



CBE

ANNUAL REPORT

2010 - 2011

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VISION

To provide sustainable built environment professions, serving public and national interest.

MISSION

Through leadership of the built environment professions, facilitate integrated development, whilst promoting efficiency and effectiveness.



Acronyms /Abbreviation

AfRES	African Real Estate Society
AG	Auditor-General
AGSA	Auditor-General of South Africa
BE	Built Environment
BEPC	Built Environment Professional Council
BEPs	Built Environment Professionals
BER	Bureau for Economic Research
CAA	Commonwealth Association of Architects
CBE	Council for the Built Environment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHE	Council on Higher Education
COO	Chief Operations Officer
CoPs	Communities of Practice
CPD	Continuing Professional Development
CPUT	Cape Peninsula University of Technology
CSIR	Centre for Scientific Industrial Research
DPW	Department of Public Works
DUT	Durban University of Technology
ECSA	Engineering Council of South Africa
EIA	Environmental Impact Assessment
EMF	Engineering Mobility Forum
ETMF	Engineering Technology Mobility Forum
FET	Further Education and Training
GRAP	Generally Recognised Accounting Practice
HEQC	Higher Education Quality Committee
HR	Human resource
IAIA	International Impact of Association for Impact Assessors
IDoW	Identification of Work
IFLA	International Federation for Landscape Architects
IVSC	International Valuation Standard Committee
MoA	Memorandum of Agreement
NA	National Assembly
NCOP	National Council of Provinces
NGP	New Growth Path
NQF	National Qualifications Framework
PFMA	Public Finance Management Act
RICS	Royal Institute of Chartered Surveyors
RPL	Recognition of Prior Learning
SABTACO	South African Black Technical and Allied Careers Organisation
SACAP	South African Council for the Architectural Profession
SACLAP	South African Council for the Landscape Architectural Profession
SACPCMP	South African Council for the Project and Construction Management Professions
SACPVP	South African Council for the Property Valuers Profession
SACQSP	South African Council for the Quantity Surveying Profession
SADC	Southern African Development Community
SALI	South African Landscapers Institute
SAQA	South African Qualifications Authority
SGB	Standard Generating Bodies
UCT	University of Cape Town
UFS	University of the Free State
UKZN	University of KwaZulu-Natal
VA	Voluntary Association

FOREWORD BY THE MINISTER

The Built Environment professions continue to play a pivotal role in supporting the priorities of government specifically articulated through the need for sustainable infrastructural development. The 2010/11 financial year saw the successful hosting of the 2010 FIFA World Cup™ - an event that not only showcased our country internationally, but contributed significantly towards nation building. It is therefore with much pride that I pay tribute to the all-important role that our Built Environment professions played in the development of stadia and related/supporting infrastructure. I wish to convey my deepest appreciation for a job well done and hope that the Built Environment professions will continue to play a critical role in the achievement of developmental aspirations and objectives of the state.


Another significant event that took place during the year under review was the hosting of the first Built Environment Indaba by the Council for the Built Environment (CBE). This event highlighted a growing need for closer co-operation between key stakeholders within the Built Environment and the role that the Department of Public Works should continue to play in areas of policy coordination within the industry. This indeed has given the much needed impetus for the CBE to intensify its work around policy development and regulatory functions. As a result the majority of policies guiding the discharge of the public functions by the CBE and Built Environment Professional Councils (BEPCs) have since been developed. The focus in the new financial year will be on ensuring consistency and coordination in the application and implementation of policies.

Work on areas of skills development continues to progress well and the CBE will step up its efforts in the new financial year with the aim of ensuring synergy between the CBE Skills Pipeline Strategy and the national skills development initiatives driven by the Department of Higher Education and Training.

I am pleased to report that during the 2010/11 financial year, the CBE received an unqualified audit opinion and I hope that this will continue for many years to come. Matters that were raised by the Auditor-General of South Africa during the audit of 2009/10 financial year received high priority during the year under review and all recommendations from the Auditor General were implemented as planned.

While progress is noted on some of these areas, the transformation challenge within the Built Environment industry remains a daunting task. The registration statistics within the industry depicts a picture of slow progress regarding transformation in the industry, particularly with regard to issues of representivity of individuals from the previously disadvantaged groups. This area must be prioritised over the medium term and appropriate responses be developed to deal with slow progress.

The 2010/11 financial year also saw the inauguration of the new CBE Council under the leadership of Ms Portia Tau-Sekati. I would like to extend my appreciation to the previous Council and its Chairperson, Mr Siphon Madonsela, and, trust that the new Council will take forward with much enthusiasm and energy, the mandate of the Council as the previous Council did, with the ultimate goal of ensuring that the interests and aspirations of the South African public are being served within the Built Environment.



Ms G. L. Mahlangu-Nkabinde (MP)
Minister of Public Works

Date:

22.09.2011



CHAIRPERSON'S FOREWORD

Another financial year has come to an end and it's time again to provide account of progress made against the strategic priorities we set ourselves at the beginning of the year. The 2010 Financial year marked the end of the tenure of the previous Council, resulting in the appointment of a new Council inaugurated by the Minister.

The 2010/11 financial year was also a significant year for the country as a whole marked particularly by the successful hosting of the 2010 FIFA World Cup™ which our BE professionals (BEPs) contributed immensely to its success. The year under review also marked gradual recovery from the crippling global economic crisis that has left many countries reeling, particularly as it impacted negatively on employment growth and other social challenges in general.

The BE industry was not saved from this crisis, but indications are that the industry is slowly emerging from the crisis. However, professions (such as architecture, property valuers and quantity surveyors) that are largely reliant on the residential property sector and construction sector in general are still largely in recession. The industry remains hopeful that the continued infrastructure investment planned by government over the next few years will be a catalyst for revival and turn of fortunes for some of our professions and the industry in general. The CBE will continue to monitor the developments and to facilitate the contribution of the BE professions in the development objectives of the country.

Turning to the performance of the CBE over the past year, strides have been made in strengthening the oversight and regulatory function of the organisation. In this regard, a number of regulatory policies were completed and approved by the Council with the aim of ensuring proper governance of professions and consistency in policy application. These policy frameworks are also used as instruments to facilitate the contribution of the BE professions to national goals, particularly in areas of employment creation and skills development. The organisation is still consulting with the Minister of Public Works regarding policy positions on certain functions of BEPCs and the CBE. Still on regulatory work, some progress albeit at small pace, has also been made on finalising the Identification of Work process and agreements on scope of work have been reached with five of the six BEPCs. The CBE will continue to work with the BEPCs and relevant regulatory bodies such as the Competition Commission to speed up the finalisation of this long-outstanding process.

While all of these projects are underway, the CBE continues to mobilise the industry stakeholders with the aim of speeding up transformation within the industry. Transformation is an important priority for the new Council and it permeates through all the strategic plans and priorities of the organisation.

We remain focused to implementing the political agenda of our present government and would like to commit to the South African public that we will continue to work towards realisation of their needs and aspirations within the BE. In closing, let me thank the Honourable Minister of Public Works, Ms Gwen Mahlangu-Nkabinde, for her continued guidance and support over the past year. I also wish to thank the staff at the Ministry and the DPW for their support last year.

I must also express my sincere gratitude to my colleagues at the CBE Council who have showed their diligence and drive to achieve the strategic objectives of the CBE.

Lastly, I wish to send my sincere appreciation to the former Chief Executive Officer of the CBE, Mr Bheki Zulu, for his commitment and enthusiasm over the years on behalf of the CBE Council, we wish him all the success in his future endeavours. I must also express my gratitude to the CBE staff for supporting the Council and driving the realisation of Council's strategic goals and objectives.



Portia Tau-Sekati

Chairperson of the CBE Council



CBE COUNCIL MEMBERS

Portia Tau-Sekati

Tau-Sekati completed her PDM (Business Administration) with Wits Business School and obtained her honours and undergraduate degree in Bachelor's of Arts from the University of Natal.

She is currently the CEO of the Property Sector Charter Council, the organisation that is entrusted with driving transformation in the property sector. Tau-Sekati has extensive knowledge and experience in dealing with and lobbying government. She has also gained a reputation in the market as an expert on issues of transformation.

She has held various positions both local and abroad in organisations such as the National Association of Real Estate Agency, Thebe Investment Corporation, Roche Pharmaceutical and Gillette Company.

Tau-Sekati is the current chairperson of the CBE and serves as a council member of the South African Council for the Property Valuers Profession (SACPVP). She also serves in the Presidential Broad-Based Black Economic Empowerment (BBBEE) advisory sub-committee. She is the chairperson of the Black Economic Empowerment annual reporting committee for Business Unity South Africa's Transformation Committee and is the second vice-president of the Randburg Chamber of Commerce and Industry.

Professor Thokozani Majozi

Prof Thokozani Majozi is a full professor in the Department of Chemical Engineering at the University of Pretoria. He completed his Bachelor of Science in Engineering (Chemical) degree in 1994 and his Master of Science in Engineering degree (Chemical) in 1998 at the University of Natal. In 2002 he completed his PhD (Process Integration) at the University of Manchester Institute of Science and Technology in the United Kingdom.

He is a member of various scientific committees and organisations, including the European Symposium on Computer Aided Process Engineering, the international Process Systems Engineering conference, a member of the Academy of Sciences of South Africa, a Fellow for the Council for Scientific and Industrial Research (CSIR) and a Fellow for the Academy of Engineering of South Africa.

He has received numerous awards for his research and recently won the prestigious S2A3 British Association Medal (Silver), thereby becoming the first black person to receive it since its inception in 1932. Prof Majozi is vice-president of the Engineering Council of South Africa (ECSA) and vice-chairperson of the CBE.

Lucky Molobela

Lucky Molobela holds a Bachelor of Administration degree from the University of Limpopo (Turfloop), and Master's Degree in Public Administration from the University of Pretoria. He was named as a 2002/03 Oliver Tambo Fellow in Public Health Leadership after completing a postgraduate Diploma in Health Management from the UCT.

He has held various senior positions in government, including as a Senior Manager: Transversal Services and Senior Manager: Strategic Planning and Programme Management.

He currently serves as the Head: Office of the MEC for Culture, Sport and Recreation in Mpumalanga.

Dinga Rammy Nkhwashu

Dinga Rammy Nkhwashu is a qualified and practising commercial lawyer. He is the founder and CEO of Masephule Dinga Inc. Commercial Attorneys.

Nkhwashu is a member of the Advisory Forum of the National Regulator for Compulsory Specifications and the chairperson of Limpopo Online Foundation, the latter a non-profit organisation focused on bridging the digital divide by facilitating access to information and communications technology (ICT) services by rural schools and communities.

He is also the Director: Strategy and Operations of Blue Apple Investment Holdings, an investment company focusing on ICT innovations, equity and share investments and commercial property. He is an accredited international commercial mediator.

Nkhwashu has served in different boards and councils, and is currently a member of the panel of chairpersons for the South African Revenue Service Tax Appeal Board and the Limpopo Rental Housing Tribunal. He is also a member of the Institute of Directors South Africa.

Dr Cornelius Ruiters

Dr Cornelius Ruiters holds qualifications in Civil Engineering; Mathematical Statistics; Environmental Management (Sustainable Development) Specialisation and Project Management.

Ruiters has an extensive background and experience in civil engineering, statistics, project management, financial and cost management and natural resources sustainable development). Ruiters has work experience in private and public sectors.

Menno Klapwijk

Menno Klapwijk is a Professional Landscape Architect registered with the South African Council for Landscape Architectural Profession (SACLAP).

He obtained his Bachelor of Science degree in Landscape Architecture from the Texas A&M University in Texas, USA. He has a Diploma in Environmental Impact Assessment (EIA) from the Graduate School of Business of the University of Cape Town (UCT). He has specialised for 28 years in environmental planning, construction rehabilitation and control, visual impact assessment and landscape site design.

He previously served on the City of Tshwane's aesthetics committee representing the landscape architecture industry. He has served as a committee member of the Institute of Landscape Architects of South Africa and he is a member of SACLAP. He is a member of the American Society of Landscape Architects as well as the International Association of Impact Assessors. He is a founding and principal member of Bapela Cave Klapwijk (formally Cave Klapwijk and Associates). He is currently a council member of the CBE where he is vice-chairperson of the Education and Research Committee.

Phillemon Ndabakayise Mashabane

Phillemon Ndabakayise Mashabane is of South African Nationality and holds degrees in B Arch from the Nationalé Ecolé de Bauxarts (B.xa – Paris) and has a law degree-LLB from the Institute of Law (I.D.L – Paris), France.

In addition, he has numerous postgraduate diplomas including project management and arbitration.

He is the principal member and primus inter pares of the reputable architectural practice, Mashabane Rose and Associates which has won many accolades and architectural competitions for projects such as Apartheid Museum, Lillieslief Farm Legacy Project Museum, Robben Island Museum, Mandela House restoration and Hector Pieterse Museum to name of few and has been involved in the development of Freedom Park & Museum (Pretoria).

Amongst other responsibilities Phill Mashabane has served as:

- Chairperson of Gauteng Provincial Heritage Resources Agency (2001-2004)

- Chairperson of the South African Heritage Resources Agency (SAHRA) Built Environment and Landscape Committee - Gauteng (2005-2009)

- Chairperson of the South African Heritage Resources Agency (SAHRA) Built Environment and Landscape Committee – Western Cape (2005-2009)

- Council Chairperson of South African Heritage Resources Agency (SAHRA) (2005-2009)

- Current President of the South African Council for Architectural Profession (SACAP)

- Board Chairperson of Gold of Africa – Barbier Museum

- Member of SACAP, RIBA, CAA joint Validation Panel from 2001 to present

- Between 2005 and 2008 he served as an external examiner for Wits University and Tshwane University of Technology

Phill Mashabane has served as a jury member of a number of Architectural Competitions and has also chaired a number of these processes including the SARAH BARTMAN Competition.

Paraskevvy Eli Scott

Paraskevvy Eli Scott, also known as Lula Scott, is a Senior Architectural Technologist who holds a Higher National Diploma in Architecture from then Technikon Witwatersrand now University of Johannesburg (UJ). After working at various architectural and multidisciplinary practices nationally, she started her own practice called Plan Ahead Concepts in 1989.

