial works process within 30 days of being received | System generated report |
| Strengthen NHBC operating processes, systems and procedures | % of approved communication strategy implemented | 100% execution of plans against the strategy | | - | - | 100% handling of NHBC media queries | 100% execution of plans against the strategy | 100% execution of plans against the strategy | 100% execution of plans against the strategy | 100% execution of plans against the strategy | Report on the implementation of communication of strategy |
| | % execution of organizational reputational survey | 100% execution of organizational reputational survey | | | - | - | 100% execution of organizational reputational survey | 100% execution of organizational reputational survey | 100% execution of organizational reputational survey | 100% execution of organizational reputational survey | Results of the survey |

| Strategic objective | Performance indicators | 5 year Strategic Corporate Plans targets | Audited/Actual Performance | | | | Estimated performance | MTEF period | | | | Portfolio of Evidence |
|---|--|--|----------------------------|-----------|-----------|-----------|--|--|--|--|--|-------------------------|
| | | | 2014-2019 | 2012/2013 | 2013/2014 | 2014/2015 | | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | |
| Strengthen NHBC operating processes, systems and procedures | Number of home builders to be trained | 9,829 | | 2,250 | 1,369 | 2,629 | 1,200 | 1,200 | 1,320 | 1,640 | System generated report | |
| | Number of youths to be trained | 9,184 | 192 | 948 | 934 | 1,184 | 2,000 | 2,000 | 2,000 | 2,000 | System generated report | |
| | Number of artisans to be trained | 1,502 | | - | - | - | 351 | 351 | 381 | 419 | System generated report | |
| | Number of home inspectors to be trained | 1,860 | | - | - | - | 400 | 440 | 490 | 530 | System generated report | |
| | Number of women to be trained | 3,870 | | - | - | - | - | 900 | 990 | 1080 | System generated report | |
| | Number of military veterans to be trained | 780 | | - | - | - | - | 180 | 200 | 220 | System generated report | |
| | Number of people with disabilities to be trained | 100% | | - | - | - | - | 100% | 100% | 100% | System generated report | |
| | Execute research as per the project plan in line with approved research agenda | 100% execution of Research as per the project plan | | | | - | 100% execution of Research as per the project plan | 100% execution of Research as per the project plan | 100% execution of Research as per the project plan | 100% execution of Research as per the project plan | 100% execution of Research as per the project plan | System generated report |

Quarterly targets for 2016/2017

| Performance indicator | Reporting period | Annual target | Quarterly targets | | | |
|---|------------------|---|---|--|--|---|
| | | | 1 st | 2 nd | 3 rd | 4 th |
| Number of enrolments to be processed in the non-subsidy sector | Quarterly | | 14,137 | 12,860 | 13,179 | 13,818 |
| | Bi-annual | | | | | |
| | Annual | Number of enrolments to be processed in the non-subsidy sector | | | | |
| Number of consumer complaints resolved. | Quarterly | | 70% | 70% | 70% | 70% |
| | Bi-annual | | | | | |
| | Annual | 70% of housing consumer complaints resolved or escalated to conciliation within 60 days of being captured | | | | |
| Number of conciliations resolved between a homebuilder and housing consumer | Quarterly | | 70% | 70% | 70% | 70% |
| | Bi-annual | | | | | |
| | Annual | 70% of conciliations resolved or escalated to remedial works process within 30 days of being received | | | | |
| % of approved communication strategy implemented | Quarterly | | 100 % | 100 % | 100 % | 100 % |
| | Biannual | | | | | |
| | Annual | implementation of the approved communication strategy | | | | |
| % execution of organizational reputational survey | Quarterly | | 25% execution of organizational reputational survey | 50% execution of organizational reputational survey (cumulative) | 75% execution of organizational reputational survey (cumulative) | 100% execution of organizational reputational survey (cumulative) |
| | Biannual | | | | | |
| | Annual | Conduct an organizational reputational survey | | | | |
| Number of homebuilders to be trained | Quarterly | | 300 | 600 (cumulative) | 900 (cumulative) | 1,200 (cumulative) |
| | Biannual | | | | | |
| | Annual | 1,200 homebuilders to be trained | | | | |
| Number of youth to be trained | Quarterly | | 500 | 500 | 500 | 500 |
| | Biannual | | | | | |
| | Annual | 2,000 youths to be trained | | | | |
| Number of artisans to be trained | Quarterly | | 351 | - | - | - |
| | Biannual | | | | | |
| | Annual | 351 artisans to be trained | | | | |
| Number of home inspectors to be trained | Quarterly | | 100 | 200 (cumulative) | 300 (cumulative) | 400 (cumulative) |
| | Biannual | | | | | |
| | Annual | 400 inspectors to be trained | | | | |

| Performance indicator | Reporting period | Annual target | Quarterly targets | | | |
|--|------------------|--|--|--|--|--|
| | | | 1 st | 2 nd | 3 rd | 4 th |
| Number of women to be trained | Quarterly | | 225 | 450 (cumulative) | 675 (cumulative) | 890 (cumulative) |
| | Biannual | | | | | |
| | Annual | 900 women to be trained | | | | |
| Number of military veterans to be trained | Quarterly | | 45 | 90 (cumulative) | 135 (cumulative) | 170 (cumulative) |
| | Biannual | | | | | |
| | Annual | 180 military veterans to be trained | | | | |
| Number of people with disabilities to be trained | Quarterly | | 100% | 100% | 100% | 100% |
| | Biannual | | | | | |
| | Annual | 100% people with disabilities to be trained | | | | |
| Execute research as per the project plan in line with approved research agenda | Quarterly | | 100% execution of Research as per the project plan | 100% execution of Research as per the project plan | 100% execution of Research as per the project plan | 100% execution of Research as per the project plan |
| | Biannual | | | | | |
| | Annual | Execute research as per the project plan in line with approved research agenda | | | | |

Expenditure estimates: Enrolments of homes (revenue collected)

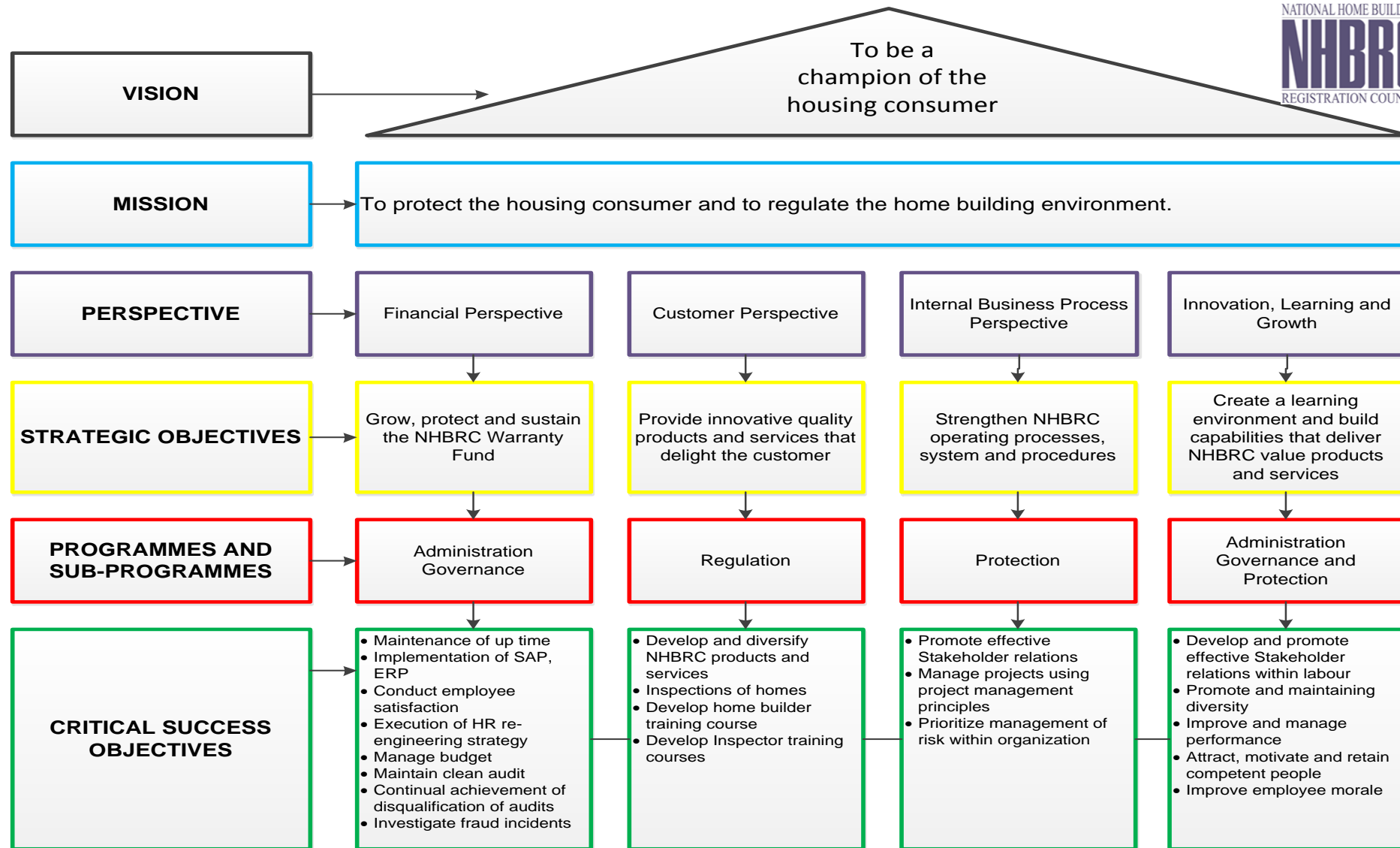
| Program performance indicator | Audited/Actual Performance | | | | Estimated Performance | | |
|---|----------------------------|-----------|-----------|-----------|-----------------------|-----------|-----------|
| | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Number of enrolments to be processed in the non-subsidy sector | 428,292 | 414,474 | 550,532 | 452,339 | 511,975 | 546,789 | 583,971 |
| Number of consumer complaints resolved. | - | - | - | - | - | - | - |
| Number of conciliations resolved between a homebuilder and housing consumer | - | - | - | - | - | - | - |
| % of approved communication strategy implemented | | 18,555 | 25,437 | 26,836 | 28,661 | 30,610 | 32,691 |
| % execution of organizational reputational survey | | | | | | | |
| Number of homebuilders to be trained | 2,288 | 8,609 | 10,000 | 10,550 | 12,000 | 12,816 | 13,687 |
| Number of youths to be trained | | | | | | | |

| Program performance indicator | Audited/Actual Performance | | | | Estimated Performance | | |
|--|----------------------------|-----------|-----------|-----------|-----------------------|-----------|-----------|
| | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Number of artisans to be trained | | | 4,100 | 10,000 | 65,000 | 69,420 | 74,141 |
| Number of home inspectors to be trained | | | | | | | |
| Number of women to be trained | - | - | - | - | - | - | - |
| Number of military veterans to be trained | - | - | - | - | - | - | - |
| Number of people with disabilities to be trained | - | - | - | - | - | - | - |

Links to other plans

Links to the long-term infrastructure and other capital plans

| No. | Project name | Programme | Municipality | Output | Outcome | | | Main appropriation | Adjusted appropriation | Medium Term Estimates | | | | |
|-----|--|-----------|--------------|--------|---------|---------|---------|--------------------|------------------------|-----------------------|---------|---------|---------|---------|
| | | | | | 2009/10 | 2010/11 | 2011/12 | | | 2012/2013 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| | | | | | R'000 | R'000 | R'000 | | | R'000 | R'000 | R'000 | R'000 | R'000 |
| 1. | Capital expenditure | | | | | | | | | | | | | |
| | Maintenance & repairs | | | | | | | | | | | | | |
| | Rehabilitation, renovations and refurbishments | | | | | | | | | | | | | |
| 2. | Office refurbishment | | | | | | | | | | | | | |



• *Developed by Drs. [Robert S. Kaplan](#) and David P. Norton

NHBRC VALUES STATEMENT

| VALUE | MEANING |
|--|--|
| Customer Service & Technical Excellence | We will at all times use our technical competence and skills to provide the best service to our customers in a timely and responsive manner. |
| Learning, growth and Caring Organisation | We will promote continuous learning and growth of our staff for the benefit of improved service delivery |
| Integrity | We will at all times act with integrity, honesty and consideration of our customers and our stakeholder |
| Good Corporate Governance | We will at all times exercise the duty of skill & care , loyalty and act in the best interest of the organisation in all of our transactions as well as act in a manner that promotes transparency |
| Research and Innovation | We will at all times use our innovative ability to come with new products and services. |

APPENDIX B: NHBRC INTERVENTION MATRIX

| INTERVENTION MATRIX | NARRATIVE SUMMARY | INDICATORS | MEANS OF VERIFICATION | STRATEGIC DRIVERS |
|--|---|---|--|---|
| Overall/ Development Objective | To contribute to the human Settlements and housing delivery process by protecting the housing consumer and regulating the home building environment | | | The SA Government is committed to eradicating poverty and building the asset base of the poorest of the poor and the delivery of quality housing. |
| Specific Objective / Purpose Statement | To grow, protect and sustain the warranty Fund and deliver on the services and products of the NHBRC. | <ul style="list-style-type: none"> - Rand value of NHBRC warranty fund - Rand value of home enrolment revenues - Rand value of revenues from home builders registered - Rand value of technical and quality services rendered - Number of home enrolments - Number of home builders registered - Number of home builders trained and developed - Execute research as per the project plan in line with approved research agenda - % of investment assets to exceed actuarial liabilities - Actual net profit > budgeted net profit - % discretionary spent on BEE suppliers - % implementation of the annual compliance plan | <ul style="list-style-type: none"> - NHBRC annual reports - NHBRC Annual Financial Statement | <ul style="list-style-type: none"> - The Housing Consumers Protection Measures Act,1995(Act No.95 of 1998) legislates the protection of housing consumers - The National Building Regulation and Standards Act - (Act no. 103 of 1977) prescribes building standards - The policy and legislative framework of the country. Framework legislates for the NHBRC to protect the housing consumer and to set house building standards |

| INTERVENTION MATRIX | OBJECTIVES | NARRATIVE SUMMARY | INDICATORS | MEANS OF VERIFICATION | STRATEGIC DRIVERS |
|---------------------|--|--|---|--|--|
| Key Result Area 1 | Grow, protect and sustain the NHBRC warranty fund. | Warranty Fund & Revenue generation | <ul style="list-style-type: none"> - % of investment assets to exceed actuarial liabilities - % discretionary spent on BEE suppliers - Planned net profit | <ul style="list-style-type: none"> - Annual Financial Statements - Investor reports Age analysis report | <ul style="list-style-type: none"> - Operations services is customer centric in delivering NHBRC value products - NHBRC Council has an approved and sound investment policy - Operations systems and procedures are in place and functioning at optimal levels |
| Key Result Area 2 | Provide innovative quality products and services that will delight the customer | Business Services (Technical, Inspections , and Customer Services) | <ul style="list-style-type: none"> - Number of homebuilders to be registered - Number of homebuilders to renew their registration - Number of homebuilders to renew their registration - Number of homes to be inspected for subsidy sector and the non-subsidy sector - Number of homes enrolled that are received from NDHS for the subsidy sector | <ul style="list-style-type: none"> - Annual Financial Statements - NHBRC consumer Education materials - Participant attendance registers - NHBRC stakeholder meeting reports | <ul style="list-style-type: none"> - Home builders are willing and able to register with the NHBRC - Municipalities and provinces will fund and enrol subsidy project and home enrolments - Building plans have been or will be approved by municipalities to enable the construction of homes |
| | | Quality Assurance | <ul style="list-style-type: none"> - Number of homes to be inspected for subsidy sector - Number of homes to be inspected for non-subsidy sector | <ul style="list-style-type: none"> - Compliance reports and register - PDA inspection reports - Quarterly reports - Partnership agreements | <ul style="list-style-type: none"> - The National Building Regulation and Standards Act (Act no. 103 of 1977) prescribes the development and monitoring of building standards |
| Key Result Area 3 | To provide innovative quality products and services that will delight the customer | Home builder training & Development | <ul style="list-style-type: none"> - Number of emerging homebuilders trained - Number of people to be trained in government projects(youth, women ,people with disabilities and military veterans) | <ul style="list-style-type: none"> - CETA accreditation certificate - Participant attendance registers - Home builders training curriculum | <ul style="list-style-type: none"> - The Housing Consumer Protection Measures Act,1998(Act No.95 of 1998) legislates the protection of housing consumers and prescribes the training of home builders - NHBRC has the required technical skills to conduct the training - Emerging home builders are willing and able to be trained |
| Key Result Area 4 | Strengthen NHBRC operating processes, systems and procedures | (Legal , Compliance and Enforcement) | <ul style="list-style-type: none"> - The number of days it takes to suspend defaulting homebuilders from date of receipt of file is within 14 days - The number of days it takes to prosecute defaulting home builders is 160 days | | <ul style="list-style-type: none"> - The National Building Regulation and Standards Act (Act no. 103 of 1977) prescribes the development and monitoring of building standards - NHBRC has a critical mass of IT, home building & Technical skills - Industry players are willing and able to partner with the NHBRC in the housing delivery value chain |
| Key Results Area 5 | To provide innovative quality products and services that will delight the customer | Legal Compliance and Enforcement | <ul style="list-style-type: none"> - The number of days it takes to suspend defaulting homebuilders from date of receipt of file is within 14 days - The number of days it takes to prosecute defaulting home builders is 160 days - % implementation of the annual compliance plan | <ul style="list-style-type: none"> - Legal reports - Siebel reports - Disciplinary committee minutes - Court interdicts - Settlements agreements - Attendance list - Draft amendments - Gazetted regulations | <ul style="list-style-type: none"> - The Housing Consumer Protection Measures Act,1998(Act No.95 of 1998) legislates the protection of housing consumers and prescribes disciplinary procedures against defaulting home builders - NHBRC is imbued with the relevant legal skills |

| INTERVENTION MATRIX | OBJECTIVES | NARRATIVE SUMMARY | INDICATORS | MEANS OF VERIFICATION | STRATEGIC DRIVERS |
|---------------------|--|-------------------------------|---|--|---|
| Key Result Area 6 | To provide innovative quality products and services that will delight the customer | Stakeholder | -% % execution of organizational reputational strategy | Stakeholder perception survey reports | <ul style="list-style-type: none"> - The Housing Consumers Protection Measures Act,1998(Act No.95 of 1998) requires continuous process of housing consumer education - Marketing and branding resources are in place |
| Key result Area 7 | To provide innovative quality products and services that will delight the customer | Human capital | -Number of workforce to be trained | Perception survey results Change Management report Report on sick leave from BI report | <ul style="list-style-type: none"> - The Housing Consumers Protection Measures Act,1998(Act No.95 of 1998) requires a continuous process of housing consumer education - Marketing and branding resources are in place |
| Key result Area 8 | To provide innovative quality products and services that will delight the customer | Business management Solutions | -Maintenance of ICT Up-Time | BI reports | <ul style="list-style-type: none"> - The Housing Consumers Protection Measures Act,1998(Act No.95 of 1998) requires a continuous process of housing consumer education - Marketing and branding resources are in place |
| Key result Area 9 | To provide innovative quality products and services that will delight the customer | Communications | -% execution of plans against the strategy - % execution of organizational reputational strategy | Reputation management survey | <ul style="list-style-type: none"> - The Housing Consumers Protection Measures Act,1998(Act No.95 of 1998) requires a continuous process of housing consumer education - Marketing and branding resources are in place |

| STRATEGIES AND ACTIVITIES TO ACHIEVE RESULT AREAS | | |
|---|--------------------|--|
| KEY RESULT AREA | INTERVENTION | MAIN ACTIVITIES TO ACHIEVE RESULT AREAS |
| Key result area 1 | Revenue generation | <ul style="list-style-type: none"> - Review and revise NHBRC product pricing model - Diversify NHBRC product and service offerings - Develop NHBRC sustainability model - Reduce operational costs - Improve customer service levels - Diversify incentives and monitor investment advisors - Reduce debtors collection days - Market and brand NHBRC - Implement the risk based insurance strategy - Controllable expenditure exceeds revenue by 11%(1.11:1) - Actual ROI> Consumer Price Index - BBBEE spend > 51% |

| STRATEGIES AND ACTIVITIES TO ACHIEVE RESULT AREAS | | |
|---|--|--|
| KEY RESULT AREA | INTERVENTION | MAIN ACTIVITIES TO ACHIEVE RESULT AREAS |
| Key result area 2 | Business services (Technical Services, Inspections, customer Services ,training and development and Project Management Office) | <ul style="list-style-type: none"> - Improve operations quality service levels - Diversify and improve NHBRC product and service offerings - Market NHBRC brand - Build the capacity of NHBRC service centres - Expand housing consumer education initiatives - Research and respond to NHBRC stakeholder needs and issues - Monitor customer satisfaction levels - Develop and design best practice home builder training materials - Identify and recruit trainees - Conduct NHBRC homebuilder training - Monitor and track NHBRC graduate development - Facilitate the provision of business opportunities for NHBRC graduates - Develop NHBRC quality assurance plan - Institute quality assurance plan - Monitor quality assurance output |
| Key result area 3 | Legal, Compliance and Enforcement Division) and centre for Research and Innovation and Corporate Services) | <ul style="list-style-type: none"> - Develop fit for purpose world class IT and technical solutions - Improve technical quality services - Research and identify new and value add NHBRC products and services - Acquire, embed and support NHBRC IT and technology systems and business processes - Enter into strategic and value adding industry partnership - Develop NHBRC standards and brand - Publish NHBRC solutions to assist with quality home building standards - Implement revised Act - Improve legal service delivery capacity - Review and develop NHBRC Human Capital strategy - Provide timely and high quality talent management and other HR solutions to support NHBRC business processes - Improve and strengthen NHBRC human resources skills base - Review and develop NHBRC performance and business environment enhancing solutions - Develop NHBRC marketing and branding strategy and specification - Develop and tender specification for a marketing and branding agency - Implement marketing strategy - Monitor brand value as a function of the marketing and branding strategy |

| INTERVENTION MATRIX | OBJECTIVES | NARRATIVE SUMMARY | INDICATORS | MEANS OF VERIFICATION | STRATEGIC DRIVERS |
|---------------------|---|---|--|---|---|
| Key Result Area 1 | Grow, protect and sustain the NHBRC warranty fund. | Warranty Fund & Revenue generation | <ul style="list-style-type: none"> - % of investment assets to exceed actuarial liabilities - % discretionary spent on BEE suppliers - Planned net profit | <ul style="list-style-type: none"> - Annual Financial Statements - Investor reports Age analysis report - Payment proof of suppliers | <ul style="list-style-type: none"> - Operations services is customer centric in delivering NHBRC value products - NHBRC Council has an approved and sound investment policy - Operations systems and procedures are in place and functioning at optimal levels |
| Key Result Area 2 | Provide innovative quality products and services that will delight the customer | Business Services (Technical, Inspections ,Project Management Office and Customer | <ul style="list-style-type: none"> - Number of homebuilders to be registered - Number of homebuilders to renew their registration | <ul style="list-style-type: none"> - Annual Financial Statements - NHBRC consumer Education materials | <ul style="list-style-type: none"> - Home builders are willing and able to register with the NHBRC - Municipalities and provinces will fund and enrol subsidy project and home enrolments |

| INTERVENTION MATRIX | OBJECTIVES | NARRATIVE SUMMARY | INDICATORS | MEANS OF VERIFICATION | STRATEGIC DRIVERS |
|---------------------|--|-------------------------------------|--|--|--|
| | | Services) | <ul style="list-style-type: none"> - Number of homebuilders to renew their registration - Number of homes to be inspected for subsidy sector and the non-subsidy sector - Number of homes enrolled that are received from NDHS for the subsidy sector | <ul style="list-style-type: none"> - Participant attendance registers - NHBRC stakeholder meeting reports | <ul style="list-style-type: none"> - Building plans have been or will be approved by municipalities to enable the construction of homes |
| | | Inspections | <ul style="list-style-type: none"> - Number of homes to be inspected for subsidy sector - Number of homes to be inspected for non-subsidy sector | <ul style="list-style-type: none"> - Compliance reports and register - PDA inspection reports - Quarterly reports - Partnership agreements | <ul style="list-style-type: none"> - The National Building Regulation and Standards Act (Act no. 103 of 1977) prescribes the development and monitoring of building standards |
| Key Result Area 3 | To provide innovative quality products and services that will delight the customer | Home builder training & Development | <ul style="list-style-type: none"> - Number of emerging homebuilders trained - Number of people to be trained in government projects(youth, women ,people with disabilities and military veterans) | <ul style="list-style-type: none"> - CETA accreditation certificate - Participant attendance registers - Home builders training curriculum | <ul style="list-style-type: none"> - The Housing Consumer Protection Measures Act,1998(Act No.95 of 1998) legislates the protection of housing consumers and prescribes the training of home builders - NHBRC has the required technical skills to conduct the training - Emerging home builders are willing and able to be trained |
| Key Result Area 4 | Strengthen NHBRC operating processes, systems and procedures | (Legal, Compliance and Enforcement) | <ul style="list-style-type: none"> - The number of days it takes to suspend defaulting homebuilders from date of receipt of file is within 14 days - The number of days it takes to prosecute defaulting home builders is 160 days | | <ul style="list-style-type: none"> - The National Building Regulation and Standards Act (Act no. 103 of 1977) prescribes the development and monitoring of building standards - NHBRC has a critical mass of IT, home building & Technical skills - Industry players are willing and able to partner with the NHBRC in the housing delivery value chain |
| Key Result Area 5 | To provide innovative quality products and services that will delight the customer | Stakeholder | <ul style="list-style-type: none"> - The number of days it takes to suspend defaulting homebuilders from date of receipt of file is within 14 days - The number of days it takes to prosecute defaulting home builders is 160 days - % implementation of the annual compliance plan | Stakeholder perception survey reports | <ul style="list-style-type: none"> - The Housing Consumers Protection Measures Act,1998(Act No.95 of 1998) requires continuous process of housing consumer education - Marketing and branding resources are in place |
| Key result Area 6 | To provide innovative quality products and services that will delight the customer | Human capital | -% % execution of organizational reputational strategy | Perception survey results Change Management report Report on sick leave from BI report | <ul style="list-style-type: none"> - The Housing Consumers Protection Measures Act,1998(Act No.95 of 1998) requires a continuous process of housing consumer education - Marketing and branding resources are in place |
| Key result Area 7 | To provide innovative quality products and | Business management Solutions | -Number of workforce to be trained | BI reports | <ul style="list-style-type: none"> - The Housing Consumers Protection Measures Act,1998(Act No.95 of 1998) requires a continuous process of housing consumer education |

| INTERVENTION MATRIX | OBJECTIVES | NARRATIVE SUMMARY | INDICATORS | MEANS OF VERIFICATION | STRATEGIC DRIVERS |
|---------------------|--|-------------------|--|------------------------------|---|
| | services that will delight the customer | | | | - Marketing and branding resources are in place |
| Key result Area 8 | To provide innovative quality products and services that will delight the customer | Communications | -Maintenance of ICT Up-Time -% execution of plans against the strategy - % execution of organizational reputational strategy | Reputation management survey | - The Housing Consumers Protection Measures Act,1998(Act No.95 of 1998) requires a continuous process of housing consumer education - Marketing and branding resources are in place |

| STRATEGIES AND ACTIVITIES TO ACHIEVE RESULT AREAS | | |
|---|--|---|
| KEY RESULT AREA | INTERVENTION | MAIN ACTIVITIES TO ACHIEVE RESULT AREAS |
| Key result area 1 | Revenue generation | <ul style="list-style-type: none"> - Review and revise NHBRC product pricing model - Diversify NHBRC product and service offerings - Develop NHBRC sustainability model - Reduce operational costs - Improve customer service levels - Diversify incentives and monitor investment advisors - Reduce debtors collection days - Market and brand NHBRC - Implement the risk based insurance strategy - Controllable expenditure exceeds revenue by 11%(1.11:1) - Actual ROI> Consumer Price Index - BBEE spend > 51% |
| Key result area 2 | Business services (Technical Services, Inspections, customer Services and Project Management Office) | <ul style="list-style-type: none"> - Improve operations quality service levels - Diversify and improve NHBRC product and service offerings - Market NHBRC brand - Build the capacity of NHBRC service centres - Expand housing consumer education initiatives - Research and respond to NHBRC stakeholder needs and issues - Monitor customer satisfaction levels - Develop and design best practice home builder training materials - Identify and recruit trainees - Conduct NHBRC homebuilder training - Monitor and track NHBRC graduate development - Facilitate the provision of business opportunities for NHBRC graduates - Develop NHBRC quality assurance plan - Institute quality assurance plan - Monitor quality assurance output |

| | | |
|-------------------|--|--|
| Key result area 3 | <p>Corporate Services</p> <p>Legal, Compliance and Enforcement</p> <p>Corporate Services</p> <p>Communication and Stakeholder division</p> | <ul style="list-style-type: none"> - Develop fit for purpose world class IT and technical solutions - Improve technical quality services - Research and identify new and value add NHBRC products and services - Acquire, embed and support NHBRC IT and technology systems and business processes - Enter into strategic and value adding industry partnership - Develop NHBRC standards and brand - Publish NHBRC solutions to assist with quality home building standards - Implement revised Act - Improve legal service delivery capacity - Review and develop NHBRC Human Capital strategy - Provide timely and high quality talent management and other HR solutions to support NHBRC business processes - Improve and strengthen NHBRC human resources skills base - Review and develop NHBRC performance and business environment enhancing solutions - Develop NHBRC marketing and branding strategy and specification - Develop and tender specification for a marketing and branding agency - Implement marketing strategy - Monitor brand value as a function of the marketing and branding strategy |
|-------------------|--|--|

