

PROPERTY PRACTITIONERS REGULATORY AUTHORITY

(Formerly the Estate Agency Affairs Board)

STRATEGIC PLAN

2022 - 2025



The STRATEGIC PLAN 2022/25 of the Property Practitioners Regulatory Authority (PPRA) is compiled with the latest available information to the PPRA.

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PROPERTY PRACTITIONERS REGULATORY AUTHORITY

Strategic Plan 2022/25

1. EXECUTIVE AUTHORITY STATEMENT

The financial year 2022-23 commences at the back of the recent launch of the Property Practitioners Regulatory Authority (PPRA), which has replaced the Estate Agency Affairs Board (EAAB). The launch of the PPRA marked the coming into operation of the Property Practitioners Act no. 22 of 2019 (the PPA), which is aimed at strengthening the regulatory aspect of the Human Settlements sector.

The PPRA's main functions include, among others, regulating the affairs of all property practitioners; allowing for transformation in the property sector and providing for consumer protection. The Property Practitioners Act, on which the PPRA is anchored, is a consumer-focused piece of legislation that has been designed to protect consumers in the property industry. Thus, the PPRA, in contrast to the EAAB, has far reaching powers which include inspections without notice and more serious consequences for non-compliance. Over and above this, the new Act is aimed at improving the functioning of the sector in general.

The new Act contains provisions that positively contribute to the ease of doing business which is one of the critical elements of the economic reconstruction and recovery plan. The new Act allows the Fidelity Fund Certificates (FFC) to be valid for a period of three years instead of one year which assists in reducing the administrative burden to businesses in the sector. Other advantages include the standardisation of fees across all professional levels and only Candidate Property Practitioners will pay a reduced fee for the first two years.

As we start the journey buoyed by the new Act, it is critical that we ensure that no one is left behind in building the sector. Thus, it is critical for the PPRA to create a platform through which all stakeholders can be brought on board and be engaged. All critical matters in the sector which include sector growth, investment, skills development and transformation can be planned and tested through this platform so that all sector stakeholders can hold hands and move forward together. In this way, there will be a reduction of antagonistic and acrimonious conflicts that lead to costly litigation and dampened sector growth due to delayed program implementation.

Transformation in the real estate sector has been moving at a very slow pace and it requires active intervention to create an inclusive sector. I am very pleased that the PPRA is anchored on an Act that is very clear on the issue of transformation. On Transformation the Act entails the following elements amongst others:

- Capacitation and enterprise support for historically disadvantaged property practitioners;
- Support of existing SMME's owned by historically disadvantaged property practitioners;
- Promotion of the standard of training and development of property practitioners;
- Supporting historically disadvantaged property practitioners to become principal property practitioners and owners of business property practitioners;
- Facilitation of ownership of and participation in property investment enterprises; and
- Enabling the transformation of property ownership in South Africa by providing grant support (through the Transformation Fund) to historically disadvantaged property practitioners.

If implemented, these actions can go a long way towards transforming the property practitioners sector.

Let me thank the recently appointed board and wish them well in putting together systems for the Act to find expression in the entity's programmes. Let me also thank the executives and the staff who have been working hard to ensure that the sector thrives.



MT Kubayi, MP

Minister of Human Settlements

2. FOREWORD BY THE CHAIRPERSON OF THE BOARD

In presenting the Strategic Plan (“SP”) for the period 2022 - 2025 of the Property Practitioners Regulatory Authority (“PPRA”), formerly the EAAB, to the Executive Authority, the Honourable Minister of Human Settlements, MT Kubayi, MP, it is with great pleasure to announce that the PPRA has improved on its performance and will continue to do so despite the challenging local and global economic situation.

The Department of Human Settlements’ Medium-Term Strategic Framework (“MTSF”) was a pivotal guide in drafting the Five-Year Strategic Plan 2022-2025.

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

Practitioners Act No. 22 Of 2019

On 03 October 2019 the President promulgated the Property Practitioners Act No. 22 of 2019. The Property Practitioners Act repealed the Estate Agency Affairs Act and provides for the establishment of the PPRA. Effective since 01 February 2022, the Act heralds a new era in the property sector. Notwithstanding the new challenges that the Act will present for the property sector regulator, due to the expansion of its statutory mandate, the PPRA warmly embraces the promising opportunities that it brings. Important to note is that the new legislation now includes a broader spectrum of Property Practitioners.

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

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

The PPRA is working tirelessly to ensure that all stakeholders are informed of the integration in line with the new jurisdiction of the Authority. The PPRA has commenced engagements with various stakeholders who form part of the PPA to gain a better understanding of their respective business operations and to discuss the Authority’s views on their respective roles and responsibilities under the auspices of the new Act. Currently, a massive public awareness campaign is underway through various media platforms to promote the PPA and the milestone developments for the property sector, including greater consumer protection, economic development, and transformation. The planned industry workshop will focus on five work streams, namely, Transformation, Fidelity Fund, Enforcement, Licensing, and Education and Training.

The primary narrative of the PPRA in relation to the PPA includes: Integrated Property sector Dialogues, public awareness and improved economic activity for all property practitioners.

Compliance and Enforcement

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

Funding

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

The Property Practitioners Fidelity Fund

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

The Transformation Fund

The establishment and monitoring of the transformation fund will be a key test in the delivery of the PPRA. We have a six months period not only to provide the guidelines and the terms of engagement, but we look forward to industry participation and good will of industry to ensuring that we receive the contributions timeously.

Initiatives as the Property sector Regulator

Innovative licensing regime – horizontal licensing on classes of licence;


- Collection of licence fees;
- Collection of contributions for the growth of the Fidelity Fund;
- Education and Training and Continuing Professional Development (CPD) that is responsive to the needs of all Property Practitioners in the property sector.

Structural Changes for the Regulator

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

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

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



Steven Ngubeni (Mr)

Property Practitioners Regulatory Authority

3. ACCOUNTING OFFICER STATEMENT

The PPRA believes that 2022 - 2023 will be a year of not only growth but a considerable amount of trial and error. This emanates from the economic downturn that has adversely affected the property market on the one hand but has also been positively impacted from the perspective of buyers. One however cannot say anything in this institution without reference to the promulgation of the Property Practitioners Act. The PPRA looks forward to exciting opportunities the PPA presents.

The PPRA herein presents the strategic plan for the period 2022 - 2025 in terms of the Department of Planning Monitoring and Evaluation (DPME) new framework. This framework is most welcome as it speaks to outcomes and outputs as well as the transition and the systems that will be put in place to evolve from one legislative enactment to another.

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

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

The PPRA looks forward to a new era, ushered in by the coming into effect of the Property Practitioners Act on 1 February 2022.



Mamodupi Mohlala

Chief Executive Officer

OFFICIAL SIGN OFF


4. OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan 2022/25:

- Was developed by the management of the PPRA under the guidance of the Minister of Human Settlements.
- Takes into account all the relevant policies, legislation and other mandates for which the Property Practitioners Regulatory Authority is responsible.
- Accurately reflects the outcomes and outputs which the Property Practitioners Regulatory Authority will endeavour to achieve over the period 2022/25.


Chief Financial Officer (Acting)

Napo Mafihlo

Signature: 
25 March 2022

Accounting Officer

Mamodupi Mohlala

Signature: 
25 March 2022


Chairperson

Steven Ngubeni

Signature: 
26 March 2022

MT Kubayi, MP

Minister of Human Settlements

Signature: 
05/04/2022

5. LIST OF ABBREVIATIONS/ACRONYMS

APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CPD	Continuing Professional Development
DHS	Department of Human Settlements
DPME	Department of Planning Monitoring and Evaluation
EAAA	Estate Agency Affairs Act
EAAB	Estate Agency Affairs Board
EE	Employment Equity
FFC	Fidelity Fund Certificate
FICA	Financial Intelligence Centre Act
FLISP	Finance Linked Individual Subsidy Programme
HDI	Historically Disadvantaged Individual(s)
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NEHAWU	National Education, Health and Allied Workers Union
PDE	Professional Designation Examination
PDI	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act
PPA	Property Practitioners Act
PPPFA	Preferential Procurement Policy Framework Act
PPRA	Property Practitioners Regulatory Authority
PSCC	Property Sector Charter Council
QTCO	Quality Council for Trades & Occupations
SAQA	South African Qualifications Authority
SASQAF	South African Statistics Quality Assessment Framework
SD	Skills Development
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
SMME	Small, Medium and Micro Enterprises
SSETA	Services SETA

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Part A : Our Mandate

6. PART A: OUR MANDATE

6.1.MANDATE

The Property Practitioners Regulatory Authority (PPRA) is a schedule 3A public entity of the National Department of Human Settlements which was established in February 2022, in terms of the Property Practitioners Act, 22 of 2019 (“the Act”). The Regulatory Authority replaces the Estate Agency Affairs Board, which was formed in 1976 under the Estates Agency Affairs Act, which has been repealed by the Property Practitioners Act. The PPRA has the mandate to Regulate, Educate and Transform the activities of property practitioners in the public interest.

The primary mandate of the PPRA in respect of the Property Practitioners Act is to:

- (a) Regulate the conduct of property practitioners in dealing with the consumers
- (b) Regulate the conduct of property practitioners in so far as marketing, managing, financing, letting, renting, hiring, sale and purchase of property are concerned
- (c) Regulate and ensure that there is compliance with the provisions of the Act
- (d) Ensure that the consumers are protected from undesirable and sanctionable practices as set out in section 62 and section 63 of the Act
- (e) Regulate any other conduct which falls within the ambit of the Act in as far as property practitioners and consumers in this market are concerned
- (f) Provide for the education, training and development of property practitioners and candidate property practitioners
- (g) Educate and inform consumers about their rights as set out in section 69 and
- (h) Implement measures to ensure that the property sector is transformed as set out in Chapter 4.

6.2. INSTITUTIONAL POLICIES AND STRATEGIES GOVERNING THE FIVE YEAR PERIOD

6.2.1 Institutional Policies And Strategies Over The Five-Year Planning Period

Institutional policies and strategies governing the five-year planning period

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

Other critical policy mandates include:

- (a) National Department of Human Settlement’s, Five Year Strategic Plan
- (b) Medium-Term Strategic Framework (MTSF)
- (c) National Development Plan (NDP)
- (d) Breaking New Ground (BNG)
- (e) State of the Nation Address (SONA)
- (f) National Spatial Development Perspective (NSDP)

- (g) Annual Performance Plan (APP) Framework from DPME.
- (h) Spatial Planning and Land Use Management Act (SPLUMA)
- (i) Skills Development Levy Act
- (j) Broad Based Black Economic Empowerment Act
- (k) Employment Equity Act
- (l) Housing Act, 107 of 1997
- (m) Public Finance Management Act, 1 of 1999
- (n) Treasury Regulations
- (o) Broad Based Black Economic Empowerment Act, 53 of 2003
- (p) Preferential Procurement Policy Framework Act, 5 of 2000
- (q) Financial Intelligence Centre Act, 38 of 2001
- (r) Rental Housing Act, 50 of 1999
- (s) Housing Consumers Protection Measures Act, 95 of 1998
- (t) Consumer Protection Act, 68 of 2008
- (u) Skills Development Act, 97 of 1998
- (v) National Qualifications Framework Act, 67 of 2008

6.2.2 The PPRA is subject to the following legislation and policy frameworks

Legislation
The Constitution of the Republic of South Africa, 1996
Property Practitioners Act No 22 of 2019
Housing Act, 107 of 1997
Broad-Based Black Economic Empowerment Act No 53 of 2003
Policy/Frameworks
National Development Plan 2030-Our future make it work (2012)
Green Paper on National Strategic Planning (2009)
Improving Government Performance: Our Approach (2009)
Framework for Strategic Plans and Annual Performance Plans
Policy framework for the Government-wide Monitoring and Evaluation Systems 2007
National Evaluation Policy Framework
Revised Framework for Strategic Plans and Annual Performance Plans
Budget Prioritisation Framework
National Spatial Development Framework

The legislative and policy frameworks above provide the basis of the broad functions of PPRA as follows:

- Long-term planning by charting the property sector's developmental trajectory, anticipating, analysing, and responding to emerging trends.
- Guided by the Department of Human Settlements, development of the Strategy Plans and Annual Performance Plans for the PPRA in support of the NDP and the MTSF.