In 1985 she led the steering committee which founded the South African Institute of Architectural Technologists (SAIAT) and was elected its President in 1987. On her return to the SAIAT National Committee in the mid-90s, she was re-elected as president. This opened opportunity to serve on various architectural committees and forums, including at tertiary institutions.

She became an Executive Committee member on the South African Council for the Architectural Profession (SACAP) in 1996 and was elected Vice-President of SACAP in October 2009.

Sindisiwe Ngxongo

Sindisiwe Ngxongo holds a BComm, MBL from the University of South Africa and a Certificate in Programme in Project Management from the University of Pretoria. Ngxongo is a seasoned manager and possesses leadership skills. She is strategic, analytical and thinks outside of the box. Her experience in banking, finance, investments, project management and human capital development will ensure value for money for the council and the country at large. Ngxongo has work experience in private and public sectors. She has a passion for scarce skills development. She is currently a council member of the CBE.

Victor Vuyisile Mdwara

Victor Mdwara is a Geomatics Executive at the South African National Mapping Organisation also known as the Chief Directorate: National Geo-Spatial Information. He holds a Bachelor of Science degree in Land Surveying from the University of Natal, a Professional Certificate in Public Management from the University of the Witwatersrand and a Master of Philosophy in Futures Studies from the University of Stellenbosch. He is registered as a Professional Land Surveyor with the South African Council for Professional and Technical Surveyors (PLATO).

Apart from sitting on the board of the CBE, he is a member of the South African Committee for Spatial information, a member of the South African Geographical Names Council and alternate member of the PLATO.

Zanele Mvusi

Zanele Mvusi holds a Bachelor of Science degree in Civil Engineering from the University of the Witwatersrand and a Bachelor of Commerce degree from the University of South Africa. She has also obtained a Diploma in Project Management from Damelin Management School.

She has held various positions in the public and private sectors as a civil engineer and project manager. She is currently an independent consultant in the infrastructure sector. She serves as a council member of the South African Council for the Project and Construction Management Professions (SACPCMP) and a council member of the CBE.

Having worked around the country as a Professional Land Surveyor, he has lectured at the University of Fort Hare for a number of years and has also served as a part-time lecturer at the Cape Peninsula University of Technology STET.

Charles Israelite

Charles Israelite was at the helm of pioneering the recognition of the need for project management services in the construction industry. He was appointed managing partner of SIP Project Managers and was subsequently requested to establish an organisation to formalise the discipline of project management in the industry. He was appointed acting chairperson of the interim steering committee of the Association of Construction Project Managers (ACPM) and later elected President of the ACPM, a post he retained for five years.

He is now a board member of the SACPCMP and was appointed to the CBE Council in 2005, and is chairperson of the IDoW committee. He is currently still Managing Director of SIP Project Managers who are involved in the construction of projects in South Africa, Africa, the Indian Ocean Islands, the Middle East, Vietnam and India.

Hendrik van der Hoven

Hendrik van der Hoven is a Landscape Architect and Environmental Planner by profession. He is registered as a Professional Landscape Architect with the SACLAP. He obtained his Bachelor of Landscape Architecture Degree from the University of Pretoria and his Master of Philosophy (Housing Development and Management) degree from UCT, specialising in landscape design, environmental planning and visual impact assessments.

After 10 years in the employment of a local authority, he became a consultant in the private sector, actively practising for the last 25 years. He is currently the sole proprietor of Hendrik van der Hoven CC. Van der Hoven previously served as a member of the Board of Control for Landscape Architects of South Africa and as committee chairperson of SACLAP. He served as chairperson for the accreditation of the Landscape Architecture degree at the University of Pretoria. He currently serves as the President of SACLAP and a council member of the CBE.

Christopher James Campbell

Chris James Campbell has a Bachelor of Science degree in Civil Engineering, a National Higher Diploma in Civil Engineering and is a registered professional engineer who has been involved in the industry for almost 30 years, both in South Africa and abroad.

His involvement ranges from President of the International Students' Society at the Florida A&M University in the USA in 1994 to Gauteng branch chairperson of the South African Black Technical and Allied Careers Organisation from 1998 to 1999. He also served as the chairperson of the South African Institution of Civil Engineering's (SAICE) Railway and Harbour Division in 2006 and 2007, vice-president of the SAICE between 2007 and 2010, vice-president of the ECSA in 2008 and President of ECSA from 2009 to date. He is also a council member of the CBE.

Campbell previously worked as a technician, technologist and senior engineer for various prominent companies. He also served in a senior-management capacity at Transnet Freight Rail and Transnet Capital Projects. He is currently a Director and Chief Operations Officer (COO) of one of the business units in the PD Naidoo & Associates Engineering Consulting Group.

Elma Inge Pieterse

Elma Inge Pieterse is of South African Nationality and holds degrees in BSc (QS) from University of Pretoria and MSc (QS) from University of Pretoria.

She has service in both the public and private sector.

She is currently the Vice-President of the South African Quantity Surveying Profession and a council member of the CBE.

Godfrey Thamaga Chaane

Godfrey Thamaga Chaane holds a Bachelor of Science Stet in Education from the then University of Bophuthatswana (now University of North West), a Bachelor of Science degree in Quantity Surveying from the University of the Witwatersrand and a Master's degree in Project Management from the University of Pretoria.

As a quantity surveyor, Chaane has worked for CP De Leeuw Quantity Surveyors, DPW in North West and the Central District Municipality. At both the DPW and the Central District Municipality, Chaane participated in the implementation of various community-based projects, including electrification and water reticulation.

Chaane started his private practice in quantity surveying and project management in 2001. He is currently the President of the South African Council for the Quantity Surveying Profession (SACQSP) and a council member of the CBE.

Molefi Kubuzie

Molefi Kubuzie holds the following qualifications – Diploma in Project Management from Damelin; Diploma in Personal Computing from Damelin; Certificate in Auctioneering from the Institute of Auctioneering of South Africa; Certificate in Commercial Property Practice from the South African Property Owners Association and University of Pretoria respectively; National Diploma in Real Estate from University of South Africa; BA (Education) from University of the North; B.Ed from the then University of the North (now University of Limpopo); B Tech (Real Estate) from University of South Africa and MBA from University of Pretoria. He has served in both the public and private sector. He is currently the President of the SAPVP and a council member of the CBE.

Eugenia Kula-Ameyaw

Eugenia Kula-Ameyaw holds an MBA degree from Oxford Brookes University in the United Kingdom and a Bachelor of Commerce degree from the University of Fort Hare. A Business Support Manager for Eskom, Kula-Ameyaw's career started from the academic field when she was Head of Division for Business Studies in the further education and training (FET) college. Later as an education specialist, she drove the transformation in government and has been responsible for budgeting and financial management when the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999) was introduced.

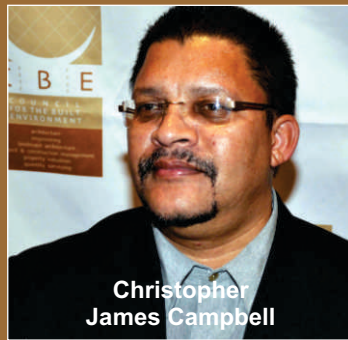
She is passionate about development and has been involved in various structures and non-governmental organisations that assist youth and women. She has travelled widely in Africa (Botswana, Ghana, Namibia, Nigeria, Kenya, Tanzania and Uganda), Europe, Canada and USA. Kula-Ameyaw believes that all South Africans must contribute to building the country's economy.

Frederick Brian Johnson

Frederick Brian Johnson holds a National Higher Diploma in Construction Supervision and Post School Education. He has held various positions in the private and public sector. He is currently the Regional Manager of the DPW in the Western Cape.



Portia Tau-Sekati



Christopher
James Campbell



Dr Cornelius Ruiters



Hendrikus
Johannes van der Hoven



Prof Thokozani Majosi



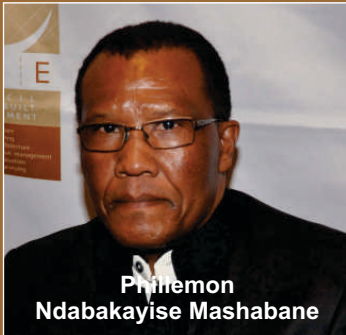
Eugenia
Xoliswa Kula-Ameyaw



Elma Inge Pieterse



Vuyisile Victor Mdwara



Philemon
Ndabakayise Mashabane

Council Members



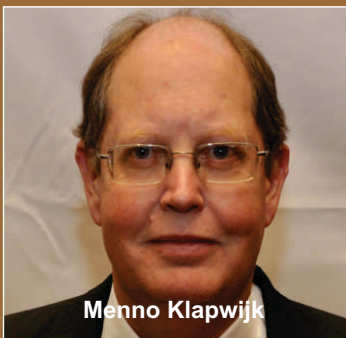
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Molefi Kibuzie



Frederick Brian Johnson



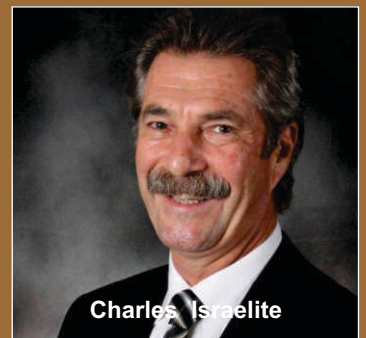
Menno Klapwijk



Dinga Rammy Nkhwashu



Sindisiwe Ngxongo



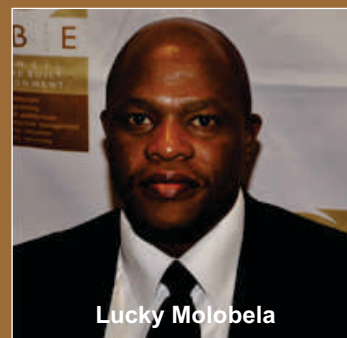
Charles Israelite



Godfrey Thamaga Chaane



Zanele Mvusi



Lucky Molobela

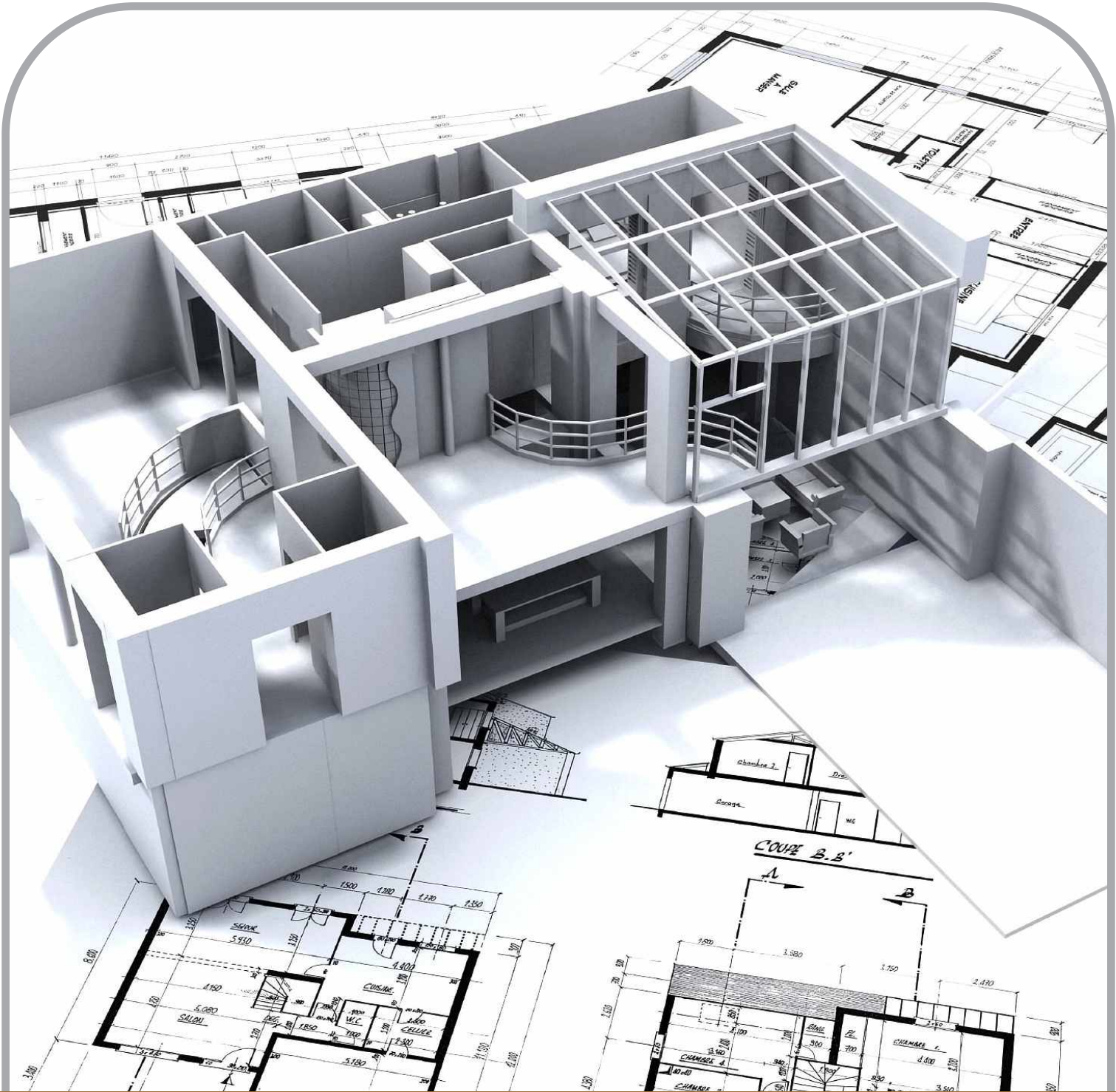
PREFACE

The CBE Act, 2000 (Act 43 of 2000) establishing the CBE was passed by Parliament in November 2000 along with Acts regulating and re-establishing the six BE professions. The Act became operational in September 2001, following the establishment of the six BEPCs for: architects, engineers, landscape architects, project and construction managers, property valuers and quantity surveyors.