QUARTERLY BREAKDOWNS

SUBSIDY SECTOR

Subsidy Late -enrolment of homes: Performance Targets: 2016/2017

| Category | GP | KZN | EC | MP | LP | NC | FS | NW | WC | Total |
|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|------------|---------------|
| Quarter 1 | 1000 | 1500 | 500 | 2400 | 100 | 300 | 1,400 | 1,000 | 80 | 8500 |
| Quarter 2 | 2000 | 1500 | 1,000 | 3,000 | 150 | 500 | 2,500 | 1,500 | 150 | 13,650 |
| Quarter 3 | 2000 | 1500 | 1,000 | 2,500 | 250 | 7,00 | 2,400 | 1,800 | 150 | 13,650 |
| Quarter 4 | 1000 | 1500 | 500 | 2,000 | 100 | 200 | 1,700 | 700 | 120 | 7920 |
| Total | 6,000 | 6,000 | 3,000 | 9,900 | 600 | 1,700 | 8,000 | 5,000 | 500 | 40,700 |

Subsidy Home Enrolment

| Category | EC | FS | GP | KZN | LP | MP | NC | NW | WC | Total |
|--------------|--------------|-------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|----------------|
| Quarter 1 | 4978 | 263 | 13384 | 6771 | 2313 | 3089 | 660 | 2067 | 1525 | 35,049 |
| Quarter 2 | 5974 | 315 | 16061 | 8125 | 2776 | 3707 | 791 | 2480 | 1830 | 42,059 |
| Quarter 3 | 6970 | 368 | 18737 | 9479 | 3239 | 4325 | 923 | 2893 | 2135 | 49,069 |
| Quarter 4 | 2987 | 158 | 8030 | 4062 | 1388 | 1854 | 396 | 1240 | 915 | 21,029 |
| Total | 19913 | 1051 | 53535 | 27082 | 9253 | 12357 | 2638 | 8267 | 6100 | 140,196 |

Subsidy Home Inspections

| Category | EC | FS | GP | KZN | LP | MP | NC | NW | WC | Total |
|--------------|--------------|-------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|----------------|
| Quarter 1 | 4978 | 263 | 13384 | 6771 | 2313 | 3089 | 660 | 2067 | 1525 | 35,049 |
| Quarter 2 | 5974 | 315 | 16061 | 8125 | 2776 | 3707 | 791 | 2480 | 1830 | 42,059 |
| Quarter 3 | 6970 | 368 | 18737 | 9479 | 3239 | 4325 | 923 | 2893 | 2135 | 49,069 |
| Quarter 4 | 2987 | 158 | 8030 | 4062 | 1388 | 1854 | 396 | 1240 | 915 | 21,029 |
| Total | 19913 | 1051 | 53535 | 27082 | 9253 | 12357 | 2638 | 8267 | 6100 | 140,196 |

NON-SUBSIDY SECTOR

Registrations of homebuilders -Performance Targets: 2016/17

| Category | GP | KZN | EC | MP | LP | NC | FS | NW | WC | Total |
|--------------|--------------|------------|------------|------------|------------|-----------|------------|------------|------------|--------------|
| Quarter 1 | 636 | 113 | 168 | 175 | 95 | 28 | 58 | 64 | 88 | 1,424 |
| Quarter 2 | 273 | 48 | 72 | 75 | 41 | 12 | 25 | 27 | 38 | 610 |
| Quarter 3 | 364 | 64 | 96 | 100 | 54 | 16 | 33 | 37 | 50 | 814 |
| Quarter 4 | 545 | 97 | 144 | 150 | 81 | 24 | 50 | 55 | 75 | 1,220 |
| Total | 1,818 | 322 | 480 | 500 | 270 | 80 | 165 | 183 | 250 | 4,068 |

Renewals of Registration Performance Targets: 2016/17

| Category | GP | KZN | EC | MP | LP | NC | FS | NW | WC | Total |
|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|--------------|---------------|
| Quarter 1 | 1,705 | 436 | 379 | 490 | 455 | 93 | 245 | 263 | 498 | 4,562 |
| Quarter 2 | 731 | 187 | 162 | 210 | 195 | 40 | 105 | 113 | 213 | 1,955 |
| Quarter 3 | 974 | 249 | 216 | 280 | 260 | 53 | 140 | 150 | 284 | 2,607 |
| Quarter 4 | 1,461 | 374 | 325 | 420 | 390 | 80 | 210 | 225 | 427 | 3,910 |
| Total | 4,870 | 1,245 | 1,082 | 1,400 | 1,300 | 265 | 700 | 750 | 1,422 | 13,034 |

Non-Subsidy enrolment of homes: Performance Targets: 2016/17

| Category | GP | KZN | EC | MP | LP | NC | FS | NW | WC | Total |
|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Quarter 1 | 8,043 | 655 | 483 | 1,120 | 630 | 355 | 350 | 400 | 2,100 | 14,137 |
| Quarter 2 | 8,043 | 655 | 207 | 480 | 270 | 355 | 350 | 400 | 2,100 | 12,860 |
| Quarter 3 | 8,043 | 655 | 276 | 640 | 360 | 355 | 350 | 400 | 2,100 | 13,179 |
| Quarter 4 | 8,043 | 655 | 414 | 960 | 540 | 355 | 350 | 400 | 2,100 | 13,818 |
| Total | 32,173 | 2,620 | 1,381 | 3,200 | 1,800 | 1,420 | 1,400 | 1,600 | 8,400 | 53,994 |

Late Enrolment of homes; Performance Targets: 2016/17

| Category | GP | KZN | EC | MP | LP | NC | FS | NW | WC | Total |
|--------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|--------------|
| Quarter 1 | 201 | 16 | 12 | 28 | 16 | 9 | 9 | 10 | 53 | 353 |
| Quarter 2 | 201 | 16 | 5 | 12 | 7 | 9 | 9 | 10 | 53 | 322 |
| Quarter 3 | 201 | 16 | 7 | 16 | 9 | 9 | 9 | 10 | 53 | 329 |
| Quarter 4 | 201 | 16 | 10 | 24 | 14 | 9 | 9 | 10 | 53 | 345 |
| Total | 804 | 66 | 35 | 80 | 45 | 36 | 35 | 40 | 210 | 1,350 |

Number of homes inspected (Non-Subsidy sector): Performance Targets: 2016/17

| Category | GP | KZN | EC | MP | LP | NC | FS | NW | WC | Total |
|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Quarter 1 | 8,043 | 655 | 483 | 1,120 | 630 | 355 | 350 | 400 | 2,100 | 14,137 |
| Quarter 2 | 8,043 | 655 | 207 | 480 | 270 | 355 | 350 | 400 | 2,100 | 12,860 |
| Quarter 3 | 8,043 | 655 | 276 | 640 | 360 | 355 | 350 | 400 | 2,100 | 13,179 |
| Quarter 4 | 8,043 | 655 | 414 | 960 | 540 | 355 | 350 | 400 | 2,100 | 13,818 |
| Total | 32,173 | 2,620 | 1,381 | 3,200 | 1,800 | 1,420 | 1,400 | 1,600 | 8,400 | 53,994 |

Inspectors training performance targets: 2016/2017

| Category | GP | KZN | EC | WC | LP | NC | FS | NW | MP | TOTAL 2015/2016 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|
| Quarter 1 | 15 | 15 | 15 | 10 | 9 | 9 | 9 | 9 | 9 | 100 |
| Quarter 2 | 15 | 15 | 15 | 10 | 9 | 9 | 9 | 9 | 9 | 100 |
| Quarter 3 | 15 | 15 | 15 | 10 | 9 | 9 | 9 | 9 | 9 | 100 |
| Quarter 4 | 15 | 15 | 15 | 10 | 9 | 9 | 9 | 9 | 9 | 100 |
| Total | 60 | 60 | 60 | 40 | 36 | 36 | 36 | 36 | 36 | 400 |

Artisans performance targets: 2016/2017

| Category | GP | KZN | EC | WC | LP | NC | FS | NW | MP | TOTAL 2015/2016 |
|--------------|-----------|-----------|-----------|----|-----------|-----------|----------|-----------|----------|-----------------|
| Quarter 1 | 84 | 40 | 90 | | 30 | 57 | 0 | 50 | 0 | 351 |
| Quarter 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Quarter 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Quarter 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 84 | 40 | 90 | | 30 | 57 | 0 | 50 | 0 | 351 |

Homebuilder's performance targets: 2016/2017

| Category | GP | KZN | EC | WC | LP | NC | FS | NW | MP | TOTAL 2016/2017 |
|--------------|------------|------------|------------|-----------|------------|-----------|------------|-----------|------------|-----------------|
| Quarter 1 | 50 | 50 | 50 | 20 | 30 | 20 | 30 | 20 | 30 | 300 |
| Quarter 2 | 50 | 50 | 50 | 20 | 30 | 20 | 30 | 20 | 30 | 300 |
| Quarter 3 | 50 | 50 | 50 | 20 | 30 | 20 | 30 | 20 | 30 | 300 |
| Quarter 4 | 50 | 50 | 50 | 20 | 30 | 20 | 30 | 20 | 30 | 300 |
| Total | 200 | 200 | 200 | 80 | 120 | 80 | 120 | 80 | 120 | 1200 |

Youth performance targets : 2016/2017

| Category | GP | KZN | EC | WC | LP | NC | FS | NW | MP | TOTAL 2016/2017 |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------------|
| Quarter 1 | 75 | 75 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 500 |
| Quarter 2 | 75 | 75 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 500 |
| Quarter 3 | 75 | 75 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 500 |
| Quarter 4 | 75 | 75 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 500 |
| Total | 300 | 300 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,000 |

Women performance targets: 2016/2017

| Category | GP | KZN | EC | WC | LP | NC | FS | NW | MP | TOTAL 2016/2017 |
|-----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|--------------------|
| Quarter 1 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 225 |
| Quarter 2 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 225 |
| Quarter 3 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 225 |
| Quarter 4 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 225 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 900 |

Military veterans performance targets: 2016/2017

| Category | GP | KZN | EC | WC | LP | NC | FS | NW | MP | TOTAL 2016/2017 |
|-----------|----|-----|----|----|----|----|----|----|----|--------------------|
| Quarter 1 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 45 |
| Quarter 2 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 45 |
| Quarter 3 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 45 |
| Quarter 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 45 |
| Total | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 180 |

People with disabilities performance targets: 2016/2017

| Category | GP | KZN | EC | WC | LP | NC | FS | NW | MP | TOTAL 2016/2 |
|-----------|------|------|------|------|------|------|------|------|------|-----------------|
| Quarter 1 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Quarter 2 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Quarter 3 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Quarter 4 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Upgrading of informal settlements performance targets: 2016/2017

| Category | EC | FS | GP | KZN | LP | MP | NW | NC | WC | TOTAL 2016/2017 |
|-----------|------|------|-------|------|------|-------|------|-------|------|--------------------|
| Quarter 1 | 800 | 2452 | 2566 | 1337 | 2341 | 3168 | 1149 | 7096 | 1849 | 22758 |
| Quarter 2 | 800 | 2452 | 2566 | 1337 | 2341 | 3168 | 1149 | 7096 | 1849 | 22758 |
| Quarter 3 | 800 | 2452 | 2566 | 1337 | 2341 | 3168 | 1149 | 7096 | 1849 | 22758 |
| Quarter 4 | 800 | 2452 | 2566 | 1337 | 2341 | 3168 | 1149 | 7096 | 1849 | 22758 |
| Total | 3200 | 9811 | 10264 | 5348 | 9366 | 12670 | 4595 | 28383 | 7394 | 91032 |

Finance Linked Individual Subsidy programme performance targets: 2016/2017

| Category | EC | FS | GP | KZN | LP | MP | NW | NC | WC | TOTAL 2016/2017 |
|-----------|------|------|------|------|-----|------|-----|------|------|--------------------|
| Quarter 1 | 278 | 338 | 2265 | 445 | 166 | 345 | 121 | 748 | 988 | 5694 |
| Quarter 2 | 278 | 338 | 2265 | 445 | 166 | 345 | 121 | 704 | 948 | 5610 |
| Quarter 3 | 278 | 338 | 2265 | 445 | 166 | 345 | 121 | 748 | 948 | 5654 |
| Quarter 4 | 278 | 338 | 2265 | 445 | 166 | 345 | 121 | 748 | 948 | 5654 |
| Total | 1112 | 1352 | 9060 | 1780 | 664 | 1380 | 484 | 2948 | 3832 | 22612 |

Social Housing Programme performance targets: 2016/2017

| Category | EC | FS | GP | KZN | LP | MP | NW | NC | WC | TOTAL 2016/2017 |
|--------------|------------|------------|-------------|------------|------------|------------|------------|------------|-------------|--------------------|
| Quarter 1 | 107 | 118 | 773 | 207 | 86 | 120 | 47 | 214 | 261 | 1933 |
| Quarter 2 | 107 | 118 | 773 | 207 | 86 | 120 | 47 | 214 | 250 | 1922 |
| Quarter 3 | 107 | 118 | 773 | 207 | 86 | 120 | 47 | 214 | 250 | 1922 |
| Quarter 4 | 107 | 118 | 773 | 207 | 86 | 120 | 47 | 214 | 250 | 1922 |
| Total | 428 | 472 | 3092 | 828 | 344 | 480 | 188 | 856 | 1011 | 7699 |

Institutional Residential Development Programme performance targets: 2016/2017

| Category | EC | FS | GP | KZN | LP | MP | NW | NC | WC | TOTAL 2016/2017 |
|--------------|--------------|-------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------------|
| Quarter 1 | 4728 | 2277 | 11675 | 6435 | 4098 | 2965 | 864 | 2731 | 4518 | |
| Quarter 2 | 4728 | 2277 | 11675 | 6435 | 4098 | 2965 | 864 | 2731 | 4518 | |
| Quarter 3 | 4728 | 2277 | 11675 | 6435 | 4098 | 2965 | 864 | 2731 | 4518 | |
| Quarter 4 | 4728 | 2277 | 11675 | 6435 | 4098 | 2965 | 864 | 2731 | 5060 | |
| Total | 18912 | 9108 | 46700 | 25740 | 16392 | 11860 | 3456 | 10924 | 18614 | |

Rural Housing Programme performance targets: 2016/2017

| Category | EC | FS | GP | KZN | LP | MP | NW | NC | WC | TOTAL 2016/2017 |
|--------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------------|
| Quarter 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Quarter 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Quarter 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Quarter 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

Community Residential Units Programme performance targets: 2016/2017

| Category | EC | FS | GP | KZN | LP | MP | NW | NC | WC | TOTAL 2016/2017 |
|--------------|------------|-----------|------------|------------|------------|------------|-----------|-----------|-----------|--------------------|
| Quarter 1 | 96 | 2 | 123 | 105 | 62 | 52 | 14 | 23 | 8 | |
| Quarter 2 | 96 | 3 | 123 | 106 | 63 | 52 | 15 | 23 | 9 | |
| Quarter 3 | 96 | 2 | 123 | 105 | 62 | 52 | 14 | 23 | 8 | |
| Quarter 4 | 96 | 3 | 123 | 106 | 63 | 52 | 15 | 23 | 13 | |
| Total | 384 | 10 | 492 | 422 | 250 | 208 | 58 | 92 | 38 | |

A. Finance

NATIONAL HOME BUILDERS REGISTRATION COUNCIL REVISED BUDGETED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 31 MARCH 2017

| Description | 2015 - 2016 Budget | 2016 - 2017 Budget | 2017 - 2018 Budget | 2018 - 2019 Budget | 2019 - 2020 Budget |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenue | 813,163,785 | 942,919,926 | 1,006,810,631 | 1,075,040,015 | 1,147,902,453 |
| Registration Fees | 11,404,668 | 12,395,673 | 13,238,579 | 14,138,803 | 15,100,241 |
| Reg - Administration | 2,303,000 | 2,579,360 | 2,754,756 | 2,942,080 | 3,142,141 |
| Reg - Annual | 1,841,000 | 2,061,920 | 2,202,131 | 2,351,875 | 2,511,803 |
| Reg - Annual Renewals | 6,952,668 | 7,425,449 | 7,930,380 | 8,469,646 | 9,045,582 |
| Document Sales | - | - | - | - | - |
| Reg - Builders Manual | 308,000 | 328,944 | 351,312 | 375,201 | 400,715 |
| Non Subsidy Enrolment Fees | 452,338,733 | 511,975,071 | 546,789,376 | 583,971,054 | 623,681,085 |
| Cluster Cash | - | - | - | - | - |
| Cluster PA003 | - | - | - | - | - |
| Speculative | 273,329,312 | 309,365,048 | 330,401,871 | 352,869,199 | 376,864,304 |
| Cluster Sectional Title | 179,009,421 | 202,610,023 | 216,387,505 | 231,101,855 | 246,816,781 |
| Change in unearned premium provision | - | - | - | - | - |
| Subsidy enrolment fees | 276,668,334 | 341,005,992 | 364,194,399 | 388,959,619 | 415,408,873 |
| Home Enrolment (0.75%) | 37,149,216 | 40,864,138 | 43,642,899 | 46,610,616 | 49,780,138 |
| Project Enrolment (1%) | 57,309,673 | 90,090,806 | 96,216,981 | 102,759,735 | 109,747,397 |
| Consolidation (2.1%) | 182,209,445 | 210,051,048 | 224,334,520 | 239,589,267 | 255,881,337 |
| Change in unexpired risk | - | - | - | - | - |
| Other Revenue | 72,752,050 | 77,543,189 | 82,588,276 | 87,970,540 | 93,712,254 |
| Late Enrolment Fees | 502,050 | 536,189 | 509,380 | 483,911 | 459,715 |
| Geotechnical | 12,000,000 | 12,660,000 | 13,356,300 | 14,090,897 | 14,865,896 |
| Forensic Assessment | 35,000,000 | 37,380,000 | 39,921,840 | 42,636,525 | 45,535,809 |
| Inspector Training | 3,250,000 | 3,471,000 | 3,707,028 | 3,959,106 | 4,228,325 |
| Project Management Services | 12,000,000 | 12,816,000 | 13,687,488 | 14,618,237 | 15,612,277 |
| Testing Services | 10,000,000 | 10,680,000 | 11,406,240 | 12,181,864 | 13,010,231 |
| Revenue | 813,163,785 | 942,919,926 | 1,006,810,631 | 1,075,040,015 | 1,147,902,453 |
| Operating Expenses | 53,446,633 | 57,081,004 | 60,962,513 | 65,107,964 | 69,535,305 |
| Accreditation Fees | 4,430,270 | 4,731,528 | 5,053,272 | 5,396,895 | 5,763,884 |
| Direct Cost of Builders Manuals | 263,981 | 281,932 | 301,103 | 321,578 | 343,446 |
| Direct Cost of Certificates | 452,382 | 483,144 | 515,998 | 551,086 | 588,559 |
| Technical Services | 48,300,000 | 51,584,400 | 55,092,139 | 58,838,405 | 62,839,416 |
| General & Administration | 7,985,320 | 8,528,322 | 9,108,248 | 9,727,608 | 10,389,086 |
| Motor Vehicle Expenses | 524,000 | 559,632 | 597,687 | 638,330 | 681,736 |
| Office Equipment Expenses | 3,141,320 | 3,354,930 | 3,583,065 | 3,826,713 | 4,086,930 |
| Office Furniture Expenses | 220,000 | 234,960 | 250,937 | 268,001 | 286,225 |
| Generator/ UPS Expenses | 4,100,000 | 4,378,800 | 4,676,558 | 4,994,564 | 5,334,195 |
| Council Related Costs | 7,160,000 | 7,646,880 | 8,166,868 | 8,722,215 | 9,315,325 |
| Council Remuneration | 4,580,000 | 4,891,440 | 5,224,058 | 5,579,294 | 5,958,686 |
| Non Council Costs | 2,580,000 | 2,755,440 | 2,942,810 | 3,142,921 | 3,356,640 |
| Permanent Staff Costs | 449,691,082 | 453,768,794 | 478,726,077 | 505,056,012 | 532,834,092 |
| Permanent Staff : Salary | 411,460,106 | 413,435,114 | 436,174,046 | 460,163,618 | 485,472,617 |
| Permanent Staff : Incentive Bonus | 21,972,314 | 23,180,791 | 24,455,735 | 25,800,800 | 27,219,844 |
| Staff Costs - Allowances | 14,810,449 | 15,625,024 | 16,484,400 | 17,391,042 | 18,347,550 |
| Other Employment Costs | 1,448,212 | 1,527,864 | 1,611,897 | 1,700,551 | 1,794,081 |
| General Costs | 171,911,991 | 165,443,735 | 174,193,909 | 186,039,095 | 198,689,754 |
| Insurance Paid | 2,250,000 | 2,403,000 | 2,566,404 | 2,740,919 | 2,927,302 |
| Information Technology | 22,942,695 | 24,502,798 | 26,168,988 | 27,948,479 | 29,848,976 |
| Legal Fees | 8,300,000 | 8,864,400 | 9,467,179 | 10,110,947 | 10,798,492 |
| Marketing Fees | 36,198,000 | 36,159,464 | 38,618,308 | 41,244,352 | 44,048,968 |
| Telephone Expenses | 32,913,580 | 24,493,432 | 26,158,985 | 27,937,796 | 29,837,566 |
| Travelling Expenses | 47,960,884 | 51,222,224 | 54,705,335 | 58,425,298 | 62,398,218 |
| Training | 7,496,911 | 8,006,701 | 8,551,156 | 9,132,635 | 9,753,654 |
| Audit Fees | 3,600,000 | 3,844,800 | 4,106,246 | 4,385,471 | 4,683,683 |
| Staff Costs | 8,566,922 | 4,149,473 | 1,931,637 | 2,062,988 | 2,203,271 |
| Temporary staff | 1,683,000 | 1,797,444 | 1,919,670 | 2,050,208 | 2,189,622 |

| | 2015 - 2016 | 2016 - 2017 | 2017 - 2018 | 2018 - 2019 | 2019 - 2020 |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|
| Description | Budget | Budget | Budget | Budget | Budget |
| Other Expenses | 97,673,774 | 158,635,591 | 169,422,811 | 180,943,562 | 193,247,724 |
| Bank Charges | 1,484,000 | 1,584,912 | 1,692,686 | 1,807,789 | 1,930,718 |
| Bad Debts Written Off | - | - | - | - | - |
| PE - Cleaning | 2,016,900 | 2,154,049 | 2,300,525 | 2,456,960 | 2,624,034 |
| Conferences and Seminars | 9,160,000 | 9,782,880 | 10,448,116 | 11,158,588 | 11,917,372 |
| Consulting Fees | 23,450,000 | 25,044,600 | 26,747,633 | 28,566,472 | 30,508,992 |
| Courier & Freight | 1,918,000 | 2,048,424 | 2,187,717 | 2,336,482 | 2,495,362 |
| PE - Electricity & Water | 1,619,600 | 1,729,733 | 1,847,355 | 1,972,975 | 2,107,137 |
| Entertainment Expenses | 118,000 | 126,024 | 134,594 | 143,746 | 153,521 |
| Flowers & Gifts | 296,650 | 316,822 | 338,366 | 361,375 | 385,949 |
| PE - Rates & Taxes | 1,374,300 | 1,467,752 | 1,567,560 | 1,674,154 | 1,787,996 |
| PE - Rent of Premises | 12,977,504 | 13,859,974 | 14,802,453 | 15,809,019 | 16,884,033 |
| PE - Repair & Maintenance | 2,685,800 | 2,868,434 | 3,063,488 | 3,271,805 | 3,494,288 |
| Postage | 330,400 | 352,867 | 376,862 | 402,489 | 429,858 |
| Printing | 2,063,800 | 2,204,138 | 2,354,020 | 2,514,093 | 2,685,051 |
| Research & Development | 10,000,000 | 65,000,000 | 69,420,000 | 74,140,560 | 79,182,118 |
| PE - Security | 6,883,400 | 7,351,471 | 7,851,371 | 8,385,264 | 8,955,462 |
| Special Projects | 8,050,000 | 8,597,400 | 9,182,023 | 9,806,401 | 10,473,236 |
| PE - Plant Expenses | 605,520 | 646,695 | 690,671 | 737,636 | 787,796 |
| Stationery | 1,275,600 | 1,362,341 | 1,454,980 | 1,553,919 | 1,659,585 |
| Subscriptions | 1,798,100 | 1,920,371 | 2,050,956 | 2,190,421 | 2,339,370 |
| PE - Office Refurbishment | 4,675,000 | 4,992,900 | 5,332,417 | 5,695,022 | 6,082,283 |
| Other Costs - Rental of Premises | 2,322,400 | 2,480,323 | 2,648,985 | 2,829,116 | 3,021,496 |
| Off-site Archiving | 768,800 | 821,078 | 876,912 | 936,542 | 1,000,227 |
| Speedpoint | 1,800,000 | 1,922,400 | 2,053,123 | 2,192,736 | 2,341,842 |
| EXPENSES | 787,868,800 | 851,104,326 | 900,580,426 | 955,596,456 | 1,014,011,286 |
| SURPLUS/ (DEFICIT) BEFORE INTER | 25,294,985 | 91,815,600 | 106,230,205 | 119,443,559 | 133,891,166 |
| DEPRECIATION | 25,166,476 | 33,483,373 | 34,416,707 | 35,350,040 | 36,816,707 |
| Amortization | 15,952,476 | 22,599,373 | 22,599,373 | 22,599,373 | 22,599,373 |
| Depreciation | 9,214,000 | 10,884,000 | 11,817,333 | 12,750,667 | 14,217,333 |
| SURPLUS/ (DEFICIT) AFTER DEPREC | 128,508 | 58,332,227 | 71,813,498 | 84,093,519 | 97,074,459 |
| Interest Received | 264,500,000 | 273,411,000 | 284,033,448 | 296,539,492 | 311,136,230 |
| Interest Received | 275,000,000 | 284,625,000 | 296,010,000 | 309,330,450 | 324,796,973 |
| Management Fee | -10,500,000 | -11,214,000 | -11,976,552 | -12,790,958 | -13,660,743 |
| Surplus/ (Deficit) | 264,628,508 | 331,743,227 | 355,846,946 | 380,633,012 | 408,210,689 |