Monitoring

- Monitoring the implementation of the of the Strategy Plans and Annual Performance Plans for the PPRA through an Integrated Monitoring and Reporting System which is an integral component of the MTSF 2019 – 2024.

Evaluations

- Evaluating critical PPRA programmes with the intention to inform policy, planning, monitoring, and interventions. The evaluations are also used to inform budget prioritisation.

6.3. RELEVANT COURT RULINGS

The PPRA has yet no specific court rulings that have a significant impact on its mandate.

Part B: Our Strategic Focus

7. PART B: OUR STRATEGIC FOCUS

7.1. MISSION, VISSION AND VALUES

Vision

Our vision is that of a transformed, professional, and well-regulated property sector in a spatially integrated society.

Mission

- **Protect** - Through education, awareness building and information sharing, we strive to protect the interests and dignity of the property consuming public and their security of tenure.
- **Regulate** - We regulate the property practitioner profession by establishing norms and standards, educating, licensing, enforcing regulations and standards for industry role-players and administrating of the Property Practitioners Fidelity Fund.
- **Transform** - As the leaders of the sector, we drive the transformation of the property market to facilitate equitable economic growth through broad participation.

Values

The following values will underpin the Board's behaviour as it strives to achieve the ideals encapsulated in its vision and mission, namely:

- **Agility**, We pledge agility and responsiveness to emerging issues within the property sector, as well as adherence to serving our stakeholders within agreed timelines
- **Professionalism and Simplicity** We commit to, always, acting professionally, delivering on our mandate, and exceeding the expectations of our shareholder and all the stakeholders we serve.
- **Innovation**, We embrace the spirit of innovation, and pledge to continually align ourselves to be at the forefront of innovation, for the benefit of our stakeholders and the society we serve
- **Transparency**, We declare for all to know that, as a matter of principle, our interactions with our shareholder and all stakeholders, will be conducted in an open fashion and that we will be accountable for our actions.
- **Trust**, We aim to establish trust with our stakeholders by pledging adherence to the highest moral principles and professional standards.

7.2. SITUATIONAL ANALYSIS

Globally, South Africa is the signatory to the United Nations Sustainable Development Goals (SDGs) 2030. The SDGs are a set of 17 "Global Goals", 169 targets, and 230 indicators that are designed as a standard measure for monitoring progress across the world to reduce poverty, improve quality of life, and realise development outcomes.

Continentially, the African Union adopted Agenda 2063: The Africa We Want, which is a developmental and transformation agenda for African countries. The aspiration for Agenda 2063 is that: "African countries will be amongst the best performers in global quality of life measures". The strategies to achieve this aspiration are *"inclusive growth, job creation, increasing agricultural production; investments in science, technology, research*

and innovation; gender equality, youth empowerment and the provision of basic services including health, nutrition, education, shelter, water and sanitation”.

Locally, in May 2010, the 4th Administration established the first National Planning Commission (NPC) in the country. The mandate of the first NPC was to chart a developmental agenda and trajectory for the country. The work of the first NPC culminated in the adoption of National Development Plan (NDP) Vision 2030 as the inspiration for achieving socio-economic developmental needs of the country. The NDP aims to eliminate poverty, create jobs and reduce inequality by 2030 and predates the adoption of the SDGs 2030 adopted in 2015 and Agenda 2063 adopted in May 2013. Recent analysis by the United Nations Development Programme indicates very high level of alignment between the NDP and SDGs.

The NDP posits that the country can only realise these goals by harnessing the energies of all its people in all sectors of society inter alia, government, labour, business and civil society. It is therefore critical that government builds capabilities to create an enabling environment for growing an inclusive economy.

Economic Performance and Government debt

Generally, Government debt as a percent of GDP is used by investors to measure a country's ability to make future payments on its debt, thus affecting the country borrowing costs and government bond yields. South Africa recorded a Government Debt to GDP of 69.90 percent of GDP in 2021 as compared to 69.45% in 2020. As of 2019/20 total South African government debt was R3.18 trillion and this upward trend has implications on debt servicing. Surging debt and debt-service costs, the fastest growing expenditure line item in the budget since 2011, are key risks to South Africa's fiscal sustainability as ongoing damage to the economy wrought by the coronavirus pandemic compounds a deterioration in public finances. According to the National Treasury, government is currently spending R303 billion annually to service debt, and this expenditure could increase to over the next three years.

The decline in economic growth and the increase in GDP to debt ratio has put pressure on the fiscus. This resulted in National Treasury revising the expenditure ceilings downward. The downward revisions will result in downscaling of services to the public.

The economic position has also been exacerbated by such factors as credit downgrades, severe drought, and high unemployment, especially, among the youth.

Unemployment and economic growth

According to the Quarterly Labour Force Survey (QLFS), there was a quarter-on-quarter net increase in Q3 of 988 000 people in the not-economically-active population. These changes resulted in the official unemployment rate increasing by 0,5 of a percentage point from 34,4% in the second quarter of 2021 to 34,9% in the third quarter of 2021 – the highest since the start of the QLFS in 2008. As of November 2021, the unemployment rate according to the expanded definition of unemployment increased by 2,2 percentage points to 46,6% in quarter 3 2021 compared to quarter 2 2021.

The results of the QLFS not only show an increase in unemployment, but also indicate a disparity in the country's labour market. There is a gender disparity in that men are more likely to be employed or economically active than women. In the third quarter of 2021, the unemployment rate, (per official definition of unemployment), was 37,3% among women. It was 32,9% among men. Further, there is a racial disparity, showing that unemployment is highest among black women than their fellow women from other races. The official unemployment rate among

black African women was 41,5% during this period compared to 9,9% among white women, 25,2% among Indian/ Asian women and 29,1 among coloured women.

The outcome of the QLFS has direct implications on how programmes and interventions of the PPRA should be geared, not only towards reducing unemployment, but also towards transformation of the property sector through reducing the gender and racial disparity in economic participation in the property sector.

In the quest to mitigate economic decline and provide economic stimulus, government introduced the Economic Reconstruction and Recovery Plan (ERRP) in 2020. The overarching goal of the plan is to create a sustainable, resilient and inclusive economy through focus on the following priority areas: *Energy security; Industrial base to create jobs; mass public employment program; infrastructure development; macro-economic interventions; green economy; food security and reviving the tourism sector.*

The PPRA contributes to the achievement of the Economic Reconstruction and Recovery Plan (ERRP) through some of its programs. The “One Learner - One Property Practitioner” will contribute towards job creation and increased participation in the economy. The PPRA also contributes to, and is affected by, the ERRP priority area of reviving the tourism sector. A large number of property managers operate in the tourism sector and are now regulated by the PPRA, pursuant to s1(c) of the Property Practitioners Act,

MTSF 2019 – 2024

Since the adoption of the NDP by all parties in Parliament in 2012, the Medium-Term Strategic Framework (MTSF) evolved to become the five-year implementation plan of the NDP. The MTSF 2014-2019, which was the first of such plan to align to the NDP, provided the framework for the implementation, monitoring and reporting of the 14 priority outcomes of government, which were derived from and aligned to the chapters in the NDP.

The MTSF 2019-2024 is the translation of the government priorities outlined by the President at the 2019 State of the Nation Address (SONA) that are derived from the electoral mandate for the next five-year period. The seven priorities of this strategic framework are embedded into the three pillars of achieving a more capable state, inclusive economic growth and building the capabilities of South Africans.

The PPRA has a vital role to play in building a capable, ethical and developmental state which has been elevated by Cabinet to become priority number one. The PPRA contributes to this priority by ensuring that its Strategic Plans and Annual Performance Plans are geared towards achieving targets identified in the seven priorities as identified in by the 6th Administration.

The MTSF 2019 – 2024 contains an integrated monitoring framework which sets out targets and indicators to be monitored for the current administrative cycle.

Evaluations will therefore be focused on the implementation and impact of programmes related to the seven priorities.

The PPRA is also expected to assist in unlocking opportunities in the property sector that have the potential to grow the economy and contribute to addressing poverty, unemployment and inequality.

Political Perspective

“Much has changed for the better since the apartheid era, but the lived reality for the majority of South Africans is still of high unemployment, limited access to economic opportunities, and asset poverty” (Economic Progress

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Towards the NDP, NPC 2020). And hence the national objective of the desired inclusive growth has yet to be achieved, with some of the reasons being:

- Economic growth, reduction in unemployment and poverty have stalled since 2008, despite the significant improvements achieved over the preceding decade.
- Performance in meeting NDP objectives for industrial dynamism over the past decade has been lacklustre.
- South Africa still has high levels of market concentration, significant presence of collusive behaviour and legacy barriers to market access for new players, especially those that were historically disadvantaged. The PPRA has a role to play in lowering the barriers to entry in the property sector. It will lower the financial barriers through support of black property practitioners through the Transformation Fund. It will lower education barriers through creating a knowledge resource centre to provide equal access to knowledge.
- Significant asset poverty amongst the majority of the population contributes to vulnerability and constrains intergenerational class mobility - slowing overall economic and employment growth. This suite of challenges relates to land ownership, home ownership, access to finance, and the ability to build up household savings.
- Insufficient efforts to address the youth and gender dividend and focus on higher levels of economic inclusion.
- Public infrastructure investment – most notably in respect of energy, water, ICT, and transport has been slow. Public infrastructure investment is central to achieving greater productivity and competitiveness, reducing spatial inequality and supporting the emergence of new job-creating sectors.
- Electricity shortages are still a key constraint, despite a slowdown in economic activity. Electricity shortages will continue to hamper economic activity and deter new investments.
- Evidence suggests that the social wage has made a significant impact on the quality of life, with the multi-dimensional poverty headcount falling from 17.9% in 2001 to 8.0% by 2011, and then to 7.0% in 2016. There are, however, limits to the contribution of the social wage.
- Although education outcomes have improved, we still lag behind based on international benchmarks - there is a very close correlation between improvement in education and employment and incomes.
- The quality of delivery – from public infrastructure to skills development– is determined by the capability of the state. A capable state implements policies effectively, uses state resources efficiently, and builds the confidence of citizens and the private sector. Building a capable, ethical state is a high priority for government. The PPRA has taken this into account in its strategic programs.
- The COVID-19 pandemic has worsened economic growth, unemployment, poverty and inequality.

Legal Framework

The Property Practitioners Act was signed into law by the President of the Republic of South Africa on 3 October 2019 and has come into effect on 1 February 2022. It has repealed the Estate Agency Affairs Act 112 of 1976 (Estate Agency Act) which governed the regulatory framework dealing with estate agency affairs.

The final Property Practitioners Regulations (the Regulations) which replace the draft regulations published for comment on 6 March 2020, were also published in the notice on 14 January 2022. Like the Estate Agency Act which governed “agents”, the Practitioners Act also provides for the registration of property practitioners, prescribed training and qualifications, the obligation to obtain a fidelity fund certificate, and the compulsory use of trust accounts. It also provides, amongst other matters, for the protection of consumer interests, a dispute

resolution mechanism, a legal framework for the managing and letting of property, and the transformation of the property sector.

Social Impact

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

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

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

“(3) The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth.

(4) No person may unfairly discriminate directly or indirectly against anyone on one or more grounds in terms of subsection (3).”

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

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

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

The PPRA has already acted resolutely, within the scope of its regulatory and authoritative powers, to remove such vestiges of racism and discrimination whenever they are identified and wherever they may occur within the property practitioner sector. Acting in concert with the property practitioner sector the PPRA was instrumental in creating an ‘equality pledge’ pursuant to which property practitioners are required to pledge their commitment to the principles of non-racism and absolute equity in the rendering of property practitioner services to property consumers. The response from the property practitioner sector was most encouraging and

the goodwill thus engendered is of such a nature that the PPRA has good reason to anticipate that this thorny issue will be positively resolved in the near future.

Digital Technology

The property practitioner sector is one that has unequivocally embraced the widespread use of modern technology in both promoting and rendering property practitioners' services to the consuming public. Property practitioners and other stakeholders, moreover, are increasingly resorting to the use of technological devices when seeking to interact with the PPRA.

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

The use by the PPRA of social media, in emulation of many similar real estate regulatory jurisdictions worldwide, has undoubtedly improved access, communication and the free flow of information between the PPRA and its various stakeholders. The PPRA, to this end, has launched a 'Facebook' page designed to facilitate ongoing communication with stakeholders thereby enabling the PPRA more effectively to monitor, measure and assess the success, or otherwise, of its interactions with property practitioners and the consuming public alike and, just as importantly, timeously to institute appropriate remedial measures where warranted.