The CBE was established as an overarching body for the BE professions. Its mandate is to:

- a. Promote and protect the interest of the public in the built environment
- b. Promote and maintain a sustainable built environment and natural environment
- c. Promote on-going human resources development (HRD) in the built environment
- d. Facilitate participation by the BE professions in integrated development
- e. Promote appropriate standards of health, safety and environmental protection in the built environment
- f. Promote sound governance of the BE professions
- g. Promote liaison in the field of training in the republic and elsewhere
- h. Serve as a forum where the BE Professions discuss relevant issues
- i. Ensure uniform application of norms and guidelines set by the BEPCS.

The CBE exist to drive policy coordination and to ensure consistency in application of policy within the built environment. Broadly, the CBE also promotes the participation of built environment professions in integrated development within the context of national goals. The CBE also acts as the conduit for communication between government and the professions.



Chapter 1

CHIEF EXECUTIVE OFFICER'S REPORT

The 2010/11 financial year has been an important year for the CBE. It was a year of consolidation of the work of the organisation in various key mandate areas. A significant event for the organisation was the appointment of the new Council followed by redefinition of the role and strategic direction of the organisation. The end product of this has been the development of a new strategy and Business Plan of the CBE, which has since been approved by Minister. In areas of performance management, steps have been taken to improve the performance information of the organisation following a number of concerns from the Auditor-General about the adequacy of the CBE's performance information.

In the year under review, the CBE also began a process of aligning its work and that of the BE professions to government's policy priorities, with the aim of ensuring that the BE professions contribute to the developmental agenda of the state. This process triggered the need to critically evaluate the capacity of the CBE and the BEPCs to effectively discharge the public functions delegated to them by the state. Through this assessment it became clear that the mandates of the CBE and Professional Councils are not effectively resourced. However, the CBE is pleased to report that an agreement has since been reached between the CBE and the six BEPCs on what is needed to effectively discharge the mandates. A report in this regard will be tabled to the Minister of Public Works for consideration.

Stakeholder Management

The financial year 2010/11 also saw the hosting of the Inaugural Annual BE Indaba under the leadership of the Minister of Public Works. The Indaba was attended by delegates from Professional Councils, BE industry experts, delegates from tertiary institutions, government and Voluntary Associations within the BE. A report on the outcomes of the indaba together with recommendation on policy positions was submitted to the Minister of Public Works for consideration and approval.

Policy and Research

In areas of policy and research, progress has been made in completing policy frameworks needed to guide the discharge of administrative public functions delegated concurrently to the CBE and BEPCs. As at the end of the financial year, the CBE had completed 11 policy frameworks for 13 administrative public functions of the CBE and BEPCs. The two policy frameworks for the remaining two public functions (Standard Generating Bodies (SGBs) and Recognition of new Professions) will be completed by the end of the 2011/12 financial year. The organisation has, however, developed policy position papers on these two public functions. Inputs from the stakeholders who attended the briefings on these position papers were received and a report on the way forward has since been tabled to the Minister for consideration.

Skills Development

With regard to skills development, the bursary scheme continues to progress well and in the year under review, the organisation offered bursaries to 13 new students from previously disadvantaged backgrounds. However, this falls short of the target of 23 the organisation had planned for at the beginning of the financial year. The CBE also acknowledges that more still needs to be done in the area of skills development and plans are afoot to expand the role of the CBE in facilitating and promoting skills development within the sector.

Regulations and legal services

In respect of regulations and legal services, satisfactory progress is being made in areas of appeals. The appeals manual designed to guide the process of appeals within the CBE was finalised as planned. For the first time since its establishment, the CBE began the process of review of Guideline Professional Fees in line with the requirements of section 4(r) of the CBE Act of 2000. Engagements with BEPCs on this aspect are under way.

While these achievements are noted, the organisation continues to experience a number of challenges in the regulations and legal services function and these has resulted in failure to meet planned targets. Firstly, the IDoW process was not finalised as planned owing to lack of agreement on certain key aspects between the CBE and some professional councils. The consultation process with the Competition Commission has also not been finalised as planned.

At the beginning of the financial year, the CBE made a commitment to finalise the proposals regarding mechanisms to address legislative weaknesses of the Acts of the CBE and the six BEPCs. This process was not completed as planned owing to lack of consensus at professional council level on areas that need strengthening.

Knowledge and Information

The organisation has also encountered some challenges in areas of knowledge management. The posting of data sets on the CBE's website has not progressed as anticipated due to the unforeseen protracted nature of negotiations to identify, acquire and agree with professional councils and potential data warehousing sources on data sets to be posted on the website towards initiating a knowledge hub.

Finance and corporate services

In finance and corporate services, good progress has been made particularly in expenditure. Implementation of the recommendations of the external auditors continues to progress as planned. This is an improvement from the previous year. While progress has been made in the areas of finance management, challenges were experienced within the HR function. At the beginning of the year under review, the organisation had planned to implement a new organisational structure. However, progress in this area has been delayed owing to the finalisation of the new strategic plan for the organisation and the need to align the structure with the new strategy.

PERFORMANCE REPORT

ALIGNMENT OF CBE 2010 BUSINESS PLAN WITH GOVERNMENT POLICY PRIORITIES

The CBE's 2010 Business Plan for the next Medium Term Expenditure Framework (MTEF) is informed by the 2009 Medium Term Strategic Framework (MTSF) document. Government priorities for the next five years that have a bearing on the work of the CBE can be summarised as follows:

- Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods.
- Stepping up skills development initiatives and strengthening HR base.
- Massive programmes to build economic and social infrastructure.
- A comprehensive rural development strategy linked to land and agrarian reform.

The CBE also locates its planning within the 12 outcomes priorities that have been identified by government over the MTEF. However, of the 12 outcomes only the following four are relevant to the work of the DPW and the CBE:

- Create decent employment through inclusive economic growth.
- Create efficient, competitive and responsive infrastructure network.
- Efficient and effective development-oriented public service and an empowered fair and inclusive citizenship (developmental state).
- Skilled and capable workforce to support inclusive growth

The CBE's work over the last financial year was also informed by the following three strategic objectives:

1. Increase BE performance against national development indicators
2. Develop and implement a public protection regime
3. Establish an efficient, effective and compliant organisation



Mr Bheki Zulu
CEO of the CBE



Purpose	To provide Policy and Research services to the organization
Measurable Objective	1. Develop a policy framework on SGB (Standard Generating Body's) function/mandate. 2. Develop a policy framework on the recognition of professions function/ mandate.
Key Policy Priority	Strategic priority 4: Strengthen our skills and human resource base (major renewal of our skills and education system) Strategic priority 2: Massive programme to build social and economic Infrastructure
Expected Outcome	Ensure skills competencies and practices are appropriate and aligned & drive built environment professions contribution

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Increase built environment performance against national indicators	Policy position paper on the minimum subject content for Continuing Professional Development (CPD).	Quality advice on the minimum subject content for CPD. Timely submission of the paper.	Policy position paper developed by November 2010.	Target was achieved. Policy position paper was finalised in line with approved revised deadlines.	N/A	135	49	The project recorded savings due to combination of certain stages of the project with SGB project. The savings will be used to offset overspending on administrative budget.
Ensure skills, competencies and practices are appropriate and aligned	Policy position paper on Standard Generating Function SGB.	Timely completion of the position paper.	Policy position paper developed by December 2010.	Target was achieved. Policy position paper has been completed in line with approved revised deadlines.	N/A	125	133	N/A
	Policy position paper on Recognition of new professions.	Timely completion and submission of the policy position paper.	Policy submitted to the Minister by December 2010.	Target was achieved and policy position paper completed in line with approved revised deadlines.	N/A	305	225	The project recorded savings due to combination of certain project deliverables with the SGB project. The savings will be used to offset overspending on the administrative budget.

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
	Time table for accreditation of non accredited BE programmes.	Consensus and agreement on time-table Timely completion of the time table.	Time table completed and agreed by 30 September 2010.	Project was completed in Q2. SACLAP has since submitted its revised time table.	N/A	30	29	N/A
Increase built environment performance against national indicators	National study & development of policy frameworks	Approved policy frameworks.	Develop five policy frameworks by August 2010	Project was carried over from the previous financial year. All policy frameworks were completed in Quarter 2 as planned. Policy Frameworks were approved by Council on the 26 November 2010.	The Project was carried over from the previous financial year and it doesn't form part of the targets for the 2010/11 Business Plan.	493	537	Overspending on this project will be financed from savings on other projects. The overspending was as a result of additional reviews (including associated payments) by Panel of Experts that was not planned.

Deviations

The National Study and Development of Policy Frameworks project was carried over from the previous year and the organisation needed to account for this work hence it was included in the Annual report.

SUB PROGRAMME 2: REGULATIONS AND LEGAL SERVICES

Purpose	To provide Regulations and Legal services to the organization
Measurable Objective	1.Drive built environment professions' contribution against national indicators. 2.Facilitate and promote compliance with public protection standards.
Key Policy Priority	Strategic priority 8: Pursuing African advancement and enhanced international cooperation Strategic priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions
Expected Outcome	Increase registrations in all six professions

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Increase built environment performance against national indicators	Regulations for CPD, Recognition of Prior Learning (RPL) and Appeals.	Availability of regulations.	CPD, RPL and Appeals regulations promulgated by 31 March 2011.	Targets not met. CPD & Appeals regulations have been completed. However the RPL regulations were not completed due to late approval of the policy framework by Council.	The project was not included in the Business Plan but work was undertaken as required in terms of the CBE Act. The promulgation process together with completion of RPL regulations will be carried over to the next financial year.	270	64	An amount of R85 000 is committed by contract to complete RPL in the new financial year. The project recorded underspending of R21 000.
	Appeals Manual.	Relevant and legally compliant Appeals Manual.	Appeals Manual developed by 31 March 2011.	Target was achieved. Appeals Manual was approved by Council in January 2011.	The project was also not included in the Business Plan but the manual had to be developed to strengthen the Appeals Process.	400	194	The project recorded a surplus of R206 000.

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Establish and efficient, effective and compliant organisation	Legislative amendments.	Timely completion of the review process.	All acts of the seven built environment councils reviewed by 31 March 2011.	Agreements at professional council level regarding areas that need strengthening has not been reached.	Project will be completed in the new financial year.	N/A	N/A	N/A
Develop and implement a public protection regime	Monitoring the implementation of policy frameworks for all legislated mandates and functions of the professional councils and CBE.	Quarterly monitoring of policy implementation.	Quarterly monitoring reports submitted to the CEO at the end of each quarter.	All quarterly reports were received from Professional Councils A report was submitted to the CEO and subsequently the Minister of Public Works.	N/A	20	7	The project recorded a surplus of R13 000.

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Develop and implement a public protection regime	Complete IDoW process.	Timely completion of the IDoW process.	Development of IDOW policies by all 6 professional councils by end of March 2011.	Target not met due to delays in submission of revised IDOW policies by Professional Councils. However all policies have since been submitted to CBE.	The fast tracking of processes in line with governance requirements is being implemented on areas of outstanding agreements with ECSA, Overlaps and required consultation with Minister of Public Works on required Regulations and Minister of Trade and Industry through the Competition Commission will be finalised the new financial year.	500	371	The amount of R364 000 is committed by contract to complete IDOW Regulations resulting into a projected overspending of R135 000.

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
	Monitor the management of International agreements.	Timely completion of the review process.	Report completed by July 2010.	Target was achieved. The report on the programme of engagement to allow process of concluding agreements was completed. We're awaiting the conclusion of the piloting process being run by DPW's International Relations Chief Directorate.	N/A	100	0	All work was done internally in this project and as a result the funds were not utilised. The savings are as a result of the take-over of the project by DPW who did not need the funds.

Deviations from the Business Plan

Appeal Manual – The Appeals Manual was developed following identification of weaknesses and inconsistencies in the CBE Appeals Processes. The project was not part of the 2010/11 Business Plan but had to be undertaken to strengthen our Appeals Processes.

Regulations for CPD, RPL and Appeals – Following identification of weaknesses in the CBE Act particularly with regard to enforcement capabilities, the CBE decided to begin a process of regulating the Policy frameworks on the above mentioned functions to enhance enforcement. This is in line with section 4(z) and 22 of the CBE Act. The project was not part of the Business Plan.

SUB-PROGRAMME 3: SKILLS DEVELOPMENT

Purpose		To provide Regulations and Legal services to the organization						
Measurable Objective		1.Drive built environment professions' contribution against national indicators. 2.Facilitate and promote compliance with public protection standards.						
Key Policy Priority		Strategic priority 8: Pursuing African advancement and enhanced international cooperation Strategic priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions						
Expected Outcome		Increase registrations in all six professions						
CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Drive industry transformation in line with the national agenda	Bursary support to students from the previously disadvantaged backgrounds.	Percentage increase in number of students receiving CBE bursary funding. Percentage of funded students progressing to the next level of academic progression. Percentage share of women students receiving funding support.	Increase intake of new students by 100% 70% pass rate 40% of women	Target was not achieved. The CBE only managed to increase the intake by 29%. In the 2010 academic year 85% pass rate was achieved.	40% of women10 students could not register on time with respective tertiary institutions. CBE is considering ways of assisting its bursary students with registration in the next academic year.	4 200	3 057	There was under-spending on this item and the reason is that CBE registered 10 less bursary students for the 2011 academic year compared to the planned 23. The 10 students could not register in time with respective tertiary institutions.

SUB-PROGRAMME 4: KNOWLEDGE & INFORMATION

Purpose	To provide Knowledge and Information Services to the organization
Measurable Objective	Facilitate access to information and compatibility of IT infrastructure between the CBE, BEPCs and DPW.
Key Policy Priority	Strategic priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions
Expected Outcome	Create output-delivery oriented organization

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Create output delivery oriented organisation	Facilitate access to information and compatibility of information infrastructure between the CBE, BEPC's and DPW (BE Indices).	Signed agreement on common data to be kept by CBE concluded.	Common data uploaded on the CBE website by end of March 2011.	Target not achieved. Agreement on sets of data is still to be concluded.	Meeting being sought with SACLAP, as the outstanding PC to be consulted in compilation of data sets.	395	323	The outstanding amount R72 000 was planned for payment towards the data analysis software.
	Communities of Practice (CoP).	Availability of functional and relevant Communities of Practice.	Establish Communities of Practice by 31 March 2011.	Target was not achieved due to unavailability of the collaboration tools as an enabler for the CoPs.	A decision on the affordability and usage of social networks platforms is due to be made by the CBE Executive Management by the first quarter of 2011/12 financial year.	10	0.6	Budget was meant for the launch of the COPs. The launch is now planned for the new financial pending a decision by the CBE Executive management on the social networks permitted.