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
BUDGETED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

| | Notes | 2015/2016 R | 2016/2017 R | 2017/2018 R | 2018/2019 R | 2019/2020 R |
|----------------------------------|-------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Property, plant and equipment | 1 | 180,779,130 | 177,895,129 | 174,077,795 | 169,327,128 | 167,109,794 |
| Intangible Asset | 2 | 135,122,452 | 112,523,078 | 89,923,704 | 67,324,332 | 44,724,957 |
| Investments | 3 | 5,222,336,557 | 5,663,131,210 | 6,117,152,563 | 6,606,400,870 | 7,132,223,140 |
| Current assets | | | | | | |
| Inventories | | 138,714,396 | 137,196,977 | 139,584,708 | 139,938,283 | 141,092,863 |
| Accounts receivables | 4 | 207,808 | 222,354 | 237,917 | 254,571 | 272,378 |
| Cash and cash equivalents | 5 | 29,324,242 | 27,915,992 | 31,013,074 | 31,987,096 | 33,051,275 |
| | | 109,182,345 | 109,058,631 | 108,333,717 | 107,696,616 | 107,769,210 |
| | | <u>5,676,952,533</u> | <u>6,090,746,394</u> | <u>6,520,738,770</u> | <u>6,982,990,612</u> | <u>7,485,150,753</u> |
| EQUITY AND LIABILITIES | | | | | | |
| Reserves | | | | | | |
| Accumulated Surplus | | 4,189,387,488 | 4,521,130,715 | 4,876,977,661 | 5,257,610,673 | 5,665,821,362 |
| Emerging contractor Reserves | | 4,145,967,661 | 4,485,095,888 | 4,848,734,009 | 5,237,586,710 | 5,654,469,172 |
| | | 43,419,827 | 36,034,827 | 28,243,652 | 20,023,962 | 11,352,190 |
| Current liabilities | | | | | | |
| Accounts payable | 6 | 196,475,510 | 207,516,220 | 206,746,180 | 209,329,189 | 219,895,850 |
| Provisions | 7 | 191,628,776 | 202,468,682 | 201,698,641 | 204,281,651 | 214,848,312 |
| | | 4,846,734 | 5,047,539 | 5,047,539 | 5,047,539 | 5,047,539 |
| Technical liabilities | | | | | | |
| Provision for outstanding claims | | 1,291,089,534 | 1,362,099,459 | 1,437,014,929 | 1,516,050,750 | 1,599,433,541 |
| Provision for unearned premium | | 42,091,514 | 44,406,548 | 46,848,908 | 49,425,598 | 52,144,006 |
| Provision for unexpired risk | | 603,266,452 | 636,446,107 | 671,450,643 | 708,380,428 | 747,341,352 |
| | | 645,731,568 | 681,246,804 | 718,715,378 | 758,244,724 | 799,948,184 |
| | | <u>5,676,952,533</u> | <u>6,090,746,395</u> | <u>6,520,738,770</u> | <u>6,982,990,612</u> | <u>7,485,150,754</u> |

**BUDGETED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING 31 MARCH 2017**

| | Accumulated Surplus | Emerging Contractor Reserve | Total |
|-----------------------------|----------------------|--------------------------------|----------------------|
| | R | R | R |
| Balance at 2013/2014 | 3,804,279,232 | 20,419,827 | 3,824,699,059 |
| Net surplus for the period | 77,059,921 | | 77,059,921 |
| Utilised | | | |
| Transfer to reserve | | 30,000,000 | |
| Balance at 2014/2015 | 3,881,339,153 | 50,419,827 | 3,931,758,980 |
| Utilised | | | |
| Net surplus for the period | 264,628,508 | | 264,628,508 |
| Transfer to reserve | | - | - |
| Utilised | | (7,000,000) | (7,000,000) |
| Balance at 2015/2016 | 4,145,967,661 | 43,419,827 | 4,189,387,488 |
| Net surplus for the period | 331,743,227 | | 331,743,227 |
| Transfer to reserve | | | - |
| Utilised | 7,385,000 | (7,385,000) | - |
| Balance at 2016/2017 | 4,485,095,888 | 36,034,827 | 4,521,130,715 |
| Net surplus for the period | 355,846,946 | | 355,846,946 |
| Transfer to reserve | | - | - |
| Utilised | 7,791,175 | (7,791,175) | - |
| Balance at 2017/2018 | 4,848,734,009 | 28,243,652 | 4,876,977,661 |
| Net surplus for the period | 380,633,012 | | 380,633,012 |
| Transfer to reserve | | - | - |
| Utilised | 8,219,690 | (8,219,690) | - |
| Balance at 2018/2019 | 5,237,586,710 | 20,023,962 | 5,257,610,673 |
| Net surplus for the period | 408,210,689 | | 408,210,689 |
| Transfer to reserve | | - | - |
| Utilised | 8,671,773 | (8,671,773) | - |
| Balance at 2019/2020 | 5,654,469,172 | 11,352,190 | 5,665,821,362 |

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
BUDGETED CASH FLOW STATEMENT
FOR THE YEAR ENDING 31 MARCH 2017**

| | Note | 2015/2016 R | 2016/2017 R | 2016/2017 R | 2017/2018 R | 2018/2019 R |
|---|------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Cash generated from operations | 8 | 65,501,533 | 16,163,331 | 20,659,505 | 28,917,301 | 27,285,716 |
| Interest Paid | | - | - | - | - | - |
| Interest Received | | 275,000,000 | 284,625,000 | 296,010,000 | 309,330,450 | 324,796,973 |
| Cash flow from operating activities | | <u>340,501,533</u> | <u>300,788,331</u> | <u>316,669,506</u> | <u>338,247,751</u> | <u>352,082,689</u> |
| Investing activities | | | | | | |
| Additions to property, plant and equipment | | (98,500,000) | (8,000,000) | (8,000,000) | (8,000,000) | (12,000,000) |
| Additions to intangible asset | | (56,500,000) | - | - | - | - |
| Withdrawals/(Additions) to investments | | 435,000,000 | 79,152,891 | 87,780,880 | 99,876,659 | 97,665,475 |
| Purchase of financial assets | | (1,327,308,596) | (927,831,043) | (1,210,387,055) | (1,279,987,125) | (1,422,686,930) |
| Proceeds on sale of financial assets | | 705,855,825 | 555,766,108 | 813,211,754 | 849,225,614 | 985,011,361 |
| Cash flow from investing activities | | <u>(341,452,771)</u> | <u>(300,912,045)</u> | <u>(317,394,421)</u> | <u>(338,884,852)</u> | <u>(352,010,094)</u> |
| Cash flow from financing activities | | | | | | |
| Decrease in long term liability | | - | - | - | - | - |
| Net decrease in cash and cash equivalents | | <u>(951,238)</u> | <u>(123,714)</u> | <u>(724,914)</u> | <u>(637,101)</u> | <u>72,595</u> |
| Cash and cash equivalents at beginning of year | | 110,133,584 | 109,182,345 | 109,058,631 | 108,333,717 | 107,696,616 |
| Cash and cash equivalents at the end of the year | | <u>109,182,345</u> | <u>109,058,631</u> | <u>108,333,717</u> | <u>107,696,616</u> | <u>107,769,210</u> |

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2017**

1 Property, plant and equipment

| | Computer equipment R | Office furniture and equipment R | Motor vehicles R | Land and Buildings R | Total R |
|-----------------------------|----------------------------|--|------------------------|----------------------------|--------------|
| Balance at 2014/2014 | | | | | |
| Opening net carrying amount | 6,382,241 | 8,865,486 | 371,881 | 20,829,849 | 36,449,456 |
| Cost | 19,129,782 | 19,214,432 | 893,391 | 26,959,740 | 66,197,346 |
| Accumulated depreciation | (12,747,542) | (10,348,946) | (521,511) | (6,129,891) | (29,747,890) |
| Additions | 3,644,153 | 4,841,033 | 244,197 | 59,393,017 | 68,122,400 |
| Disposal | (3,594,859) | (1,328,810) | (695) | - | (4,924,364) |
| Depreciation on disposal | 3,330,708 | 1,309,907 | 695 | - | 4,641,310 |
| Depreciation | (2,710,022) | (1,931,939) | (120,031) | (1,267,511) | (6,029,503) |
| Closing net carrying amount | 7,052,221 | 11,755,677 | 496,046 | 78,955,355 | 98,259,299 |
| Cost | 19,179,076 | 22,726,655 | 1,136,893 | 86,352,757 | 129,395,382 |
| Accumulated depreciation | (12,126,855) | (10,970,979) | (640,847) | (7,397,402) | (31,136,083) |
| Balance at 2014/2015 | | | | | |
| Opening net carrying amount | 7,052,221 | 11,755,677 | 496,046 | 78,955,355 | 98,259,299 |
| Cost | 19,179,076 | 22,726,655 | 1,136,893 | 86,352,757 | 129,395,382 |
| Accumulated depreciation | (12,126,855) | (10,970,979) | (640,847) | (7,397,402) | (31,136,083) |
| Additions | - | - | - | - | - |
| Depreciation | (2,710,022) | (1,931,939) | (120,031) | (1,267,511) | (6,029,503) |
| Closing net carrying amount | 4,342,199 | 9,823,737 | 376,015 | 77,687,844 | 92,229,795 |
| Cost | 19,179,076 | 22,726,655 | 1,136,893 | 86,352,757 | 129,395,382 |
| Accumulated depreciation | (14,836,877) | (12,902,917) | (760,878) | (8,664,913) | (37,165,586) |
| Balance at 2015/2016 | | | | | |
| Opening net carrying amount | 4,342,199 | 9,823,737 | 376,015 | 77,687,844 | 92,229,796 |
| Cost | 19,179,076 | 22,726,655 | 1,136,893 | 86,352,757 | 129,395,382 |
| Accumulated depreciation | (14,836,877) | (12,902,917) | (760,878) | (8,664,913) | (37,165,586) |
| Additions | 7,000,000 | 14,500,000 | 10,000,000 | 67,000,000 | 98,500,000 |
| Depreciation | (2,714,519) | (1,498,606) | (1,120,031) | (4,617,511) | (9,950,667) |
| Closing net carrying amount | 8,627,680 | 22,825,131 | 9,255,984 | 140,070,333 | 180,779,130 |
| Cost | 26,179,076 | 37,226,655 | 11,136,893 | 153,352,757 | 227,895,382 |
| Accumulated depreciation | (17,551,396) | (14,401,523) | (1,880,909) | (13,282,424) | (27,214,919) |
| Balance at 2016/2017 | | | | | |
| Opening net carrying amount | 8,627,680 | 22,825,131 | 9,255,984 | 140,070,333 | 180,779,129 |
| Cost | 26,179,076 | 37,226,655 | 11,136,893 | 153,352,757 | 227,895,382 |
| Accumulated depreciation | (17,551,396) | (14,401,523) | (1,880,909) | (13,282,424) | (47,116,252) |
| Additions | 3,000,000 | 5,000,000 | - | - | 8,000,000 |
| Depreciation | (3,314,519) | (1,831,939) | (1,120,031) | (4,617,511) | (10,884,000) |
| Closing net carrying amount | 8,313,161 | 25,993,192 | 8,135,953 | 135,452,822 | 177,895,129 |
| Cost | 29,179,076 | 42,226,654 | 11,136,893 | 153,352,757 | 235,895,381 |
| Accumulated depreciation | (20,865,915) | (16,233,462) | (3,000,940) | (17,899,936) | (58,000,252) |
| Balance at 2017/2018 | | | | | |
| Opening net carrying amount | 8,313,161 | 25,993,192 | 8,135,953 | 135,452,822 | 177,895,130 |
| Cost | 29,179,076 | 42,226,654 | 11,136,893 | 153,352,757 | 235,895,381 |
| Accumulated depreciation | (20,865,915) | (16,233,462) | (3,000,940) | (17,899,936) | (58,000,252) |
| Additions | 3,000,000 | 5,000,000 | - | - | 8,000,000 |
| Depreciation | (3,914,519) | (2,165,272) | (1,120,031) | (4,617,511) | (11,817,333) |
| Closing net carrying amount | 7,398,642 | 28,827,920 | 7,015,922 | 130,835,311 | 174,077,995 |
| Cost | 32,179,076 | 47,226,654 | 11,136,893 | 153,352,757 | 243,895,381 |
| Accumulated depreciation | (24,780,434) | (18,398,734) | (4,120,971) | (22,517,447) | (69,817,586) |
| Balance at 2018/2019 | | | | | |
| Opening net carrying amount | 7,398,642 | 28,827,920 | 7,015,922 | 130,835,311 | 174,077,995 |
| Cost | 32,179,076 | 47,226,654 | 11,136,893 | 153,352,757 | 243,895,381 |
| Accumulated depreciation | (24,780,434) | (18,398,734) | (4,120,971) | (22,517,447) | (69,817,586) |
| Additions | 3,000,000 | 5,000,000 | - | - | 8,000,000 |
| Depreciation | (4,514,519) | (2,498,606) | (1,120,031) | (4,617,511) | (12,750,667) |
| Closing net carrying amount | 5,884,123 | 31,329,314 | 5,895,891 | 126,217,800 | 169,327,128 |
| Cost | 35,179,076 | 52,226,654 | 11,136,893 | 153,352,757 | 251,895,381 |
| Accumulated depreciation | (29,294,953) | (20,897,340) | (5,241,002) | (27,134,958) | (82,568,252) |
| Balance at 2019/2020 | | | | | |
| Opening net carrying amount | 5,884,123 | 31,329,315 | 5,895,891 | 126,217,800 | 169,327,129 |
| Cost | 35,179,076 | 52,226,654 | 11,136,893 | 153,352,757 | 251,895,381 |
| Accumulated depreciation | (29,294,953) | (20,897,340) | (5,241,002) | (27,134,958) | (82,568,252) |
| Additions | 5,000,000 | 7,000,000 | - | - | 12,000,000 |
| Depreciation | (5,514,519) | (2,965,272) | (1,120,031) | (4,617,511) | (14,217,333) |
| Closing net carrying amount | 5,369,604 | 35,364,041 | 4,775,860 | 121,600,288 | 167,109,794 |
| Cost | 40,179,076 | 59,226,654 | 11,136,893 | 153,352,757 | 263,895,381 |
| Accumulated depreciation | (34,809,472) | (23,862,612) | (6,361,033) | (31,752,469) | (96,785,586) |

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2017**

2 Intangible Asset

| | Software development costs R | Total R |
|------------------------------------|---|--------------------|
| Balance at 2013/2014 | | |
| Opening net carrying amount | 40,577,524 | 40,577,524 |
| Cost | 94,601,588 | 94,601,588 |
| Accumulated Amortisation | (54,024,063) | (54,024,063) |
| Additions | 20,529,482 | 20,529,482 |
| Disposals | (73,790) | (73,790) |
| Amortisation on disposals | 73,790 | 73,790 |
| Amortisation | (4,099,373) | (4,099,373) |
| Closing net carrying amount | 57,007,633 | 57,007,633 |
| Cost | 115,057,280 | 115,057,280 |
| Accumulated Amortisation | (58,049,647) | (58,049,647) |
| Balance at 2014/2015 | | |
| Opening net carrying amount | 57,007,633 | 57,007,633 |
| Cost | 115,057,280 | 115,057,280 |
| Accumulated Amortisation | (58,049,647) | (58,049,647) |
| Additions | 50,000,000 | 50,000,000 |
| Amortisation | (12,432,707) | (12,432,707) |
| Closing net carrying amount | 94,574,927 | 94,574,927 |
| Cost | 165,057,280 | 165,057,280 |
| Accumulated Amortisation | (70,482,353) | (70,482,353) |
| Balance at 2015/2016 | | |
| Opening net carrying amount | 94,574,927 | 94,574,927 |
| Cost | 165,057,280 | 165,057,280 |
| Accumulated Amortisation | (70,482,353) | (70,482,353) |
| Additions | 56,500,000 | 56,500,000 |
| Amortisation | (15,952,476) | (15,952,476) |
| Closing net carrying amount | 135,122,451 | 135,122,452 |
| Cost | 221,557,280 | 221,557,280 |
| Accumulated Amortisation | (86,434,830) | (86,434,830) |
| Balance at 2016/2017 | | |
| Opening net carrying amount | 135,122,451 | 135,122,452 |
| Cost | 221,557,280 | 221,557,280 |
| Accumulated Amortisation | (86,434,830) | (86,434,831) |
| Additions | - | - |
| Amortisation | (22,599,373) | (22,599,373) |
| Closing net carrying amount | 112,523,077 | 112,523,078 |
| Cost | 221,557,280 | 221,557,281 |
| Accumulated Amortisation | (109,034,203) | (109,034,203) |
| Balance at 2017/2018 | | |
| Opening net carrying amount | 112,523,077 | 112,523,078 |
| Cost | 221,557,280 | 221,557,281 |
| Accumulated Amortisation | (109,034,203) | (109,034,203) |
| Additions | - | - |
| Amortisation | (22,599,373) | (22,599,373) |
| Closing net carrying amount | 89,923,704 | 89,923,704 |
| Cost | 221,557,280 | 221,557,281 |
| Accumulated Amortisation | (131,633,576) | (131,633,576) |
| Balance at 2018/2019 | | |
| Opening net carrying amount | 89,923,704 | 89,923,704 |
| Cost | 221,557,280 | 221,557,281 |
| Accumulated Amortisation | (131,633,576) | (131,633,576) |
| Additions | - | - |
| Amortisation | (22,599,373) | (22,599,373) |
| Closing net carrying amount | 67,324,331 | 67,324,332 |
| Cost | 221,557,280 | 221,557,280 |
| Accumulated Amortisation | (154,232,950) | (154,232,950) |
| Balance at 2019/2020 | | |
| Opening net carrying amount | 67,324,331 | 67,324,331 |
| Cost | 221,557,280 | 221,557,281 |
| Accumulated Amortisation | (154,232,950) | (154,232,950) |
| Additions | - | - |
| Amortisation | (22,599,373) | (22,599,373) |
| Closing net carrying amount | 44,724,957 | 44,724,957 |
| Cost | 221,557,280 | 221,557,280 |
| Accumulated Amortisation | (176,832,323) | (176,832,323) |

NATIONAL HOME BUILDERS REGISTRATION COUNCIL
NOTES TO THE BUDGETED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDING 31 MARCH 2017

| | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Base | R | R | R | R | R | R |
| 3 Investment in securities | | | | | | | |
| Available-for-sale investments | | | | | | | |
| Opening balance | 3,974,429,199 | 4,422,165,054 | 4,514,901,574 | 5,222,336,557 | 5,663,131,210 | 6,117,152,563 | 6,606,400,870 |
| Interest received and Investment income | 211,791,717 | 211,570,000 | 275,000,000 | 284,625,000 | 296,010,000 | 309,330,450 | 324,796,973 |
| Administration fee | (10,259,944) | (10,000,000) | (10,500,000) | (11,077,500) | (11,686,763) | (12,329,534) | (13,007,659) |
| Fair value net gains/ (loss) | 97,185,568 | (108,833,480) | 7,934,984 | 88,094,262 | 81,917,235 | 92,370,732 | 116,367,482 |
| (Withdrawal) / Additions | 149,018,514 | | 435,000,000 | 79,152,891 | 87,780,880 | 99,876,659 | 97,665,475 |
| | <u>4,422,165,054</u> | <u>4,514,901,574</u> | <u>5,222,336,557</u> | <u>5,663,131,210</u> | <u>6,117,152,563</u> | <u>6,606,400,870</u> | <u>7,132,223,140</u> |
| 4 Accounts receivable | | | | | | | |
| Trade debtors | 32,850,549 | 56,776,591 | 22,739,863 | 21,663,882 | 25,310,036 | 26,702,088 | 28,170,703 |
| Provision for bad debts | (13,427,946) | (2,838,830) | (1,136,993) | (1,083,194) | (1,265,502) | (1,335,104) | (1,408,535) |
| Sundry debtors | 16,255,523 | 8,127,762 | 7,721,373 | 7,335,305 | 6,968,540 | 6,620,113 | 6,289,107 |
| | <u>35,678,126</u> | <u>62,065,522</u> | <u>29,324,242</u> | <u>27,915,992</u> | <u>31,013,074</u> | <u>31,987,096</u> | <u>33,051,275</u> |
| 5 Cash and cash equivalents | | | | | | | |
| Bank | 147,446,236 | 110,103,584 | 109,152,345 | 109,028,631 | 108,303,717 | 107,666,616 | 107,739,210 |
| Short-term bank deposits | 37,214 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| | <u>147,483,450</u> | <u>110,133,584</u> | <u>109,182,345</u> | <u>109,058,631</u> | <u>108,333,717</u> | <u>107,696,616</u> | <u>107,769,210</u> |
| 6 Accounts payable | | | | | | | |
| Accounts payable | 46,004,324 | 49,262,842 | 54,466,660 | 53,970,053 | 40,898,657 | 28,844,259 | 30,469,947 |
| Leave Accrual | 15,428,260 | 27,728,761 | 28,802,207 | 30,386,329 | 32,057,577 | 33,820,744 | 35,680,885 |
| Sundry creditors | 110,458,622 | 99,412,760 | 108,359,908 | 118,112,300 | 128,742,407 | 141,616,648 | 148,697,480 |
| | <u>171,891,207</u> | <u>176,404,363</u> | <u>191,628,776</u> | <u>202,468,682</u> | <u>201,698,641</u> | <u>204,281,651</u> | <u>214,848,312</u> |
| 7 Provision | | | | | | | |
| Legal disputes | 2,978,582 | 3,157,297 | 3,346,734 | 3,547,539 | 3,547,539 | 3,547,539 | 3,547,539 |
| Other | 116,684 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| | <u>3,095,266</u> | <u>4,657,297</u> | <u>4,846,734</u> | <u>5,047,539</u> | <u>5,047,539</u> | <u>5,047,539</u> | <u>5,047,539</u> |
| 8 Reconciliation of surplus to cash generated from operations | | | | | | | |
| Surplus for the period | 214,574,892 | 77,059,921 | 264,628,508 | 331,743,227 | 355,846,946 | 380,633,012 | 408,210,689 |
| Adjust for non cash items: | | | | | | | |
| Depreciation of property, plant and equipment | 6,029,503 | 12,216,932 | 9,214,000 | 10,884,000 | 11,817,333 | 12,750,667 | 14,217,333 |
| Amortisation of Intangible Asset | 4,099,373 | 3,078,667 | 15,952,476 | 22,599,373 | 22,599,373 | 22,599,373 | 22,599,373 |
| Net (surplus) / deficit on disposal of property plant and e | 283,055 | - | - | - | - | - | - |
| Administration fee | 10,259,944 | 10,000,000 | 10,500,000 | 11,214,000 | 11,976,552 | 12,790,958 | 13,660,743 |
| Fair value gain on financial instruments | (97,185,568) | 108,833,480 | (7,934,984) | (88,094,262) | (81,917,235) | (92,370,732) | (116,367,482) |
| Movement in provisions | (1,442,466) | (11,999,215) | 189,438 | 208,382 | 229,220 | 252,142 | 277,356 |
| Movement in technical provision | 279,676,412 | - | - | - | - | - | - |
| Interest paid | - | - | - | - | - | - | - |
| Interest received | (305,475,785) | (201,570,000) | (275,000,000) | (284,625,000) | (296,010,000) | (309,330,450) | (324,796,973) |
| Operating income before working capital changes | 110,819,360 | (2,380,216) | 17,549,439 | 3,929,720 | 24,542,190 | 27,324,969 | 17,801,040 |
| (Increase) / Decrease in inventory | 62,344 | (12,708) | (13,598) | (14,546) | (15,563) | (16,654) | (17,807) |
| (Increase) / Decrease in accounts receivable | 55,659 | (26,387,396) | 32,741,280 | 1,408,250 | (3,097,082) | (974,022) | (1,064,178) |
| Increase / (Decrease) in accounts payable | 46,025,470 | 4,513,156 | 15,224,412 | 10,839,906 | (770,040) | 2,583,009 | 10,566,661 |
| | <u>156,962,834</u> | <u>(24,267,164)</u> | <u>65,501,533</u> | <u>16,163,331</u> | <u>20,659,505</u> | <u>28,917,301</u> | <u>27,285,716</u> |