7.3. EXTERNAL ENVIRONMENT ANALYSIS

PPRA used PESTEL Analysis as a strategic framework to evaluate the external environment of the organization by reflecting on key factors such as Political, Economic, Social, Technological, Environmental, and Legal. The framework below details the factors that have direct implication on strategy design and framing the APP. The extent to which PPRA navigates challenges and opportunities reflected in the PESTEL analysis will influence the operating model which is aligned to the new mandate and strategic imperatives as the organization emerges from Covid 19 pandemic.

Political	Economic	Social
<ul style="list-style-type: none"> • Diminishing public confidence manifesting in civil unrest • Low investor confidence due to, among other variables, state capture investigations • Collapse of the local government –adverse findings by the Auditor General • Unstable coalitions at local government • Series of public protests accompanied by destruction of property 	<ul style="list-style-type: none"> • Low economic growth, worsened in the recent past by the Impact of the global economic meltdown due to COVID 19 pandemic • High public debt in relation to GDP, which undermines developments as significant resources are spent on debt servicing • High levels of unemployment, particularly among the youth. • Shrinking public sector budgets due to a constrained fiscus • Low business confidence • Increasing urbanisation as predominantly marginalised and low-income households gravitate to metropolitan areas to increase chances of employment opportunities. This bolsters demand for affordable housing – affecting the PPRA through rental agents, property management agents and property developers operating to service this demand. 	<ul style="list-style-type: none"> • Weak or lack of appropriate consumer education • Poor communication and consultation with the intended beneficiaries resulting in trust deficit. • Limited exposure and financial planning from lower income groups limits their participation in the housing market. • Growing economic inequality fueling social tensions along class, race and nationality lines • Remnants of historical racial conditioning where both white and black consumers may have preference for or more confidence in white property practitioners. This narrows the effective operating envelop for black property practitioners – putting a barrier to market entry. The PPRA is addressing this challenge through its CPD and the PDE to put all property practitioners on equal professional footing, thereby levelling the playing field regarding access to market.
<p>Technological</p> <ul style="list-style-type: none"> • The rise of digital economy innovation and deployment of robust system will impact reach of PPRA 	<p>Environmental</p> <ul style="list-style-type: none"> • Negative impact on climate change on infrastructure • Unlawful occupation of land designated for property development 	<p>Legal</p> <ul style="list-style-type: none"> • Implications of legal challenges by attorneys and property practitioners • Delays as a result of litigation and court judgments

<ul style="list-style-type: none"> • Adoption of innovative and new technologies will improve service delivery • Digital application processes and downloadable FFCs • Updating of IT system to handle the changes the legislation brings. 	<ul style="list-style-type: none"> • Increased awareness of ecological footprint has provided the market with new considerations to ensure their needs are met in a sustainable manner 	<ul style="list-style-type: none"> • Given the recency of the Act, the Authority is likely to experience court challenges • Regulations could lead to unintended consequences such as inefficient implementation mechanisms
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7.3.1 Stakeholder Analysis

The PPRA commands a vast and important sphere of influence. It centres around land and access to property. This is an area of interest to multidimensional array of stakeholders.

On one dimension, it concerns government and society at large regarding the basic need of access to adequate housing, as defined in the constitution. On yet another consumer dimension, it concerns commercial institutions involved in the consumption of real estate to house and operate commercial enterprises. In the middle it concerns an array of practitioners involved in the development, financing, transacting and transfer of rights in the real estate.

The stakeholder analysis below considers the key groups – those external to the PPRA and the property sector (external stakeholders) and those in the property sector but external to the PPRA (intra-sector stakeholders). Thereafter an internal lens is put on the PPRA in the SWOT analysis.

External Stakeholders, not necessarily in the Property Sector				
Stakeholder	Characteristics / Attributes?	Influence	Interest	Linkages with other stakeholders
National, Provincial and Local Government Institutions	Agents of service delivery Key implementer of the targets in the NDP	H	H	Key player in the legislative and regulatory environment
Private Sector	Driver of economic growth	H	M	Provision of capital and employment opportunities through partnerships and investment
Civil Society	The voice of various organised sectors of society Includes but not limited to citizen advocacy groups, foundations, interest groups, NGOs, professional associations, religious groups etc. They play an active role in active citizenship and public participation	H	H	Participate in planning and implementation of the NDP Holds government and the private sector accountable

External Stakeholders, not necessarily in the Property Sector

Stakeholder	Characteristics / Attributes?	Influence	Interest	Linkages with other stakeholders
Labour	Bargaining and statutory councils formed in the interest of protecting the collective interests of the labour force	H	H	Main negotiators of working conditions and terms of employment between employers and employees in South Africa
Academia	Key producers of new knowledge Key players in the development of new skills and capabilities Research outcomes can influence social discourse and policies.	L	H	Generating knowledge for all sectors of society. They prepare students for employment
Experts (domestic + international)	Provide expertise in the development, implementation and monitoring of long- term country plans	H	M	Subject matter experts
Ruling party	Sets the political agenda	H	H	Election manifesto
Financial Institutions	Most property sales are financed. These institutions play a critical enabling role.	H	M	Linkages with public sector initiatives to improve access, particularly in the affordable housing market (e.g. FLISP).
Cabinet	Executive structure of government	H	H	Approval of policy documents and plans
Audit Committee	Independent oversight body	H	H	Advisory role over management responsibilities
AGSA	Constitutional body tasked with responsibility of oversight accountability and governance in the public sector	H	H	Audit role on compliance with Legislation

Intra-Sector Stakeholders

Intra-Sector Stakeholders				
Stakeholder	Key Considerations	Influence	Interest	Linkages with other stakeholders
National Department of Human Settlements	Policy, regulation, and programming imperatives Transformation of the sector to reflect the country's demographics in the property market	H	H	Key player in the legislative and regulatory environment
Department of Planning Monitoring and Evaluation	Policy and regulation imperatives driven by data Promoting data driven policy and programming change	H	M	Policy and regulatory guidelines for entities and government departments
Estate Agencies	Compliance with PPA Transformation imperatives driven by equity considerations especially from Black buyers entering the property market Continuation of undue influence to sellers to use certain conveyors	H	H	Financial Sector Regulation Act, Regulators, SARS, National Finance Board, National Treasury and SETA
Bridging Finance Practitioners	Compliance with PPA and professional body codes of good practice Compliance with Property Sector Charter Code Compliance with other relevant legislation	H	M	Financial institutions, Banking associations
Business Broker Practitioners	Compliance with PPA and professional body codes of good practice Compliance with Property Sector Charter Code Compliance with other relevant legislation	H	M	Financial institutions, Banking associations
Bond brokers	Compliance with PPA Sourcing, negotiating and securing mortgage bonds to achieve the best deals possible, based on the	H	H	Mortgage Origination Council of South Africa (MORCSA), South African Property Owners Association (SAPOA); and

Intra-Sector Stakeholders				
Stakeholder	Key Considerations	Influence	Interest	Linkages with other stakeholders
	individualised needs of each and every client.			financial institutions, Banking associations
Bond originators	Compliance with PPA and professional body codes of good practice Leveraging on social capital and institutional capital to secure better deal for a client from lenders (intermediaries services)	L	H	Mortgage Origination Council of South Africa (MORCSA), The Independent Regulatory Board for Auditors (IRBA), The Council for Debt Collectors (CDC)
Conveyancers	Compliance with PPA and legal professional body codes of good practice Transformation imperatives	H	M	Stakeholder value chain include the estate agent, seller and purchaser to the mortgage originator, bank valuator, bond attorney, financial institutions and conveyancer
Real estate investors	Compliance with PPA and legal professional body codes of good practice Transformation imperatives	H	H	the Real Estate Business Owners of South Africa (REBOSA); the Institute of Estate Agency of South Africa (IEASA); the South African Property Owners Association (SAPOA); and the National Association of Managing Agents (NAMA). The South African Institute of Auctioneers (SAIA); and the International Business Broking Association of South Africa (IBBASA)
Service Seta	Partnership with PPR on new programmes and funding of such Accreditation of newly developed programmes for the sector	H	H	Department of Higher Education and Training (DHET), South African Qualification Authority, host employers' organisations such as ROBOSA, IEASA, NAMA
Professional Bodies	Setting Norms and standards for members, advocacy and lobbying on behalf of their members	H	H	the Institute of Estate Agency of South Africa (IEASA);

Intra-Sector Stakeholders

Stakeholder	Key Considerations	Influence	Interest	Linkages with other stakeholders
				<p>the South African Property Owners Association (SAPOA); and</p> <p>the National Association of Managing Agents (NAMA).</p> <p>The South African Institute of Auctioneers (SAIA); and</p> <p>the International Business Broking Association of South Africa (IBBASA)</p>
Auctioneers	<p>Compliance with PPA and regulations</p> <p>Advocacy for programmes members</p> <p>Transformation imperatives as it relates to entrance of Black auctioneers</p>	H	H	<p>the South African Property Owners Association (SAPOA); and</p> <p>the National Association of Managing Agents (NAMA).</p> <p>The South African Institute of Auctioneers (SAIA); and</p> <p>the International Business Broking Association of South Africa (IBBASA)</p>
Fund managers	Compliance with PPA and regulations	H	H	<p>the Institute of Estate Agency of South Africa (IEASA);</p> <p>the South African Property Owners Association (SAPOA); and</p> <p>the National Association of Managing Agents (NAMA).</p> <p>The South African Institute of Auctioneers (SAIA); and</p> <p>the International Business Broking Association of South Africa (IBBASA)</p>
National Research Foundation	<p>Strategic partnerships to initiate programmes to respond to national priorities and international agendas to benefit society and ensure a better life for all.</p> <p>Strengthening institutional capacity, the Property Research Centre</p>	H	H	<p>Bilateral agreements (country to country)</p> <p>international Science Council, Science Granting Council Initiative (Africa)</p> <p>Global Knowledge Partnership and universities</p>
Property Developers	Compliance with PPA	H	H	Fund managers, national and international financial

Intra-Sector Stakeholders

Stakeholder	Key Considerations	Influence	Interest	Linkages with other stakeholders
				institutions, government institutions, municipalities and private entities holding land parcel.
Landowners	compliance with PPA Land reform agenda in the country	H	H	Government at different levels, Fund managers, national and international financial institutions, government institutions and private entities holding land parcel.
Property Sector Charter Council	Fostering transformation through framework which supports the implementation B-BBEE in the sector	H	H	SETA, sector regulatory bodies, academic institution, government, and labour unions
South African Qualifications Authority	Registration of qualifications and programmes which support the transformation of the sector	H	H	SETAs, academic institutions, National Research Foundation, labour unions
Trade unions	Compliance with Labour laws Training and advocacy programmes for members Provide mediation and reconciliation services among members	H	H	the Institute of Estate Agency of South Africa (IEASA); the South African Property Owners Association (SAPOA); and the National Association of Managing Agents (NAMA). The South African Institute of Auctioneers (SAIA); and government departments and entities
Institute of Property practitioners of South Africa IEASA);	Compliance with PPA Advocacy programmes for members on transformation of the sector Promoting inclusivity through facilitating hosting learners for intern or learnership programme to support transformation agenda Provide mediation services to members based on code of good practice and ethics	H	H	the South African Property Owners Association (SAPOA); and the National Association of Managing Agents (NAMA). The South African Institute of Auctioneers (SAIA); and government departments and

Intra-Sector Stakeholders

Stakeholder	Key Considerations	Influence	Interest	Linkages with other stakeholders
Real Estate Business Owners of South Africa (REBOSA);	Compliance with PPA Facilitating hosting learners for intern or learnership programme to support transformation agenda Provide mediation services to members based on code of good practice and ethics	H	H	Business owners and principals of estate agencies operating in the South African residential real estate sector.

7.3.2 Key Messages from Situational and Environmental Analysis

The PPRA is tasked with regulating practitioners in the property sector, a sector that enjoys interest from a wide array of stakeholders, including government.

Government developed the NDP, with aspirations, among others to improve the quality of life of its citizens. Although there has been progress in several objectives, not all have been met. Among others, gender and racial disparity in employment and economic participation persists. The government has also recently developed the Economic Reconstruction and Recovery Plan (ERRP). To this end, the PPRA has the “One-Learner One-Practitioner” program, designed at upskilling the youth and introducing them into a career path in the property sector. The PPRA also has targets laid out in Part C of this document, to help black women to achieve full principal status through the Principalisation program, among others.