SUB-PROGRAMME 5: CHIEF OPERATIONS OFFICER

Purpose	To lead and guide the Operations Division
Measurable Objective	1. To provide a comprehensive capacity program for all the professional councils to enable them to discharge their respective mandates.
Key Policy Priority	Strategic priority 10: Building a developmental state including improving public services and strengthening democratic institutions
Expected Outcome	Improved performance

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Establish an efficient, effective and compliant organisation	Report on capacity of professional councils.	Timely submission of the report.	Analytical report submitted to Minister of Public Works by February 2011.	Target not met, however 6 in-principle agreements attained on the 18 th of Jan 2011. Awaiting sign-off between the 7 councils. Received only 1 out of 6 draft costing of the mandate/act form SACLAP.	The annual target work -streams are to be concluded by the 2nd quarter of the 2011/12 financial year.	0***	0	N/A

***** Budget not assigned to this project as it is to be performed internally**

PROGRAMME 2: COMMUNICATIONS

Purpose	To manage communication within the organisation, as well as communications to the public and stakeholders
Measurable Objective	1.Facilitate interaction and foster relationships with stakeholders to improve service delivery. 2.Develop and implement a public participation programme to educate the public on their rights and recourse in the BE professions industry.
Key Policy Priority	Strategic priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions
Expected Outcome	Establish the CBE as a recognized facilitator and driver of sustainable built environment

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Establish an efficient, effective and compliant organisation	Facilitate stakeholder forums with professional councils.	Number of workshops held.	Four stakeholder workshops held with the six professional councils by 31 March 2011.	Target not met. Only one stakeholder forum was held.	The CBE used the BE Indaba as a platform to address matters that would have been dealt with during the stakeholder forums.	240	196	The budget was utilised for the BE Indaba which incorporated issues that were planned for the stakeholder forums.
	Improve stakeholder satisfaction.	Percentage improvement in customer satisfaction results.	35%	Due to budget constraints the Stakeholder survey could not be held this year.	Survey is planned for 2011/12 financial year.	145	0	Budget was reprioritised to other programmes.
	Media Analysis (Monitor coverage of CBE and BE in the media.	Timely and accurate analysis.	Submission of monthly monitoring reports to CEO.	Target was achieved. Media Analysis Reports were completed at the end of each quarter.	N/A	44	44	N/A

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
	Improve response times on negative publicity.	Number of hours to respond to unfavourable media reports.	48 hrs to respond to unfavourable media reports.	There weren't instance of unfavourable media reports in the year under review.	N/A	100	0	The budget was subsequently reprioritised for other key projects.
	Media campaigns to educate public on their rights.	Launch media campaign.	Media rights campaign launched by March 2011.	Target not achieved.	Media campaigns could not be held due to delays in completion of the IDOW process. It is envisaged that these will be held in the new financial year.	60	0	Budget for this project will be utilised in the new financial year.
	Facilitate registration increase in professional councils.	Successful participation in media events.	Media registration drive undertaken by 30 Sep 2010.	All planned registration drives were held in the first and second quarter.	N/A	100	96	N/A
	Participation in National Department of Public Works programmes.	Number of public works programmes.	Participate in 3 national department of Public Works Programmes.	Target was not achieved. CBE could not participate in these Public Works Programmes due to lack of clarity regarding the participation of the organisation in these events.	The CBE will in future liaise with the Ministry to determine the extent of involvement of the CBE in these events.	100	0	The Budget was reprioritised to other CBE projects.

PROGRAMME 3: CORPORATE SERVICES

Purpose	To provide Corporate Services within the organization
Measurable Objective	1.Implement a change management program geared towards output oriented delivery. 2.Review structure and capability of the organisation.
Key Policy Priority	Strategic priority 10: Building a developmental state including improving public services and strengthening democratic institutions
Expected Outcome	Create output-delivery oriented organization Ensure the capacity of the CBE to deliver on the mandates program

CBE Strategic Objective	Output	Performance Indicator	Annual Target 2010/11	Actual Performance	Corrective action	Annual Budget R'000	Actual Expenditure R'000	Corrective action in case of poor spending
Strengthen the administration function of the CBE	Ensure unqualified audit opinion.	Implementation of the Auditor General's recommendations	Unqualified audit opinion by 31 March 2011.	All recommendations from the Auditor General have been implemented.	N/A	N/A***	N/A	N/A
	Improve corporate governance.	Review of internal controls and systems.	Review of internal controls and systems by January 2011.	All internal controls and systems were reviewed accordingly.	N/A	N/A***	N/A	N/A
	Develop and implement a new funding model for the CBE and Professional Councils.	Responsive and effective funding model.	Funding model developed by February 2011.	Target was achieved. Funding model was developed.	N/A	N/A	N/A	N/A
Establish an efficient, effective and compliant organisation	Implement a new organisational structure.	Effective implementation of the new organisational structure.	New structure implemented by 31 March 2011.	Target was not achieved.	Implementation of the new organisational structure was halted by the Council.	N/A	200	No expenditure was incurred since the decision to delay the implementation of the new structure.

CONCLUSION

The 2010/11 financial year has marked some significant milestones for the CBE and steps have been taken to ensure that the organisation continues to strengthen its role as a conduit of government policy implementation and coordination within the BE.

While the organisation notes the achievements of the 2010/11 financial year, it remains cognisant of the key challenges that lie ahead.

The transformation of the BE industry remains a worrying factor for the organisation, particularly when one considers that only 30% of the registered BEPs are from previously disadvantaged backgrounds. The organisation also acknowledges that some work still needs to be done in areas of stakeholder management and service delivery. The CBE is also concerned about failure to meet performance targets, including under-expenditure in some departments. This requires improvement in the areas of planning and project management. During the year, interventions were made to build capacity in these areas. The area of improving the management and presentation of performance information has also received attention and the Annual Performance Plan for 2011/12 reflects improvements in this area. The Council has prioritised certain areas in its 2011-2014 Strategic Plan and the CBE looks forward to a robust performance in the ensuing financial year and over the 2011-2014 medium term.



Chapter 2

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011



Council members' claims

During the current year, the CBE made payments to its council members as follows:

2011				April 2010 March 2011
COUNCIL MEMBER	Council Claim	S&T Claim	Gross Earnings	
Ms Portia Tau-Sekati	74,924.00	10,977.84	85,901.84	-
Prof. Thokozani Majozi	32,415.00	298.32	32,713.32	-
Mr Christopher Campbell	15,693.00	2,090.88	17,783.88	-
Mr Godfrey Thamaga Chaane	17,311.00	2,022.40	19,333.40	-
Mr Frederick Johnson ***	-	1,162.10	1,162.10	-
Mr Menno Klapwijk	30,054.00	434.10	30,488.10	-
Mr Molefi Kubuzie	22,257.00	1,136.59	23,393.59	-
Ms Xoliswa Kula-Ameyaw	37,473.00	4,686.90	42,159.90	-
Mr Phil Ndabakayise Mashabane	14,838.00	4,013.07	18,851.07	-
Mr Victor Vuyisile Mdwara ***	-	-	-	-
Mr Lucky Molobela	37,662.00	47,352.41	85,014.41	-
Ms Zanele Mvusi	27,823.00	582.28	28,405.28	-
Ms Sindisiwe Ngxongo	24,730.00	1,960.27	26,690.27	-
Mr Dinga Nkhwashu	37,095.00	13,308.74	50,403.74	-
Ms Inge Pieterse	4,946.00	596.64	5,542.64	-
Dr Corneluis Ruiters ***	-	-	-	-
Ms Lula Scott	39,757.00	9,074.27	48,831.27	-
Mr Hendrikus van der Hoven	42,041.00	10,255.21	52,296.21	-
Mr Sipho Madonsela	31,465.70	11,210.28	42,675.98	74,399.80
Prof. Gwen Theron	5,375.80	-	5,375.80	24,842.17
Dr Beki Hlatshwayo	10,751.60	769.01	11,520.61	37,911.08
Prof Sadhasivan Perumal	16,227.65	-	16,227.65	92,222.23
Mr Robert Pullen	10,536.70	317.38	10,854.08	32,613.95
Mr Isaac Lehobye	23,394.10	563.40	23,957.50	93,794.38
Mr Khotso Moleko	2,687.90	-	2,687.90	7,063.70
Mr Malcolm Campbell	13,009.70	522.35	13,532.05	35,726.85
Mr Lucas Chauke	15,482.70	-	15,482.70	54,565.49
Ms Neeltje van der Hoven ***	-	-	-	-
Ms Sonette Smit ***	-	-	-	-
Mr Charles Israelite ***	-	-	-	-
Mr Thami Manyathi	8,063.70	435.00	8,498.70	-
Mr Sarel Haasbroek ***	-	9,333.47	9,333.47	8,728.71
Mr Gerard Damstra ***	-	-	-	-
Total	596,014.55	133,102.91	729,117.46	461,868.36

*** These members do not claim for sittings, except for items which are reimbursive in nature.

Senior management remunerations

During the financial year 2010/2011, the CBE had the following staff members in senior management and their remunerations were as follows:

Remuneration			2011	2010
	Salary	Pension Contribution	Total	Total
Zulu, Bhekumuzi Hendrick (CEO)	948,650.31	84,788.45	1,033,438.76	937,152.65
Sedite, Maphefo (CFO)	767,958.48	68,837.09	836,795.57	744,610.87
Gwazube, Mfezeko (COO)	804,130.20	68,837.09	872,967.29	767,888.39
Total	2,520,738.99	222,462.63	2,743,201.62	2,449,651.91

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 March 2011

We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee members and Attendance

The Audit Committee, which was reconstituted during the year, consists of the members listed hereunder and should meet three times per year as per its approved terms of reference. During the current year, four meetings were held.

Name of members (until 30 November 2010)	Number of meetings attended
Prof H de Jager (Chairperson)	2
Mr R Parbhoo (External member)	2
Mr T Poee (External member)	2
Dr B Hlatshwayo (CBE Council)	2
Mr K Moleko (CBE Council) alternate member	0

Name of members (From 1 December 2010)

Mr D Coovadia (Chairperson)	2
Mr F Gustin (External member)	1
Ms T Sihlaba (External member)	1
Mr V Mdwara (CBE Council)	1
Ms Z Mvusi (CBE Council)	2

Audit Committee responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of section 51(1) (a) of the PFMA of 1999 and Treasury Regulation 27.1. We further report that we have conducted our affairs in compliance with this charter.

The effectiveness of internal control

The system of internal control was not entirely effective for the year under review. Several deficiencies in the system of internal control, including deviations from it, were reported by the internal auditors and the AGSA. The Audit Committee however, based on the reports of internal and external auditors, is of the opinion that the internal control system continues to improve.

The quality of in year management and monthly/ quarterly reports submitted in the terms of the PFMA of 1999 was satisfactory.

We are satisfied with the content and quality of monthly and quarterly reports prepared and issued by the CBE during the year under review. It was, however, noted that suspense accounts were not cleared monthly.

Internal Audit

Internal Audit is outsourced to an independent firm. Based on their reports, we are of the opinion that the internal audit function is satisfactory.

Risk management

The CBE is in the process of implementing a risk management programme.

Evaluation of Annual Financial Statements

We have reviewed:

- and discussed the audited financial statements to be included in the Annual Report, with the AGSA and CBE management.
- the AGSA's management report and management's response thereto.
- significant adjustments resulting from the audit.

We concur with and accept the AGSA's audit report on the annual financial statements and are of the opinion that the audited annual financial statements should be accepted and read together with the audit report of the AGSA.

Auditor-General of South Africa

We have met with the AGSA to ensure that there are no unresolved issues.

Independent Chairperson of the Audit Committee



D COOVADIA CA (SA)

30 June 2011

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE COUNCIL FOR THE BUILT ENVIRONMENT REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Council for the Built Environment, which comprise the statement of financial position as at the 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 44 to 70.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 18(2) of the Council for the Built Environment Act of South Africa, 2000 (Act No. 43 of 2000), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council for the Built Environment as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

8. As disclosed in note 25 to the financial statements, the entity accumulated surpluses to the amount of R4 073 000 as at 31 March 2011. It was uncertain at the date of this report as to what portion, if any, would be approved by National Treasury for retention by the CBE.

Restatement of corresponding figures

9. As disclosed in note 17 to the financial statements, the corresponding figures for 31 March 2010 have been restated as a result of an error discovered during 2011 in the financial statements of the CBE at, and for the year ended, 31 March 2010.

Report On Other Legal And Regulatory Requirements

10. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on page 45 and material non-compliance with laws and regulations applicable to the public entity.

Predetermined objectives

Usefulness of information

11. The reported performance information was deficient in respect of the following criteria:
 - Measurability: The indicators are well defined and verifiable, and targets are time-bound and measurable.
12. The following audit findings relate to the above criteria:
 - For the selected objectives, 32% of the planned and reported indicators were not clear, as unambiguous data definitions were not available to allow for data to be collected consistently.
 - For the selected objectives, valid performance management processes and systems that produced actual performance against the planned indicator do not exist for 21% of the indicators.
 - For the selected objectives, 21% of the planned and reported targets were not measurable in identifying the required performance.

Compliance with laws and regulations

Strategic planning and performance management

13. The accounting authority prepared a strategic plan that did not cover a period of three years, as required by Treasury Regulation 30.1.3(a) and did not include objectives and outcomes as identified by the executive authority, as required by Treasury Regulation 30.1.3(b).

Annual Financial Statements, Performance and Annual Report

14. The accounting authority submitted financial statements for auditing that were not prepared in all material aspects in accordance with generally recognised accounting practice as required by section 55(1)(b) of the PFMA. The material misstatements identified by the AGSA with regards to disclosure items were subsequently corrected.