| NATIONAL HOME BUILDERS REGISTRATION COUNCIL | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| REVISED BUDGETED STATEMENT OF FINANCIAL PERFORMANCE | | | | |
| FOR THE YEAR ENDING 31 MARCH 2017 | | | | |
| | 2016 - 2017 | 2016 - 2017 | 2016 - 2017 | 2016 - 2017 |
| Description | Quarter 1 | Quarter 1 | Quarter 1 | Quarter 1 |
| Revenue | 250,595,934 | 220,595,934 | 210,595,934 | 255,595,934 |
| | - | - | - | - |
| Registration Fees | 3,098,918 | 3,098,918 | 3,098,918 | 3,098,918 |
| Reg - Administration | 644,840 | 644,840 | 644,840 | 644,840 |
| Reg - Annual | 515,480 | 515,480 | 515,480 | 515,480 |
| Reg - Annual Renewals | 1,856,362 | 1,856,362 | 1,856,362 | 1,856,362 |
| Document Sales | - | - | - | - |
| Reg - Builders Manual | 82,236 | 82,236 | 82,236 | 82,236 |
| | 127,993,768 | 127,993,768 | 112,993,768 | 137,993,768 |
| Speculative | 77,341,262 | 77,341,262 | 77,341,262 | 77,341,262 |
| Cluster Sectional Title | 50,652,506 | 50,652,506 | 35,652,506 | 60,652,506 |
| Change in unearned premium provision | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| Subsidy enrolment fees | 100,251,498 | 70,251,498 | 75,251,498 | 95,251,498 |
| Home Enrolment (0.75%) | 10,216,034 | 10,216,034 | 10,216,034 | 10,216,034 |
| Project Enrolment (1%) | 22,522,701 | 22,522,701 | 22,522,701 | 22,522,701 |
| Consolidation (2.1%) | 67,512,762.12 | 37,512,762 | 42,512,762 | 62,512,762 |
| | - | - | - | - |
| | 19,251,750 | 19,251,750 | 19,251,750 | 19,251,750 |
| Geotechnical | 3,165,000 | 3,165,000 | 3,165,000 | 3,165,000 |
| Forensic Assessment | 9,345,000 | 9,345,000 | 9,345,000 | 9,345,000 |
| Inspector Training | 867,750 | 867,750 | 867,750 | 867,750 |
| Project Management Services | 3,204,000 | 3,204,000 | 3,204,000 | 3,204,000 |
| Testing Services | 2,670,000 | 2,670,000 | 2,670,000 | 2,670,000 |
| | - | - | - | - |
| Operating Expenses | 14,270,251 | 14,270,251 | 14,270,251 | 14,270,251 |
| Inspection Fees - Subsidy | - | - | - | - |
| Accreditation Fees | 1,182,882 | 1,182,882 | 1,182,882 | 1,182,882 |
| Direct Cost of Builders Manuals | 70,483 | 70,483 | 70,483 | 70,483 |
| IFRS4 (Claims against fund) | - | - | - | - |
| | - | - | - | - |
| General & Administration | 2,132,080 | 2,132,080 | 2,132,080 | 2,132,080 |
| Motor Vehicle Expenses | 139,908 | 139,908 | 139,908 | 139,908 |
| Office Equipment Expenses | 838,732 | 838,732 | 838,732 | 838,732 |
| Office Furniture Expenses | 58,740 | 58,740 | 58,740 | 58,740 |
| Generator/ UPS Expenses | 1,094,700 | 1,094,700 | 1,094,700 | 1,094,700 |
| | - | - | - | - |
| Council Related Costs | 1,911,720 | 1,911,720 | 1,911,720 | 1,911,720 |
| Council Remuneration | 1,222,860 | 1,222,860 | 1,222,860 | 1,222,860 |
| Non Council Costs | 688,860 | 688,860 | 688,860 | 688,860 |
| CAC Costs | - | - | - | - |
| | - | - | - | - |
| Permanent Staff Costs | 113,442,198 | 113,442,198 | 113,442,198 | 113,442,198 |
| Permanent Staff : Salary | 103,358,779 | 103,358,779 | 103,358,779 | 103,358,779 |
| Permanent Staff : Incentive Bonus | 5,795,198 | 5,795,198 | 5,795,198 | 5,795,198 |
| Staff Costs - Allowances | 3,906,256 | 3,906,256 | 3,906,256 | 3,906,256 |
| Other Employment Costs | 381,966 | 381,966 | 381,966 | 381,966 |
| | - | - | - | - |
| | - | - | - | - |
| General Costs | 41,360,934 | 41,360,934 | 41,360,934 | 41,360,934 |
| Insurance Paid | 600,750 | 600,750 | 600,750 | 600,750 |
| Information Technology | 6,125,699 | 6,125,699 | 6,125,699 | 6,125,699 |
| Legal Fees | 2,216,100 | 2,216,100 | 2,216,100 | 2,216,100 |
| Marketing Fees | 9,039,866 | 9,039,866 | 9,039,866 | 9,039,866 |
| Telephone Expenses | 6,123,358 | 6,123,358 | 6,123,358 | 6,123,358 |
| Travelling Expenses | 12,805,556 | 12,805,556 | 12,805,556 | 12,805,556 |
| Training | 2,001,675 | 2,001,675 | 2,001,675 | 2,001,675 |
| Audit Fees | 961,200 | 961,200 | 961,200 | 961,200 |
| Staff Costs | 1,037,368 | 1,037,368 | 1,037,368 | 1,037,368 |
| Temporary staff | 449,361 | 449,361 | 449,361 | 449,361 |
| | - | - | - | - |

| | 2016 - 2017 | 2016 - 2017 | 2016 - 2017 | 2016 - 2017 |
|--|--------------------|--------------------|--------------------|--------------------|
| Description | Quarter 1 | Quarter 1 | Quarter 1 | Quarter 1 |
| | - | - | - | - |
| | - | - | - | - |
| Other Expenses | 39,658,898 | 39,658,898 | 39,658,898 | 39,658,898 |
| Bank Charges | 396,228 | 396,228 | 396,228 | 396,228 |
| Bad Debts Written Off | - | - | - | - |
| PE - Cleaning | 538,512 | 538,512 | 538,512 | 538,512 |
| Conferences and Seminars | 2,445,720 | 2,445,720 | 2,445,720 | 2,445,720 |
| Consulting Fees | 6,261,150 | 6,261,150 | 6,261,150 | 6,261,150 |
| Courier & Freight | 512,106 | 512,106 | 512,106 | 512,106 |
| PE - Electricity & Water | 432,433 | 432,433 | 432,433 | 432,433 |
| Entertainment Expenses | 31,506 | 31,506 | 31,506 | 31,506 |
| Fines and Penalties | - | - | - | - |
| Flowers & Gifts | 79,206 | 79,206 | 79,206 | 79,206 |
| Realized (Gain)/ loss | - | - | - | - |
| PE - Rates & Taxes | 366,938 | 366,938 | 366,938 | 366,938 |
| PE - Rent of Premises | 3,464,994 | 3,464,994 | 3,464,994 | 3,464,994 |
| PE - Repair & Maintenance | 717,109 | 717,109 | 717,109 | 717,109 |
| Postage | 88,217 | 88,217 | 88,217 | 88,217 |
| Printing | 551,035 | 551,035 | 551,035 | 551,035 |
| Research & Development | 16,250,000 | 16,250,000 | 16,250,000 | 16,250,000 |
| PE - Security | 1,837,868 | 1,837,868 | 1,837,868 | 1,837,868 |
| Special Projects | 2,149,350 | 2,149,350 | 2,149,350 | 2,149,350 |
| PE - Plant Expenses | 161,674 | 161,674 | 161,674 | 161,674 |
| Stationery | 340,585 | 340,585 | 340,585 | 340,585 |
| Subscriptions | 480,093 | 480,093 | 480,093 | 480,093 |
| PE - Office Refurbishment | 1,248,225 | 1,248,225 | 1,248,225 | 1,248,225 |
| Other Costs - Rental of Premises | 620,081 | 620,081 | 620,081 | 620,081 |
| Off-site Archiving | 205,270 | 205,270 | 205,270 | 205,270 |
| Speedpoint | 480,600 | 480,600 | 480,600 | 480,600 |
| | - | - | - | - |
| EXPENSES | 212,776,081 | 212,776,081 | 212,776,081 | 212,776,081 |
| | - | - | - | - |
| SURPLUS/ (DEFICIT) BEFORE INTER | 37,819,853 | 7,819,853 | -2,180,147 | 42,819,853 |
| | - | - | - | - |
| DEPRECIATION | 8,370,843 | 8,370,843 | 8,370,843 | 8,370,843 |
| Amortization | 5,649,843 | 5,649,843 | 5,649,843 | 5,649,843 |
| Depreciation | 2,721,000 | 2,721,000 | 2,721,000 | 2,721,000 |
| | - | - | - | - |
| SURPLUS/ (DEFICIT) AFTER DEPREC | 29,449,009 | -550,991 | -10,550,991 | 34,449,009 |
| | - | - | - | - |
| Interest Received | 68,352,750 | 68,352,750 | 68,352,750 | 68,352,750 |
| Interest Received | 71,156,250 | 71,156,250 | 71,156,250 | 71,156,250 |
| Management Fee | -2,803,500 | -2,803,500 | -2,803,500 | -2,803,500 |
| | - | - | - | - |
| | - | - | - | - |
| Surplus/ (Deficit) | 97,801,759 | 67,801,759 | 57,801,759 | 102,801,759 |

**NATIONAL HOME BUILDERS REGISTRATION COUNCIL
REVISED BUDGETED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 31 MARCH 2017**

| Description | Actuals | | Actuals | Budget | 2016 - 2017 | 2017 - 2018 |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| | 2012 - 2013 | 2013 - 2014 | 2014 - 2015 | 2015 - 2016 | Budget | Budget |
| Revenue | 883,988,941 | 703,322,529 | 904,995,179 | 813,163,785 | 943,075,926 | 1,007,141,819 |
| Registration Fees | 12,579,811 | 14,392,618 | 16,735,116 | 11,404,668 | 12,395,673 | 13,238,579 |
| Reg - Administration | 2,111,160 | 2,555,497 | 3,669,096 | 2,303,000 | 2,579,360 | 2,754,756 |
| Reg - Annual | 1,473,638 | 1,614,223 | 2,494,216 | 1,841,000 | 2,061,920 | 2,202,131 |
| Reg - Annual Renewals | 8,054,917 | 8,656,225 | 8,557,939 | 6,952,668 | 7,425,449 | 7,930,380 |
| Document Sales | 512,332 | 1,048,899 | 1,426,446 | - | - | - |
| Reg - Builders Manual | 427,764 | 517,774 | 587,418 | 308,000 | 328,944 | 351,312 |
| Non Subsidy Enrolment Fees | 360,945,605 | 428,292,299 | 550,532,205 | 452,338,733 | 511,975,071 | 546,789,376 |
| Cluster Cash | - | - | - | - | - | - |
| Cluster PA003 | 34,010,401 | 31,525,865 | 4,279,618 | - | - | - |
| Speculative | 176,006,358 | 228,177,889 | 303,134,589 | 273,329,312 | 309,365,048 | 330,401,871 |
| Cluster Sectional Title | 150,928,846 | 168,588,544 | 243,117,998 | 179,009,421 | 202,610,023 | 216,387,505 |
| Change in unearned premium provision | - | - | - | - | - | - |
| Subsidy enrolment fees | 274,291,883 | 212,953,638 | 289,847,966 | 276,668,334 | 341,005,992 | 364,194,399 |
| Home Enrolment (0.75%) | 245,968,738 | 196,438,477 | 202,575,128 | 37,149,216 | 40,864,138 | 43,642,899 |
| Project Enrolment (1%) | 28,323,145 | 16,515,161 | 33,420,077 | 57,309,673 | 90,090,806 | 96,216,981 |
| Consolidation (2.1%) | - | - | 53,852,761 | 182,209,445 | 210,051,048 | 224,334,520 |
| Change in unexpired risk | - | - | - | - | - | - |
| Other Revenue | 236,171,642 | 47,683,974 | 47,879,892 | 72,752,050 | - | - |
| Sundry Income | 6,277,447 | 6,795,620 | 23,322,353 | - | - | - |
| Late Enrolment Fees | 657,626 | 44,075 | 525,458 | 502,050 | 536,189 | 509,380 |
| Technical Audit | 97,197,987 | 23,973,782 | - | - | - | - |
| Geotechnical | 132,038,580 | - | 12,352,949 | 12,000,000 | 12,816,000 | 13,687,488 |
| Forensic Assessment | - | 11,028,852 | - | 35,000,000 | 37,380,000 | 39,921,840 |
| Water Tanks | - | 5,841,645 | - | - | - | - |
| Inspector Training | - | - | 2,612,650 | 3,250,000 | 3,471,000 | 3,707,028 |
| Project Management Services | - | - | 9,066,482 | 12,000,000 | 12,816,000 | 13,687,488 |
| Testing Services | - | - | - | 10,000,000 | 10,680,000 | 11,406,240 |
| Revenue | 883,988,941 | 703,322,529 | | 813,163,785 | 943,075,926 | 1,007,141,819 |
| Operating Expenses | 295,659,490 | 89,547,048 | 7,076,961 | 53,446,633 | 57,081,004 | 60,962,513 |
| Inspection Fees - Non Subsidy | 41,449,420 | 60,342,878 | -579,228 | - | - | - |
| Inspection Fees - Subsidy | 10,176,663 | - | - | - | - | - |
| Accreditation Fees | 2,150,731 | 2,273,385 | 2,035,223 | 4,430,270 | 4,731,528 | 5,053,272 |
| Direct Cost of Builders Manuals | 430,518 | 278,011 | 252,319 | 263,981 | 281,932 | 301,103 |
| Direct Cost of Certificates | 469,452 | - | - | 452,382 | 483,144 | 515,998 |
| Technical Services | 240,982,706 | 26,652,774 | 5,368,647 | 48,300,000 | 51,584,400 | 55,092,139 |
| General & Administration | 6,005,298 | 4,380,287 | 5,707,365 | 7,985,320 | 8,528,322 | 9,108,248 |
| Motor Vehicle Expenses | 236,075 | 187,065 | 213,561 | 524,000 | 559,632 | 597,687 |
| Office Equipment Expenses | 5,776,037 | 3,969,394 | 5,054,156 | 3,141,320 | 3,354,930 | 3,583,065 |
| Office Furniture Expenses | -79,092 | 223,829 | 245,977 | 220,000 | 234,960 | 250,937 |
| Generator/ UPS Expenses | 72,278 | - | 193,670 | 4,100,000 | 4,378,800 | 4,676,558 |
| Council Related Costs | 3,307,114 | 6,219,385 | 5,310,890 | 7,160,000 | 7,646,880 | 8,166,868 |
| Council Remuneration | 2,136,284 | 3,195,411 | 2,994,630 | 4,580,000 | 4,891,440 | 5,224,058 |
| Non Council Costs | 1,128,716 | 3,023,974 | 2,316,260 | 2,580,000 | 2,755,440 | 2,942,810 |
| | 42,113 | - | - | - | - | - |
| Permanent Staff Costs | 195,008,551 | 245,534,932 | 316,659,728 | 449,691,082 | 453,768,794 | 478,726,077 |
| Permanent Staff : Salary | 173,210,638 | 220,299,631 | 305,023,968 | 411,460,106 | 413,435,114 | 436,174,046 |
| Permanent Staff : Incentive Bonus | 8,224,889 | 8,815,887 | - | 21,972,314 | 23,180,791 | 24,455,735 |
| Staff Costs - Allowances | 10,065,384 | 11,668,378 | 9,687,079 | 14,810,449 | 15,625,024 | 16,484,400 |
| Other Employment Costs | 3,507,640 | 4,751,036 | 1,948,681 | 1,448,212 | 1,527,864 | 1,611,897 |

| | 2012 - 2013 | 2013 - 2014 | 2014 - 2015 | 2015 - 2016 | 2016 - 2017 | 2017 - 2018 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Description | Actual | Actual | Actuals | Budget | Budget | Budget |
| General Costs | 78,278,291 | 100,358,754 | 174,925,167 | 171,911,991 | 165,443,735 | 174,193,909 |
| Insurance Paid | 1,810,339 | 1,003,549 | 1,445,257 | 2,250,000 | 2,403,000 | 2,566,404 |
| Information Technology | 10,984,788 | 10,291,672 | 19,600,147 | 22,942,695 | 24,502,798 | 26,168,988 |
| Legal Fees | 4,993,465 | 6,898,302 | 6,357,112 | 8,300,000 | 8,864,400 | 9,467,179 |
| Marketing Fees | 6,587,804 | 8,996,145 | 29,543,767 | 36,198,000 | 36,159,464 | 38,618,308 |
| Telephone Expenses | 10,055,871 | 12,420,249 | 18,779,182 | 32,913,580 | 24,493,432 | 26,158,985 |
| Travelling Expenses | 16,020,875 | 21,068,773 | 48,734,609 | 47,960,884 | 51,222,224 | 54,705,335 |
| Training | 10,028,871 | 7,403,535 | 16,101,152 | 7,496,911 | 8,006,701 | 8,551,156 |
| Training for Emerging | 2,288,120 | 8,609,664 | 9,181,946 | - | - | - |
| Training - Ministerial Projects | - | - | - | - | - | - |
| Training - Chairperson Projects | - | - | - | - | - | - |
| Audit Fees | 3,103,377 | 3,610,150 | 3,499,724 | 3,600,000 | 3,844,800 | 4,106,246 |
| Staff Costs | 12,404,779 | 5,844,399 | 21,682,272 | 8,566,922 | 4,149,473 | 1,931,637 |
| Temporary staff | - | 14,212,316 | - | 1,683,000 | 1,797,444 | 1,919,670 |
| Other Expenses | -94,850,281 | -47,167,532 | 45,188,950 | 97,673,774 | 158,635,591 | 169,422,811 |
| Bank Charges | 1,222,234 | 1,136,929 | 1,140,681 | 1,484,000 | 1,584,912 | 1,692,686 |
| Bad Debts Written Off | 1,728,404 | -1,739,781 | 15,934,523 | - | - | - |
| PE - Cleaning | 1,385,850 | 1,743,901 | 1,859,609 | 2,016,900 | 2,154,049 | 2,300,525 |
| Conferences and Seminars | 1,522,092 | 3,876,159 | 4,852,505 | 9,160,000 | 9,782,880 | 10,448,116 |
| Consulting Fees | 9,472,229 | 10,522,795 | 30,828,199 | 23,450,000 | 25,044,600 | 26,747,633 |
| Courier & Freight | 1,201,168 | 999,617 | 1,287,641 | 1,918,000 | 2,048,424 | 2,187,717 |
| PE - Electricity & Water | 3,499,294 | 431,396 | 2,584,025 | 1,619,600 | 1,729,733 | 1,847,355 |
| Entertainment Expenses | 900,354 | 582,873 | 143,985 | 118,000 | 126,024 | 134,594 |
| Fines and Penalties | 262,753 | - | 779,941 | - | - | - |
| Flowers & Gifts | 82,105 | 46,269 | 34,828 | 296,650 | 316,822 | 338,366 |
| Realized (Gain)/ loss | -143,092,105 | -97,185,568 | -75,067,393 | - | - | - |
| PE - Rates & Taxes | 1,541,858 | 1,552,615 | 1,027,935 | 1,374,300 | 1,467,752 | 1,567,560 |
| PE - Rent of Premises | 15,781,644 | 17,170,432 | 10,001,079 | 12,977,504 | 13,859,974 | 14,802,453 |
| PE - Repair & Maintenance | 1,016,784 | 432,524 | 854,369 | 2,685,800 | 2,868,434 | 3,063,488 |
| Postage | 130,428 | 182,533 | 224,026 | 330,400 | 352,867 | 376,862 |
| Printing | 1,119,543 | 1,071,498 | 1,983,148 | 2,063,800 | 2,204,138 | 2,354,020 |
| Research & Development | 656,014 | -11,267 | 6,655 | 10,000,000 | 65,000,000 | 69,420,000 |
| PE - Security | 3,061,692 | 3,596,382 | 5,233,925 | 6,883,400 | 7,351,471 | 7,851,371 |
| Special Projects | -1,283 | - | - | 8,050,000 | 8,597,400 | 9,182,023 |
| PE - Plant Expenses | 194,891 | 231,725 | 249,011 | 605,520 | 646,695 | 690,671 |
| Stationery | 1,289,234 | 1,399,356 | 1,466,589 | 1,275,600 | 1,362,341 | 1,454,980 |
| Subscriptions | 390,861 | 480,062 | 551,864 | 1,798,100 | 1,920,371 | 2,050,956 |
| PE - Office Refurbishment | 45,972 | 126,825 | 330,924 | 4,675,000 | 4,992,900 | 5,332,417 |
| Other Costs - Rental of Premises | 1,737,704 | 5,183,607 | 6,709,975 | 2,322,400 | 2,480,323 | 2,648,985 |
| Off-site Archiving | - | 168,011 | - | 768,800 | 821,078 | 876,912 |
| Speedpoint | - | 833,576 | 1,432,151 | 1,800,000 | 1,922,400 | 2,053,123 |
| Impairments | - | - | 26,368,817 | - | - | - |
| Interest paid | - | - | 4,369,938 | - | - | - |
| EXPENSES | 483,408,463 | 398,872,873 | 554,869,061 | 787,868,800 | 851,104,326 | 900,580,426 |

| | | | | | Budget | Budget |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Profit from operating activities before amortisation and depreciation | 400,580,477 | 304,449,656 | 350,126,119 | 25,294,985 | 91,971,600 | 106,561,393 |
| DEPRECIATION | 11,807,542 | 10,128,876 | 9,130,887 | 25,166,476 | 33,483,373 | 34,416,707 |
| Amortization | 5,632,407 | 4,099,373 | 936,178 | 15,952,476 | 22,599,373 | 22,599,373 |
| Depreciation | 6,175,135 | 6,029,503 | 8,194,710 | 9,214,000 | 10,884,000 | 11,817,333 |
| Profit from operating activities | 388,772,935 | 294,320,780 | 340,995,231 | 128,508 | 58,488,227 | 72,144,686 |
| Interest Received | 189,567,192 | 208,281,747 | 263,204,898 | 264,500,000 | 273,411,000 | 284,033,448 |
| Interest Received | 199,174,778 | 218,047,368 | 271,072,480 | 275,000,000 | 284,625,000 | 296,010,000 |
| Management Fee | -9,607,586 | -9,765,621 | -7,867,582 | -10,500,000 | -11,214,000 | -11,976,552 |
| Surplus/ (Deficit) | 578,340,127 | 502,602,527 | 604,200,129 | 264,628,508 | 331,899,227 | 356,178,134 |