The PPRA recognises the mammoth task at hand in this strategic planning cycle to achieve its mandate, given the somewhat unfavourable economic and socio-political conditions. For instance, low investor confidence recognized in the PESTEL, has the potential to affect our property-investor stakeholders. This could in turn limit the growth in the property sector, to levels that will challenge the growth targets that the PPRA has set in the absorption of youth and other groups into the sector.

Success in executing the stakeholder management plan will lead to mutual awareness of the PPRA's and its stakeholders objectives, robust challenge and solutions that are likely going to lead to better achievement of the PPRA's targets, in spite of the challenging external environment in some areas.

7.4. INTERNAL ENVIRONMENT ANALYSIS

The analysis highlights strengths in:

- Governance, through the timely appointment of the PPRA board with the requisite skills and experience per s7 of the PPA; as well as stability and continuity in the company secretariat.
- Competent executive management
- A good balance sheet and a self-sustaining position.

There are opportunities arising from:

- Legislation that enables the PPRA to carry its mandate
- New initiatives mandated by the legislation, like the sector Transformation Fund, to drive transformation

A weakness is identified arising from the number of vacancies in the organisation. The PPRA has set targets to implement a new HR plan, linked to the extended mandate and aligned organogram.

Threats to achieving the mandates of setting up a sector Transformation Fund and sector Research Centre are recognised, since these will be resource intensive. The PPRA will develop a business plan for the Transformation Fund, which should help mitigate the risk. Partnerships will be sought with organisations like the National Research Foundation (NRF) in setting up the Research Centre.

Sector Landscape - SWOT Analysis (Internal)

Strengths	Weakness
<p>Legislative compliance</p> <ul style="list-style-type: none"> • The Property Practitioners Act No. 22 of 2019 (PPA) has far reaching enforcement powers which addresses gaps of the previous dispensation • The PPA is a consumer-focused piece of legislation that has been designed to protect consumers in the property industry – it obliges property practitioners to operate ethically. <p>Transformation</p> <ul style="list-style-type: none"> • Application of the PPA recognises key change levers such as Employment Equity Act and Broad-Based Black Economic Empowerment and the Property Sector Charter. • HDIs are in a better position to participate in the market as the PPA outlaws any type of practice in which a practitioner provides a consumer with an incentive to use a particular conveyancer or service provider. • Through the transformation fund, the PPRA will expedite transformation of the sector by implementing empowerment programmes, including programmes to promote black-owned firms. <p>Licensing / Compliance</p> <ul style="list-style-type: none"> • Appointment of auditors by licensed practitioners increase accountability across the system • Since the property practitioner cannot operate legally unless they display a valid Fidelity Fund Certificate, accountability and transparency is heightened <p>Property Practitioner Fidelity Fund</p> <ul style="list-style-type: none"> • Through the organizational restructuring, alignment and prioritization of IT systems, the Fund management can be optimized. 	<p>Management</p> <ul style="list-style-type: none"> • Organisational performance hinges on optimum filling of strategic positions at national and provincial levels. The current vacancy gaps could undermine performance • Positions that traditionally drive a high-performance culture in Strategy, Finance and Human Capital are among the vacancies/actors • The PPRA has developed a new organogram aligned to its extended functions and has targets in the APP to fill the organogram in the 2022/23 financial year. <p>Database and Knowledge Systems</p> <ul style="list-style-type: none"> • The PPRA is starting off on a weak footing regarding business intelligence and baseline data pertaining to its extended property practitioner stakeholders. • The PPRA is however developing a wider stakeholder management plan to address this gap. There are institutions and associations that are recognised in the PPRA’s stakeholder assessment as potentially useful partners in shoring up business intelligence in this area.

<ul style="list-style-type: none"> • Diversification of investment portfolios presents an opportunity to grow the Fidelity Fund <p>Governance</p> <ul style="list-style-type: none"> • The new Board of directors has the requisite skills and technical capacity, per s7 of the PPA, to provide sound leadership necessary for the organization to meet its mandate. The CEO and company secretary provide a degree of continuity and institutional memory to complement the board's strength. • Sufficient internal governance structures to support the implementation of the organizational strategy • The company secretariat remains a critical element of good corporate governance – the stability at this level will support the new board of directors <p>IT Governance</p> <ul style="list-style-type: none"> • The organization has a good basis for benchmarking purposes and to ensure the deliver on its mandate through the use IT and business strategy alignment which also support compliance • Investment in IT Governance will reduce risks over time as the organization is taking advantage of COVID 19 operational imperatives <p>Management</p> <ul style="list-style-type: none"> • Competent and qualified management at the helm • Competent disciplinary and claims committee • Design business Model and Service Delivery Model <p>Financial</p> <ul style="list-style-type: none"> • The PPRA starts off with a good balance sheet and is in a self-sustaining position. Careful budgeting is however required to assess and address the financial implications of the expanded mandate, such that the strong starting financial position is not threatens. 	
Opportunities	Threats
<p>Transformation</p> <ul style="list-style-type: none"> • Property sector Incubator for small struggling Estate Agencies, rehabilitation of non-compliant Estate Agencies is key in transformation of the sector 	<p>Transformation</p> <ul style="list-style-type: none"> • The Property Sector Transformation Fund may not be established within the prescribed period; or to the requisite funding capability; or, once established, fail to grow sustainably.

- The establishment of Property Sector Research Centre will support evidence-led decision making. It will also contribute to transformation by lowering the educational barriers and providing equal access to knowledge regarding the property sector.
- Section 50(a)(x) of the PPA makes a valid BEE certificate mandatory for issuance of fidelity fund certificates. This provides an opportunity for the PPRA, in conjunction with the Property Sector Charter Council (PSCC) to track the state of transformation more accurately in the sector. The PSCC analyses a sample of BEE certificates as an input into their state of transformation reports.

Legislation compliance

- According to the Property Sector Charter Council, the average adjusted BBBEE score for the sector puts it at a recognition level of 6. The mandatory BBBEE certificates also provide the PPRA an opportunity to devise incentives, within the ambit of the law, to further drive transformation – by making the BBBEE certificate not only a matter of compliance to get FFCs, but also a tool of commercial value to qualifying enterprises.
- The PPRA will also explore a funding mechanism for the Transformation Fund, based on contributions from the property practitioners. There is an opportunity to link the level of contribution to the fund to the BBBEE level. For an example, a reverse sliding scale would result in those with better BBBEE scores.

- A business case for the establishment of the fund will be developed. This will help attract contributions into the fund, thereby mitigating against the above threats.
- Typically, research is resource intensive. Availability of resources may threaten success of the initiative to establish the Property Sector Research Centre. The PPRA will have to partner with public and private sector organisations like the National Research Foundation (NRF) and educational institutions. The PPRA has set a target in the Annual Performance Plan 2022/23 to have an MoU signed with the NRF and a research agenda agreed in the year.

Legislation compliance

- Stakeholder onboarding and advocacy campaigns must be consistent over a longer period to embed dictates of PPRA – Inconsistent advocacy campaigns and communication drive may undermine strategy execution.
- Prospects for litigation remains, however regulations would address any gaps

Property Practitioner Fidelity Fund

- The organizational restructuring, alignment is process which required consultation. If the consultation with labour is not adequately addressed and managed the Fund management may not be optimized.
- Slow pace of approval process may result in an increased interest claims by practitioners. This will be mitigated by resourcing and investment in requisite IT systems to expedite processes.
- Lack or a weak control environment increases risks of money laundering, fraud and theft which can lead to higher claims from Fidelity Fund.
- An increase in uninformed / un-empowered property consumers and consequent escalation in the number of complaints and claims may negatively impact the Fund's sustainability.

Licensing / Compliance

- Although valid B-BBEE are non-negotiables, clarity on levels creates vacuums or space for undeserving practitioners.

	<ul style="list-style-type: none"> • In anticipation of queries from practitioners, the organization should build or strengthen mediation capacity to address all queries and avoid unnecessary litigations. <p>Management</p> <ul style="list-style-type: none"> • Vacancies at senior levels at national and provincial level needs urgent attention. Speed and agility will determine responsiveness • Stakeholder relation and management is key given the new dispensation; it is therefore imperative to pitch this item for senior managers to secure confidence on how the strategy is being implemented

Key Message from the SWOT Analysis

Overall, the PPRA enters this new strategy planning period in a good footing, with notable strengths and exploitable opportunities to deliver on its mandates. Plans are being put in place to address weaknesses and mitigate threats, starting in the APP 2021-22 with an MoU with the National Research Foundation (NRF) to address the resource threat in setting up the Research Centre; the business case to address the resource threat in setting up and growing the Transformation Fund, as well as in executing the HR plan upon approval of the PPRA organogram, to address the identified weakness in human capital in certain departments.

Part C: Measuring of Our Performance

8. PART C: MEASURING OUR PERFORMANCE

8.1. INSTITUTIONAL PERFORMANCE INFORMATION

The drafting of the Strategic Plan 2022-2025 has been guided the Department of Human Settlements Medium-Term Strategic Framework (“MTSF”) and utilising the recently promulgated Property Practitioners Act No. 22 of 2019 which came into effect on the 01 February 2022. The Property Practitioner Regulatory Authority (PPRA) has the responsibility to regulate, maintain and promote the conduct of property practitioners, issue Fidelity Fund certificates, prescribe the standard of education and training for property practitioners, investigate complaints lodged against property practitioners, manage and control the Property Practitioners Fidelity Fund.

These Seven Apex Priorities derived from the NDP, Electoral Mandate and SONA, form the MTSF baseline:

- **Priority 1:** A Capable, Ethical and Developmental State
- **Priority 2:** Economic Transformation and Job Creation
- **Priority 3:** Education, Skills and Health
- **Priority 4:** Consolidating the Social Wage through Reliable and Quality Basic Services
- **Priority 5:** Spatial Integration, Human Settlements and Local Government
- **Priority 6:** Social Cohesion and Safe Communities
- **Priority 7:** A better Africa and World

8.1.1 The PPRA aligns with the DHS through:

Priority	Problem Statement	Overview
Priority 1: A Capable, Ethical and Developmental State	State capacity is uneven and at times uncoordinated. Maladministration, poor governance and corruption need to be addresses across all three spheres, including public entities.	Priority 1 focuses on building a capable, ethical and development state which underpins the achievement of the other priorities of the MTSF 2019-2024
Priority 5: Spatial Integration, Human Settlements and Local Government	The legacy of spatial inequalities and access to assets continue to hobble inclusive growth.	Priority 5 seeks to address historical spatial inequalities, ensure the development of sustainable human settlements and promote access to basic services. Key to this is also to ensure environmental sustainability in both urban and rural spaces.

Key components to ensure implementation include the following:

- Improving the quality of interventions including delivery plans/ implementation plans
- Alignment of Strategic Plans and APPs
- Geospatial referencing and spatial planning alignment
- District Development Model (N/A)
- MTSF Monitoring and Reporting System
- Performance Management System

8.1.2 Alignment with MTSF

PPA oblige the entity to align not only the strategy but the APP with the approved Medium Term Strategic Framework (MTSF) for the 6th Administration. Henceforth the entity will focus on the following priorities.

- a) Property sector transformation
- b) Property transformation Fund
- c) Property Research Centre
- d) Development of the qualification standards for property practitioners.
- e) Prescription of continuing professional development requirements for the property practitioners.
- f) Establish transformation and empowerment programmes that include Principalisation Programme; Regularisation Programme; Consumer Awareness Programme; Work Readiness Programme.

8.1.3 Property Practitioners Regulatory Authority (PPRA): 2019/24 MEDIUM TERM STRATEGIC FRAMEWORK CONTRIBUTIONS

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

8.2. Impact Statement

Impact Statement	A fully transformed integrated Property Sector that reflects the demographics of society and ensure access to social services and economic opportunities in cities, regions and rural areas.
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8.3. Measuring Our Outcomes

8.3.1 Programme 1: Administration

MTSF Priority 1	A capable, ethical and developmental state		
Outcome	Outcome Indicator	Baseline	Target
Functional, efficient and integrated government	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings
Sub Programme: Service Delivery Model for the PPRA with an aligned organisational structure			
Functional, efficient and integrated government	Percentage implementation of the approved human resource management plan	No Baseline	100% implementation of the approved human resource management plan
Sub Programme: Engaged and Involved Stakeholders			
Functional, efficient and integrated government	Percentage implementation of PPRA Stakeholder Management Plan	No Baseline	100% implementation of the PPRA stakeholder management plan

8.3.2 Programme 2: Licensing and Compliance

MTSF Priority 5	Spatial Integration, Human Settlements and Local Government		
Outcome	Outcome Indicator	Baseline	Target
Inclusive, integrated and transformed property sector	Number of Property Practitioners registered on the database of the PPRA	No Baseline	10000 Property Practitioners registered on the database of the PPRA
	Percentage of all compliant new registrations processed within 30 days	No Baseline	100% of all compliant new registrations processed within 30 days.