Internal Control

15. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the finding on compliance with laws and regulations included in this report.

Leadership

16. The internal policies and procedures of the Council for the Built Environment did not adequately address the processes pertaining to the planning and reporting of performance information at the overall performance management level and objective level, which resulted in the findings on predetermined objective and non-compliance with Treasury Regulation 30.1.3(a).

Financial and performance management

17. The public entity does not have reliable systems for recording and reporting on disclosure items. Due to this, certain disclosure items was subject to material amendments.

Auditor - General

Pretoria
30 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2011

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Built Environment Regulation
Members	Portia Tau - Sekat Thokozani Majozi Eugenia Kula Ameyaw Christopher James Campbell Frederick Brian Johnson Menno Klapwijk Molefi Kubuzie Victor Vuyisile Mdwara Lucky Welcome Molobela Zanele Mvusi Sindisiwe Ngxongo Elma Inge Pieterse Lula Paraksevy Scott Hendrikus Van Der Hoven Dinga Rammy Nkhwashu Phill Mashabane Godfrey Thamaga Chaane Charles Israelite
Registered office	121 Muckleneuk Nieuw Muckleneuk 0027
Business address	121 Muckleneuk Nieuw Muckleneuk 0027
Postal address	PO Box 915 Groenkloof 0027
Auditors	Auditor General

Council for the Built Environment

Annual Financial Statements for the year ended 31 March 2011

Accounting Authority's Responsibilities and Approval

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the CBE Council to ensure that the annual financial statements fairly present the state of affairs of the CBE as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The CBE Council acknowledge that it are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the CBE Council to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the CBE and all employees are required to maintain the highest ethical standards in ensuring the CBE's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the CBE is on identifying, assessing, managing and monitoring all known forms of risk across the CBE. While operating risk cannot be fully eliminated, the CBE endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The CBE Council are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The CBE Council have reviewed the CBE's cash flow forecast for the year to 31 March 2012 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The CBE is mainly dependent on the Government grant for continued funding of operations. The annual financial statements are prepared on the basis that the CBE is a going concern and that the CBE has neither the intention nor the need to liquidate or curtail materially the scale of the CBE.

Although the accounting authority are primarily responsible for the financial affairs of the CBE, they are supported by the CBE's external auditors.

The external auditors are responsible for independently reviewing and reporting on the CBE's annual financial statements. The annual financial statements have been examined by the CBE's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 44 to 70, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2011 and were signed on its behalf by:



Portia Tau - Sekati
Chairperson of CBE Council
31 May 2011

Statement of Financial Position

	Note(s)	2011 R '000	2010 R '000
Assets			
Current Assets			
Trade and other receivables from exchange transactions	5	145	424
Trade and Other receivables from non-exchange transactions	6	178	536
Cash and cash equivalents	7	4,712	8,437
		5,035	9,397
Non-Current Assets			
Property, plant and equipment	3	870	1,194
Intangible assets	4	528	540
		1,398	1,734
Total Assets		6,433	11,131
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	8	2,180	2,859
Trade and other payables form non exchange transactions	9	-	110
Provisions for legal fees	19	180	180
		2,360	3,149
Total Liabilities		2,360	3,149
Net Assets		4,073	7,982
Net Assets			
Accumulated surplus		4,073	7,982

Statement of Financial Performance

	Note(s)	2011 R '000	2010 R '000
Revenue			
Revenue from non - exchange transactions	10	27,144	25,861
Interest received	11	70	994
Other operating income		23	71
Total Revenue		27,237	26,926
Expenditure			
Personnel costs	12	(14,189)	(12,949)
Administrative expenses	13	(6,428)	(7,505)
Depreciation and amortisation	14	(610)	(688)
Operating expenses	15	(9,920)	(14,942)
Total Expenditure		(31,147)	(36,084)
Deficit for the year		(3,910)	(9,158)

Statement of Changes in Net Assets

	Accumulated surplus R '000	Total net assets R '000
Balance at 01 April 2009	17,140	17,140
Changes in net assets		
Surplus / (Deficit) for the year	(9,158)	(9,158)
Total changes	(9,158)	(9,158)
Balance at 01 April 2010	7,983	7,983
Changes in net assets		
Surplus / (Deficit) for the year	(3,910)	(3,910)
Total changes	(3,910)	(3,910)
Balance at 31 March 2011	4,073	4,073
Note(s)		

Cash flow statement

	Note(s)	2011 R '000	2010 R '000
Cash flows from operating activities			
Receipts			
Interest income		70	994
Cash receipts from customers		27,804	26,753
		<u>27,874</u>	<u>27,747</u>
Payments			
Cash paid to suppliers and employees		(31,324)	(34,476)
Net cash flows from operating activities	18	<u>(3,450)</u>	<u>(6,729)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(49)	(357)
Purchase of intangible assets	4	(226)	(434)
Net cash flows from investing activities		<u>(275)</u>	<u>(791)</u>
Cash flows from financing activities			
Finance lease payments		-	(4)
Net increase/(decrease) in cash and cash equivalents		<u>(3,725)</u>	<u>(7,524)</u>
Cash and cash equivalents at the beginning of the year		8,437	15,961
Cash and cash equivalents at the end of the year	7	<u>4,712</u>	<u>8,437</u>

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment, comprising of computer equipment and furniture and other equipment, is stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment, comprising of computer equipment, furniture and fittings and Office equipment, is recognised when the following conditions are met:

- risk and rewards are transferred; and
- when it is probable that future economic benefits will flow to the CBE.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will flow to the CBE and the costs can be reliably measured. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset using cost less residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fittings	6 years
Office equipment	6 years
Computer equipment	3 years
Leased Office Equipment	Over the lease period

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the CBE; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Accounting Policies

1.2 Intangible assets (continued)

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Management assesses the carrying value of each intangible assets annually and revisions are made where it is considered necessary.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

Intangible assets are derecognised:
on disposal; or
when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.3 Financial instruments

Classification

The company classifies financial instruments, or their component parts on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the CBE's statement of financial position when the CBE becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

Financial instruments are recognised initially when the CBE becomes a party to the contractual provisions of the instruments.

The CBE classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Trade and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. this category includes short-term receivables, such as receivables, as well as cash and cash equivalents

Loan and receivables are initially measured at fair value, plus transaction costs. subsequently, items included in this category are measured at amortised cost, calculated based on the effective interest method and interest income is included in surplus/deficit for the period.

Loans and receivables are derecognised at carrying value when it is not probable that future economic benefits will flow to the entity.

Net gains or losses represent reversals of impairment losses, impairment losses and gains and losses on derecognition. Net gains or losses are included in "other income" or "other expenses".

Short-term receivables with no stated interest rate are measured at the original invoice amount, if the effect of discounting immaterial.

Accounting Policies

1.3 Financial instruments (continued)

Trade and other payables

Other financial liabilities are initially measured at fair value, plus transaction cost. subsequently, these items are measured at the amortised cost, using the effective interest method. Interest expenses on these items are recognised in surplus/deficit for the period and they are included in "finance costs".

Financial liabilities are derecognised at carrying value when no future economic outflow is probable.

Net gains or losses represent gains or losses on derecognition and they are included in "other income" or "other expenses"

Short-term payables with no stated interest rate are measured at the original invoice amount, if the effect of discounting is immaterial.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.5 Impairment of cash-generating assets

The CBE currently does not have cash generating assets

Cash-generating assets are those assets held by the CBE with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax

Accounting Policies

1.5 Impairment of cash-generating assets (continued) expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the CBE; or
- (b) the number of production or similar units expected to be obtained from the asset by the CBE.

Criteria developed by the CBE to distinguish cash-generating assets from non-cash-generating assets are as follows:

All the assets that will be used in the income generating activities will be classified as cash generating assets.

All assets that are not used primarily in the profit generating activities are classified as non - cash generating assets

1.6 Impairment of non-cash-generating assets

At each balance sheet date, the CBE reviews the carrying amount of its property plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered any impairment loss. If such indication exist, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If the recoverable amount of an asset (cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating) is reduced to its recoverable amount. Impairment losses are immediately recognised as an expense, unless the relevant assets is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under the standard.

Where an impairment loss subsequently reverses, the carrying amount of the assets (cash - generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined and no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Cash-generating assets are those assets held by the CBE with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Accounting Policies

1.6 Impairment of non-cash-generating assets (continued)

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the entity to distinguish non-cash-generating assets from cash-generating assets are as follow:

All the assets that will be used in the income generating activities will be classified as cash generating assets.

All assets that are not used primarily in the profit generating activities are classified as non - cash generating assets

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the CBE's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.8 Provisions and contingencies

Provisions are recognised when:

- the CBE has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the CBE settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Accounting Policies

1.8 Provisions and contingencies (continued)

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

1.9 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the CBE receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

It is probable that the economic benefits or service potential associated with the transaction will flow to the CBE, and
The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.10 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Levies

Levies are recognised as revenue when:

it is probable that the economic benefits or service potential associated with the transaction will flow to the CBE; and
the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
historical information on declarations previously submitted by defaulting levy payers; and
the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

Government grants

Accounting Policies

1.10 Revenue from non-exchange transactions (continued)

Government grants are recognised as revenue when:

it is probable that the economic benefits or service potential associated with the transaction will flow to the CBE, the amount of the revenue can be measured reliably, and to the extent that there has been compliance with any restrictions associated with the grant.

The CBE assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

1.11 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.13 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.14 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

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

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the

Accounting Policies

1.14 Irregular expenditure (continued)

National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.15 Judgements made by management

Intangible assets

Computer software

If the computer hardware can operate without the software then the software is recognised as intangible assets and not property plant and equipment.

Property plant and equipment

At reporting date all assets were reviewed for their useful life and the useful life for assets which were deemed to have reached the end of their depreciable life was reviewed as follows:

- Office equipment over a two-year period
- Computer equipment over a one-year period
- Office equipment over a one-year period
- Software over a one-year period

1.16 Related parties

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions or if related party entity and another entity are subject to common control. Related parties include:

- Entity that directly or indirectly through one or more intermediaries, control, or are controlled by the reporting entity
- Key management personnel, and close members of the family of key management personnel
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in key management personnel, or over which such a person is able to exercise significant influence.

Notes to the Annual Financial Statements

2. New standards and interpretations

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The entity expects to adopt the standard for the first time in the 2012 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the CBE is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The entity expects to adopt the standard for the first time in the 2012 annual financial statements.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

The entity has adopted the standard for the first time in the 2011 annual financial statements.

The impact of the standard is not material.

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by an entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable amount of the asset. When estimating the value in use of an asset, an entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an entity applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

An entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

The entity has adopted the standard for the first time in the 2011 annual financial statements.

The impact of the standard is not material.

GRAP 25: Employee benefits

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an entity to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by an entity in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods;
- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
 - pool the assets contributed by various entities that are not under common control; and
 - use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned;
- Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Post-employment benefit plans as formal or informal arrangements under which an entity provides post-employment benefits for one or more employees;

Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;

State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;

Termination benefits as employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits;

Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

Short-term employee benefits;

- All short-term employee benefits;
- Short-term compensated absences;
- Bonus, incentive and performance related payments;

Post-employment benefits: Defined contribution plans;

Other long-term employee benefits;

Termination benefits.

The standard states Post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

Multi-employer plans;

Defined benefit plans where the participating entities are under common control;

State plans;

Composite social security programmes;

Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

Recognition and measurement;

Presentation;

Disclosure;

Accounting for the constructive obligation;

Statement of financial position;

Asset recognition ceiling;

Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;

Statement of financial performance.

The standard prescribes recognition and measurement for:

Present value of defined benefit obligations and current service cost:

- Actuarial valuation method;
- Attributing benefits to periods of service;
- Actuarial assumptions;
- Actuarial assumptions: Discount rate;
- Actuarial assumptions: Salaries, benefits and medical costs;
- Actuarial gains and losses;
- Past service cost.

Plan assets:

- Fair value of plan assets;
- Reimbursements;
- Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one entity and a financial liability or residual interest in another entity. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle an entity to a portion of another entity's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, an entity considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where an entity subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another entity on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. An entity measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. An entity is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.

Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an entity can however designate such an instrument to be measured at fair value.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

An entity can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once an entity has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, an entity has transferred control of the asset to another entity.

An entity derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishments of an existing liability and the recognition of a new financial liability. Where an entity modifies the term of an existing financial liability, it is also treated as the extinguishments of an existing liability and the recognition of a new liability.

An entity cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for an entity's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that an entity is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. An entity is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

The aggregate impact of the initial application of the statements and interpretations on the entity's annual financial statements is expected to be as follows:

Notes to the Annual Financial Statements

2011
R '000

2010
R '000

3. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fittings	855	(589)	266	842	(469)	373
Office equipment	916	(474)	442	899	(333)	566
Computer equipment	744	(582)	162	726	(471)	255
Leased Office Equipment	29	(29)	-	29	(29)	-
Total	2,544	(1,674)	870	2,496	(1,302)	1,194

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Depreciation	Total
Furniture and fittings	373	13	(120)	266
Office equipment	566	17	(141)	442
Computer equipment	255	19	(112)	162
	1,194	49	(373)	870

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	461	57	-	(145)	373
Office equipment	582	132	-	(148)	566
Computer equipment	311	168	(52)	(172)	255
Leased Office Equipment	18	-	(16)	(2)	-
	1,372	357	(68)	(467)	1,194

4. Intangible assets

	2011			2010		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	1,377	(849)	528	1,151	(611)	540

Reconciliation of intangible assets - 2011

	Opening balance	Additions	Amortisation	Total
Computer software	540	226	(238)	528

Reconciliation of intangible assets - 2010

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	362	434	(35)	(221)	540

5. Trade and other receivables from exchange transactions

Trade and Other Receivables from Exchange Transactions	22	301
Rental Deposits	123	123

Notes to the Annual Financial Statements

	2011 R '000	2010 R '000
5. Trade and other receivables from exchange transactions (continued)		
	145	424
6. Trade and Other receivables from non-exchange transactions		
Trade and other receivables from non exchange transactions	178	536
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances (Current Account)	1,694	1,483
Cash on hand	5	7
Call account (Investments)	3,013	6,947
	4,712	8,437
8. Trade and other payables from exchange transactions		
Trade and other payables from exchange transactions	1,148	2,036
Deferred lease liability	-	119
Leave payable	522	410
Accruals	510	294
	2,180	2,859
9. Trade and other payables from non exchange transactions		
Trade and other payables form non exchange transactions	-	110
10. Revenue		
Government grant from Department of Public Works	25,527	24,155
Levies received	1,617	1,706
	27,144	25,861
11. Interest received		
Interest revenue		
Interest received	70	994

The amount included in Investment revenue arising from exchange transactions amounted to R 69,802.31.