1.068

| NATIONAL HOME BUILDERS REGISTRATION COUNCIL | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| REVISED BUDGETED STATEMENT OF FINANCIAL PERFORMANCE | | | | |
| FOR THE YEAR ENDING 31 MARCH 2017 | | | | |
| | 2016 - 2017 | 2016 - 2017 | 2016 - 2017 | 2016 - 2017 |
| Description | Quarter 1 | Quarter 1 | Quarter 1 | Quarter 1 |
| Revenue | 250,595,934 | 220,595,934 | 216,288,123 | 255,595,934 |
| | - | - | - | - |
| Registration Fees | 3,098,918 | 3,098,918 | 3,098,918 | 3,098,918 |
| Reg - Administration | 644,840 | 644,840 | 644,840 | 644,840 |
| Reg - Annual | 515,480 | 515,480 | 515,480 | 515,480 |
| Reg - Annual Renewals | 1,856,362 | 1,856,362 | 1,856,362 | 1,856,362 |
| Document Sales | - | - | - | - |
| Reg - Builders Manual | 82,236 | 82,236 | 82,236 | 82,236 |
| | 127,993,768 | 127,993,768 | 118,685,957 | 137,993,768 |
| Speculative | 77,341,262 | 77,341,262 | 77,341,262 | 77,341,262 |
| Cluster Sectional Title | 50,652,506 | 50,652,506 | 41,344,695 | 60,652,506 |
| Change in unearned premium provision | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| Subsidy enrolment fees | 100,251,498 | 70,251,498 | 75,251,498 | 95,251,498 |
| Home Enrolment (0.75%) | 10,216,034 | 10,216,034 | 10,216,034 | 10,216,034 |
| Project Enrolment (1%) | 22,522,701 | 22,522,701 | 22,522,701 | 22,522,701 |
| Consolidation (2.1%) | 67,512,762.12 | 37,512,762 | 42,512,762 | 62,512,762 |
| | - | - | - | - |
| | 19,251,750 | 19,251,750 | 19,251,750 | 19,251,750 |
| Geotechnical | 3,165,000 | 3,165,000 | 3,165,000 | 3,165,000 |
| Forensic Assessment | 9,345,000 | 9,345,000 | 9,345,000 | 9,345,000 |
| Inspector Training | 867,750 | 867,750 | 867,750 | 867,750 |
| Project Management Services | 3,204,000 | 3,204,000 | 3,204,000 | 3,204,000 |
| Testing Services | 2,670,000 | 2,670,000 | 2,670,000 | 2,670,000 |
| | - | - | - | - |
| Operating Expenses | 14,270,251 | 14,270,251 | 14,270,251 | 14,270,251 |
| Inspection Fees - Subsidy | - | - | - | - |
| Accreditation Fees | 1,182,882 | 1,182,882 | 1,182,882 | 1,182,882 |
| Direct Cost of Builders Manuals | 70,483 | 70,483 | 70,483 | 70,483 |
| IFRS4 (Claims against fund) | - | - | - | - |
| | - | - | - | - |
| General & Administration | 2,132,080 | 2,132,080 | 2,132,080 | 2,132,080 |
| Motor Vehicle Expenses | 139,908 | 139,908 | 139,908 | 139,908 |
| Office Equipment Expenses | 838,732 | 838,732 | 838,732 | 838,732 |
| Office Furniture Expenses | 58,740 | 58,740 | 58,740 | 58,740 |
| Generator/ UPS Expenses | 1,094,700 | 1,094,700 | 1,094,700 | 1,094,700 |
| | - | - | - | - |
| Council Related Costs | 1,911,720 | 1,911,720 | 1,911,720 | 1,911,720 |
| Council Remuneration | 1,222,860 | 1,222,860 | 1,222,860 | 1,222,860 |
| Non Council Costs | 688,860 | 688,860 | 688,860 | 688,860 |
| CAC Costs | - | - | - | - |
| | - | - | - | - |
| Permanent Staff Costs | 113,442,198 | 113,442,198 | 113,442,198 | 113,442,198 |
| Permanent Staff : Salary | 103,358,779 | 103,358,779 | 103,358,779 | 103,358,779 |
| Permanent Staff : Incentive Bonus | 5,795,198 | 5,795,198 | 5,795,198 | 5,795,198 |
| Staff Costs - Allowances | 3,906,256 | 3,906,256 | 3,906,256 | 3,906,256 |
| Other Employment Costs | 381,966 | 381,966 | 381,966 | 381,966 |
| | - | - | - | - |
| | - | - | - | - |
| General Costs | 41,360,934 | 41,360,934 | 41,360,934 | 41,360,934 |
| Insurance Paid | 600,750 | 600,750 | 600,750 | 600,750 |
| Information Technology | 6,125,699 | 6,125,699 | 6,125,699 | 6,125,699 |
| Legal Fees | 2,216,100 | 2,216,100 | 2,216,100 | 2,216,100 |
| Marketing Fees | 9,039,866 | 9,039,866 | 9,039,866 | 9,039,866 |
| Telephone Expenses | 6,123,358 | 6,123,358 | 6,123,358 | 6,123,358 |
| Travelling Expenses | 12,805,556 | 12,805,556 | 12,805,556 | 12,805,556 |
| Training | 2,001,675 | 2,001,675 | 2,001,675 | 2,001,675 |
| Audit Fees | 961,200 | 961,200 | 961,200 | 961,200 |
| Staff Costs | 1,037,368 | 1,037,368 | 1,037,368 | 1,037,368 |
| Temporary staff | 449,361 | 449,361 | 449,361 | 449,361 |
| | - | - | - | - |

| Description | 2016 - 2017 | 2016 - 2017 | 2016 - 2017 | 2016 - 2017 |
|--|--------------------|--------------------|--------------------|--------------------|
| | Quarter 1 | Quarter 1 | Quarter 1 | Quarter 1 |
| | - | - | - | - |
| | - | - | - | - |
| Other Expenses | 39,658,898 | 39,658,898 | 39,658,898 | 39,658,898 |
| Bank Charges | 396,228 | 396,228 | 396,228 | 396,228 |
| Bad Debts Written Off | - | - | - | - |
| PE - Cleaning | 538,512 | 538,512 | 538,512 | 538,512 |
| Conferences and Seminars | 2,445,720 | 2,445,720 | 2,445,720 | 2,445,720 |
| Consulting Fees | 6,261,150 | 6,261,150 | 6,261,150 | 6,261,150 |
| Courier & Freight | 512,106 | 512,106 | 512,106 | 512,106 |
| PE - Electricity & Water | 432,433 | 432,433 | 432,433 | 432,433 |
| Entertainment Expenses | 31,506 | 31,506 | 31,506 | 31,506 |
| Fines and Penalties | - | - | - | - |
| Flowers & Gifts | 79,206 | 79,206 | 79,206 | 79,206 |
| Realized (Gain)/ loss | - | - | - | - |
| PE - Rates & Taxes | 366,938 | 366,938 | 366,938 | 366,938 |
| PE - Rent of Premises | 3,464,994 | 3,464,994 | 3,464,994 | 3,464,994 |
| PE - Repair & Maintenance | 717,109 | 717,109 | 717,109 | 717,109 |
| Postage | 88,217 | 88,217 | 88,217 | 88,217 |
| Printing | 551,035 | 551,035 | 551,035 | 551,035 |
| Research & Development | 16,250,000 | 16,250,000 | 16,250,000 | 16,250,000 |
| PE - Security | 1,837,868 | 1,837,868 | 1,837,868 | 1,837,868 |
| Special Projects | 2,149,350 | 2,149,350 | 2,149,350 | 2,149,350 |
| PE - Plant Expenses | 161,674 | 161,674 | 161,674 | 161,674 |
| Stationery | 340,585 | 340,585 | 340,585 | 340,585 |
| Subscriptions | 480,093 | 480,093 | 480,093 | 480,093 |
| PE - Office Refurbishment | 1,248,225 | 1,248,225 | 1,248,225 | 1,248,225 |
| Other Costs - Rental of Premises | 620,081 | 620,081 | 620,081 | 620,081 |
| Off-site Archiving | 205,270 | 205,270 | 205,270 | 205,270 |
| Speedpoint | 480,600 | 480,600 | 480,600 | 480,600 |
| | - | - | - | - |
| EXPENSES | 212,776,081 | 212,776,081 | 212,776,081 | 212,776,081 |
| | - | - | - | - |
| SURPLUS/ (DEFICIT) BEFORE INTER | 37,819,853 | 7,819,853 | 3,512,042 | 42,819,853 |
| | - | - | - | - |
| DEPRECIATION | 8,370,843 | 8,370,843 | 8,370,843 | 8,370,843 |
| Amortization | 5,649,843 | 5,649,843 | 5,649,843 | 5,649,843 |
| Depreciation | 2,721,000 | 2,721,000 | 2,721,000 | 2,721,000 |
| | - | - | - | - |
| SURPLUS/ (DEFICIT) AFTER DEPREC | 29,449,009 | -550,991 | -4,858,802 | 34,449,009 |
| | - | - | - | - |
| Interest Received | 68,352,750 | 68,352,750 | 68,352,750 | 68,352,750 |
| Interest Received | 71,156,250 | 71,156,250 | 71,156,250 | 71,156,250 |
| Management Fee | -2,803,500 | -2,803,500 | -2,803,500 | -2,803,500 |
| | - | - | - | - |
| | - | - | - | - |
| Surplus/ (Deficit) | 97,801,759 | 67,801,759 | 63,493,948 | 102,801,759 |
| | | | | |
| | | | | |
| | | | | |

TOTAL EXPENDITURE PER PROGRAMME

| PROGRAMME | TOTAL EXPENDITURE FOR 2016/2017 |
|----------------|---------------------------------|
| Administration | R256,153,486 |
| Regulation | R393,558,160 |
| Protection | R201,392,681 |
| Total | R851,104,326 |

DETAILED BUDGET PER PROGRAMME IS ATTACHED BELOW:

| NATIONAL HOME BUILDERS REGISTRATION COUNCIL ANNUAL CONSOLIDATED BUDGET BY DIVISION 2016-2017 | | | | |
|---|-------------------------------------|-----------------------|--------------------|-------------------|
| Code | Description | Administration | Regulation | Protection |
| 3000 | Revenue | - | 928,768,926 | 14,151,000 |
| 3400 | Registration Fees | - | 12,395,673 | - |
| 3411 | Reg - Administration | - | 2,579,360 | - |
| 3412 | Reg - Annual | - | 2,061,920 | - |
| 3413 | Reg - Annual Renewals | - | 7,425,449 | - |
| 3416 | Reg - Builder Manuals | - | 328,944 | - |
| 3100 | Enrolment Non Subsidy | - | 511,975,071 | - |
| 3110 | Cluster Cash | - | - | - |
| 3120 | Cluster PA003 | - | - | - |
| 3130 | Plot & Plan | - | - | - |
| 3140 | Sectional Title | - | - | - |
| 3150 | Speculative | - | 309,365,048 | - |
| 3160 | Cluster Sectional Title | - | 202,610,023 | - |
| | Enrolment Subsidy | - | 341,005,992 | - |
| 3317 | Home Enrolment (0.75%) | - | 40,864,138 | - |
| 3318 | Project Enrolment (1%) | - | 90,090,806 | - |
| 3321 | Consolidation (2.1%) | - | 210,051,048 | - |
| 3414 | Document Sales | - | - | - |
| 3415 | Tender Documents | - | - | - |
| 3419 | Sundry Income | - | - | - |
| 3420 | Late Enrolment Fees | - | 536,189 | - |
| 3421 | Technical Services | - | - | - |
| 3422 | Conciliation Fees | - | - | - |
| 3424 | Sponsorship - Golf Day | - | - | - |
| 3425 | Technical Services - Geotechnical | - | 12,660,000 | - |
| 3426 | Technical Services - Forensic Asses | - | 37,380,000 | - |
| 3427 | Water Tanks | - | - | - |
| 3428 | Legacy Projects: Income | - | - | - |
| 3430 | Legal DC Penalty | - | - | - |
| 3431 | Inspector Training | - | - | 3,471,000 |
| 3432 | Project Management Services | - | 12,816,000 | - |
| 3433 | Testing Services | - | - | 10,680,000 |

| | | | | | |
|-------------|-------------------------------------|--------------------|--------------------|-------------------|--------------------|
| 4100 | Operation Expenses | - | 46,446,633 | 10,634,372 | 57,081,005 |
| 4111 | Inspection Fees - Non Subsidy | - | - | - | - |
| 4111 | Inspection Fees - Subsidy | - | - | - | - |
| 4112 | Accreditation Fees | - | 4,430,270 | - | 4,430,270 |
| 4120 | Direct Cost of Builders Manuals | - | 263,981 | - | 263,981 |
| 4130 | Direct Cost of Certificates | - | 452,382 | - | 452,382 |
| 4140 | Technical Services | - | 41,300,000 | 10,634,372 | 51,934,372 |
| 4200 | General & Administration | 7,907,002 | 141,320 | 480,000 | 8,528,322 |
| 4240 | Motor Vehicle Expenses | 524,000 | - | - | 524,000 |
| 4250 | Office Equipment Expenses | 2,520,000 | 141,320 | 480,000 | 3,141,320 |
| 4260 | Office Furniture Expenses | 220,000 | - | - | 220,000 |
| 4270 | Generator/ UPS Expenses | 4,643,002 | - | - | 4,643,002 |
| 4300 | Payroll Costs | 7,646,880 | - | - | 7,646,880 |
| 4310 | Council Remuneration | 5,066,880 | - | - | 5,066,880 |
| 4320 | Non Council Costs | 2,580,000 | - | - | 2,580,000 |
| | CAC Costs | - | - | - | - |
| 4400 | Permanent Staff Costs | 107,204,653 | 281,375,622 | 65,188,519 | 453,768,794 |
| 4411 | Permanent Staff : Salary | 97,916,497 | 257,897,872 | 59,723,449 | 415,537,818 |
| 4413 | Permanent Staff : Incentive Bonus | 5,396,063 | 13,404,497 | 3,171,754 | 21,972,314 |
| 4430 | Staff Costs - Allowances | 3,622,197 | 9,053,512 | 2,134,741 | 14,810,449 |
| 4440 | Annual leave and other costs | 269,896 | 1,019,742 | 158,575 | 1,448,212 |
| 4500 | General Costs | 84,204,130 | 39,016,760 | 47,169,190 | 170,390,080 |
| 4510 | Insurance Paid | 2,250,000 | - | - | 2,250,000 |
| 4520 | Information Technology | 22,942,695 | - | - | 22,942,695 |
| 4530 | Legal Fees | 1,300,000 | - | 7,000,000 | 8,300,000 |
| 4540 | Marketing Fees | 2,286,000 | - | 33,912,000 | 36,198,000 |
| 4550 | Telephone Expenses | 27,179,580 | - | - | 27,179,580 |
| | Cell phone and 3G Charges | 1,108,500 | 3,941,000 | 684,500 | 5,734,000 |
| 4561 | Travel Local | 9,277,270 | 7,283,700 | 2,188,298 | 18,749,268 |
| 4562 | Travel Foreign | 1,000,000 | - | - | 1,000,000 |
| 4563 | Travel Claim | 1,406,784 | 24,226,056 | 2,578,776 | 28,211,616 |
| 4570 | Training | 7,496,911 | - | - | 7,496,911 |
| 4573 | Training for Emerging | - | - | - | - |
| 4576 | Training - Ministerial Projects | - | - | - | - |
| 4577 | Training - Chairperson Projects | - | - | - | - |
| 4580 | Audit Fees | 3,600,000 | - | - | 3,600,000 |
| 4590 | Staff Costs | 3,806,391 | 2,433,004 | 805,616 | 7,045,011 |
| 4591 | Temporary staff | 550,000 | 1,133,000 | - | 1,683,000 |

| | | | | |
|-------------|--|----------------------|--------------------|----------------------|
| 4610 | Other Expenses | 49,190,821 | 26,577,824 | 77,920,600 |
| 4611 | Bank Charges | 1,484,000 | - | - |
| 4612 | Bad Debts Written Off | - | - | - |
| 4613 | PE - Cleaning | 900,000 | 516,900 | 600,000 |
| 4614 | Conferences and Seminars | 4,450,000 | 3,210,000 | 1,500,000 |
| 4615 | Consulting Fees | 18,100,000 | - | 5,350,000 |
| 4616 | Courier & Freight | 650,000 | 688,000 | 580,000 |
| 4618 | PE - Electricity & Water | 400,000 | 719,600 | 500,000 |
| 4619 | Entertainment Expenses | 42,000 | 40,000 | 36,000 |
| 4621 | Flowers & Gifts | 63,850 | 193,200 | 39,600 |
| | | - | - | - |
| 4623 | PE - Rates & Taxes | 250,000 | 644,300 | 480,000 |
| 4624 | PE - Rent of Premises | - | 12,977,504 | - |
| 4625 | PE - Repair & Maintenance | 2,000,000 | 445,800 | 240,000 |
| 4626 | Postage | 150,000 | 180,400 | - |
| 4627 | Printing | 991,000 | 372,800 | 700,000 |
| 4628 | Research & Development | - | - | 65,000,000 |
| 4629 | PE - Security | 5,268,071 | 583,400 | 1,500,000 |
| 4630 | Special Projects | 8,597,400 | - | - |
| 4631 | PE - Plant Expenses | 100,000 | 265,520 | 240,000 |
| 4632 | Stationery | 359,000 | 436,600 | 480,000 |
| 4633 | Subscriptions | 970,500 | 152,600 | 675,000 |
| 4635 | PE - Office Refurbishment | 2,500,000 | 2,175,000 | - |
| 4638 | Other Costs - Rental of Premises | - | 2,322,400 | - |
| 4639 | Off-site Archiving | 115,000 | 653,800 | - |
| 4640 | Speed point Charges | 1,800,000 | - | - |
| 4000 | Expenses | 256,153,486 | 393,558,160 | 201,392,681 |
| | Surplus / (Deficit) before interest | (256,153,486) | 535,210,766 | (187,241,681) |
| | DEPRECIATION | 29,887,373 | 2,655,000 | 941,000 |
| 4210 | Amortization | 22,599,373 | - | - |
| 4220 | Depreciation | 7,288,000 | 2,655,000 | 941,000 |
| | Profit from operating activities | (286,040,859) | 532,555,766 | (188,182,681) |
| 8000 | Investment Income | 273,411,000 | - | - |
| 8100 | Interest Received | 284,625,000 | - | - |
| 4622 | Management Fee | -11,214,000 | - | - |
| 3521 | Realized (Gain)/ loss | | | |
| 9999 | Surplus/ (Deficit) | (12,629,859) | 532,555,766 | (188,182,681) |

EXPLANATIONS FOR EXPENDITURE ESTIMATES

The NHBRC has provided explanation ,breakdown and motivations for the issues that were raised and I reflected below:

- Testing services revenue – No revenue was budgeted for this line item in 2016/17. In 2015/16 a provision was made for this, however the project did not materialise and hence no Revenue was realised nor any costs incurred.
- Non-council costs – budgeted at R4, 000,000 for 2016/17, relates to costs of carrying out disciplinary hearings against home builders using independent DC Chairpersons. It is anticipated that this cost would grow in 2016/17 due to more a more effective regulatory role the NHBRC is currently pursuing.
- Special projects - budgeted at R8,533,000 relates to the Women Empowerment Project.
- Research and Development costs relate to the following projects to be carried out 2016/17:

| Projects | Centre for Research & Housing Innovation |
|------------------------------------|--|
| Budget | 50 000 000 |
| HomeQuas | 20 000 000 |
| Promoting IBT | 15 000 000 |
| Simplify Home Building Manual | 3 000 000 |
| Green Building & Energy Efficiency | 3 000 000 |
| Value Chain Project | 6 000 000 |
| Warranty Research | 2 000 000 |
| Quality Assurance | 1 000 000 |

5.1 Materiality Framework

5.1.1 Introduction

5.1.1.1 The Materiality Framework is a component of the National Home Builders Registration Council's financial and risk processes. The purpose of the framework is to continuously determine the level of quantitative and qualitative risks that the NHBRC is prepared to tolerate.

5.1.1.2 The document's purpose is to give guidance to "best practice" for executive functions.

5.1.2 Objectives

5.1.2.1 The Materiality framework is issued to assist and guide management in determining the size and nature of items, which would significantly impact decisions made by the users of its financial statements.

5.1.3 Scope

5.1.3.1 The NHBRC is established in accordance with the provisions of the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998), as amended.

5.1.3.2 The NHBRC is a public entity which is self-funding. The regulation of financial management to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively by complying with the Public Finance Management Act (Act No. 1 of 1999 as amended) (PFMA).

5.1.3.3 Treasury Regulation 28.3.1 of the Public Financial Management Act 1999, (the Act) defines Materiality and Significance framework as:

5.1.4 “For purposes of material (sections 50(1), 55(2) and 66(1) of the PFMA) and significant (section 54(2) of PFMA), the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors”.

5.2 Definitions

| | |
|-------|--|
| NHBRC | National Home Builders Registration Council |
| HCPMA | Housing Consumer Protection Measures Act 1998 (Act No. 95 of 1998) |
| PFMA | Public Finance Management Act (Act No. 1 of 1999) |
| TR | Treasury Regulations |
| DoA | Delegation of Authority |

5.3 Policy Statement

5.3.1 Materiality refers to levels of tolerance by the National Home Builders Registration Council (NHBRC) regarding the omission or inclusion of quantitative and non-quantitative information. The framework of materiality provides a mechanism of enhancing the internal controls by providing a continuously changing and controllable guide to Organisational functions in making appropriate judgment of the tolerable error.

5.4 Material and Significant

5.4.1 There are many instances where legislation refers to material amounts or material differences and the same terminology will be found in the format of the financial statements as well as in this guide.

5.4.2 Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful. (ISA 320) The materiality as determined by the auditors will differ from that determined by the NHBRC. There is no single rule to describe what material is

and what is not material in all instances. All cases of theft, fraud or corruption must be regarded as being material regardless of the amount involved (TR 28 (3)).

5.5 Quantitative materiality framework

5.5.1 The NHBRC is governed by an approved Delegation of Authority (“DoA”) which deals with different levels of authorisation and approvals for management and executive management.

5.5.2 On an annual basis the financial statements are subject to statutory audit. The external auditors set materiality levels in the planning phase of the external annual audit. The basis of materiality, set by the external auditors, is presently based on total revenue.

| Basis | Minimum & Maximum percentages |
|---------------|-------------------------------|
| Gross Revenue | 2.0% |

5.5.3 The NHBRC, materiality levels have been determined on the materiality definition and the materiality guide per ISA 320. The levels of material loss in each category of the financial statement areas for the NHBRC are defined as follows:

| Basis | Minimum & Maximum percentages |
|------------------------|-------------------------------|
| Gross Expenditure | 0.25% - 1% |
| Gross Revenue | 0.25% - 1% |
| Net Surplus | 2.0% - 5% |
| Fixed Assets | 1.0% - 2% |
| Interest / Investments | 0.25% - 1% |
| Current Assets | 1.0% - 5% |

5.5.4 The materiality levels are reviewed annually to determine the level of quantitative level to be applied to management accounting variance explanations, in conjunction with the authorised Delegation of Authority limits.

5.6 Qualitative Materiality Framework

5.6.1 Materiality is not merely related to the size of the entity and the elements of its financial statements. Misstatements that are large either individually or in the aggregate may affect the user of the financial statements judgment. Misstatements may also be material on qualitative grounds.

5.6.2 The NHBRC materiality profile is detailed in Annexure “A”.

5.7 Governance and compliance framework

5.7.1 Section 50 (1) – Fiduciary Duty of Accounting Authority

| Requirements | Framework |
|---|---|
| (a) exercise the duty of outmost care to ensure reasonable protection of assets and records of the public entity. | The NHBRC has implemented the following controls: <ul style="list-style-type: none"> - Asset Register; - Retention of all records for a period of 5 years. - Delegation of Authority Matrix. - Financial policies and procedures. - Procurement Policy and procedures. - Human capital policies and procedures. - Internal audit and Audit Committee. |
| (b) act with fidelity, honesty, integrity, and in the best interests of the public entity in managing the financial affairs of the public entity; | The NHBRC has implemented the following controls: <ul style="list-style-type: none"> - Code of Conduct ; - Disciplinary Code and Procedures; - Recruitment procedures to ensure recruitment of appropriate staff; - Confidentiality and Non-Disclosure Agreement with key staff; - Human capital policies and procedures. <p>The Council has established the following 9 committees to ensure effective corporate governance:</p> <ul style="list-style-type: none"> ▪ Fund Advisory and Finance ▪ Registration ▪ Audit and Risk ▪ Technical Advisory and Claims ▪ Disciplinary ▪ Human Capital & Remuneration ▪ Industry Advisory ▪ Research and Innovation ▪ Bid Adjudication |
| (c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonable discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature; and | The NHBRC considers "material" to be all matters which are within the public interest. Such material matters which will be reported include: <ul style="list-style-type: none"> - Material change in the nature of the business. - Material change in the strategic direction of the NHBRC. - Changes that materially affect the mandate of the NHBRC in terms of the HCPMA. |
| (d) seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state. | The NHBRC complies with all legislative requirements:- <ul style="list-style-type: none"> - Public Finance Management Act, - Treasury Regulations & the Housing Consumer Protection Measures Act. - Approved Delegation of Authority. |

5.7.2 Section 55 (2): Annual Report and Financial Statements

In terms of this section the annual report and financial statements referred to on Section 55 (1) (d) of the PFMA must-

| Requirements | Framework |
|---|--|
| (a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the year concerned. | The NHBRC has implemented the following controls: <ul style="list-style-type: none"> - Specific Targets are set each year by the NHBRC Council. <p>The Council reports quarterly and annually on all material variances from budget and target to the executive authority to ensure full disclosure on:</p> <p>(i) Financial</p> <ul style="list-style-type: none"> ▪ Quarterly Management financial variance reports (Actual, Budget, Prior year). ▪ Annual financial statements. <p>(ii) Valuable-final-products</p> <ul style="list-style-type: none"> ▪ Registrations ▪ Renewals ▪ Enrolment of homes ▪ Late enrolment of homes ▪ Inspections of homes ▪ Complaints of housing consumers ▪ Conciliations ▪ Remedial works undertaken by the home builder ▪ Remedial works undertaken by the NHBRC ▪ Suspensions of home builders ▪ Withdrawal/ de-registration |

| Requirements | Framework |
|---|---|
| | <ul style="list-style-type: none"> - Performance Monitoring System to monitor the achievement of the targets. - Performance Incentive system to reward the achievement of set targets; - An Internal Audit, Risk and Finance and fund functions reporting to the Audit and Risk and Finance and Fund Committees. - The Committees evaluate the achievement of the targets and to provide assurance that all significant risks are adequately addressed; - Risk Compliance function ensures risks are identified, monitored and managed. - Internal audit is risk based. |
| <p>(b) include particulars of –</p> <p>(i) any material loss through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(iii) any losses recovered or written off;</p> <p>(iv) any financial assistance received from the state and commitments made by the state on its behalf; and</p> <p>(v) any other matters that may be prescribed; and</p> <p>(vi) Include the financial statements of any subsidiaries.</p> | <p>The NHBRC Council considers any act of theft by any employee as a dismissible offence. The NHBRC Council has taken the position that any criminal act is to be pursued via the courts where such action is cost effective.</p> <p>All losses to be written off shall be subject to approval in terms of the Delegation of Authority and all amounts written off must be approved by the Fund Advisory and Finance Committee and Council.</p> <p>The NHBRC will endeavour to recover any loss sustained by the entity. The NHBRC does not receive any assistance from the state and the state does not make commitments on behalf of the NHBRC.</p> <p>There are no other matters prescribed</p> <p>Disclosure of all matters affecting the NHBRC is done in terms of GRAP, GAAP and IFRS statements. - The NHBRC does not have any subsidiaries.</p> |

5.8 Section 55 (2) – Notification in terms of the act

5.8.1 In terms of section 51 (2) – notification in terms of the act, the Council of the NHBRC is required to notify the Executive Authority and treasury should it, in its capacity, as the Accounting Authority, not be able to confirm that:

- Processes to prevent and detect all fruitless and wasteful expenditure as contemplated in the Act are in place;
- Any fruitless and wasteful expenditure have been undertaken; and
- The disclosures required in the annual report in terms of fruitless and wasteful expenditure have been made.