8.3.3 Programme 3: Inspections and Enforcement

MTSF Priority 1	A capable, ethical and developmental state		
Outcome	Outcome Indicator	Baseline	Five Year Target
Functional, efficient and integrated government	Percentage adherence to Quarterly Inspection Guidelines issued to Industry	No Baseline	100% adherence to Quarterly Inspection Guidelines issued to industry
	Percentage compliance to survey plans conducted to verify compliance to the PPA by the property practitioners	No Baseline	100% compliance to survey plans conducted to verify compliance to the PPA by the property practitioners

8.3.4 Programme 4: Research, Professionalization and Training

MTSF Priority 5	Spatial Integration, Human Settlements and Local Government		
Outcome	Outcome Indicator	Baseline	Target
Inclusive, integrated and transformed property sector	Percentage improvement of property practitioners meeting the standard qualifications and skills requirements	No Baseline	20% improvement in the number of property practitioners meeting the skills requirements
Outcome	Outcome Indicator	Baseline	Target
Inclusive, integrated and transformed property sector	Establishment of a functional Property Research Centre	No Baseline	A functional property sector research centre established and contributing to the property sector through the agreed research agenda.

8.3.5 Programme 5: Transformation

MTSF Priority 5	Spatial Integration, Human Settlements and Local Government		
Outcome	Outcome Indicator	Baseline	Target
Inclusive, integrated and transformed property sector	Establishment of the Property Sector Transformation Fund to promote equity in the sector	No Baseline	Maintain a financially sustainable and growing Fund that will provide a minimum of R500,000 in real terms for transformation grant funding per black participant
	Percentage of property practitioners that are black	No Baseline	25%
Inclusive, integrated and	Increase in number of Black Women that have been supported through the	No Baseline	300 Black Women supported to Full status through the

MTSF Priority 5	Spatial Integration, Human Settlements and Local Government		
Outcome	Outcome Indicator	Baseline	Target
transformed property sector	Principialisation Programme to full status		implementation of the Principialisation Programme
	Retention rate of youth candidate practitioners in the “One Learner - One Property Practitioner” Programme	No Baseline	70% retention rate of youth candidate practitioners in the “One Learner - One Property Practitioner” program

9. EXPLANATION OF PLANNED PERFORMANCE OVER A FIVE-YEAR PERIOD

The envisaged impact of the PPRA is directly linked to its mandate of its regulatory interventions, which includes to regulate the affairs of all property practitioners; to allow for transformation in the property sector and to provide for consumer protection.

In the medium-term period, the PPRA to focus on overseeing the implementation of the PPA and its promulgated Regulations. This will largely be to ensure a transitional process that is smooth and risk proof.

9.1. Enabling conditions to meet the MTSF 2019-2024 priorities

Key to the success of PPRA in fulfilling its mandate of ensuring the full transformation of the property sector. A Transformation Fund is to be created within 6 months of when the PPRA is established. It will be funded by the Fidelity Fund; government grant; fees and fines paid by property practitioners; s; Investments; and monies donated or bequeathed to the PPRA. The funds are to be used to promote the interests of the historically disadvantaged, including providing for training and development and education of the general public. The PPRA will seek to accelerate the provisions of Act wherein, the Property Sector Transformation Charter which will apply to all property practitioners is developed with its implementable scorecards.

The PPRA will strengthen is internal capacity to issue licenses within specified periods by the Act and ensuring compliance by the FFC holders.

The transitional period during the medium term will be underpinned by regular interaction and consultations with key stakeholders.

The following are explanations of the enabling conditions for the attainment of the NDP/MTSF 2019-2024 imperatives in relation to the core mandate of the PPRA:

9.1.1 Programme 1: Administration

The PPRA road map for the strategic planning period of 2022-25 in support of the MTSF Priority 1 of building an effective and capacitated government will include the following:

- Establishment of the Property Practitioners Fidelity Fund within six months of commencement of the Act.
- Building on the expanded mandate and structures, reflection on the PPA.

- Strengthening the capacity of the PPRA to implement Property Practitioners Act (PPA) which will only be able to achieve the desired outcome if it is driven by a stable and well-functioning regulatory authority.
- Stakeholder engagement and Sector Consensus.
- Ensuring an Unqualified audit opinion with no material findings.

9.1.2 Programme 2: Licensing and Compliance

The objectives of compliance are to ensure property practitioners (including its Directors, Members or Trustees, and its employees who act as property practitioners) obtain and hold a valid Fidelity Fund Certificate.

The PPRA will amplify the provisions of the PPA which is aimed at strengthening the regulatory aspect of the human settlements sector.

The PPRA supports the objectives of the Department of Human Settlements in working towards the National Development Plan (NDP) 2030, implemented through the Medium-Term Strategic Framework (MTSF) 2019-2024 through the achievement of MTSF Priority 5: Spatial Integration, Human settlements and Local Government.

9.1.3 Programme 3: Inspection and Enforcement

The PPA is anchored, as a consumer-focused piece of legislation that has been designed to protect consumers in the property industry. And hence the PPRA, in contrast to EAAB, will have more reaching power which include inspections without notice and more serious consequences for non-compliance.

9.1.4 Programme 4: Research, Professionalisation and Training

The PPRA road map for the next 5-Years, in the strategic plan for 2022-25 in support of the MTSF Priority 1 of building an effective and capacitated government, and professionalising the property sector will include the following:

- Development of the qualification standards for property practitioners.
- Development of course materials, including assessment and approval of existing materials of representative bodies.
- Establishment of Professional Designation Examination
- Development of standards for the practical training of non-principal property practitioners
- Regulation of Candidate property practitioners (CPPs) undergoing 12 months of training, under the active supervision and control of an agency principal or a qualified agent with at least three years' experience.
- Prescription of continuing professional development requirements for the property practitioners.
- Establishment of the Knowledge and Research Centre for making available knowledge resources and to disseminate knowledge in the real estate sector.

9.1.5 Programme 5: Transformation

The PPRA road map for the strategic planning period of 2022-25 in support of the MTSF Priority 5 of Spatial Integration, Human settlements and Local Government by ensuring transformation of the property sector so that the historically disadvantaged, especially women and persons living with disabilities, can participate meaningfully, and so will include the following:

- Capacitation and enterprise support for historically disadvantaged property practitioners.
- Support of SMMEs owned by historically disadvantaged property practitioners.
- Promotion of the standard of training and development of historically disadvantaged property practitioners.
- Supporting existing historically disadvantaged property practitioners to become principal property practitioners and owners of business property practitioners.
- Facilitation of ownership of and participation in property investment enterprises.
- Enabling the transformation of property ownership in South Africa by providing grant support (through the Transformation Fund) to historically disadvantaged property practitioners who are in the business of developing residential properties in the affordable and secondary housing markets

10. KEY RISKS AND MITIGATIONS

Outcomes	Key Risks	Risk Mitigation
Inclusive, integrated and transformed property sector	Lack of adherence to industry transformation targets by property practitioners -	To establish a support Programme to encourage industry transformation. Explore incentives to drive transformation using the now mandatory BBBEE certificates.
	Insufficient research and policies to enable implementation	To partner with industry players and academic institutions to assist with research and policy development. An MoU for establishing a Research Centre to be signed with the NRF in the 22/23 financial year.
	Inadequate institutional resource base for implementation of PPA	DHS and Industry support for implementation of PPA
	Mismanagement of the transition from repealed EAAB Act to the new PPA	We managed and engaging Transitional Process
Functional, efficient and integrated government	Adverse Audit Opinion	Implementation of Internal Control systems for improved performance management. Implementation and monitoring of the audit action plan.
	Insufficient Implementation of required strategy, structure, systems and processes.	Profiling of risks relating strategy implementation and allocation of sufficient resources.
	Inadequately resourced service delivery model	Implementation of fully resourced organisational structure
	Misaligned Policies	Policies align with new strategy and the PPA

11. PUBLIC ENTITIES

Name of Public Entity	Mandate	Outcome	Current Annual Budget
Not Applicable			

Part D: Technical Indicator Descriptions (TIDs)

12. TECHNICAL DESCRIPTORS

12.1. Programme 1: Administration

Audit

Indicator Title	Unqualified audit opinion with no material findings
Definition	The indicator measures processes, systems and controls implemented by the PPRA to ensure that an opinion with no material findings is achieved.
Source of data	Annual financial statements, reports on predetermined objectives, documented business processes/ standard operating procedures (SOPs), annual audit plan and risk management plan, Internal Audit Report, Annual Performance Report and previous AG Report.
Method of Calculation / Assessment	An unqualified audit report on the financial statements with no adverse comment in the report of the AG on the quality of the financial information presented. An unqualified audit opinion on the performance information with no adverse comment on the quality of the information.
Means of verification	Scrutiny of the AG report
Assumptions	Availability of AG Report and Management report from the AG
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Financial statements free from material errors and misstatements
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	100% compliance with the applicable Legislation, Corporate Governance prescripts, financial reporting standards and PPRA policies. Unqualified audit opinion
Indicator Responsibility	Chief Financial Officer

Human Resources

Indicator Title	Percentage implementation of the approved human resource management plan
Definition	<p>Measures progress towards implementing the milestones of the approved PPRA human resources management plan.</p> <p>The plan includes the full spectrum of talent management programmes – service delivery model, organisational design and development, recruitment and selection, employee relations and wellness, performance management, rewards and recognition and HR information systems.</p>
Source of data	Approved HR Plan
Method of Calculation / Assessment	Number of milestones achieved against planned for the period to date, expressed as a percentage.
Means of verification	Approved documents, meeting minutes and agendas.
Assumptions	Budget is available for recruitment and HR support for the development of key elements of the HR plan.
Disaggregation of Beneficiaries (where applicable)	Nil
Spatial Transformation (where applicable)	Nil
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	100% compliance to plan, and the approved organisational structure fully resourced
Indicator Responsibility	Executive Manager : HR

Indicator Title	Percentage Implementation of the PPRA Stakeholder Management Plan
Definition	Measures the percentage compliance to the Stakeholder Management Plan (The stakeholder management plan is the systematic identification, analysis, planning and implementation of actions designed to engage with stakeholders in order to improve stakeholder relations and support to PPRA activities and projects)
Source of data	Stakeholder management plan
Method of Calculation / Assessment	(Number of stakeholder tasks implemented)/(Total Number of tasks per stakeholder plan) - Reports issued and published
Means of verification	Verification of existence of quarterly progress reports on the Collection plan
Assumptions	Status report to Exco and Board
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly and annually
Desired performance	Adherence to the stakeholder management plan which result in fully engaged and involved PPRA stakeholders
Indicator Responsibility	Chief Executive Officer

12.2. Programme 2: Licensing and Compliance

Indicator Title	Number of new property practitioners registered on the database of the PPRA
Definition	Measures the number of new property practitioners registered on the PPRA database for purposes of enforcing compliance to PPA, transforming the property sector and collecting subscriptions
Source of data	Download reports from the SAP system. New registrations and New applications reports from SAP
Method of Calculation / Assessment	Total number of property practitioners on the PPRA database each period less the number of property practitioners in the previous period
Means of verification	Quarterly progress reports
Assumptions	Status report to Exco and Board
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	All eligible property practitioners in the expanded mandate fully registered and compliant
Indicator Responsibility	Executive Manager: Licensing and Compliance

Indicator Title	Percentage of all compliant new registrations processed within 30 days
Definition	Measures the percentage of new compliant registrations that are processed within 30 days
Source of data	Download reports from the SAP system. New registrations and New applications reports from SAP
Method of Calculation / Assessment	$(\text{Number of compliant registrations processed within 30 days}) / (\text{Total Number of compliant registrations received within 30 days}) * 100$
Means of verification	Quarterly progress reports
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	Compliant registrations are processed within 30 days of receipt
Indicator Responsibility	Executive Manager: Licensing and Compliance