Notes to the Annual Financial Statements

	2011 R '000	2010 R '000
12. Personnel costs		
Salaries	8,188	7,956
PAYE	3,006	2,705
Provident Fund	1,546	1,408
Medical aid contributions	449	421
UIF	83	87
Leave pay provision charge	112	138
Staff training	768	189
Staff welfare	37	45
	14,189	12,949

Remuneration of chief executive officer (B Zulu)

Annual Remuneration	949	860
Contributions to Pension Funds	85	77
	1,034	937

Included in the Personnel cost above is the chief executive officer's remuneration as broken down under remuneration of chief executive officer.

Remuneration of chief financial officer (M Sedite)

Annual Remuneration	768	682
Contributions to Pension Funds	69	63
	837	745

Included in the Personnel cost above is the chief financial officer's remuneration as broken down under remuneration of chief financial officer.

Remuneration of chief operations officer (M Gwazube)

Annual Remuneration	804	705
Contributions to Pension Funds	69	63
	873	768

Included in the Personnel cost above is the chief operations officer's remuneration as broken down under remuneration of chief operations officer.

13. Administrative expenses

Administrative expenses include the following

External audit fees	583	674
Internal audit fees	667	736
Advertising	759	1,952
Office rental	1,254	1,149
Communication	454	545
Computer expenses	987	1,005
Council honorarium and Chairperson claims **	682	462
Training	19	-
Catering	79	115
Conferences and seminars	178	82
Building Cost and Consumables	503	421
Printing and stationery	93	117
Insurance	134	123
Bank charges	27	25

Notes to the Annual Financial Statements

	2011 R '000	2010 R '000
13. Administrative expenses (continued)		
Entertainment	8	16
Assets expensed (Below Capitalisation Threshold)	1	-
Professional Councils Support	-	83
	6,428	7,505

** More details are disclosed in the Accounting Authority's Report

14. Depreciation and amortisation

Depreciation and amortisation expenditure include the following:

Property, plant and equipment	610	688
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15. Operating expenses

Operating expenses include the following:

Travel and accommodation	1,572	2,659
Consulting fees	3,107	6,418
Assets written off	-	85
Other expenses	-	24
Subscriptions and membership fees	336	418
Promotions and sponsorships	938	1,001
Bursary Scheme (Bursaries)	2,858	2,911
Catering for projects	18	32
Awareness and Publications	464	890
Events and Workshops	587	349
Legal expenses	40	155
	9,920	14,942

16. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net deficit per the statement of financial performance	(3,910)	(9,158)
Adjusted for:		
Adjustment for surplus granted	-	9,942
Fixed Assets	(139)	(461)
Depreciation and amortisation	610	688
Revenue	750	(411)
Employee costs	923	(809)
Expenditure	1,855	2,613
Net surplus per approved budget	89	2,404

17. Prior period errors

During the preparation of the financial statements a prior year error was identified on the budget reconciliation disclosure note (Note 16). The error was corrected which resulted in the values in the disclosure note being adjusted to reflect the correct reconciliation to budget of the 2009/2010 comparatives figures. This changes did not affect statement of financial performance, statement of financial position, statement of changes in net assets and cash flow statement or any of the other disclosure note except for note 16.

18. Cash used in operations

Deficit	(3,910)	(9,158)
Adjustments for:		
Depreciation and amortisation	610	688
Movements in provisions	-	180

Notes to the Annual Financial Statements

	2011 R '000	2010 R '000
18. Cash used in operations (continued)		
Proceeds from sale of property, plant and equipment	-	68
Proceeds from sale of other intangible assets	-	35
Adjustments, losses and write-offs	2	-
Changes in working capital:		
(Increase)/Decrease in trade and other receivables from exchange transactions	279	(172)
(Increase)/Decrease in trade and other receivables from non-exchange transactions	358	(151)
Increase/(Decrease) in accounts payable from exchange transactions	(679)	1,671
Increase/(Decrease) in accounts payable from non exchange transactions	(110)	110
	(3,450)	(6,729)

19. Provisions

Reconciliation of provisions for legal fees - 2011

	Opening Balance	Total
Legal proceedings	180	180

Reconciliation of provisions for legal fees - 2010

	Opening Balance	Additions	Total
Legal proceedings	-	180	180

During the past financial years, an application was made against the CBE to the Cape Town Court in connection with the appeals overseen by the CBE in accordance with section 21 of the CBE Act of 2000. The matter was finalised during the 2009/2010 financial year and the verdict was issued against the CBE. The CBE was however uncertain about the financial implication and has raised a provision as stated above. The value of the estimate was reliably estimated by the CBE legal advisors at the time. To date the applicant has not claimed the actual costs.

20. Irregular expenditure

Opening balance	851	-
Add: Irregular Expenditure - current year	68	851
Less: Amounts condoned	(919)	-
Less: Amounts not recoverable (not condoned)	-	(851)
	-	-

Details of irregular expenditure – current year

Tony Maning Strategies	Disciplinary steps taken/criminal proceedings	
	Tax Clearance Certificates	68

Details of irregular expenditure condoned

	Condoned by National Treasury	
Xybernetx Consulting (Pty) Ltd	Tax clearance certificates not obtained	203
Nyaleti Technologies (Pty) Ltd	Tax Clearance certificates expired	179
DataOpt	Tax Clearance certificates expired	288
SAB&T	Payment in excess of contract amount (This amount and extension of the scope was ratified by the Finance Committee)	181
Tony Maning Strategies	Tax Clearance Certificates	68
		919

21. Fruitless and wasteful expenditure

Notes to the Annual Financial Statements

	2011 R '000	2010 R '000
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21. Fruitless and wasteful expenditure (continued)

Fruitless and wasteful expenditure	26	211
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The Current year's fruitless expenditure was a penalty on late cancellation of the venue booking due to the change of date and unavailability of key stakeholders of the Built Environment Indaba. The amount was condoned by the CBE council.

22. Financial Instruments

Interest rate risk

Interest rate risk arises primarily from the CBE's investment in cash and cash equivalents. The exposure in terms of cash and cash equivalents are tabled under notes on credit and liquidity risk. Due to the nature of accounts payables and payments being made within 30 days in terms of the PFMA accounts payables does not attract interest rate risk.

A 1% change in the market interest rate on the outstanding balances of the following instruments at year-end will have the following effect per year:

Change in interest rate

	Change in interest rate	Upward change	Downward change
Cash in current banking institutions	1.00 %	47	47

Credit risk

The financial assets that potentially subject the CBE to the risk of non-performance by counter-parties and thereby subject the CBE to concentrations of credit risk, consist mainly of cash and cash equivalents and receivables. The credit risk is controlled through the application of credit approvals, limits and monitoring procedures.

The CBE limits its counter-party exposure by only dealing with well-established financial institutions with high credit ratings assigned by international credit-rating agencies. Credit risk with respect to receivables is limited, due to the nature of the CBE's revenue transactions. The CBE does not have any significant exposure to any individual customer or counter-party. Accordingly, the CBE does not consider having any significant concentration of credit risk, which had not been adequately provided for. Receivables are presented net of doubtful debts.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2011	2010
Receivables - unrated	323	960
Cash and Cash Equivalents: F2 rating	4,712	8,437

Liquidity risk

The CBE manages liquidity risk through proper management of working capital, capital expenditure and cash flow; and by variance reports between actual and budgeted amounts.

Exposure to liquidity risk

The following are the maturities and contractual cash flows of other financial liabilities which have been discounted.

Payables

Within one year	2360	3030
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Fair values

The CBE's financial instruments consist mainly of cash and cash equivalents, receivables and payables. No financial asset was carried at an amount in excess of its fair values could be reliably measured for all financial assets. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

Notes to the Annual Financial Statements

	2011 R '000	2010 R '000
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22. Financial Instruments (continued)

Cash and cash equivalents

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

Cash and cash equivalents are invested with reputable financial institutions with maturity of three months or less.

Receivables

The carrying amount of receivables, net of provision for impairment, approximates fair value due to the relatively short-term maturity of this financial assets.

Payables

The carrying amount of payables approximates fair value due to the relatively short-term maturity of this financial liability.

The carrying amount of financial instruments is per category is as follows:

Loans and receivables	5035	9397
Financial Liabilities	2360	3030

23. Operating lease commitments

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	801	916
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Operating lease payments represent rentals payable by the CBE for certain of its office properties. Leases are negotiated for an average term of five years. No contingent rent is payable.

Notes to the Annual Financial Statements

2011 R '000	2010 R '000
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24. Related parties

Relationships

Council members	Refer to accounting authorities report
Executive Authority	National Department of Public Works (DPW)
Professional Council	South African Council for the Architectural Profession (SACAP)
Professional Council	Engineering Council of South Africa (ECSA)
Professional Council	South African Council for the Quantity surveying Profession (SACQSP)
Professional Council	South African Council for the Project and Construction Management Profession (SACPCMP)
Professional Council	South African Council for the Property Valuers Profession (SACPVP)
Professional Council	South African Council for the Landscape Architectural Profession (SACLAP)

The above related parties did not have any transactions which were not at arms length with the CBE during the financial year 2010/2011.

Receipts from professional councils are in respect of levies in terms of section 17(1)(a) of the CBE Act 43 of 2000.

The payments made by the CBE were in relation to the administrative support provided to the professional councils which required administrative assistance.

Balances due or payable are in relation to levies transactions and administrative support provided.

During the financial year there were no related party transactions with key management or any of the immediate families or any organisation in which they have significant influence.

Related party balances

Related party Balances

South African Council for the Architectural Profession (SACAP)	34	356
Engineering Council of South Africa (ECSA)	54	(89)
South African Council for the Quantity surveying Profession (SACQSP)	(4)	9
South African Council for the Project and Construction Management Profession (SACPCMP)	94	171
South African Council for the Property Valuers Profession (SACPVP)	-	(12)
South African Council for the Landscape Architectural Profession (SACLAP)	(51)	(2)

Related party transactions

Related Party Receipts

South African Council for the Architectural Profession (SACAP)	348	356
Engineering Council of South Africa (ECSA)	1,028	913
South African Council for the Quantity surveying Profession (SACQSP)	109	104
South African Council for the Project and Construction Management Profession (SACPCMP)	51	220
South African Council for the Property Valuers Profession (SACPVP)	73	77
South African Council for the Landscape Architectural Profession (SACLAP)	6	6
National Department of Public Works (DPW)	25,527	24,155

Related Party Payments

South African Council for the Quantity surveying Profession (SACQSP)	-	20
South African Council for the Project and Construction Management Profession (SACPCMP)	-	204
South African Council for the Property Valuers Profession (SACPVP)	93	190
South African Council for the Landscape Architectural Profession (SACLAP)	204	317

Notes to the Annual Financial Statements

2011	2010
R '000	R '000

24. Related parties (continued)

Key management information

Class	Description	Number
Non-executive board members (Refer to Accounting Authorities report)	Council members	18
Audit Committee	Audit Committee external members	3
Executive management (Refer to note 12)	Senior management	3

25. Contingent liability and Commitments

Contingent Liabilities (Accumulated Surpluses)

In terms of section 53(3) of the PFMA of 1999, the CBE has to obtain approval from national Treasury to retain accumulate surplus funds at year-end. Approval for the retention of the 2009/2010 was granted by National Treasury in September 2010. Due to the late approval of the retention, the related expenditure and projects were delayed and the amounts could not all be spent within the 2010/2011 financial year. The budget relating to the 2010/2011 has been fully utilised and part of the approved surplus have also been utilised. A request to retain the current year accumulated surplus amounting to R4,073million will be made to National Treasury. Should the National Treasury not grant the CBE approval to retain accumulated surplus, the CBE will be liable to pay the surplus amounting to R4,073 million back to National Treasury (this amount is before taking into account the commitments to the value of R1,449 million).

Commitments

At the end of the financial year the CBE had commitments under non-cancellable agreements with suppliers and bursary holders to the Value of R1,449 million.

26. Auditors' remuneration

External Audit Fees	583	674
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27. 2010 FIFA World Cup expenditure

During the 2008/2009, 2009/2010 and 2010/2011 financial years, the CBE did not incur any expenditure in relation to tickets, travel costs and any other apparel for the 2010 FIFA World Cup.