5.8.2 The Council on an annual basis confirms that the entity's systems of internal control are designed to prevent unauthorised expenditure.

5.8.3 Through the accountability framework of line management and through the Risk and Audit Committee processes:

- Internal control weaknesses identified by management. All recommendations made by the internal and the external auditors are followed up to ensure that the underlying systems are improved;
- Any criminal conduct identified is subject to the appropriate procedures and sanctions.

5.9 **Fruitless and Wasteful Expenditure**

5.9.1 9.4.1. The NHBRC, for the purposes of this framework, defines fruitless and wasteful expenditure as:

- Expenditure which was made in vain and would have been avoided had reasonable care been exercised, and
- Failed to achieve its anticipated benefits.

5.9.2 In determining if an amount is classified as Fruitless and Wasteful expenditure the NHBRC reviews financial performance by:-

- The monitoring of financial and investment risk on a monthly basis, reportable to Committees of Council and Council at each quarter end.
- Any amount considered being fruitless and wasteful expenditure is reported in the notes to the monthly, quarterly and annual financial statements.
- Internal control processes are implemented to address any amounts identified as Fruitless and Wasteful Expenditure.

5.10 **Irregular Expenditure**

5.10.1 Expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with any applicable legislation, including-

- (a) the Public Finance Management Act or
- (b) the State Tender Board Act (Act No 86 of 1968), or any regulation made in terms of the Act or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Section 54 (2) – Information to be Submitted by Accounting Authority

In terms of section 54(2) of the Act the NHBRC is required to seek the approval of the Executive Authority before engaging in the activities listed below:

| Requirement | Framework |
|---|-----------|
| a) Establishment or participation in the establishment of a company. | Note 1 |
| b) Participation in a significant partnership, Trust, incorporated Joint venture or similar management. | Note 1 |
| c) Acquisition or disposal of a significant shareholding in a company. | Note 1 |
| d) Acquisition or disposal of a significant business activity. | Note 1 |
| e) Commencement or cessation of a significant business activity. | Note 1 |
| f) Significant change in the nature or extent of its interest in a significant partnership, Trust, unincorporated joint venture or similar arrangement. | Note 1 |

5.10.2 Note 1

5.10.2.1 The Housing Consumer Protection Measures Act 1998 (Act No. 95 of 1998), does not

- delegate any of these powers to the NHBRC Council. Decision can only be made by the Executive Authority.
- In terms of Section 54(3) the NHBRC may assume that approval has been given if it
- receives no response from the executive authority on a submission in terms of subsection

(2) within 30 days or within a longer period as may be agreed to between itself and the executive authority.

5.11 Section 54 (3) – Information to be Submitted by Accounting Authority

5.11.1 The NHBRC in terms of this section may assume that approval has been given it receives on response from the executive authority on a submission in terms of subsection (2) within 30 days or within a longer period as my be agreed to between itself and the executive authority.

5.12 Section 66 (1) Restrictions on borrowing, guarantees and other Commitments

5.12.1 In terms of section 66(1) and institution to which the Public Finance Management Act applies may not borrow money or issue a guarantee, indemnity, or enter into any transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction:

| Requirements | Framework |
|--|---|
| (a) is authorized by the Act; and | The NHBRC does not have any external borrowings. The NHBRC is sufficiently funded and conducts an annual actuarial valuation to assess the solvency of the NHBRC warranty fund. |
| (b) in the case of public entities, is also authorized by other legislation not in conflict with this Act; | To be approved by the Council in terms of the Housing Consumer Protection Measures Act 1998 (Act No. 95 of 1998), read in conjunction with the Public Finance Management Act. |

5.13 Section 86 (2) Non Compliance Implications

5.13.1 In terms of section 86(2) of the Act, an accounting authority is guilty of an offence and liable on conviction to a fine, or to imprisonment for a period not exceeding five years, if that accounting authority wilfully or in a gross negligent way fails to comply with the provision of this section.

ANNEXURE "A" (2016/17 MATERIALITY FRAMEWORK)

| Basis | Minimum & Maximum percentages | maximum | |
|--------------------------|-------------------------------|---------|-------|
| Gross Expenditure | 0.25% | 1% | 0.625 |
| Gross Revenue | 0.25% | 1% | |
| Net Income | 2.50% | 5% | 3.75 |
| Fixed Assets | 2% | 5% | |
| Financial Support Loans) | 1% | 2% | |
| Total Assets | 0.50% | 2% | |

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

| Materiality basis | Significance to AFS appreciation | Minimum% | Average | Maximum % | Rand amounts | Material Amounts | | | NHBC % Annual Rand | NHBC % Quarter Rand |
|--------------------------------------|----------------------------------|----------|---------|-----------|------------------|------------------|-------------------|-------------------|---------------------|---------------------|
| | | | | | Budget 2016/2017 | Minimum% | Average % | Maximum % | | |
| Gross Revenue | Medium | 0.25% | 0.63% | 1.0% | 942 919 926 | 2 357 300 | 5 893 250 | 9 429 199 | 5 893 250 | 1 473 312.38 |
| Gross Expenditure | Medium | 0.25% | 0.63% | 1.0% | 851 104 326 | 2 127 761 | 5 319 402 | 8 511 043 | 5 319 402 | 1 329 850.51 |
| Net Surplus | Medium | 2.50% | 3.75% | 5.0% | 331 743 227 | 8 293 581 | 12 440 371 | 16 587 161 | 12 440 371 | 3 110 092.75 |
| Interest | Medium | 0.25% | 0.63% | 1.0% | 284 625 000 | 711 563 | 1 778 906 | 2 846 250 | 1 778 906 | 444 726.56 |
| Investments | Low | 0.25% | 0.63% | 1.0% | 5 663 131 210 | 14 157 828 | 35 394 570 | 56 631 312 | 14 157 828 | 3 539 457.01 |
| Fixed Assets | Low | 2.00% | 3.50% | 5.0% | 290 418 207 | 5 808 364 | 10 164 637 | 14 520 910 | 14 520 910 | 3 630 227.59 |
| Current assets | Medium | 0.50% | 1.25% | 2.00% | 137 196 977 | 685 985 | 1 714 962 | 2 743 940 | 1 714 962 | 428 740.55 |
| Average | | | | | | 4 877 483 | 10 386 585 | 15 895 688 | 7 975 090 | 1 993 772 |
| Materiality per line | Line item materiality @ | | 10 % | | | 487 748 | 1 038 659 | 1 589 569 | 797 509 | 199 377 |
| Audit Materiality - based on revenue | | | 2.00% | | | | | | 18 858 399 | |
| Materiality | | | | | | | | | | |
| Statement of financial performance | | | | | | R 144 857 | R 298 892 | R 452 928 | R 10 724 504 | 2 681 126 |
| Statement of financial position | | | | | | R 55 635 | R 121 015 | R 186 396 | R 4 845 026 | 1 211 257 |

5.14 Monthly Materiality

5.14.1 The approved budget, at a Divisional and Sectional level includes Revenue, Operation expenses and General and Administration expenses. In order to comply with the General responsibilities of accounting authorities (Section 51 and Section 52 of the Public Finance Management Act, Act 1 of 1999, as amended), the review of actual expenditure compared to budget is governed under the NHBRC's Balanced Scorecard.

5.14.2 Due to the small values budgeted in certain object accounts, variances which are within 10% of budget or R20 000 whichever is the higher need not be commented on in the quarterly variance reports.

5.14.3 All Executive and Managers must comply with the following strategic objective as follows

| KPI | KRI Indicators | Means of verification | Baseline | Targets | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 |
|--|-----------------------------------|---|-----------------------------|-----------------------|-----------------|-----------------|-----------------|-----------------|
| To implement optimal governance, delivery and resource management. | Ensure sound financial management | % deviation from budget on operating expenditure. | Quarterly variance reports. | Within 10% or R20 000 | 100% Compliance | 100% Compliance | 100% Compliance | 100% Compliance |

5.14.3.1 Procedure

- All Executives and managers review their sectional and divisional variance reports on a monthly and quarterly basis. The explanations are submitted to the Executive Management Committee for monitoring. The Management Accountant consolidates the variances at an Entity level.

5.15 Compliance

5.15.1 "All employees and affected persons must comply with this policy. Failure to comply with this policy may result in disciplinary action.

It is the responsibility of the Policy Owner to –

- have this policy approved and implemented; and
- monitor and report on compliance with this Policy."

5.16 Communication of the Policy

5.16.1 "Once approved, the Policy owner shall communicate to the organisation that Council has approved the Policy.

5.16.2 The Policy owner will as a minimum have an announcement made that the policy has been approved, by means of an email message, via approved communications channels within the NHBRC.

5.16.3 Furthermore, to ensure the effective communication of the policy, the Policy owner shall have the policy implemented within the NHBRC.”

5.17 **Review and Continual Improvement**

5.17.1 “The Policy owner shall ensure that –

- a) the content of this policy is reviewed at least once within every year after its approval date.
- b) this policy is promptly reviewed and amended whenever circumstances require same.

5.18 **Risk Analysis Plan**

5.18.1 The risk management strategy and plans integrates all processes and procedures essential to achieve the strategic objectives and therefore the effectiveness of the mitigating related risks is critical. The following table reflects short term strategic objectives and corresponding risks:

Table 6: Risk Analysis Plan

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|--|-------------------------------|--------------------------|---|--|---|---------------|---------------|--|--------------------------|--|--|
| SR1 | Strengthen NHBRC Operating processes, systems and procedures | Administration and Protection | ERP / SAP Implementation | IT infrastructure fails to enable and support business processes. (Inadequate solution not aligned to business requirements). | <p>Failure to adequately implement ERP / SAP.</p> <p>Contractor fails to develop solution as per designs from the blueprint.</p> <p>User requirements not adequately scoped during blueprint phase.</p> <p>Lack of integrated system.</p> <p>Lack of Business Continuity Planning and Disaster Recovery Planning.</p> <p>Failure of utilities (i.e. Power, Telephony etc.)</p> | <p>Suboptimal value from IT investment.</p> <p>Customer and stakeholder value proposition not achieved from integrated system / platform.</p> | High | 25 | <p>ERP Implementation</p> <p>Approved BMS Organogram</p> <p>Approved budget for IT Infrastructure upgrade</p> <p>IT Governance Framework</p> <p>Effective monitoring of IT Projects (SAP, Unified, Data Cleansing).</p> <p>Implement Network Monitoring.</p> <p>Tighter controls on third party service providers.</p> <p>Implement Business Continuity Management procedures.</p> | Chief Operations Officer | Corporate Services Executive and Chief Information Officer | Stringent application of current controls. |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|---|----------------|-------------------------|---|--|--|---------------|---------------|---|-------------------------|--------------------------|--|
| SR2 | Strengthen NHBC Operating processes, systems and procedures | Administration | Building of Head Office | Project purpose, definition, needs, objectives, costs and deliverables are poorly defined, documented and understood. | <p>Feasibility study not conducted.</p> <p>Non-compliance to SCM policy and procedures.</p> <p>Inadequate planning.</p> <p>Change of scope of project.</p> | <p>AG audit findings.</p> <p>Unhappy Workforce / decline in productivity.</p> <p>Wasteful Expenditure .</p> <p>Dissatisfied customers.</p> | High | 12 | <p>Ownership of the project by business, i.e. project to be monitored by nominated Executive to ensure decisions are taken timeously.</p> <p>Project manager to be appointed to oversee project on a daily basis and monitor / ensure compliance to and implementation of the project plan.</p> <p>Constitute a project steering committee that will ensure that the project purpose, definition, needs, objectives, costs and deliverables are adequately defined, documented and understood</p> | Chief Executive Officer | Chief Operations Officer | Stringent application of current controls. |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|---------------------|-----------|---------------|--------------|-------|--------|---------------|---------------|----------------------|------------|------------------|--------------------------|
| | | | | | | | | | by relevant parties. | | | |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|--|------------|---------------|---|--|--|---------------|---------------|--|------------|------------------|--------------------------------------|
| SR3 | Provide innovative quality products and services that delight the customer | Regulation | Compliance | Non-compliance with all applicable laws and regulations relating to the organization. | <p>Lack of knowledge and appropriate skills of the relevant regulations requirements.</p> <p>Lack of compliance with internal processes and procedures.</p> <p>Ineffective internal regulatory compliance process.</p> | <p>Reputational Impact.</p> <p>Qualified AG Report.</p> <p>Non-achievement of mandate.</p> | High | 20 | <p>Policies and Procedures</p> <p>Process Maps and Checklist</p> <p>Capacity (Increased personnel)</p> <p>Regulatory Compliance Function</p> <p>Training needs and advanced systems.</p> | COO | LCE Executive | Operationalize the Compliance Policy |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|--|------------|---------------|--|---|---|---------------|---------------|--|------------|------------------|--------------------------|
| SR4 | Provide innovative quality products and services that delight the customer | Regulation | Enforcement | Inadequate enforcement of the Housing Consumers Protection Measures Act (HCPMA). | Inadequate capacity and resources. Homebuilders disregarding provisions of the HCPM Act. Lack of appropriate sanctions within legislations. | Reputational Impact. Qualified AG Report. Non-achievement of mandate. | High | 25 | Enforcement Unit Activities to reduce complaints. Constitution of DC Committees. Repeal of the Act. Develop and roll-out a Consumer Awareness Programme. Create and raise awareness of the NHBRC Mandate to all relevant stakeholders. | COO | LCE Executive | Repeal of the HCPMA |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|---|----------------|----------------|--------------------------------------|--|---|---------------|---------------|--|------------|-------------------|---|
| SR5 | Grow, protect and sustain the NHBRC Warranty Fund | Administration | Solvency Model | Sustainability of the warranty fund. | <p>1. Enrolment fees do not increase in line with inflation.</p> <p>2. Inefficiency in the management of expenses caused by movements in market variables such as</p> <p>2.1. share prices</p> <p>2.2. bond yields</p> <p>2.3. interest rates</p> <p>2.4. credit spreads</p> <p>2.5. implied volatilities</p> <p>2.6. commodity prices and</p> <p>2.7. currency exchange risks.</p> <p>3. SAM Principles not adopted and implemented</p> | <p>Financial Impact (inability to meet financial obligations in the short term)</p> <p>Reputational Impact</p> <p>Qualified AG Report</p> | High | 20 | <p>.Approved Investment Policy and Strategy.</p> <p>Clearly defined asset manager mandates.</p> <p>Monitoring of compliance by asset managers to approved mandates.</p> <p>Clearly defined investment risk appetite policy and defined risk parameters.</p> <p>Monitoring and reporting of compliance with risk parameters.</p> <p>Effective governance and oversight committees.</p> <p>Monthly asset manager performance reporting and review.</p> <p>Internal audit</p> | CFO | Songezo Booi (FM) | Investment consultant appointed, tracking of performance by the Investment consultant and Management, Review and tracking of monthly and quarterly Investment reports. EXCO, Committees of council and Council oversight. |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|--|---|--|---|--|--|---------------|---------------|---|------------|------------------|--|
| | | | | | | | | | conducts periodic reviews on asset manager compliance. | | | |
| SR6 | Strengthen NHBRC Operating processes, systems and procedures | Regulation, Administration and Protection | Auditor-General Matters: Performance Information | Qualified audit report. Unclean audit due to AG findings on performance information. | Submission of POE and Performance Report prior to adequate verification by Business Units. Inadequate monitoring and evaluation processes to confirm / verify accuracy of POE and | (1). Qualified Audit Findings. (2). Non achievement of performance targets. | High | 25 | (1) Review of the Performance report and POE by the Head of the Business Units to ensure accuracy. (2) Review of the Performance Report and POE by the Head of Strategy to | CEO | Head of Strategy | Stringent application of current controls. |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|---------------------|-----------|---------------|--------------|---------------------|--------|---------------|---------------|--|------------|------------------|--------------------------|
| | | | | | Performance Report. | | | | confirm accuracy. (3) Approval by EXCO, Subcommittee's of Council (Registration Committee and ARMCO), Council and NDHS. | | | |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|---|---|-----------------|---|--|---|---------------|---------------|---|------------|------------------|--|
| SR7 | Grow, protect and sustain the NHBRC Warranty Fund | Regulation, Administration and Protection | Operating Model | Inefficiency of policies and procedures to achieve organisational objectives. | <p>Poor business processes</p> <p>Poor systems</p> <p>Capacity constraint issues</p> <p>Procrastination of leadership.</p> <p>Poor ethics</p> <p>Gap in leadership</p> | <p>Reputational Impact</p> <p>Inconsistent application of business processes resulting in possible non achievement of objectives.</p> | High | 16 | <p>Review of the policies and procedures</p> <p>ERP Implementation</p> <p>Approved organogram</p> <p>Job grading system</p> <p>Approved budget</p> <p>Performance evaluation system.</p> <p>Monthly and quarter reporting to council and DoHS</p> | CFO | All Managers | <p>Business processes are being reviewed as part of the SAP ERP Project.</p> <p>Two provinces were down for more than two week during October. There is no formal structure in place yet for IT Incident Management.</p> |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|--|------------|--------------------|--|--|--|---------------|---------------|--|------------|------------------|--|
| SR8 | Strengthen NHBRC Operating processes, systems and procedures | Regulation | Legislative Review | Inadequate prosecution of registered / non-registered home builders in terms of the Housing Consumers Protection Measures Act (HCPMA). | <p>Limiting provisions of the Act (HCPMA)</p> <p>Incomplete administrative files.</p> <p>Defective notice of non-compliance received.</p> <p>Lack of understanding of the HCPMA.</p> <p>Dependency on SAPS and NPA to prosecute.</p> | <p>Financial Impact</p> <p>Reputational Impact</p> <p>Legal implications</p> | High | 25 | <p>Repeal of the Act is in progress. (Expected to be completed by December 2016)</p> <p>Council legislative processes complete and Bill submitted to the Director General of the NDOHS ("Department") to initiate Cabinet and Parliamentary processes. NHBRC continues to provide direct support to both the DG's Office and the Department.</p> | COO | LCE Executive | <p>Training of inspectors and officials on the Act and regulations.</p> <p>Follow up inspections conducted prior to suspension.</p> <p>Receipt by legal of inspection report as evidence that the builder has complied or not complied.</p> <p>SAPS and NPA Training by NHBRC</p> <p>Training of inspectors to furnish correct and complete information for prosecution purposes (Service of Non-compliance in terms of Section 24).</p> <p>Collaboration between NHBRC investigators and SAPS Investigation Officers to get the process matters instituted.</p> |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|--|-------------------------------|-------------------------------|---|--|---|---------------|---------------|--|------------|--|--|
| SR9 | Provide innovative quality products and services that delight the customer | Administration and Protection | Unethical Conduct in Industry | Fraud and corruption of NHBC employees and developers/builders. | Possible manipulation of processes and procedures for home builder registration. Collusion between builders, Provinces, Managers and Supervisors. Lack of approved Fraud Prevention strategy and policy. | Fraudulent claims against warranty fund. Late enrolments registered as normal enrolments. Reputational Impact | High | 20 | Annual Revision of Registration Policies, Procedures and Process Maps. Staff workshops on Revisions of policies & procedures. Segregation of duties in the renewal and registration process. | CEO COO | Business Services Executive, Chief Risk Officer | (1)Ensure continued strict implementation of the NHBC employee code of conduct .(whereby Employees get disciplined and suspended, a significant number of employees are currently being suspended) (2)Continuous monitoring of segregation of duties by Provincial Managers |
| SR10 | Strengthen NHBC Operating processes, systems and procedures | Administration and Protection | Shortage of Skills | Vacancies in Strategic roles within the organisation. | Vacant Positions Lack of succession planning Lack of training and development programme. | Lack of continuity Non-achievement of organisational mandate. | High | 20 | Approved organisational organogram Refined Recruitment Policy Attracting the right capabilities and skills. HCM Revamp Process underway Monitoring of staff turnover | CEO | COO | HCM policies have been reviewed and going through the relevant approval processes. These policies will be presented at the next Council Meeting. Conduct annual governance reviews |

| Risk No | Strategic Objective | Programme | Sub-Programme | Risk / Event | Cause | Impact | Impact Rating | Inherent Risk | Mitigating Controls | Risk Owner | Risk Implementer | Future Mitigating Action |
|---------|--|------------|------------------------------------|-----------------------------------|---|---|---------------|---------------|--|------------|-----------------------------|---|
| | | | | | | | | | <p>on a continuous basis.</p> <p>Governance workshop for Executives and Council Members</p> <p>Extend the training of good governance to other management</p> <p>Implement good corporate governance best practices.</p> | | | |
| SR11 | Provide innovative quality products and services that delight the customer | Regulation | Economic risk and unenrolled homes | Construction of unenrolled homes. | <p>Homebuilders disregarding provisions of the HCPM Act.</p> <p>Inadequate housing consumer education.</p> <p>Inadequate legislative penalties.</p> | <p>Reputational Impact</p> <p>Financial Impact</p> <p>Customers dissatisfaction</p> <p>Statutory legal and compliance</p> | High | 25 | <p>Enforcement of the act.</p> <p>Consumer awareness programme</p> | COO | Business Services Executive | (1) Increase awareness to our stakeholders. |

KEY PERFORMANCE INDICATORS FOR TECHNICAL INDICATORS

PRE-DETERMINED OBJECTIVES

Technical Indicator Descriptions of key Performance Areas

Programme 1: Administration

| Business Management Solution | | |
|----------------------------------|---|---|
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Completion of SAP ERP Implementation project |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | It is the project to replace the current operating CRM system (Oracle/Siebel) with a more efficient and integrated solution (SAP). |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To improve the efficiency and effectiveness of running the NHBRC business. SAP has the ability to collect and combine data from the separate modules to provide the company or organization with enterprise resource planning |
| Source/collection of data | Describes where the information comes from and how it is collected | Signed-off/approved documentations and updated project plan. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of completed activities within a specified period as per project plan/total number of activities scheduled for completion for the same period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Manual intervention by the role players. Documentations are manual. Non adherence to project plan by all role players |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | New – Project based |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target (speed) |

| | | |
|-------------------------------------|---|---|
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager – Corporate Services |
| | | |
| Business Management Solution | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Maintenance up time |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Continuous or uninterrupted system availability. System is referring to Customer relationship management with all its operating modules. To measure the time the NHBRC systems are functional and available to the End Users. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure services offered by the NHBRC are not affected by system down time at any given time. Ensure the NHBRC is able to deliver products and services to its stakeholders without system interruptions. To have a real time monitoring and controlling of NHBRC IT infrastructure and detect system failure |
| Source/collection of data | Describes where the information comes from and how it is collected | A monitoring software will be used as a source |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Variable dependency on the number of sub-system and calculated in minutes. Automated system calculation. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Impact |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually. |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Continues with significant changes. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is | Its higher than the target |

| | | |
|-------------------------------------|---|---|
| | Desirable | |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Corporate Services Division |
| | | |
| Business Management Solution | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Full Disaster Recovery (DR) capability |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Implemented business process contingency plan to ensure NHBRC continues to function in the event of any potential disaster. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure the NHBRC has operational DR sites that can be utilised in the event of disaster. Making sure that critical data can be retrieved from an off-site storage location. |
| Source/collection of data | Describes where the information comes from and how it is collected | Disaster Recovery plan |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of completed activities within a specified period as per project plan/total number of activities scheduled for completion for the same period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Natural disaster Inability to secure the DR site during the reporting period Non-existence of DR site |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Impact |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Non-Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It is new |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Its higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Corporate Services Division |

| | | |
|-------------------------------------|---|---|
| Business Management Solution | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | ICT Infrastructure upgrades |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Implementation of Video Conferencing, replacement of old servers, computers and improvements to current server room to assist organisations to run efficiently. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | It intends to improve communication within the organisation and to ensure that NHBRC data is reliable, efficient, and secured. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information will come from the activities as outlined in the ICT infrastructure upgrade project Plan. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of completed activities within a specified period as per project plan/total number of activities scheduled for completion for the same period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Manual intervention by the role players. Documentations are manual. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually. |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | New – Project based |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target (completion speed) |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager – Corporate Services |
| | | |
| Human Capital | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % of policies reviewed and implementation of policies |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To re-assess approved policies to ensure they remain relevant to the organisation. To ensure new and reviewed policies are communicated to affected employees. |

| | | |
|----------------------------------|---|--|
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure the accuracy and completeness of whatever it is you're reviewing and to make sure everyone has the same understanding of the policy, process, or situation. |
| Source/collection of data | Describes where the information comes from and how it is collected | Policy register |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of policies reviewed in a specific period divide by the total number of policies due for review multiply by 100. All approve policies will have a review date. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activity |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Corporate Services |
| | | |
| Human Capital | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of days it takes to recruit employees. |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Number of days it take from the time a requisition to fill a position is received by Human Capital and the time the appointment letter is issued to the applicant. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure the business of the NHBRC is not affected by lack of resources where positions exists in the organisational structure and budgeted. |
| Source/collection of data | Describes where the information comes from and how it is collected | Requisition forms and appointment letters. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of days it took from requisition received date by Human Capital to the date of appointment for a specific period divided |

| | | |
|----------------------------------|---|---|
| | | by the total number of appointments. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Data is collected manually. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Its lower than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Corporate Services |
| Human Capital | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % of staff trained |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | The NHBRC has an annual plan to send a certain number of employees for training as part of Individual Development Plan. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To improve employee capabilities and organizational capabilities. |
| Source/collection of data | Describes where the information comes from and how it is collected | Training requisition forms and certificates. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Total number of staff trained for a period divide by the total number of staff multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Data is collected manually. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |

| | | |
|----------------------------------|---|--|
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Corporate Services |
| HUMAN CAPITAL | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % execution of HR re-engineering strategy |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To understand the current culture through surveys and make improvements ensure employees are not demoralized. Audit of the current HC practices, policies and applications thereof. Evaluating of the current organizational structure and job profiles. Understanding of the current communication strategy to inform the Change Management project. Identification of the nature and scope of the Change Management, change needs and diagnoses; and Audit of the current payroll practices. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To improve the culture and make the NHBRC an employer of choice |
| Source/collection of data | Describes where the information comes from and how it is collected | HR re-engineering project plan |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of completed activities within a specified period as per project plan/total number of activities scheduled for completion for the same period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Data is collected manually. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Corporate Services |
| HUMAN CAPITAL | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Statutory Compliance |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a | The organisation set plans to achieve a certain level of compliance in |

| | | |
|----------------------------------|---|---|
| | general understanding of the indicator | its operations, processes and procedures in line with statutory compliance |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To track the level of compliance against statutory requirement and compliance plan. |
| Source/collection of data | Describes where the information comes from and how it is collected | Submissions to prescribed regulators |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Total number of submission made for a period divide by the total number of planned submissions multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Submissions are made manually. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Corporate Services |
| FACILITIES MANAGEMENT | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of offices that have been provided with adequate and efficient facilities' maintenance services |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Facilities section is responsible for the maintenance of all NHBC offices to ensure they have enough resources, buildings are safe, and manage relationship with landlords. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To provide conducive office space to enhance employee's productivity. |
| Source/collection of data | Describes where the information comes from and how it is collected | Yearly plan on management of offices including scheduled inspections. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of completed activities within a specified period as per project plan/total number of activities scheduled for completion for the same period multiply by 100. |

| | | |
|----------------------------------|---|---|
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Data is collected manually. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Corporate Services |
| FINANCE AND SUPPLY CHAIN | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % of Investment Assets exceed actuarial Liabilities |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Actuarial liabilities arising out of the Warranty cover provided by the NHBRC needs to be backed by sufficient investment assets that could be used to cover the liabilities in the event that such need arises. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | In the event that actuarial liabilities exceed investment assets, the Warranty Fund will become technically insolvent which could bring the financial sustainability and going concern of the organisation into question. |
| Source/collection of data | Describes where the information comes from and how it is collected | Actuarial liabilities – actuary reports and financial statements. Investment reports – investment consultant reports and financial statements. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Investment assets divided by actuarial liabilities. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Actuarial valuations are carried out annually. Estimations to be used every quarter for actuarial valuations. Investment assets are available monthly. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Outcomes of liability management and investment management activities. |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Annually |

| | | |
|----------------------------------|---|---|
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | New |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Assets greater than Liabilities |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Chief Financial Officer |
| Finance | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Actual net profit \geq Budgeted net profit |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Organisational net profit at the end of the financial period must be greater or equal to budgeted net profit to ensure sustainability. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | Comparison will assist the organisation analyse its financial performance to determine if the NHBRC operate within its budget. This comparison is also important in preparing and forecasting budgets for upcoming financial years. |
| Source/collection of data | Describes where the information comes from and how it is collected | Variance reports and financial statements. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Actual net profit less Budgeted net profit Rand Value |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Equity |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Non-cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually. |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | New. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Its higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Chief Financial Officer |
| Supply Chain | | |

| | | |
|----------------------------------|---|--|
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of days within which suppliers will be paid |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To ensure that all suppliers rendering goods and services to the NHBRC are paid within 30 days as prescribed by National Treasury. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To monitor the payment turnaround time between NHBRC and its suppliers to ensure compliance and avoid interest charged on late payment of accounts. |
| Source/collection of data | Describes where the information comes from and how it is collected | System generated Payment report Invoices and proof of payment. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Total number of all payments made within 30 days from the date invoice was received for a specific period divide by the total number of all payments made for the same period multiply by 100. On Percentage |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Uncaptured invoices |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually. |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | New. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Its higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Chief Financial Officer |
| SUPPLY CHAIN | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % discretionary spent on BBBEE suppliers |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Procure over 51% of products & services from BBBEE accredited suppliers registered on the NHBRC database or through competitive bidding processes. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To promote the expenditure with companies recognised as BBBEE complaint and ensure compliant with legislative requirement in terms |

| | | |
|----------------------------------|---|--|
| | | of BBBEE Act |
| Source/collection of data | Describes where the information comes from and how it is collected | Input information from suppliers awarded contracts. Data to be collected from the ERP system. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Total amount of discretionary spend paid to accredited BBBEE service providers within a specified period/total amount of discretionary spend paid to all service providers for the same period multiply by 100. BBBEE certified service provider is verified via certification. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Outcomes of BBBEE plan |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually. |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Continue without changes from previous year. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Its higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Chief Financial Officer |
| AUDIT MANAGEMENT | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Percentage implementation of the audit plan |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Audit section must plan and conduct scheduled audits within the organisation at different interval to ensure business controls are effective, efficient and adhered to. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure appropriate attention is devoted to important areas of the organisation and potential problems are promptly identified and addressed. |
| Source/collection of data | Describes where the information comes from and how it is collected | Information is collected from business units Updated audit plan |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of completed activities within a specified period as per project plan/total number of activities scheduled for completion for the same |

| | | |
|----------------------------------|---|--|
| | | period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Manual data storage vs system data. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Chief Audit Executive |
| Audit | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Percentage tracking of implementation of the corrective management plan |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To track all audit finding raised by Auditor General during the preceding financial year and ensure management implement the corrective actions in line with recommended and agreed resolutions. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To improve internal control efficiencies and avoid repeat audit findings. Ensure issues identified by Auditor General are implemented and improved. |
| Source/collection of data | Describes where the information comes from and how it is collected | Report showing the status of implemented and/or outstanding activities from the Auditor General findings. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of completed activities within a specified period as per action plan/total number of activities scheduled for completion for the same period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |

| | | |
|----------------------------------|---|--|
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Equal to the target (cannot exceed the target) |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Chief Audit Executive |
| Programme 2: Regulation | | |
| BUSINESS SERVICES | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of homebuilders to be registered |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | When homebuilders are evaluated for Technical, Financial, Managerial competence and pay prescribed registration fees in order to obtain a licence to trade in the sector. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | The purpose of the Home Builder Registration program is to register all home builders in the building industry for compliance with Housing Consumers Protection Measures Act, 1998 (Act No.95 of 1998) as amended. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is submitted by the builder and captured in the CRM system. Application forms and supporting documents submitted by the home builder and copy of registration certificates. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The number of homebuilders certified within a specific period. Number of certificates issued to newly registered homebuilders within a specified period. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually. |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |

| | | |
|----------------------------------|---|--|
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| Business Services | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of homebuilders to renew their registration |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Annual re-registration of homebuilders to verify any material changes from the initial registration with regards to Technical, Financial and Managerial competence in order to continue trading in the sector. Homebuilders pay prescribed renewal fees. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To renew homebuilders in the home building industry for compliance with Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998). |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is submitted by the builder and captured in the CRM system. Application forms and supporting documents submitted by the home builder and copy of registration certificates. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of homebuilders certified within a specific period. Number of certificates issued to renewed homebuilders within a specified for a period. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Its higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| Business Services | | |

| | | |
|----------------------------------|---|---|
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of inspections to be conducted in the subsidy sector |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Inspection is a visit by the NHBRC approved inspectors to the site of construction to ensure that building activities on enrolled homes are compliant to NHBRC Home Building Manual and other industry technical standards. Inspection conducted during construction stages of the enrolled property to identify any potential non-compliance and ensure remedial action take place before completion of the building. Maximum of 4 inspections per house is required. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure that all enrolled homes are inspected. To identify any potential deviations to technical standards and ensure remedial action take place before completion of the building. To ensure that the warranty fund is not exposed to future claims. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is collected by NHBRC Inspectors and captured in the CRM system. It is recorded according to approved constructions stages based on the enrolment value of the property. Builder quality index for homes (BQIH) form use to record the inspection data. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of inspections conducted within a specific period. Inspection date per construction stage is recorded on the system. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Data is collected manually and through electronic devices. System failure and failure to capture the information timely and accurately on the system. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Non-cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |

| | | |
|----------------------------------|---|---|
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| Business Services | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of inspections to be conducted in the non-subsidy sector. |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Inspection is a visit by the NHBRC approved inspectors to the site of construction to ensure that building activities on enrolled homes are compliant to the NHBRC Home Building Manual and other industry technical standards. Inspections are conducted during construction stages of the enrolled property to identify any potential non-compliance and ensure remedial action take place before completion of the building. Minimum of 4 and maximum of 8 inspection stages. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure that all enrolled homes are inspected. To identify any potential deviations to technical standards and ensure remedial action take place before completion of the building. To ensure that the warranty fund is not exposed to future claims. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is collected by NHBRC Inspectors and captured in the CRM (Mobile Solution) system. It is recorded according to approved constructions stages based on the enrolment value of the property. Builder quality index for homes (BQIH) form use to record the inspection data. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of inspections conducted within a specific period. Inspection date per construction stage is recorded on the system. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Data is collected manually and through electronic devices. System failure and failure to capture the information timely and accurately on the system. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Non-cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |

| | | |
|----------------------------------|---|--|
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| LEGAL AND COMPLIANCE | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of days it takes to suspend a homebuilder on a prosecutable matter |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Temporary de-activation of home builder's membership as form of punishment for contravening the Act. The NHBRC has the authority in terms of the HCMPA to suspend registered home builders who contravened the Act or are found not to comply with NHBRC technical standards. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure suspensions against defaulting home builders are implemented within reasonable timeframe to avoid further damages and prevent enrolment of new homes by defaulting home builders. To protect homeowners against unscrupulous homebuilders by stopping homebuilders from trading in the residential home built industry. |
| Source/collection of data | Describes where the information comes from and how it is collected | The suspension process is initiated at the provincial offices and information is collected through manual reports. Suspension of home builders is activated on the Siebel CRM system |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Total number of suspended home builders suspended with 14 days from date of receipt by paralegal/ total number of suspended home builders for the same period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control. | Manual intervention by the role players |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Non- cumulative |

| | | |
|----------------------------------|---|--|
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Equal to the total number of suspension (cannot be higher) |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Legal and Enforcement Manager |
| Legal | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of days it takes to prosecute defaulting homebuilders. |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To submit the list of home builders suspended to the Disciplinary committee that will review and allow home builders to present their cases. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important. | To impose disciplinary sanctions on home builders found guilty of contravening the Act and recuse those not found guilty. |
| Source/collection of data | Describes where the information comes from and how it is collected | Information will come from Legal and Enforcement prosecutors and collected through approved minutes of the Disciplinary Committee |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Total number of matters presented to DC within 160 days from date of suspension/total number of matters presented to DC for the same period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Manual intervention by the role players. Documentations are manual. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Non- cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Has significantly changed |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher (quicker/sooner) than target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Legal and Enforcement Manager |
| Compliance | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Implementation of the annual compliance plan |

| | | |
|---|---|--|
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | The organisation set plans to achieve a certain level of compliance in its operations, processes and procedures in line with best business practices |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure and track the level of compliance against statutory requirement and compliance plan |
| Source/collection of data | Describes where the information comes from and how it is collected | Project plan (approved compliance plan) |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Total number of compliance activities completed within specific period/ total number of compliance activities scheduled for completion in the same period multiply by 100 |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Non-cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Its higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Legal and Compliance Manager |
| Programme 3: Consumer Protection Sub programme 1: Subsidy Sector | | |
| Business Services | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of Project Enrolments units |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | When Government entities enrol the subsidised properties (empty stands) they intend to construct. Properties are enrolled with the NHBRC through the evaluation of the selling price (approved quantum for the period), soil type, payment of prescribed enrolment fees and Engineering assessments. Enrolment triggers the inspection by NHBRC during construction and a 5 year structural warranty on the house from date of occupation. The project enrolment units refer to the number of stands/erven within |

| | | |
|----------------------------------|---|--|
| | | a greenfield development. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To regulate the construction activities in the sector and ensure home owners are protected against structural defects that may occur within a period of 5 years from date of occupation. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is submitted by the Government entities and captured in the CRM system. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of stands/erven from an approved development Approved date is recorded on the system. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| Business Services | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of Home Enrolment units |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | When Government entities enrol the subsidised properties (top structure) they intend to construct. Properties are enrolled with the NHBRC through the evaluation of the selling price (approved quantum for the period), soil type, foundation type, payment of prescribed enrolment fees and Engineering assessments. Enrolment triggers the inspection by NHBRC during construction and a 5 year structural warranty on the house from date of occupation. The home enrolment units refer to the number of homes to be constructed within a greenfield development. |

| | | |
|----------------------------------|---|---|
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To regulate the construction activities in the sector and ensure home owners are protected against structural defects that may occur within a period of 5 years from date of occupation. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is submitted by the Government entities and captured in the CRM system. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of enrolled homes approved within a specific period. Approved date is recorded on the system. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| Business Services | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of consolidations units to be done for the year |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | When Government entities enrol the subsidised properties (where infrastructure already exists) they intend to construct. Properties are enrolled with the NHBRC through the evaluation of the selling price (approved quantum for the period), soil type, foundation type, payment of prescribed enrolment fees and Engineering assessments. Enrolment triggers the inspection by NHBRC during construction and a 5 year structural warranty on the house from date of occupation. The consolidation units refer to the number of homes to be constructed where infrastructure services already exist. |

| | | |
|----------------------------------|---|---|
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To regulate the construction activities in the sector and ensure home owners are protected against structural defects that may occur within a period of 5 years from date of occupation. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is submitted by the Government entities and captured in the CRM system. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of enrolled homes approved within a specific period. Approved date is recorded on the system. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| | | |
| | | |
| Business Services | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of late enrolments to be conducted by NHBRC |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | When home builders enrol the properties after construction has commenced. Properties are enrolled with the NHBRC through the evaluation of the selling price, soil type, foundation type and payment of prescribed enrolment fee and/ financial bank guarantee, Pre-inspection, Engineering assessments, late inspection fees and penalty guarantees where applicable. Enrolment triggers the inspection by NHBRC during construction if not yet completed and a 5 year structural warranty on the house from date of occupation. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | The purpose of late enrolment of homes is to allow homebuilder to engage in the process of late enrolment of homes. |

| | | |
|--|---|---|
| | | |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is submitted by the builders and captured in the CRM system |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of late enrolments certified within a specific period. Certificate issued date is recorded on the system. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of UISP sites |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | UISP seeks to achieve basic development requirements of informal settlement when government formalize an informal settlement by bringing services in the form of water reticulation, sewer reticulation , road and other infrastructure |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To improve the living conditions of the inhabitant of the particular settlements. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is collected through the integrated development planning (IDP'S) through municipalities. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of serviced sites that would be yielded from the settlements |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | The roles and regulations that apply in the building sector may affect the number of the total yield. |

| | | |
|------------------------------------|---|---|
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | yes |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Target and performance should be expected |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| COMMUNITY RESIDENTIAL UNITS | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of community residential units. |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | It converts the current hostels into family based residential units |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To show the number of units converted / built for family units settlements |
| Source/collection of data | Describes where the information comes from and how it is collected | The information will be collected through municipalities. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of existing hostels and family units |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Some structures are so dilapidated and are in such state that they should be condemned and rebuilt afresh |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Yes, its new |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | The target should be converted into actuals (changes are that we could yield even lower) |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |

| SOCIAL HOUSING PROGRAMME | | |
|--|---|---|
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of rental units delivered. |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Delivery mechanism that deliver rental stock to benefit poor households with convenient access to employment opportunities |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | Is to develop affordable rental accommodation in areas where bulk infrastructure may be underutilized and improve urban efficiency. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is collected through integrated Development Planning through Municipalities. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of rental units targeted |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Mobility of the targeted group |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Yes, its new |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | The target is meant to be achieved as such |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of FLISP to be delivered |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Program the first time home ownership opportunities for people who fall in the gap market (earn too little to qualify for home loans and too high to qualify for RDP house) |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To accommodate people who earn >R3500 R15,000 per month |
| Source/collection of data | Describes where the information comes from and how it is collected | Data is allocated through Integrated Development Planning and Municipalities. |

| | | |
|---|---|--|
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of gap market houses targeted |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Economic realities in the country |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Yes, its new |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | The target is intended to achieve the actuals. |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| INTEGRATED RESIDENTIAL DEVELOPMENT PROGRAMME | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of IRDP units in a settlement. |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Programme encompasses credit subsidy where applicants can afford mortgage loan finance and non-credit link subsidy where applicants cannot afford mortgage loan finance (RDP) are afforded fully |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To create holistic and sustainable mixed developments |
| Source/collection of data | Describes where the information comes from and how it is collected | Through Integrated Development Planning and municipalities |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of units targeted |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Economic realities in South Africa and people who are affected by qualification criteria. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Yes, its new |

| | | |
|----------------------------------|---|---|
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | The target to be achieved as planned |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| RURAL HOUSING PROGRAMME | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of rural housing targeted |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | The programme target qualifying households in areas with communal tenure to access housing subsidy from government |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | Programme target widely dispersed homesteads in remote, non-urban areas. |
| Source/collection of data | Describes where the information comes from and how it is collected | Through Integrated Development Plans through municipalities and traditional/ leaders providing information. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of units targeted |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Reliability of data can be questionable |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Yes, its new |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | The target to be achieved as planned. |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| STAKEHOLDER RELATIONS | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % implementation of stakeholder relations strategy and plan |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Its measure to assess the NHBRC's engagement with its key stakeholders against scheduled activities as per the approved |

| | | |
|----------------------------------|---|--|
| | | strategy and plan. |
| Purpose/importance | Explains what the indicator is intended to show and why it is Important. | To develop, implement, monitor and review the stakeholder relation strategy and plan in support of the organization strategic objectives. |
| Source/collection of data | Describes where the information comes from and how it is collected | Updated implementation plans Reports of activities undertaken |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Completed activities within specified period divide by the total number of scheduled activities for a specified period multiple by 100. Indicator is calculated by percentage |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Negative media publications may derail/change schedules. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Stakeholder Relations Manager |
| RISK | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | 100% implementation of the approved risk plan |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Risk section must plan and conduct scheduled risk assessments within the organisation to ensure potential losses or damages are identified, reported, prevented or minimised. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | There must be an annual approved risk plan to identify and respond to internal and external risks and opportunities. |
| Source/collection of data | Describes where the information comes from and how it is collected | Information comes from the activities within each business unit and updated risk plan with status. |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Completed activities within the specified period against the total number of scheduled activities for a specified period. |

| | | |
|----------------------------------|---|---|
| | | Indicator is calculated by percentage |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Manual intervention by the role players. Documentations are manual. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually. |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Risk Manager |
| Risk | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % implementation of the Safety, Health and Environment (SHE) plan |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Action plan to ensure issues of health and safety in the work place are adhered to and activities to be performed are measured. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To enforce the implementation of health and safety in the work place and ensure employees and persons interacting with the NHBRC are protected as required by Occupational Health and Safety Act. |
| Source/collection of data | Describes where the information comes from and how it is collected | Scheduled activities. Trainings (attendance register/certification). Updated OHS Plan |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Total completed activities as per OHS plan within the specified period divide by the total number of scheduled activities for the same specified period multiply by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Delayed approval of OHS plan. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues | continues without change from the previous year |

| | | |
|----------------------------------|---|--|
| | without change from the previous year | |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Risk Manager |
| Risk | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % implementation of Business Continuity Management (BCM) strategy for the NHBRC |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To put strategy in place to ensure the business of the NHBRC is not affected by system downtime and where eventuality arises there are structures and infrastructure in place to ensure business continuity. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To ensure activities within the developed BCM strategy are implemented and that the organisation is always ready to respond to risks that may negatively affect the day to day business operations of the NHBRC. |
| Source/collection of data | Describes where the information comes from and how it is collected | Status reports on the status of the BCM. Updates on the scheduled activities. Sign-off on available and test cases for BCM |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Completed activities within the specified period against the total number of scheduled activities for a specified period. Indicator is calculated by percentage. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Delay in approval of BCM strategy. Data is collected manually. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Risk Manager |

| Sub Programme 2: Non-Subsidy Sector | | |
|-------------------------------------|---|---|
| BUSINESS SERVICES | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of enrolments to be conducted |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | When home builders enrol the properties they intend to build prior to commencement of construction. Properties are enrolled with the NHBC through the evaluation of the selling price, soil type, foundation type and payment of prescribed enrolment fee and/ financial bank guarantee. Enrolment triggers the inspection by NHBC during construction and a 5 year structural warranty on the house from date of occupation. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | To regulate the construction activities in the sector and ensure home owners are protected against structural defects that may occur within a period of 5 years from date of occupation. |
| Source/collection of data | Describes where the information comes from and how it is collected | The information is submitted by the builders and captured in the CRM system Enrolment forms together with supporting documents and copy of enrolment certificates |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of enrolled homes certified within a specific period. Certificate issued date is recorded on the system. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, Quarterly and Annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | Is new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target |

| | | |
|---|---|---|
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services Division |
| COMMUNICATIONS | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % execution of plans against the strategy |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Its measure to assess the NHBRC's progress for communication against scheduled activities as per the approved strategy and plan. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important. | To appropriately position and protect the NHBRC reputation, image and brand in the marketplace |
| Source/collection of data | Describes where the information comes from and how it is collected | Reports of activities undertaken |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Completed activities within the specified period divide by the total number of scheduled activities for a specified period multiple by 100. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Negative media publications. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly, quarterly and annually |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Communications Manager |
| CENTRE FOR RESEARCH AND INNOVATION | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Review and Revise the Research Agenda |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | The NHBRC has an approved research agenda document that stipulated they key priority projects to be undertaken to make contribution to the home building industry. Research Agenda must be reviewed annually to ensure it remains relevant and make adjustment to key priorities. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | This Research Agenda sets out the research direction of the Centre |

| | | |
|---|---|--|
| | | for Research and Housing Innovation in terms of the research strategic context, priorities, funding and research methodology. |
| Source/collection of data | Describes where the information comes from and how it is collected | Inputs make to Council Committee |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of time (s) the Research Agenda presented for Review at Committee of Council |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Committee of Council not meeting on scheduled dates or Document not presented for review |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activity |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Once a year |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Advisor: Special Projects |
| Centre for Research and Innovation | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | % execution of research projects as per approved Research Agenda |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To measure progress made for short, medium and long term goals derived from the Research Agenda |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | This Research Agenda sets out the research direction of the Centre for Research and Housing Innovation in terms of the research strategic context, priorities, funding and research methodology. |
| Source/collection of data | Describes where the information comes from and how it is collected | Reports from different projects within the programmes. Update project plans in line with approved Research Agenda |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Completed activities within the specified period against the total number of scheduled activities for a specified period. Indicator is calculated by percentage. |

| | | |
|---|---|---|
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Majority of project involves external stakeholders |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Activities |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | continues without change from the previous year |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Advisor: Special Projects |
| Centre for Research and innovation | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Achieve SANAS accreditation (certification) of the Testing Centre |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To have the NHBRC accredited with South African National Accreditation System (SANAS) which is a recognised National Accreditation Body that gives formal recognition that Laboratories, Certification Bodies, Inspection Bodies, Proficiency Testing Scheme Providers and Good Laboratory Practice (GLP) test facilities are competent to carry out specific tasks in terms of the Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act (Act 19 of 2006). |
| Purpose/importance | Explains what the indicator is intended to show and why it is important | SANAS's purpose is to instil confidence and peace of mind to companies and individuals through accreditation which is required for economic and social well-being for all. The Testing facilities of the NHBRC will therefore be recognised by the industry are reliable. |
| Source/collection of data | Describes where the information comes from and how it is collected | Completed and submitted accreditation forms, payment of applicable fees and responses from the SANAS |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | The total number of days it took to from requisition and appointment per recruitment divided by the total number of appointments. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Data is collected manually. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Outcomes |

| | | |
|---|---|---|
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It's new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | Accreditation certificate |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Advisor: Special Projects |
| Centre for Research and Innovation | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of publications and conferences/workshops proceedings developed and or presented |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | Produce publications and or make presentations to the industry on key issues emanating from conducted research. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important. | To share knowledge gained with stakeholders to improve the standard and impact the construction industry. |
| Source/collection of data | Describes where the information comes from and how it is collected | Published articles and presentations |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of publications and presentations done |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | None |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It's not new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Advisor: Special Projects |
| HOME BUILDER EDUCATION, TRAINING AND DEVELOPMENT | | |

| | | |
|--|---|---|
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of home Inspectors to be trained |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To ensure internal Inspectors receive continuous and refresher training on technical aspects. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important. | To equip internal inspectors with technical knowledge and skill to improve the quality of inspection and reduce the claims against the warranty fund. To improve productivity, loyalty and motivate inspectors by introducing new skill to them. |
| Source/collection of data | Describes where the information comes from and how it is collected | Attendance registry/certifications |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of Inspectors that attended the training. Calculation is per number of inspectors per module using unique ID numbers/employee number. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Failure to obtain Accreditation from external institutions. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It's new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Advisor: Special Projects |
| Homebuilder Education, Training and Development | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of homebuilders to be trained |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To ensure registered home builders receive continuous and refresher training on technical aspects. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important. | To equip home builders with technical knowledge and skill to improve the quality of construction and reduce the claims against the warranty |

| | | |
|--|---|---|
| | | fund. |
| Source/collection of data | Describes where the information comes from and how it is collected | Attendance registry/certifications |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of home builders that attended the training. Calculation is per number of homebuilders per module using unique ID numbers/NHBRC Registration number. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Failure to obtain Accreditation from external institutions. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It's new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Advisor: Special Projects |
| Homebuilder Education, Training and Development | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of people to be trained in Government projects (youth, women ,people with disabilities and military veterans) |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To ensure people working on government subsidised projects are trained on technical aspects. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important. | To equip people working on government projects with technical knowledge to improve the quality of construction and reduce the claims against the warranty fund. To contribute to the development of women and people with disabilities, skilled youth and military veterans. |
| Source/collection of data | Describes where the information comes from and how it is collected | Attendance registry/certifications |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of people that attended the training. Calculation is per number of people per module using unique ID |

| | | |
|----------------------------------|---|---|
| | | numbers |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Failure to obtain Accreditation from external institutions. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It's new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Advisor: Special Projects |
| | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Number of Artisans to be trained |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | To ensure artisans are trained to in order to obtain a formal certification to support their already acquired skills. |
| Purpose/importance | Explains what the indicator is intended to show and why it is important. | To equip artisans with technical knowledge to improve the quality of construction and reduce the claims against the warranty fund. To ensure the experience they acquired is aligned to NHBRC Home Building Manual. |
| Source/collection of data | Describes where the information comes from and how it is collected | Attendance registry/certifications |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of Artisans that attended the training. Calculation is per number of artisans per module using unique ID numbers. |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Failure to obtain Accreditation from external institutions. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |

| | | |
|----------------------------------|---|---|
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It's new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Advisor: Special Projects |
| CATALYTIC PROJECTS | | |
| Indicator title | Identifies the title of the strategic outcome oriented goal, objective or programme performance Indicator | Catalytic projects |
| Short definition | Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator | projects that ensures spatially targeted interventions whose main objective is to restructure human settlement patterns and bring about high impact on the environment; |
| Purpose/importance | Explains what the indicator is intended to show and why it is important. | To bring about different tenure options to deliver mega, high impact integrated and sustainable human settlements that shows spatial, social and economic integration. |
| Source/collection of data | Describes where the information comes from and how it is collected | Through Integrated Development Planning and municipalities |
| Method of calculation | Describes clearly and specifically how the indicator is calculated | Number of units targeted |
| Data limitations | Identifies any limitation with the indicator data, including factors that might be beyond the department's control | Economic realities in South Africa and people who are affected by qualification criteria. |
| Type of indicator | Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity | Output |
| Calculation type | Identifies whether the reported performance is cumulative, or non-cumulative | Cumulative |
| Reporting cycle | Identifies if an indicator is reported quarterly, annually or at longer time intervals | Monthly and quarterly |
| New indicator | Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year | It's new. |
| Desired performance | Identifies whether actual performance that is higher or lower than targeted performance is Desirable | higher than the target performance |
| Indicator responsibility | Identifies who is responsible for managing and reporting the indicator | Executive Manager: Business Services |

ADDENDUM 1 KEY PERFORMANCE AREAS NOT INCLUDED

Why some key performance areas which were part of the Strategic Corporate Plan 2014-2019 are no longer part of the Annual Performance Plan 2016/2017.