12.3. Programme 3: Inspections and Enforcement

Compliance with Property Practitioner's Act

Indicator Title	Quarterly inspection guidelines issued to industry
Definition	Measures the frequency of Inspection Guidelines issued by the PPRA to industry with the intention of issuing one inspection guideline in each quarter
Source of data	PPA and the Inspection Reports
Method of Calculation / Assessment	Quarterly reports on inspection guidelines
Means of verification	Quarterly Reports
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	Full compliance to the Property Practitioners Act
Indicator Responsibility	Executive Manager: Inspections and Enforcement

Indicator Title	Percentage compliance to surveys plans conducted to verify compliance to the PPA by the property practitioners
Definition	Survey tool to measure the performance of the PPRA compliance program with the right questions and confirming smooth implementation of the Property Practitioners Act.
Source of data	Annual survey report as conducted
Method of Calculation / Assessment	Percentage improvement in compliance, and the reduced number of claims received by the PPRA
Means of verification	Survey Outcomes and compliance to plan
Assumptions	Cooperation of the stakeholder groups
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	Improved compliance by the sector and reduced claims investigated by the PPRA
Indicator Responsibility	Executive Manager: Enforcement & Compliance

12.4. Programme 4: Research, Professionalisation and Training

Property Partitioners Intervention Programmes

Indicator Title	Percentage improvement of property practitioners meeting the standards qualifications and skills requirements
Definition	Measures the percentage improvement of property practitioners meeting the standards qualifications and skills requirements
Source of data	SAQA approved document PPRA SAP reports
Method of Calculation / Assessment	A report on identified training needs and specialisation areas required for occupational qualifications development for the property sector
Means of verification	SAQA approved document PPRA SAP reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Approved skills programme and qualifications for the sector
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	100% compliant
Indicator Responsibility	Executive Manager: Education & Training

Property Research Centre

Indicator Title	Establish the Property Research Centre
Definition	The Property Research Centre is established as per the Property Practitioners Act No.22 of 2019 with reference to Chapter 4, Section 22
Source of data	Property Practitioners Act No.22 of 2019
Method of Calculation / Assessment	Provisions of Section 22 (2) (3) a -c (4) a – g (5) a – c. Fully complied with
Means of verification	Established Research Centre
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired performance	Increased national scientific research and innovation capability
Indicator Responsibility	Executive Manager: Education & Training

12.5. Programme 5: Transformation

Increase Black Participants

Indicator Title	Establishment of the Property Sector Transformation Fund to promote equity in the sector
Definition	The PPRA has to establish the sector Transformation Fund. The target is for the fund to grow sustainably and be able to fund to the value of R500 000 per participant each year, in real terms.
Source of data	Established fund
Method of Calculation / Assessment	Transformation fund value/nominal number of participants/(1+inflation rate) ⁿ , where n is the nth year from inception of fund. Targeted number of participants to be 100 and reviewed each APP.
Means of verification	Property Fund established as verified
Assumptions	Status report to Exco and Board
Disaggregation of Beneficiaries (where applicable)	Nil
Spatial Transformation (where applicable)	Nil
Calculation type	Non-Cumulative
Reporting cycle	Q2
Desired performance	Property Fund established
Indicator Responsibility	Chief Executive Officer
Indicator Responsibility	Executive Manager: Transformation

Operating Black Practitioners

Indicator Title	Percentage of property practitioners that are black
Definition	The Property Sector Transformation is referred as per the Property Practitioners Act No.22 of 2019 with reference to Chapter 4, Section 20
Source of data	Black property practitioners on the SAP Database
Method of Calculation / Assessment	The number of black property practitioners/total number of property practitioners
Assumptions	Black property practitioners are underrepresented in the sector
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A

Desired performance	25% of property practitioners being black
Indicator Responsibility	Executive Manager: Transformation

Principalisation Programme for Black Women

Indicator Title	Number of Full Status Black Women that have been supported through the Principalisation Programme
Definition	Measures the Number of Full Status Black Women that have been supported through the Principalisation Programme . (The Principalisation Programme is aimed at increasing ownership and management control of estate agencies by Black people. This indicator focuses on the participation of Black Women in this Programme)
Source of data	Property practitioners database
Method of Calculation / Assessment	Number of Black Women that were supported through the programme to reach full status
Means of verification	Status reports to Exco and Board
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
Desired performance	300 Full Status Black Women that have been supported through the Principalisation Programme
Indicator Responsibility	Executive Manager: Transformation

Retained Interns through the One Learner Programme

Indicator Title	Retention rate of youth candidate practitioners in the “One Learner - One Property Practitioner” Programme
Definition	Measures the percentage of candidate practitioners retained in the “One learner-One Property Practitioner Programme”
Source of data	One Learner one property practitioner programme report
Method of Calculation / Assessment	Number of candidate practitioners currently in programme / total number of interns started with the programme
Assumptions	Youth
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	<p>5 000 interns placed with relevant practitioners/industry host employers through the one learner – one Property Practitioner programme, over the strategic plan period.</p> <p>The 'One Learner - One Property Practitioner' Programme is aimed at placing interns in the service of registered property practitioners so that they may act under the supervision and control of a suitably qualified mentor</p>
Desired performance	60% retention on the programme, and a progressive 10% annual increase until 90% retention by 2025
Indicator Responsibility	Executive Manager: Transformation

13. ANNEXURE A: DISTRICT DEVELOPMENT MODEL

None.

14. PROGRAMME RECOURSE CONSIDERATIONS

14.1 Table: Group Budget Allocation for Programmes

Property Practitioner Regulatory Authority (Costs per programme)	Audited outcome		Adj. Approp	Revised Estimate		Medium Term Expenditure		
	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25	
Administration	91 777	92 000	106 915	139 879	141 217	148 332	155 730	
Licensing and Compliance	27 290	26 658	30 980	40 531	41 991	42 981	45 125,00	
Inspection and Enforcement	5 491	6 256	7 270	9 511	8 449	10 086	10 589	
Research, Professionalisation and Training	11 590	11 515	13 382	17 508	17 833	18 566	19 492	
Transformation activities	7 530	299	5 133	6 715	24 717	25 953	27 892	
Promotion and awareness campaigns	4 528	5	5 485	7 176	5 115	5 521	6 325	
Fidelity Fund	30 407	19 300	26 343	27 954	33 543	31 267	28 125	
Total	178 613	156 033	195 507	249 275	272 865	282 706	293 278	

14.2 Statement of Financial Position – PPRA

Financial position	2018/19		2019/20		2020/21		Budget estimate	Approved budget	Medium-term estimate		
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome			2021/22	2022/23	2023/24
Carrying value of assets of which:	106 193	113 217	112 287	111 788	120 777	109 249	129 231	111 595	144 099	150 668	155 794
Acquisition of assets	(2 950)	(1 657)	(1 200)	(728)	(4 084)	(1 004)	(1 300)	(1 300)	(18 100)	(10 850)	(9 600)
Investments	-	-	-	-	-	-	-	-	-	-	-
Inventory	251	616	677	302	540	59	578	578	621	65	68
Loans	4 601	51 122	48 122	39 798	33 828	18 733	28 754	19 899	28 754	28 754	28 754
Accrued investment interest	-	-	-	-	-	-	-	-	-	-	-
Receivables and prepayments	6 782	43 908	36 530	58 194	56 750	83 927	57 390	57 390	68 899	61 933	76 950
Cash and cash equivalents	18 948	21 354	28 052	7 107	19 297	11 183	20 648	18 046	13 912	30 782	50 150
Total assets	136 775	230 217	225 668	217 189	231 192	223 150	236 601	207 508	255 725	272 202	311 716
Accumulated surplus/(deficit)	90 782	99 381	132 403	91 476	114 403	102 288	119 368	99 305	138 595	155 059	174 254
Capital and reserves	-	42 616	42 615	42 616	42 616	42 616	53 270	47 866	53 270	53 270	49 333
Trade and other payables	15 495	57 574	23 855	65 870	55 320	56 437	44 905	44 905	44 905	44 905	65 333
Provisions	13 149	30 119	26 157	16 638	18 194	21 177	18 320	14 831	18 320	18 320	22 135
Derivatives financial instruments	17 349	528	638	589	660	623	739	601	635	648	661
Total equity and liabilities	136 775	230 217	225 668	217 189	231 192	223 151	236 602	207 508	255 725	272 202	311 716
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-

14.3 Statement of Financial Performance - PPRA

Statement of financial performance	2018/19		2019/20		2020/21		2021/22		Medium-term estimate			
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2022/23	2023/24	2024/25	
R thousand												
Revenue												
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	166 942	191 640	169 253	135 852	200 532	123 253	174 129	174 129	248 646	256 864	270 414	
Sale of goods and services other than capital assets	150 541	136 208	150 966	112 660	154 706	91 081	152 774	152 774	227 654	239 037	251 696	
Sales of goods and services produced by entity	150 541	136 208	150 966	112 660	154 706	91 081	152 774	152 774	227 654	239 037	251 696	
of which:												
Administrative fees	71 609	53 619	58 489	52 687	61 147	51 167	66 223	68 223	63 792	66 981	70 330	
Sales by market establishment	78 932	82 589	92 477	59 973	93 559	39 914	84 551	84 551	163 863	172 056	181 365	
Other non-tax revenue	16 401	55 432	18 287	23 192	45 826	32 171	21 355	21 355	21 192	17 827	18 719	
Transfers received	-	-	-	-	-	24 000	-	-	-	-	-	
Total revenue	166 942	191 640	169 253	135 852	200 532	147 253	174 129	174 129	248 646	256 864	270 414	
Expenses												
Current expenses	151 636	170 170	159 835	143 758	166 917	136 429	169 164	168 704	209 469	214 400	222 219	
Compensation of employees	102 179	83 275	103 190	92 579	130 599	95 490	115 616	115 616	138 819	140 692	145 194	
Goods and services	43 527	83 713	50 560	48 002	51 310	37 410	49 930	49 470	66 566	69 428	72 552	
Depreciation	5 930	3 182	6 085	3 177	5 008	3 529	3 618	3 618	4 104	4 281	4 473	
Transfers and subsidies	-	-	-	-	-	-	-	-	21 000	26 000	29 000	
Total expenses	151 636	170 170	159 835	143 758	166 917	136 429	169 164	168 704	230 469	240 400	251 219	
Surplus/(Deficit)	15 306	21 470	9 418	(7 906)	13 615	10 824	4 965	5 425	18 356	16 464	19 195	

14.4 Cash Flow data - PPRA

Cash flow data	2018/19		2019/20		2020/21		2021/22		Medium-term estimate		
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2022/23	2023/24	2024/25
R thousand	22 642	41 551	19 035	(23 824)	21 739	(15 984)	10 267	10 790	24 836	27 720	28 968
Cash flow from operating activities											
Receipts											
Non-tax receipts	166 942	191 640	169 253	103 999	200 532	97 521	174 129	174 129	174 407	181 907	190 093
Sales of goods and services other than capital assets	155 267	136 208	156 489	93 361	154 706	78 008	152 774	152 774	141 904	148 006	154 666
produced by entity (excl. capital assets)	155 267	136 208	156 489	93 361	154 706	78 008	152 774	152 774	141 904	148 006	154 666
Administrative fees	71 609	53 619	58 489	42 048	61 147	41 410	68 223	68 223	63 732	66 535	69 529
Sales by market establishment	42 120	82 589	92 477	51 313	93 559	36 598	84 551	84 551	78 112	81 471	85 137
Other sales	41 538	-	5 523	-	-	-	-	-	-	-	-
Other non-tax receipts	11 675	55 432	12 764	10 638	45 826	19 512	21 355	21 355	32 503	33 901	35 427
Transfers received	-	-	-	-	-	24 000	-	-	-	-	-
Total receipts	166 942	191 640	169 253	103 999	200 532	121 521	174 129	174 129	174 407	181 907	190 093
Payment											
Current payments	144 300	150 089	150 218	127 822	178 793	137 504	163 862	163 339	149 571	154 187	161 125
Compensation of employees	102 179	83 625	104 090	88 495	129 039	91 897	115 066	115 616	110 986	115 759	120 968
Goods and services	42 121	66 464	46 128	39 327	49 754	45 608	48 796	47 723	38 585	38 428	40 157
Total payment	144 300	150 089	150 218	127 822	178 793	137 504	163 862	163 339	149 571	154 187	161 125
activities (Financial Institutions only)	-	-	-	-	-	-	-	-	-	-	-
Cash flow from investing activities	(13 050)	(1 762)	(6 950)	(1 746)	(13 544)	(1 004)	(4 700)	(4 700)	(18 100)	(10 850)	(9 600)
Acquisition of software and other intangible assets	(10 100)	(105)	(7 750)	(1 020)	(9 460)	-	(3 400)	(3 400)	-	-	-
Cash flow from financing activities	-	(46 406)	-	11 324	-	21 065	-	2 120	22 118	23 069	24 107
Borrowing activities	-	(46 406)	-	11 324	-	21 065	-	2 120	-	-	-
Net increase / (decrease) in cash and cash equivalents	9 592	(6 617)	10 085	(14 248)	8 195	4 077	5 567	8 210	6 736	16 870	19 368