Chapter 3

HUMAN RESOURCES REPORT



Human Resources Report

Appointments		Terminations	
Fixed Term	Permanent	Fixed Term	Permanent
1	0	1	0

Fixed Term Contract Employees:

April - June 2010

African		Asian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1	1	0	0	0	0	0	0	1	1	2

July September 2010

African		Asian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
1	1	0	0	0	0	0	0	1	1	2

October - December 2010

African		Asian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
0	1	0	0	0	0	0	0	0	1	1

January – March 2011

African		Asian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
0	1	0	0	0	0	0	0	0	1	1

April - September 2010

African		Asian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
13	8	1	0	2	1	1	1	17	10	27

October - December 2010

African		Asian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
13	8	1	0	2	1	1	1	17	10	27

January - March 2011

African		Asian		White		Coloured		Total		Grand Total
Female	Male	Female	Male	Female	Male	Female	Male	Females	Males	
13	8	1	0	2	1	1	1	17	10	27

Racial and Gender Equity: CBE as at year ending March of 2011

CBE Equity statistics by population groups and sex, March 2011

Population group	Male		Female		Total Permanent Employees	
	Number	Percentage of total population	Number	Percentage of total population	Number	Percentage of total population
African	8	80	13	76,5	21	77,8
Coloured	1	10	1	5,9	2	7,4
Indian/Asian	0	0,0	1	5,9	1	3,7
White	1	10	2	11,7	3	11,1
Total	10	100,0	17	100,0	27	100,0

Employee Relations:

Disciplinary Process/Procedure				Grievance Process/Procedure			
No. of employees	CORE	Nature of the offence	Status	No. of employees	CORE	Nature of grievance	Status
1	Senior Management	Misconduct: Mismanagement of credit card	Matter concluded with final written warning		Senior Management	Dissatisfaction with management approach	Matter concluded with team intervention

Absenteeism (APRIL 2010 - MARCH 2011)

A total of 162 unplanned man days lost during the year with an overall absenteeism rate of 2.2%

QUARTER ENDING JUNE 2010					
≠ SL1	≠ FRL	≠ UL	TOTAL ≠ MAN DAYS LOST	TOTAL ≠ STAFF COMPLEMENT	ABSENTEE %
50	6	0	56	29	3%
QUARTER ENDING SEPTEMBER 2010					
32	9	0	41	29	2.2%
QUARTER ENDING DECEMBER 2010					
10	0	0	10	28	0.55%
QUARTER ENDING MARCH 2011					
34	21	0	55	28	3.02%
APRIL 2010 - MARCH 2011					
126	36	0	162	29	2.2%

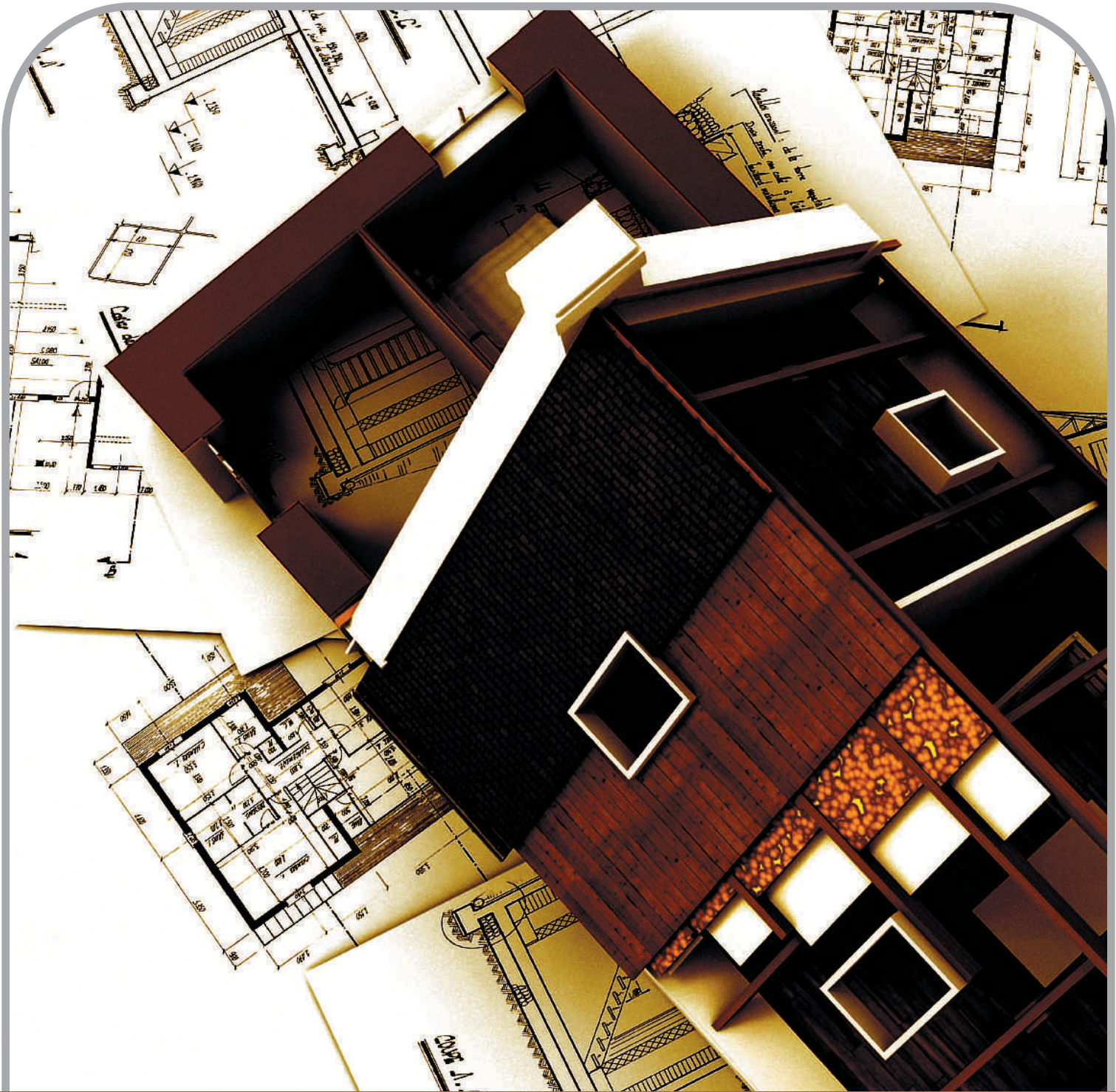
Formula: Absenteeism % = Man-days lost / Product of Average No of workdays for the period by staff complement X 100. Whereas Average No. of workdays per month = 21.67 days.

Man days lost = Unplanned absences related to sick/ family responsibility/unreported.

≠SL1 Sick leave days

≠FRL Family Responsibility leave days

≠UL Unpaid leave days



Chapter 4

REPORT ON THE ACTIVITIES OF THE COUNCILS FOR THE PROFESSIONS



CBE OVERALL REPORT ON THE SIX COUNCILS, ACTIVITIES FOR 2010/11

INTRODUCTION

The primary objective of this section is to provide an analysis of the performance of the Professional Councils in steering the performance of Built Environment Professionals towards meeting the growth and development goals of the country. In this regard, from the 2009/10 reporting cycle the CBE changed its reporting structure for the overall performance of the Professional Councils. It structured its reporting format into four key thematic areas covering public protection, human resource development, sustainable and integrated development, and the governance of Professional Councils. For the 2009/10 reporting cycle, the CBE only reported on the public protection and human resource development thematic areas and for the current 2010/11 reporting period we will cover all the four thematic areas with the analysis focusing on trends for the three financial years (2008/9, 2009/10 and 2010/11) and the important policy implications of the trends towards meeting the growth and development objectives of the country.

The following table clusters the 13 concurrent functions of the CBE and Professional Councils into applicable thematic areas:

Table: CBE Thematic areas

THEMATIC AREA	Governance of professional councils	Public Protection	Sustainable and integrated development	HRD
CBE MANDATE	<p>Promote sound governance of the BE.</p> <p>Serve as a forum where BE professions discuss relevant issues.</p> <p>Ensure uniform application of norms and standards set by the professional councils.</p>	<p>Promote and protect the interests of the public in the BE.</p> <p>Promote appropriate standards of health and safety and environmental protection in the BE.</p>	<p>Promote and maintain a sustainable BE.</p> <p>Facilitate participation of the BE professions in integrated development.</p>	<p>Promote ongoing HRD in the BE.</p> <p>Promote liaison in the field of training in the Republic and elsewhere.</p>
ENABLING POLICY	<ol style="list-style-type: none"> Codes of Conduct and Practice for the professions. Recognition of VAs. 	<ol style="list-style-type: none"> Appeal body and procedures IDoW – in line with the Competition Act, 1998 (Act 89 of 1998). 	<ol style="list-style-type: none"> Determination of professional fees in line with the Competition Act, of 1998. Recognition of new professions. 	<ol style="list-style-type: none"> International recognition of professions. Accreditation of education institution's programmes. Registration of different categories of registered persons. Competency standards for registration. Establish SGBs

THEMATIC AREA	Governance of professional councils	Public Protection	Sustainable and integrated development	HRD
				<p>in line with SAQA to align qualifications to the NQF.</p> <p>12. RPL</p> <p>13. CPD</p>

Source: CBE Act of, 2000

GOVERNANCE OF PROFESSIONAL COUNCILS

Under this thematic area, the objective of the CBE is to ensure that the policy frameworks of the Code of Conduct and Practice and Recognition of Voluntary Associations are in place and implemented by the Professional Councils. It should be noted that being organs of state, both the CBE and Professional Councils have their primary role the pursuit and fulfilment of government's growth and development objectives. It is the view of the CBE that the policy frameworks of the Code of Conduct and Practice of BEPs and those of Voluntary Associations (being the repository of technical competence of BEPs) should mutually reinforce each other to support the growth and development objectives of the state. The nexus between these policy instruments is the knowledge base that BEPs possess which should guide their Code of Conduct and Practice, supported by technical knowledge generation and dissemination by Voluntary Associations. This conceptualization of the CBE is located within the sociological conceptualization of governance as espoused by Fox and Ward. Fox and Ward (2008) define governance as the guidance or control of an activity, in order to meet a specified objective. They state that for regional, national or international governments, governance describes the accountability processes used to shape economic and social activity, and may involve legislation and regulatory processes to set standards, monitor and correct defined areas of activity. They further state that governance addresses the co-ordination of independent actors involved in complex relations of reciprocal interdependence based on continuing dialogue and resource-sharing to develop mutually beneficial joint projects and to manage the contradictions and dilemmas inevitably involved in such situations.

Fox and Ward (2008) state that social change and technological developments challenge law- and policy-makers and professionals to weigh a range of contradictory pressures. These include the state's responsibility for the safety of citizens and wider society; democratic rights and freedoms; entrepreneurial efforts to exploit technological advances for the benefit of future citizens; cultural sensibilities and values; economic and political objectives associated with technological development and national prestige. They state that it is the task of effective governance to balance these contradictory pressures and values.

The Constitution of South Africa which is the supreme law of the land grants the state coercive powers to regulate the professions and is in line with the democratic tradition that evolved from the Greek city states with the word governance deriving from the Greek verb κυβερνάω [kubernáo] which means to steer and was used for the first time in a metaphorical sense by Plato (Wikipedia 2011). However, Fox and Ward state that the coercive power of the state to regulate should be exercised with care. They state that it is not so much a matter of imposing constraints upon citizens as of 'making up' citizens capable of bearing a kind of regulated freedom. Personal autonomy is not the antithesis of political power, but a key term in its exercise, the more so because most individuals are not merely the subjects of power but play a part in its operations.

Within this enlightened cautionary, the CBE therefore foresees the role of BEPs in pursuing their professional (career growth) and individual (financial security and professional self-actualisation) goals within an enlightened self-interest value space in line with Section 22 of the Constitution of South Africa which states that every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by law. The CBE therefore foresees the role of the Code of Conduct and Practice of BEPs as a policy instrument that will guide the behaviour of BEPs firstly to meet the growth and development objectives of the country. This will be achieved through the impacting of knowledge and competencies (through the SGB and CPD policy frameworks) that will guide their professional Conduct and Practice through curriculum and BE programmes that adhere to international professional agreements which will enable them to solve the developmental challenges of the country. Secondly, the Code of Conduct and Practice policy framework should ensure that the professional practice of BEPs promote safety and health of citizens and leads to environmental sustainable outcomes. The CBE is responding to the following mandates of the CBE Act No 43 of 2000:

1. Section 3 (a), promote and protect the interests of the public in the built environment;
2. Section 3 (b), promote and maintain a sustainable built environment and natural environment;
3. Section 3 (e), promote appropriate standards of health, safety and environmental protection within the built environment;
4. Section 3 (d), facilitate participation by the built environment professions in integrated development in the context of national goals;

The CBE has developed a revised policy framework for Code of Conduct and Practice of BEPs which was approved by the CBE Council in 2010 to be implemented through the Professional Councils. The CBE policy framework on the Code of Conduct and Practice of BEPs recognizes the above mandates of the CBE under Part II, Paragraphs 3 and 4 which discusses issues of public protection and environmental protection/sustainable development respectively. The concept of integrated development within the context of national goals is subsumed with the broader and all encompassing concept of sustainable development which is elaborated under Paragraph 4 of environmental protection.

In articulating a developmental role for BEPs, the CBE is conveying the sentiment of the 1999 Policy Framework from the National Department of Public Works. The policy framework aptly framed the fundamental purpose of BEPs within a developing country context. It stated that the intrinsic value of the professions lies in their essential role and function in socio-economic development.

It is therefore the role of the CBE to ensure that the knowledge base and practice of BEPs supports and does not compromise the safety and health of citizens in the building and operation of expanded infrastructure and built environment (inclusive of economic and social infrastructure and sustainable human settlements and urban environments). Furthermore, the expanded infrastructure and built environment being built by BEPs must resonate with the principles of sustainable development and the restoring of ecological integrity in order to mitigate the effects of climate change whilst promoting socio-economic growth and development through the support of job creation and economic growth directly and indirectly to achieve intergenerational equity.

With regard to re-orientating the knowledge base of BEPs, the CBE has developed a policy paper on SGBs (now called Committees of Expert Practice) which has been approved by the CBE Council. The policy position paper will ensure that the knowledge base of BEPs developed through BE programmes by SGBs are amenable to the objectives and practices of sustainable development and construction and also support labour based technologies for infrastructure investment projects of a certain type, size and location to promote job creation.

Going forward, the CBE will complete the policy framework on SGBs and will use it together with the Accreditation policy framework to ensure that the qualifications of BEPs support the growth and development objectives of the country. Furthermore, the CBE will insist that the infrastructure investment drive of government recognises the principles of sustainable development and sustainable construction and has job creation targets for infrastructure of a certain type, size and location. In ensuring that BEPs contribute to the growth and development objectives of the country, the knowledge and training of BEPs therefore become paramount and therefore the importance of the SGB, CPD and Accreditation policies. However, the role of Voluntary Associations which are the progenitor of BEPs become important as they still maintain their historical role as the knowledge bank of the BEPs and therefore their lifeline. The nurturance of Voluntary Associations therefore becomes paramount.