1. **Completion of SAP project** was not included as a KPA in the Final APP 2016/2017 because SAP was due for final implementation in the 2015/2016 financial year.
2. **Disaster recovery capability** of the NHBRC was omitted because it was agreed that those KPA's belongs in the Level 2 Scorecard within the Corporate Services Division.
3. **ICT infrastructure upgrade** was omitted as a KPA because it was agreed that those KPA's belongs in the Level 2 Scorecard within the Corporate Services Division.
4. **Number of policies to be reviewed and implemented** was not included as a KPA because it was agreed that those KPA's belongs in the Level 2 Scorecard within the Corporate Services Division.
5. **Number of days taken to recruit employees** was not included as a KPA because it was agreed that those KPA's belongs in the Level 2 Scorecard within the Corporate Services division.
6. **% execution of Human Resource Engineering strategy** was not included as a KPA because it was agreed that those KPA's belongs in the Level 2 Scorecard within the Corporate Services division.
7. **Number of offices provided with adequate and efficient facilities maintenance services** was not included as a KPA because it was agreed that those KPA's belongs in the Level 2 Scorecard within the Corporate Services division.
8. **Actual net profit > budgeted net profit** was not included as a KPA because it was agreed that it belonged within the Level 2 Scorecard within Finance division.
9. **Number of days within which suppliers will be paid** was not included as a KPA because it was agreed that it belonged within the Level 2 Scorecard within Finance division.
10. **Warranty fund Investment assets exceeds its actuarial liabilities** was rephrased to read investment surplus as a percentage of actuarial liabilities.
11. **The target for training of homebuilders** was initially projected at 1,500 for 2016/2017 in Strategic Corporate Plan 2014-2019 but a realistic projection was done for 2016/2017 which is set at 1,200.
12. **The target for the number of people to be trained in Government projects(youth, women, people with disabilities and military veterans)** was initial projected at 2,000 but the target have since been changed to be on their own and not combined under one target. The target for the youth alone is estimated at 2,000.
13. **The POE for registration of homebuilders** was initially recorded as Registration certificates but it is currently recorded as System generated report. The reason was that system generated report is no different from registration certificates.
14. **The reporting period is always quarterly but the Framework for Managing Programme Performance Information indicates that you can illustrate the reporting period as quarterly, bi-annual and annually.**
15. **The target for renewal of registration of homebuilders** was initial set at 13,945 in the Strategic corporate Plan 2014-2019 but has since been revised to 13,034 because a calculation based on the homebuilders who are currently active was done and the most accurate projection would be 13,034.

16. **The target for renewal of registration of homebuilders** was initially set at 14,712 for the 2017/2018 financial year in the Strategic Corporate Plan 2014-2019 and has since been revised to 14,337 in the APP 2016/2017 because a calculation based on the homebuilders who are currently active was done and the most accurate projection would be 14,337.
17. **The target for number of inspections to be conducted in the subsidy and the non-subsidy sector** has since been changed to read the number of homes to be inspected for subsidy and non-subsidy because it was agreed that the number of inspections to be conducted would be included in the Level 2 Scorecard of the Business Services Division.
18. **The target for implementation of the Annual compliance Plan** has been changed from Legal to Audit because it cuts across the organization, so the audit section would be the one that is responsible for that particular Key performance Area.
19. **The target for project enrolment, home enrolment and consolidation** were included as such in the Strategic Corporate Plan 2014-2019 but it has since been agreed that from now onwards we would be reporting on Home Enrolment for 2016/2017 APP because it was agreed that project enrolment and consolidation would be included in the Level 2 Scorecard within the Business Services division.
20. **The target for % implementation of Safety, Health and Environment (SHE) plan, % implementation of BCM strategy and % implementation of the Fraud Plan** were seen as belonging to Level 2 Scorecard of the Risk Section and for the organizational Scorecard we are only going to report on % of approved risk management plan for the NHBRC.
21. **The target for % implementation of stakeholder relations strategy** and plan cannot be included in the Final Annual Performance Plan 2016/2017 because it is covered within the communication section key performance areas.
22. The target for non-subsidy enrolment has been improved to read as “Number of enrolments to be processed in the non-subsidy sector” as opposed to what was in the Strategic corporate Plan 2014-2019 which read as “Number of enrolments to be conducted”. It was agreed that as NHBRC we are striving to continually improve in the way we do things.
23. The target for Communication was captured as “% execution of plans against strategy” but was since improved to read as “% of approved communication strategy implemented”.
24. The target for Research which read “SANAS accreditation of testing Centre” and the number of publications and conference/workshop proceedings developed and/or presented” were seen as belonging to Level 2 scorecard of the center.



human settlements

Department
Human Settlements
REPUBLIC OF SOUTH AFRICA



**NATIONAL DEPARTMENT OF HUMAN
SETTLEMENTS**

SHAREHOLDER

COMPACT WITH

**NATIONAL HOME BUILDERS
REGISTRATION COUNCIL**

TABLE OF CONTENTS

| | |
|---|-----------|
| SECTION 1 - DEFINITION, SCOPE AND DURATION | 5 |
| 1. DEFINITIONS..... | 5 |
| 2. INTERPRETATION..... | 10 |
| 3. SCOPE AND BASIS FOR COMPACT | 10 |
| 4. COMMENCEMENT DATE..... | 10 |
| 5. PERIOD OF AGREEMENT | 11 |
| SECTION 2 - RELATIONSHIPS, ROLES AND RESPONSIBILITIES | 11 |
| 6. THE GOVERNMENT'S RELATIONSHIP AND ITS ROLE AND RESPONSIBILITIES TOWARDS THE COUNCIL OF THE NHBRC..... | 11 |
| 7. COUNCIL'S RELATIONSHIP, ROLE AND RESPONSIBILITIES..... | 14 |
| 8. UNDERTAKINGS BY THE SHAREHOLDER..... | 22 |
| SECTION 3 - GOVERNANCE | 22 |
| 9. COUNCIL COMMITTEES | 23 |
| 10. RISK MANAGEMENT..... | 23 |
| 11. INTERNAL CONTROL..... | 24 |
| 12. EXTERNAL AUDIT..... | 24 |
| 13. REPORTING..... | 25 |
| 14. PROGRESS REPORTS..... | 25 |
| 15. INTERIM REPORTS..... | 25 |
| SECTION 4 - OTHER CONTRACTUAL MATTERS | 26 |
| 16. OBLIGATION TO DELIVER SERVICE..... | 26 |
| 17. PENALTIES | 26 |
| 18. VARIATIONS AND INDULGENCES | 27 |
| 19. GOVERNING LAW..... | 27 |
| 20. INTERPRETATION AND THIRD PARTY ASSESSMENT..... | 27 |
| 21. ENTIRE AGREEMENT..... | 28 |
| 22. NOTICES..... | 28 |

- a. Alignment of SOC performance with the strategic intent of the State;
- b. To clarify the roles of Legislature, Executive and SOC Councils;
- c. To improve co-operative governance between branches of Executive;
- d. Improved shareholder (Executive) practices and
- e. Improved SOC corporate governance.

Government's intent is therefore clear, i.e. to improve performance and governance of public entities and service to society, and that this will to a large extent be brought about by implementing Shareholders Compacts with each Public Entity.

AND WHEREAS the Department of Human Settlements is no exception to this intent and will be guided by the SMM to develop and review Shareholder Compacts with Human Settlement Public Entities. In the absence of the guiding model, the Department and NHBRC should work together to develop a Shareholder Compact as per Treasury Regulation 29.2.

AND WHEREAS NHBRC was established to execute the mandate given to it by the Executive Authority and should act in the best interest of its shareholder and take the interests of the broader stakeholders and its environment into account.

AND WHEREAS Council has been appointed as the Accounting Authority by the Executive Authority to protect the Government's investment and direct the affairs of the Entity.

WHEREFORE, the parties hereby agree to the following compact:

SECTION 1-DEFINITIONS, SCOPE AND DURATION

1. DEFINITIONS

The following words and expressions shall have the meanings assigned to them except where the context otherwise requires:

- 1.1. **"Agreement"** means this Shareholder Compact, as amended from time to time, together with all the Appendices thereto, being a performance management and monitoring agreement designed to

- 1.8 **"Capital structure"** means the combination of financial liabilities and equity used to fund the assets of the entity;
- 1.9 **"CEO"** refers to the Chief Executive Officer of the NHBRC;
- 1.10 **"Checks and balances"** mean the regulatory framework, including applicable legislation, the internal controls, policies and procedures and other contractual documentation of the business;
- 1.11 **"Code of ethics"** means the standards that individual staff members should meet in their conduct and set the framework for an ethical organisation;
- 1.12 **"Commencement date"** means the first day of financial year of the NHBRC and Shareholder which the Compact relates to;
- 1.13 **"Corporate Plan"** means the NHBRC Corporate Plan (incorporating the Business Plan) developed by the NHBRC in accordance with the prescribed Regulations to the PFMA and submitted to the Shareholder in terms of section 52 of the PFMA;
- 1.14 **"Date of signature"** means the date of signature of this Agreement by the last party to sign;
- 1.15 **"Department"** means the National Department of Human Settlements being the designated Department for the NHBRC as defined in the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998) and the PFMA and its regulations;
- 1.16 **"Employment equity"** shall have the same meaning as assigned to it under Employment Equity Act, 1998 (Act No.55 of 1998);
- 1.17 **"Entity"** means the NHBRC;
- 1.18 **"Executive Director"** means both a member of the Council and a full time employee of the NHBRC involved in the management and running of the business for which he/she receives remuneration;

- 1.29 **"PFMA"** means the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended;
- 1.30 **"Plans"** mean both the NHBRC Business Plan and the Corporate Plan, depending on the context in which it is used;
- 1.31 **"Protocol"** means the Protocol on Corporate Governance in the Public Sector published in 2002;
- 1.32 **"Risk"** means the uncertainty of an event occurring that could have an impact on the achievement of objectives and a possibility of suffering harm and loss as a result thereof;
- 1.33 **"Risk management"** is the identification and evaluation of actual and potential risk areas and the development of a program that aims to reduce the loss before it occurs, either by controls and assurance measures or by financing and insurance measures;
- 1.33 **"Shareholder"** means the Government of the Republic of South Africa duly represented by the Minister of Human Settlements;
- 1.35 **"Shareholder Compact"** means this agreement which regulates the Relationship between the Government and the NHBRC;
- 1.36 **"The Act"** means the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998);
- 1.37 **"Triple bottom line"** means reporting on the social (safety, health, values, ethics and relationships with stakeholders), environment (effect of services on the environment) and economic (financial and non-financial – economic prosperity) performance of the entity; and

5. PERIOD OF AGREEMENT

- 5.1. This Agreement shall come into force on the 1st April 2015 and will be effective until the end of that financial year which is 31 March 2016. It shall however, remain in force in instances where a new Compact has not been signed for the new financial year until such time that it is finalised and signed.
- 5.2. It is hereby recorded by the Parties that this Agreement, its provisions, including the performance measurement criteria agreed to, shall be reviewed, reconsidered and, if necessary, amended annually until its objectives have been achieved as contemplated by the PFMA and its Regulations.

SECTION 2-RELATIONSHIPS, ROLES AND RESPONSIBILITIES

6. THE SHAREHOLDER'S RELATIONSHIP AND ITS ROLE AND RESPONSIBILITIES TOWARDS THE COUNCIL OF THE NHBRC

6.1 Relationships

- 6.1.1 The Shareholder determines the overall policy and desired direction as it relates to the provision of quality human settlements and the role that the NHBRC plays in this regard as set out in its mandate."
- 6.1.2 The relationship is one of review and monitoring involvement in its investment without negatively impacting on the independence of Council and without getting involved in the day to day management of the NHBRC.
- 6.1.3 Other aspects of the relationship are governed by the principles stated throughout this Compact.

6.2 Role and Responsibilities

It is the intent of Shareholder to play an active role in discharging its responsibilities with regard to the NHBRC by:

- If uncertainty arises on the implementation of the mandate and the implications thereof, which cannot be objectively resolved between the Executive Authority and Council, Council may exercise its right to seek the required external professional advice.
- Council will carry out its mandate in such a manner as to ensure the increase of value as well as maximization of socio-political benefits in terms of the broader principles and policies of government.

6.2.5 Monitoring the performance of Council in discharging its duties listed below:

- Reviewing and approving the Delegation of Authority;
- Assessing the performance of Council and Committees collectively;
- Making recommendations on Council's remuneration to the Executive Authority;
- Ensuring that appropriate and effective induction, training and education programs are offered to new and existing Council and Committee members;
- Monitoring attendance of Council and Committee meetings by the individual members;
- Whether Terms of Reference of the various committees are in place and reviewed annually;
- Suitability of the Chairpersons of the Audit Committee and the Remuneration Committee;
- Activities and reports of Council Committees and;

- d) Establish, maintain and administer a fund contemplated in section 15 (4) to provide assistance to housing consumers under circumstances where home builders fail to meet their obligations in terms of section 13(2) (b)(i);
- e) Assist in the resolution of disputes between registered home builders and housing consumers;
- f) Engage in communication to inform housing consumers of their rights under the Act and other relevant matters;
- g) Provide information to financial institutions, conveyancers, provincial housing development boards and any other interested person in order to assist them to comply with their obligations in terms of the Act;
- h) Establish grading categories and criteria in respect of home builders with a view to encourage good building practice and discourage bad building practice;
- i) Determine criteria to be applied in the grading of home builders in different categories for the purposes of differentiated enrolment fees;
- j) Investigate, at the request of the Minister, the integration of the register of home builders into a possible general register of builders and make recommendations to the Minister; and
- k) Advise the Minister on any matter referred to by the Minister in respect of the protection of housing consumer or the objectives of the Act.

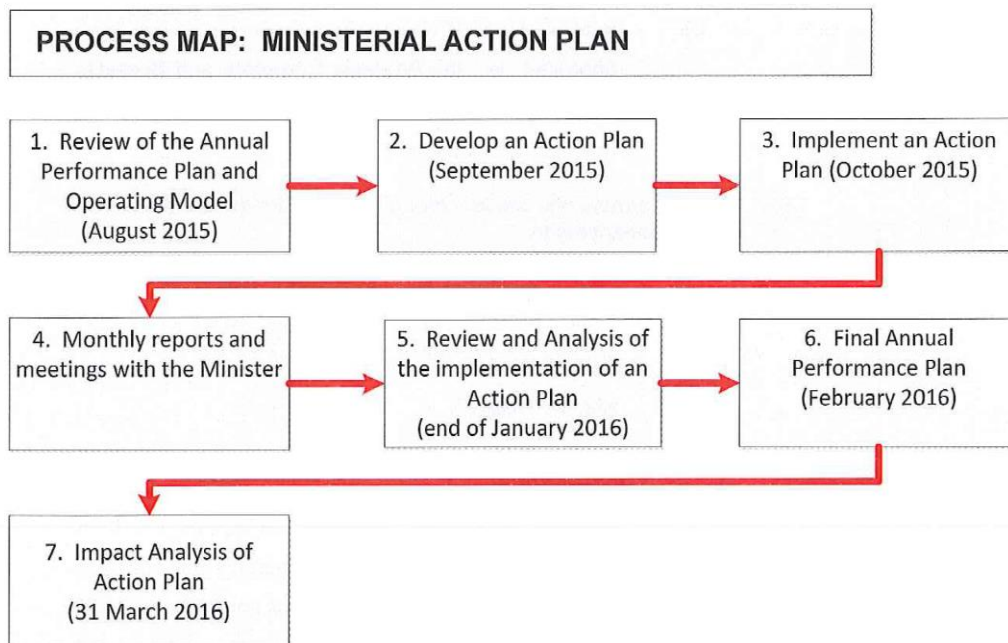
7.1.2 In fulfilling its mandate the NHBRC, has developed Strategic Themes as set out in the Corporate Plan attached hereto. The Strategic Themes represent the key strategies that the NHBRC chooses to follow in order to achieve its mandate.

- 7.3.3 The Council shall provide effective leadership based on ethical foundation, and in this regard Members of Council are bound by their common law fiduciary duties to act in the best interest of the NHBRC, to avoid a conflict of interests. and to exercise their duties with care and skill.
- 7.3.4 It is Council's responsibility to review and report annually on its composition, size, mix and adequacy of skills and to advise the Executive Authority accordingly.
- 7.3.5 Council will agree on a procedure that would allow Members of Council to solicit independent professional advice, if needed, at the expense of the NHBRC.
- 7.3.6 Council will ensure that all plans required by the King Code are developed and implemented.
- 7.3.7 Council, through the Remuneration Committee, will establish a formal, transparent and arm's-length policy on fixing the remuneration for Executive Managers as well as other personnel. The policy will at least include the following principles:
- a) A significant portion of the remuneration package of the Executive Managers and other personnel will be based on performance related elements that include financial and non-financial elements.
 - b) The underlying philosophy, process and methodology should be transparent.
 - c) It should be aligned with the long term interest of the Shareholder.
 - d) It should be adequate remuneration for the time and effort and the risk involved.
 - e) The basic and incentive component should be fully disclosed in the annual financial statements.

- 7.4.3 The NHBRC has a duty to enroll homes that are built in the subsidy and the non-subsidy sector. Over the MTSF period the NHBRC will enroll a total of 1,460,000 homes provided all the housing opportunities are converted to houses. For each year of the MTSF period the NHBRC will have to enroll a total of 293,801 houses provided all the opportunities are converted to houses.
- 7.4.4 The NHBRC has a duty to inspect all homes that are constructed in the Republic of South Africa. The NHBRC conducts a minimum of four inspections and a maximum of eight inspections. The NHBRC is working on a structured manner in which it would be able to report on the number of visits that have been conducted per each inspection stage this would also help in accounting for the work that has been done by the inspectors.
- 7.4.5 The NHBRC will ensure that the Shareholder has have a proper monitoring tool that should be able to assist the National Department of Human Settlements in also ensuring that municipalities and PHSD's deliver according to the set targets.
- 7.4.6 The NHBRC undertakes to review and amend the Corporate Plan in so far as it differs from the provisions of this Agreement and to ensure that it is in the manner and form as contemplated by Regulation 29.1 of the Treasury Regulations.
- 7.4.7 The Corporate plan shall include, amongst others, the following principles:
- Strategic objectives and outcomes identified and to be agreed on by the Shareholder and the NHBRC;
 - Key performance measures and indicators for assessing the NHBRC's

7.4.12 The Corporate Plan for the MTEF Period 2014-2019 shall, once approved by the Shareholder be regarded as legally binding on the NHBRC and shall be regarded as an Appendix to this Shareholder Compact.

7.4.13 Council has developed an action plan (Annexure A hereto) which is aimed at assisting the Minister in achieving some goals in the short term period from 01 October 2015 to 31 March 2016. The action plan talks to the 10 priorities that have been developed by Council. The ten priorities of Council are visibility and accessibility, leader in knowledge creation, products and services, review of operating model, review of legislation, SAP implementation, investment strategy, Clean audit, social transformation strategy and capacitation of NHBRC. Council will be reporting on a monthly basis to the Minister on progress made against the targets contained in the action plan.



- c) cause undue delay in respect of critical decisions;
- d) unduly delay the proper constitution of Council, and to fill vacancies that arise promptly and;
- e) cause the NHBRC or any of its Council members to breach any legal and/or fiduciary duty to stakeholders and the NHBRC.

8.4 The Shareholder recognizes the importance of speedy decision-making, open communication and regular consultation and shall at all times respect these principles.

SECTION 3 - GOVERNANCE

9. COUNCIL COMMITTEES

9.1 All Council Committees should have clear Terms of Reference, which deals with each Committee's composition, role, responsibilities, duties, purpose, powers and authority, frequency of meetings and manner of reporting back to the full Council.

9.2 Delegating authority to these Council Committees does not in any way mitigate or dissipate the discharge by Council and its members of their duties and responsibilities.

10. RISK MANAGEMENT

10.1 The Executive Authority will receive reports on risk, adequacy of risk management systems and internal controls at its Mid-Term Review meetings, in the Annual Report and at any time when NHBRC is requested to do so.

10.2 The NHBRC will agree with the Executive Authority on its particular commercial risk exposure as the Government will not, as a general rule, provide formal guarantees in respect of the Entity's liabilities.

11. INTERNAL CONTROL

audit service that might impair or appear to impair auditor independence.

12.3 An auditor (audit firm) may not audit the Entity for more than five years.

13. REPORTING

13.1 Reports will be submitted as per PFMA Calendar, Public Entity Policy for the Department of Human Settlements, Treasury Regulations and other relevant legislations.

13.2 Annual financial statements should be submitted in terms of Section 55 of PFMA within five months after the financial year-end. These statements should be prepared based on IFRS and the PFMA and its Regulations and be audited by the Auditor- General or a person registered in terms of the Public Accountants and Auditors Act as an accountant and auditor and engaged in public practice.

13.3 The legal requirements for Annual Report are set out in Section 53 (2) and (3) of the PFMA.

14. PROGRESS REPORTS

14.1 Council will provide Quarterly Reports to the Executive Authority on progress against financial and non-financial performance, and any changes to the Corporate Plan.

14.2 The Executive Authority may elect to respond to Quarterly Reports and Corporate Plans.

14.3 These reports will also include management accounts – unaudited income statements and balance sheet, budget variance report and financial analyses covering liquidity, leverage, income and expenditure and interest analyses and other relevant ratios.

15. INTERIM REPORTS

The Minister of Finance may request Interim Reports (quarterly or bi-annual) from the Executive Authority which should be provided within 2 months after the end of the period to which the report relates.

party giving notice of such event of Force *Majeure* shall be entitled to such extension of time in which to perform such obligation as may be reasonable in the circumstances, taking into account the interests of both parties, provided that if the Force *Majeure* situation persists for a period in excess of 90 days, the conditions in 16.3 will apply.

18. VARIATIONS AND INDULGENCES

18.1 No variation, modification or waiver of any provision of this Compact or consent to any departure from its provisions, shall in any way be of any force or effect unless confirmed in writing and signed by the parties. Such variation, modification waiver or consent shall be effective only in a specific instance and for the purpose and to the extent for which it was made or given.

18.2 Any failure, delay, relaxation or indulgence on the part of either party in enforcing any provision of this Compact shall not be deemed or construed to be a waiver thereof.

19. GOVERNING LAW

19.1 Each party agrees that it will perform its obligations under the terms of this Compact in accordance with the relevant laws of the Republic of South Africa.

19.2 If any provision of this Compact is found to be in contravention of any law, regulations or unenforceable, the parties shall take all the required actions and make the required amendments that will bring about compliance with the relevant provisions of the law and regulations.

20. INTERPRETATION AND THIRD PARTY ASSESSMENT

Where any dispute arising from or in connection with this Compact, including interpretations, measuring and evaluating progress, and in the event that the parties fail to resolve same amicably, the dispute shall be finally resolved through involvement of a third parties (e.g.assessment) acceptable to both parties

21. ENTIRE AGREEMENT

and on behalf of GOVERNMENT (Shareholder).

(Full names)



(Signature)

15 January 2016

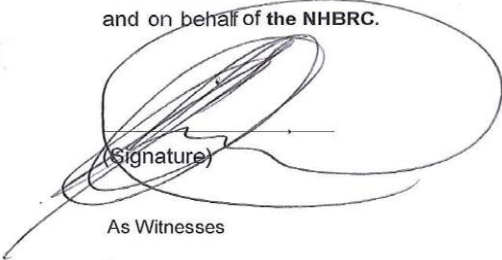
(Date)

As Witnesses

- 1.
- 2.

SIGNED at CAPE TOWN
and on behalf of the NHBRC.

by A. CHIRANE for
(Full names)



(Signature)

18 NOVEMBER 2015

(Date)

As Witnesses

- 1.
- 2.



ASSURING QUALITY HOMES