14.5 Projected income and expenditure for the year ended 31 March 2023

	QUARTERLY TARGETS			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Turnover	42 136 195,47	73 370 978,69	32 322 948,81	101 015 675,43
2022/2023 PPRA Proposed Budget	248 845 798,40			
FFC Renewals	68 413 383,12	47 889 368,19	6 841 338,31	6 841 338,31
Principals (Natural persons in the PPA Act)	13 463 810,42	9 424 667,30	1 346 381,04	1 346 381,04
Full Status (Natural persons in the PPA Act)	27 118 244,44	18 982 771,10	2 711 824,44	2 711 824,44
Intern Estate Agents (Natural persons in the PPA Act)	27 036 504,48	18 967 553,13	2 709 650,45	2 709 650,45
Attorneys (Natural persons in the PPA Act)	734 823,79	514 376,65	73 482,38	73 482,38
Examinations	14 049 040,10	4 235 793,44	#	4 235 793,44
Examination Fees	1 302 325,51	1 302 325,51	1 302 325,51	1 302 325,51
Sales -Study Guides	236 444,18	236 444,18	236 444,18	236 444,18
CPD Fees	12 489 586,66	2 676 340,00	2 676 340,00	71 369 066,62
Appeals on Examination Results	20 683,76	20 683,76	20 683,76	20 683,76
Interest Income	46 599,66	46 599,66	#	46 599,66
Interest on Investments	46 426,96	46 426,96	46 426,96	46 426,96
Interest Other	172,70	172,70	172,70	172,70
Other Income	21 199 217,39	21 199 217,39	#	21 199 217,39
Management fee	15 947 921,80	15 947 921,80	15 947 921,80	15 947 921,80
Fines	1 111 970,25	1 111 970,25	1 111 970,25	1 111 970,25
Penalties	3 134 691,68	3 134 691,68	3 134 691,68	3 134 691,68
Delivery charges	2 500,00	2 500,00	2 500,00	2 500,00
Legal document charges	7 500,00	7 500,00	7 500,00	7 500,00
Duplicate and Amendments - FFC	994 633,67	994 633,67	994 633,67	994 633,67
Operating costs	50 292 089,34	59 289 486,70	49 809 199,54	50 098 933,42

Admin expense

	61 756 294,15	14 727 557,42	18 249 667,62	14 244 667,62	14 534 401,50
Venue Hire	812 500,00	203 125,00	203 125,00	203 125,00	203 125,00
COS - NQF 4 & 5	500 000,00	125 000,00	125 000,00	125 000,00	125 000,00
Invigilators' and Markers Fees	562 500,00	140 625,00	140 625,00	140 625,00	140 625,00
Conferences and Breakaways	237 500,00	59 375,00	59 375,00	59 375,00	59 375,00
Staff Training and development	1 331 834,15	332 958,54	332 958,54	332 958,54	332 958,54
Bursaries	752 500,00	188 125,00	188 125,00	188 125,00	188 125,00
Software License	562 500,00	140 625,00	140 625,00	140 625,00	140 625,00
Hardware Maintenance	62 500,00	15 625,00	15 625,00	15 625,00	15 625,00
Software Maintenance	187 500,00	46 875,00	46 875,00	46 875,00	46 875,00
Publication and Communication	1 075 000,00	268 750,00	268 750,00	268 750,00	268 750,00
Insurance	562 500,00	140 625,00	140 625,00	140 625,00	140 625,00
Assets expensed	38 012,50	9 503,13	9 503,13	9 503,13	9 503,13
Provision for doubtful debts	11 375 000,00	2 843 750,00	2 843 750,00	2 843 750,00	2 843 750,00
Impairment Loss	435 671,79	108 917,95	108 917,95	108 917,95	108 917,95
Postages	187 500,00	46 875,00	46 875,00	46 875,00	46 875,00
Stationery and Printing	112 500,00	28 125,00	28 125,00	28 125,00	28 125,00
Travelling expenses	750 000,00	187 500,00	187 500,00	187 500,00	187 500,00
Bank Charge	437 500,00	109 375,00	109 375,00	109 375,00	109 375,00
Auditors Remuneration	4 375 000,00	437 500,00	3 062 500,00	437 500,00	437 500,00
Internal Audit Fees	1 800 000,00	180 000,00	1 260 000,00	180 000,00	180 000,00
Forensic Audit	500 000,00	50 000,00	350 000,00	50 000,00	50 000,00
Telephone and Connection costs	4 394 339,38	1 098 584,84	1 098 584,84	1 098 584,84	1 098 584,84
Photo-copier charges	737 500,00	184 375,00	184 375,00	184 375,00	184 375,00
Staff welfare	281 538,89	70 384,72	70 384,72	70 384,72	70 384,72
Catering and Refreshments	409 901,16	102 475,29	102 475,29	102 475,29	102 475,29
Consumables	81 076,25	20 269,06	20 269,06	20 269,06	20 269,06
Garden and Plant Maintenance	381 150,00	95 287,50	95 287,50	95 287,50	95 287,50
Subscriptions	458 000,00	114 500,00	114 500,00	114 500,00	114 500,00
Office Cleaning	1 550 000,00	387 500,00	387 500,00	387 500,00	387 500,00
Rates and Taxes Office Building	1 300 000,00	325 000,00	325 000,00	325 000,00	325 000,00
Repairs and Maintenance Building	1 187 500,00	296 875,00	296 875,00	296 875,00	296 875,00
Security Costs	1 075 593,75	268 898,44	268 898,44	268 898,44	268 898,44
Water and Electricity	1 819 125,00	454 781,25	454 781,25	454 781,25	454 781,25
Repairs and Maintenance Vehicle	93 843,75	23 460,94	23 460,94	23 460,94	23 460,94
Repairs & Maintenance Furniture & Equipment	250 000,00	62 500,00	62 500,00	62 500,00	62 500,00
Promotion and Marketing	800 000,00	200 000,00	200 000,00	200 000,00	200 000,00
Advertising	700 000,00	175 000,00	175 000,00	175 000,00	175 000,00
Consultants Fees	8 500 000,00	2 125 000,00	2 125 000,00	2 125 000,00	2 125 000,00
Corporate Gifts	312 500,00	78 125,00	78 125,00	78 125,00	78 125,00
Call Centre	4 730 279,57	1 182 569,89	1 182 569,89	1 182 569,89	1 182 569,89
CPD Expenses	1 931 559,20	772 623,68	289 733,88	289 733,88	579 467,76
Depreciation - Office furniture	312 500,00	78 125,00	78 125,00	78 125,00	78 125,00
Depreciation - Computer equipment	993 860,44	248 465,11	248 465,11	248 465,11	248 465,11
Depreciation - Motor Vehicles	19 619,25	4 904,81	4 904,81	4 904,81	4 904,81
Depreciation - Buildings	1 958 320,78	489 580,20	489 580,20	489 580,20	489 580,20
Amortisation - Software	740 568,85	185 142,21	185 142,21	185 142,21	185 142,21
Amortisation - Intellectual Property	79 499,44	19 874,86	19 874,86	19 874,86	19 874,86

Other operating expense	9 300 000,00	2 325 000,00	2 325 000,00	2 325 000,00	2 325 000,00
Disciplinary costs	850 000,00	212 500,00	212 500,00	212 500,00	212 500,00
Legal Costs	4 500 000,00	1 125 000,00	1 125 000,00	1 125 000,00	1 125 000,00
Rental - Leased Building	2 450 000,00	612 500,00	612 500,00	612 500,00	612 500,00
Recruitment and Selection	1 500 000,00	375 000,00	375 000,00	375 000,00	375 000,00
Staff costs	133 183 414,86	31 927 031,93	37 402 319,09	31 927 031,93	31 927 031,93
13th Cheque	4 249 354,17	1 062 338,54	1 062 338,54	1 062 338,54	1 062 338,54
Salaries and Wages	93 785 670,97	23 446 417,74	23 446 417,74	23 446 417,74	23 446 417,74
Overtime Expenses	168 856,85	42 214,21	42 214,21	42 214,21	42 214,21
Performance Bonus	5 475 287,16	-	5 475 287,16	-	-
Travel Allowance	1 529 259,34	382 314,84	382 314,84	382 314,84	382 314,84
Cell phone Allowance	532 800,00	133 200,00	133 200,00	133 200,00	133 200,00
Pension Fund Contributions	14 448 303,00	3 612 075,75	3 612 075,75	3 612 075,75	3 612 075,75
U.I.F Contributions	371 677,60	92 919,40	92 919,40	92 919,40	92 919,40
Medical Aid Contributions	6 006 341,38	1 501 585,34	1 501 585,34	1 501 585,34	1 501 585,34
Skills Development Levies	916 332,05	229 083,01	229 083,01	229 083,01	229 083,01
Leave Pay	4 859 532,35	1 214 883,09	1 214 883,09	1 214 883,09	1 214 883,09
Long service awards	840 000,00	210 000,00	210 000,00	210 000,00	210 000,00
Board Members Remuneration	5 250 000,00	1 312 500,00	1 312 500,00	1 312 500,00	1 312 500,00
Board Members Remuneration	5 000 000,00	1 250 000,00	1 250 000,00	1 250 000,00	1 250 000,00
Virtual Meeting/Data Allowance	250 000,00	62 500,00	62 500,00	62 500,00	62 500,00
Total Operating Costs	209 489 709,02	50 292 089,34	59 289 486,70	49 809 199,54	50 098 933,42
Grant expense	21 000 000,00	5 250 000,00	5 250 000,00	5 250 000,00	5 250 000,00
Grant for the Fidelity Fund	10 000 000,00	2 500 000,00	2 500 000,00	2 500 000,00	2 500 000,00
Grant for the transformation Fund	11 000 000,00	2 750 000,00	2 750 000,00	2 750 000,00	2 750 000,00
Surplus/(Deficit) before CAPEX	18 356 089,38	-	8 831 491,98	-	45 666 742,01

14.6 Statement of Financial Position – PPF

Financial position	2018/19		2019/20		2020/21		2021/22		Medium-term estimate		
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimates	Approved budget	2022/23	2023/24	2024/25
Carrying value of assets of which:	-	-	-	-	-	-	-	-	-	-	-
Acquisition of assets	-	-	-	-	-	-	-	-	-	-	-
Investments	637 208	632 019	671 696	482 836	708 155	586 351	668 549	491 333	515 899	538 083	562 297
Receivables and prepayments	3 821	5 627	3 571	2 199	3 821	7 789	4 088	8 178	8 587	8 956	9 359
Cash and cash equivalents	4 339	5 927	4 147	128 444	16 477	23 188	25 681	24 347	25 565	26 864	27 864
Total assets	645 368	643 573	679 413	613 478	728 453	617 328	698 319	523 858	550 051	573 703	599 520
Accumulated surplus/(deficit)	639 000	584 440	623 989	568 682	688 137	593 592	663 663	500 639	525 671	548 275	572 947
Trade and other payables	6 368	6 051	5 145	2 394	4 116	1 861	3 293	251	263	275	287
Provisions	-	1 960	2 156	2 604	2 372	3 141	2 609	3 298	3 463	3 612	3 775
Managed funds (e.g. poverty alleviation fund)	-	51 122	48 122	39 798	33 828	18 733	28 754	19 670	20 653	21 542	22 511
Derivatives financial instruments	-	-	-	-	-	-	-	-	-	-	-
Total equity and liabilities	645 368	643 573	679 413	613 478	728 453	617 328	698 319	523 858	550 051	573 704	599 520
Contingent liabilities	-	-	-	-	-	-	-	-	-	-	-

14.7 Statement of Financial Performance – PPF

Statement of financial performance	2018/19		2019/20		2020/21		2021/22		Medium-term estimate			
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	2022/23	2023/24	2024/25	
R thousand												
Revenue												
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	162 003	87 972	143 577	71 722	108 850	95 377	98 369	98 369	99 629	103 236	107 032	107 032
Sale of goods and services other than capital assets	107 192	87 972	98 999	71 722	108 850	95 377	98 369	98 369	99 629	103 236	107 032	107 032
Sales of goods and services produced by entity of which:	107 192	87 972	98 999	71 722	108 850	95 377	98 369	98 369	99 629	103 236	107 032	107 032
Administrative fees	66 212	57 672	54 806	58 510	76 460	58 688	63 833	63 833	57 910	58 736	59 564	59 564
Sales by market establishment	40 980	30 300	44 193	13 212	32 390	36 689	34 536	34 536	41 719	44 500	47 468	47 468
Other sales	-	-	-	-	-	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	-	-	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	54 811	-	44 578	-	-	-	-	-	-	-	-	-
Transfers received	-	-	-	-	-	-	-	-	10 000	-	-	-
Total revenue	162 003	87 972	143 577	71 722	108 850	95 377	98 369	98 369	109 629	103 236	107 032	107 032
Expenses												
Current expenses	146 194	81 034	139 988	87 480	108 289	70 467	94 566	94 566	109 358	97 842	97 806	97 806
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-	-
Goods and services	145 552	81 034	139 301	87 480	108 289	70 467	94 566	94 566	109 358	97 842	97 806	97 806
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	642	-	687	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	146 194	81 034	139 988	87 480	108 289	70 467	94 566	94 566	109 358	97 842	97 806	97 806
Surplus/(Deficit)	15 809	6 938	3 589	(15 758)	561	24 910	3 803	3 803	271	5 393	9 226	9 226

14.8 Cash Flow data – PPF

Cash flow data	2018/19		2019/20		2020/21		2021/22		2022/23		2023/24		2024/25	
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Approved budget	Budget estimate	Approved budget	Medium-term estimate	Medium-term estimate	Medium-term estimate	Medium-term estimate
R thousand														
Cash flow from operating activities	5 874	(14 123)	(19 326)	(15 342)	(18 488)	19 325	(13 750)	(13 750)	(25 288)	(26 359)	(27 552)			
Receipts														
Tax receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax receipts	120 642	82 931	119 517	62 536	85 992	91 461	77 045	77 045	61 952	64 616	67 524			
Sales of goods and services other than capital assets	120 642	82 931	119 517	62 536	85 992	91 461	77 045	77 045	61 952	64 616	67 524			
Sales of goods and services produced by entity (excl. capital assets)	120 642	82 931	119 517	62 536	85 992	91 461	77 045	77 045	61 952	64 616	67 524			
of which:														
Administrative fees	-	57 672	-	59 361	76 460	89 013	63 832	63 832	54 982	57 347	59 827			
Sales by market establishment	112 082	25 259	90 806	3 175	9 532	2 448	13 213	13 213	6 970	7 270	7 597			
Other sales	8 560	-	28 711	-	-	-	-	-	-	-	-			
Total receipts	120 642	82 931	119 517	62 536	85 992	91 461	77 045	77 045	61 952	64 616	67 524			
Payment														
Current payments	114 768	97 054	138 843	77 878	104 480	72 136	90 795	90 795	87 240	90 976	95 076			
Compensation of employees	-	-	-	-	-	-	-	-	-	-	-			
Goods and services	114 126	97 054	138 843	77 878	104 480	72 136	90 795	90 795	87 240	90 976	95 076			
Interest and rent on land	642	-	-	-	-	-	-	-	-	-	-			
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-			
Total payment	114 768	97 054	138 843	77 878	104 480	72 136	90 795	90 795	87 240	90 976	95 076			
Cash flow from advancing activities (Financial Institutions only)	-	-	-	-	-	-	-	-	-	-	-			
Cash flow from investing activities	15 308	(30 124)	(21 899)	149 183	(12 709)	(103 516)	(13 980)	(13 980)	(7 591)	(7 917)	(8 273)			
Other flows from investing activities	15 308	(30 124)	(21 899)	149 183	(12 709)	(103 516)	(13 980)	(13 980)	(7 591)	(7 917)	(8 273)			
Cash flow from financing activities	-	46 405	39 444	(11 324)	33 527	(21 065)	33 527	33 527	35 203	36 717	38 369			
Deferred income	-	-	-	-	-	-	-	-	-	-	-			
Borrowing activities	-	46 405	39 444	(11 324)	33 527	(21 065)	33 527	33 527	35 203	36 717	38 369			
Net increase / (decrease) in cash and cash equivalents	21 182	2 159	(1 781)	122 517	2 330	(105 256)	5 797	5 797	2 325	2 441	2 544			

14.9 Projected income and expenditure for the year ended 31 March 2023 -PPFF

Revenue	Proposed PPFF Budget 2022/23	QUARTERLY TARGETS			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
	109 629 059	19 620 698	50 766 966	19 620 698	19 620 698
Contributions Board					
Contributions	2 738 800	273 880	1 917 160	273 880	273 880
	2 738 800	273 880	1 917 160	273 880	273 880
Interest					
Agent interest	56 141 785	6 659 699	36 162 688	6 659 699	6 659 699
Interest on Investments	49 171 648	4 917 165	34 420 153	49 171 648	49 171 648
	6 970 137	1 742 534	174 2534,325	174 2534,325	174 2534,325
Grant income	10 000 000	2 500 000	2 500 000	2 500 000	2 500 000
Grant from PPRA	10 000 000	2 500 000	2 500 000	2 500 000	2 500 000
Other Income					
Claims Recoveries	40 748 474	10 187 118	10 187 118	10 187 118	10 187 118
Fair Value Adjustments	6 000 000	1 500 000	1 500 000	1 500 000	1 500 000
Leamership Programme (SSETA)	34 719 128	8 679 782	8679781,998	8679781,998	8679781,998
Other income	-	0	0	0	0
Host employers recoveries from SSETA	29 346	7 337	7 336,5	7 336,5	7 336,5
	-	-	0	0	0
Operating costs					
	109 358 371	27 339 593	27 339 593	27 339 593	27 339 593
Admin Costs					
Bank Charges	18 917	27 339 593	27 339 593	27 339 593	27 339 593
Claims Paid	6 000 000	4 729	4729,175	4729,175	4729,175
Management Fees	63 791 763	1 500 000	1 500 000	1 500 000	1 500 000
Provision for bad debts	9 663 150	15 947 941	15947940,85	15947940,85	15947940,85
Stakeholder Awareness	3 000 000	2 415 788	2415787,5	2415787,5	2415787,5
Transformation Initiatives & ONCE OFF Grant to PPFF in 2022-2023	17 590 538	750 000	750 000	750 000	750 000
Insurance	278 979	4 397 635	4397634,5	4397634,5	4397634,5
Publications - Agent Magazine	3 515 024	69 745	69744,8125	69744,8125	69744,8125
Legal fees	5 500 000	878 756	878756	878756	878756
		1 375 000	1375000	1375000	1375000
Surplus/(Deficit)	270 688	(7 718 895)	23 427 373	(7 718 895)	(7 718 895)

14.10 Statement of Financial Performance -PSTF

	February and March 2022		2022/2023			
	PPRA Budget for 2 February and March	PPRA Proposed Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total Revenue	2 417 000,00	28 590 538,00	7 147 634,50	7 147 634,50	7 147 634,50	7 147 634,50
Grant from PPRA	2 417 000,00	11 000 000,00	2 750 000,00	2 750 000,00	2 750 000,00	2 750 000,00
Revenue (Once off initial Grant)		17 590 538,00	4 397 634,50	4 397 634,50	4 397 634,50	4 397 634,50
Operating costs	2 417 000,00	217 000,00	54 250,00	54 250,00	54 250,00	54 250,00
Preparation of Balanced score card	2 000 000,00					
Formulating templates for the complianc	200 000,00					
Venue Hire	100 000,00	100 000,00	25 000,00	25 000,00	25 000,00	25 000,00
Petty Cash	30 000,00	30 000,00	7 500,00	7 500,00	7 500,00	7 500,00
Staff training and development	87 000,00	87 000,00	21 750,00	21 750,00	21 750,00	21 750,00
Project costs		25 929 526,90	6 125 000,00	6 125 000,00	6 125 000,00	6 125 000,00
<i>Transformation cost:</i>						
Incubation for principals		12 500 000,00	3 125 000,00	3 125 000,00	3 125 000,00	3 125 000,00
SMME's		1 000 000,00	250 000,00	250 000,00	250 000,00	250 000,00
One learner Programme		1 000 000,00	250 000,00	250 000,00	250 000,00	250 000,00
Workplace Readiness programme		600 000,00	150 000,00	150 000,00	150 000,00	150 000,00
The establishment of the property research centre		600 000,00	150 000,00	150 000,00	150 000,00	150 000,00
Interventions such as the establishment of the transformation fund		600 000,00	150 000,00	150 000,00	150 000,00	150 000,00
Amnesty Programme (PDI's)		1 000 000,00	250 000,00	250 000,00	250 000,00	250 000,00
entrepreneurship programme		600 000,00	150 000,00	150 000,00	150 000,00	150 000,00
New Venture Creation Programme		600 000,00	150 000,00	150 000,00	150 000,00	150 000,00
RiteressProgramme		1 000 000,00	250 000,00	250 000,00	250 000,00	250 000,00
Education Training - Short courses		1 500 000,00	375 000,00	375 000,00	375 000,00	375 000,00
Study material for 7 sub-sectors		3 500 000,00	875 000,00	875 000,00	875 000,00	875 000,00
Consumer education awareness		1 429 526,90	357 381,73	666 344,23	666 344,23	666 344,23
TOTAL COSTS	2 417 000,00	26 146 526,90	6 179 250,00	6 179 250,00	6 179 250,00	6 179 250,00
Surplus/(Deficit) before CAPEX	-	2 444 011,10	968 384,50	968 384,50	968 384,50	968 384,50

14.1. Narrative: Explanation of the contribution of resources towards achievement of outputs.

Financial Performance Overview

The PPRA Statement of Financial Performance outlines a revenue growth of 42% based on expected growth in the number of Property Practitioners which will now include other practitioners like bond originators, bond brokers, auctioneers and property developers.

Total expenditure for 2022/2023 includes amongst others,

- Phased out implementation of the incremental headcount costs of the proposed structure beginning with Transformation and Licencing functions, with the other functions planned for implementation in the latter years.
- R21m of Grants and subsidies to the Fidelity Fund and Transformation Fund.

The inherent trading surplus of R18.3m in 2022/2023 will be sufficient to cover the funding of capital expenditure amounting to R18.1m.

The above financial performance will result in growth in net assets of R19.2m in 2022/2023 (per the statement of financial position), with increase in cash and cash equivalents of R6.7m (as per the cash flow statement).

Roll out plan for the proposed organogram

Due to the incremental flow of future benefits expected from the increase in scope of operations inherent from the PPA, the implementation of the proposed organogram will be carried out on a piecemeal basis over the years to balance out the incremental costs thereof to the incremental benefits to be derived from the new entrants in the Property sector market.

PPRA has budgeted for expenditure projections relating to the Compensation of Employees (COE) in accordance with the "MTEF COE Guidelines for Costing and Budgeting for Compensation of Employees" which requires that zero % cost of living and 0% escalation in bonus adjustments for 2022/23 and 2023/24 financial year be implemented. Budgeted remuneration for Executives excludes any entitlement for a bonus.

Statement of financial position outlook

One of the biggest contributors to the costs of the institution (EAAB) has been the allowances on the losses from the debtors from both exchange and non-exchange transactions. It is hence imperative that our debtors' collection efforts are enhanced to avoid these allowances of losses.

We have projected that our revenue collection will be enhanced hence a projection of the reduction in these losses.

Employee costs remain the biggest contributor of the total expenditure due to the reliance of human resources. As at the effective date of the PPA Act the EAAB Group was in a Net Asset position hence solvent accompanied by a healthy liquidity position reflected by a current ratio of 8.5.

PPRA will inherit an increase in expenditure related to the transformation initiatives as one of the main focus areas and it's on top of the PPRA focus area list. Licensing is the backbone of the PPRA, the standard and approach to licensing will be critical hence the projected increase in the expenditure.