Code of Conduct of BEPs

As discussed above, the CBE recognizes that the Code of Conduct of BEPs should be conceptualized within a broader developmental framework that goes beyond the protection of health and safety of citizens but to encompass the contribution of BEPs to the socio-economic development objectives of the country. In this regard, the CBE as reported above has developed a planning, monitoring and evaluation framework. The objective of the framework will be to guide the process of developing measurable performance targets for Professional Councils on all the thirteen public functions and therefore measure the performance of BEPs towards their contribution to the growth and development objectives of the country.

Disciplinary cases

The CBE notes the high number of disciplinary cases that are found especially within the larger and well established professions. It is however commendable that the number of cases shows an overall decreasing trend as shown by table below.

Number and trend of disciplinary cases per Council

Table 2: Number and trend of disciplinary cases per council

	2008/09	2009/10	2010/11
SACPVP	23	14	19
SACQSP	19	11	19
ECSA	79	13	57
SACAP	136	120	62
SACPCMP	0	0	10
SACLAP	0	0	4
TOTAL	257	158	171
% change	0%	-39%	-33%

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

Within this overall downward trend in disciplinary cases, the CBE is concerned with the still stubbornly high number of offences by BEPs. The following table shows the number of disciplinary cases per Professional Council and the CBE notes that the larger and established professions (ECSA and SACAP which together account for 84% of registered professions in March 2010) account for 69% of disciplinary cases which is proportional to the size and number of registered professionals per Council and profession.

Table 3: Proportional % share of disciplinary cases per council

	2008/9	2009/10	2010/11
SACPVP	9%	9%	11%
SACQSP	7%	7%	11%
ECSA	31%	8%	33%
SACAP	53%	76%	36%
SACPCMP	0%	0%	6%
SACLAP	0%	0%	2%
TOTAL	100%	100%	100%

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

Nature of disciplinary cases

As reported by professional councils, the following is the nature of offences reported:

- A. Contravention of Professional Council Act**
- B. Incompetence**
- C. Misrepresentation**
- D. Breach of contract**
- E. Fraud**
- F. Integrity**
- G. Unwarranted issuing of completion certificate**
- H. Undervaluation of property**
- I. Failure to register.**

Table 4: number of offences:

	Number	Percentage	Category of offence
Incompetence	76	44%	B
Legislative non-compliance	33	19%	A + I
Ethics	33	19%	C + E + F + G
Professional practice	29	17%	D + H
TOTAL	171	100%	

The above table shows that the majority of offences, 61% (44%-incompetence and 17%-professional practice) are related to the type of training the BEPs receive and is of concern as it will affect the health and safety of citizens. What is evident from the type of offences is that they can be construed to relate to the type of training and the attended graduate and professional attributes and competencies possessed by the BEPs, if it is considered that 61% of offences relate to incompetence and professional practice. This issue points to the importance of laying the proper competency attributes at the primary (higher education phase through curricula developed through the SGB policy) and practice phases (through CPD).

The training of BEPs is therefore of paramount importance with the SGB policy position paper having already identified these deficiencies and recommending that all BE qualifications should cover at least the areas of legislative compliance (which will be strengthened with the finalization of the IDoW policy framework with its attendant regulations), ethics and professional practice which will be reinforced by CPD activities. The CBE will therefore use primarily the policies of IDoW, SGB and CPD to drive the persistent professional practices lapses, but most importantly re-orientate the knowledge base of BEPs to support the growth and development objectives of the country. With regards to CPD, the CBE needs to agree on a realistic timetable with the Professional Councils for the implementation and review of the current CBE CPD policy framework in order that the policy recommendations contained in the CPD policy position paper are implemented when the current CBE policy framework and that of the Professional Councils are reviewed.

The role of Voluntary Associations

Voluntary Associations are an important constituent part of the Built Environment professional milieu as they are mainly a repository of profession specific technical knowledge and are also highly involved in CPD activities and enhancement of vocational qualifications.

The role of Voluntary Associations (VAs) as the primary custodian of professional knowledge and competence becomes of paramount importance in order to ensure that the highest standards of professional knowledge and practice are maintained to ameliorate the professional practice deficiencies identified above and most importantly enhance the knowledge base to contribute and drive the growth and development agenda of the country. It is therefore important that as many VAs are recognized by the Professional Councils in order to maximize the depth and scope of professional best-practice knowledge generation and dissemination. Going forward, the CBE will change its reporting table with regard to VAs to request from the Professional Councils that they provide information on the total VA universe, their type of competence, registration status and reasons therefore. As the following table shows, a sense of the total VA universe, their professional competency and reasons for recognition or non-recognition are not provided:

Table 5: No of VAs recognised 2009-2010

	No of VAs recognised (2009/10)	No of VAs not recognised (2009/10)	No of VAs recognised (2010/11)	No of VAs not recognised (2010/11)	New VAs recognised from 2009 to 2010
ECSA	39	0	42	0	3
SACPCMP	10	3	11	3	1
SACAP	11	2	11	3	0
SACQSP	0	0	1	2	1
SACPVP	3	0	4	0	1
SACLAP	0	0	1	3	1
TOTAL	63	5	70	11	7

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

The above table shows that only 7 new VAs were recognized between 2009 and 2010 and the performance of the Professional Councils in this regard cannot be adequately assessed without knowing the total universe or base of VAs that the Professional Councils are working from which will be ameliorated by the planning, monitoring and evaluation framework developed by the CBE.

Lastly, it should be noted that it is of importance that the total universe of VAs is understood in order to match it to the competency requirements of the country and to signal appropriate knowledge and competency requirements of the NGP and the soon to be published vision and development plan for the country. A concerted effort therefore needs to be jointly undertaken by the CBE and Professional Councils to understand the competency base of the country and whether it is adequate to meet the developmental challenges of the country. A competency gap analysis is needed in order to understand the required competency profile that is linked to the NGP, IPAP2 and the Development Plan of the NPC in order to align the training and the required competency and skills requirements of the country to support the above growth and development policies of the country as articulated by government.

PUBLIC PROTECTION

Appeal body and procedures

From the CBE Act, the public protection role of the CBE is primarily implemented through its role as the court of 1st instance, as an appeal body for professional transgressions by BEPs as per section 4 (m) of the CBE act which requires the CBE to act as an appeal body with regard to matters referred to it in terms of the law regulating the built environment professions. The CBE has noted the persistently high disciplinary cases and is concerned that with the impending implementation of the IDoW, the cases might trend upwards due to stricter enforcement and better reporting when practicing in the BE is restricted to qualified and registered professionals. The ultimate goal of the CBE must be to ensure that appropriately qualified professionals with continuous professional competence upgrading form the pillar upon which the health and safety interests of the public are protected. The SGB and CPD policies will therefore be the key policy instruments in this regard and will be rigorously implemented and supported by the IDoW regulations.

High cost of Litigation

Professional Councils are finding themselves hard pressed to maintain essential legal services due to lack of requisite financial and human resources and the high litigation costs involved. Due to the high cost of conducting tribunals, the CBE will undertake a project that will commence in the current financial year 2011/2012. The project will assess the viability of integrated and shared legal services in order to bring down the high costs of litigation.

IDoW Project

During 2010/11 financial year, the CBE commenced with the drafting of the IDoW regulations. Two regulations for SACPCMP and SACLAP were finalised during 2010/2011 financial year. The process going forward is to draft regulations for the remaining 4 professions which will be finalised in the 2011/2012 financial year. One of the policy challenges for the CBE is to balance the inherently uncompetitive nature of the IDoW policy which is essentially a work reservation mechanism that increases barriers to entry coupled with regulated professional fees. The professional fees further introduce distortions on perfectly competitive market price determination and outcomes. The objective of the Competition Commission is to increase competition in the economy in order to increase allocative efficiency which will lead to the optimal allocation of scarce country resources. These adverse competitive market outcomes need to be balanced against the objectives of the IDoW policy.

The first objective of the IDoW is to essentially protect the health and safety of the public through ensuring that only appropriately qualified professionals practice in the built environment. The second objective is to ensure that the infrastructure being built which has a long lifespan, does not lead to adverse health and ecological outcomes in the operation and decommissioning. Ongoing deliberation with the competition authorities to address these contradictory objectives is underway. However, it is of paramount importance that an appropriate regulatory regime is informed by a regulatory impact assessment study to understand the micro and macro-economic impacts and the attendant costs and benefits of the IDoW policy coupled with the Guideline Professional Fees policy. This will ensure that the country adopts an informed policy position as the built environment professions are a key development partner and catalyst to achieve the growth and development objectives of the country within strong health and safety and sustainable development paradigms.

SUSTAINABLE AND INTEGRATED DEVELOPMENT

Determination of professional fees

As was stated above, the setting of professional fees from a theoretical and competitiveness perspective is undesirable as it distorts a competitive and market determined pricing outcome which is allocatively efficient. It should however be noted that in the South African economy there are administered prices such as the price of electricity etc which are administered by regulatory authorities and it can therefore be argued that professional fees for the BE should also be construed within the administered price regime as the CBE plays a regulatory role for BEPs. The problem with the BE is that the six Professional Councils use different price setting mechanisms and therefore make it difficult for the CBE to determine and set uniform norms and guidelines for Professional Fees throughout the professions. It is therefore important that the regulatory impact assessment study mentioned above is carried out to determine the cost and benefit of the different pricing regimes of the six professions and the desirability or not of maintaining the current dispensation. The key issue for professional fees is that it should balance the sustainable growth of professions which experience fee discounting in times of general economic recession which impact and lowers construction activity objective against

Recognition of new professions

The CBE has developed and completed a position paper on the recognition of new professions and will be completing a policy framework in the 2011/12 financial year. The policy position paper has uncovered the following 3 areas which will be addressed by the policy framework:

1. Processes to recognise those established built environment professions that fall outside the current legislative mandate of the CBE such as Town and Regional Planners, Land Surveyors etc. The objective is to ensure policy co-ordination and integration for the built environment.
2. Processes to recognise and “professionalise” new knowledge areas as either independent professions or new knowledge areas that will augment the existing knowledge base of the BEPs that will assist in addressing the unique developmental challenges of South Africa and the global South.
3. Processes to recognise new categories of registration or newly established niche professional categories within the current 6 professions that are regulated by the CBE.

HUMAN RESOURCE DEVELOPMENT

Competency standards for registration

In the 2010/11 financial year, the CBE developed a policy framework for competency standards for registration. The policy framework will complement the SGB policy framework that will be developed in the 2011/12 financial year and together with the CPD and Accreditation policies will form the core human resource development policy instruments that the CBE will use to ensure that there is a sustainable growth of the professions. However, the CBE will need to work closely and form formal cooperative agreements with the Department of Higher Education and relevant SETAs in order to ensure that identified systemic deficiencies are addressed.

International recognition

In the 2009/10 reporting cycle, the CBE noted the following:

1. South Africa is a developing economy and has two strategic priorities that relate to the built environment. Firstly, it needs to attract foreign investment (Foreign Direct Investment) and technology by making the economy competitive through modern social and economic infrastructure. Secondly, it needs to contribute to the development of the SADC region and Africa in general to ensure a balanced economic growth in Africa that will secure and further its own development i.e. pursuance of the African Agenda.
2. The misalignment of existing built environment international agreements against the Republic's foreign policy doctrine to facilitate mutual recognition of qualifications and professions with emerging growth economies that will facilitate amongst others the mobility of our professions and enable mutual trade, investment and technology transfer, has become one of our strategic attendant areas of focus.

In pursuance of the above objectives, the CBE is responding to the following mandates of the CBE Act:

- Section 4 (a) advise government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary;
- Section 3 (g) promote liaison in the built environment in the field of training, both in the Republic and elsewhere, and to promote the standards of such training in the Republic; and
- Section 4 (j) coordinate the establishment of mechanisms for professionals to gain international recognition.

In this regard through its SGB policy position paper, the CBE has made the following recommendations:

1. In support of job creation, the CBE has proposed that specific projects based on size, type and location should use labour based technologies.
2. Through a process of continuous knowledge refinement supported by an appropriate research agenda, the IDoW policy may consider amendments post the first mid-term review of implementation to include specification of methods and technologies for labour based technologies.
3. To advocate for all built environment programmes and curriculums to include sustainable development and principles as integral in their body of knowledge.
4. Some built environment programmes and qualifications are benchmarked to the following international professional accords which the Professional Councils have entered into in order to maintain cutting-edge global knowledge of BE programmes:

Table 6: International accords and organisations that govern BE qualifications

ECSA	SACPCMP	SACAP	SACQSP	SACPVP	SACLAP
<ul style="list-style-type: none"> • Washington Accord • Sydney Accord • Dublin Accord • Engineering Mobility Forum - EMF • Engineering Technology Mobility Forum - ETMF. 	In the process of seeking CIOB accreditation for recognition of SACPCMP accredited programmes.	Commonwealth Association of Architects (CAA).	Royal Institute of Chartered Surveyors (RICS)	<ul style="list-style-type: none"> • Negotiating with Royal Institute of Chartered Surveyors • Member of International Valuation Standards Council (IVSC) • Member of African Real Estate Society (AFRES) 	Opened negotiations with International Federation for Landscape Architects (IFLA)

Source: Professional Council Quarterly Reports, 2010/11

It is therefore commendable that the Professional Councils have continued their efforts in maintaining the international benchmarking of BE programmes to international standards through agreements with the above international professional organizations. The CBE however notes that the SACPCMP reports that it has not entered into international agreements which the CBE will spur the Council to start efforts into benchmarking its qualifications to international agreements in preparation for the implementation of the SGB policy framework which will require its qualifications to be internationally benchmarked.

1. The African Agenda is pursued through the following actions:

- The BE curriculum should be grounded in the African context to solve mainly African developmental problems through endogenous research, incorporating of indigenous knowledge systems into design and planning, and partnerships with African universities to exchange knowledge and research on appropriate design solutions to solve African problems. South Africa through research should develop a comparative knowledge advantage of design for development challenges to solve global south developmental challenges. The problems and solutions for global South developmental challenges should be philosophised, intellectualised and conceptualised in the global south which will lead to appropriate developmental solutions that are culturally, politically, socially and economically contextualised for global South conditions in a new multi-polar world.
- In order to improve knowledge and technological sharing between the growing global South economic block, South African BE programmes should be gradually harmonised with specifically African and BRIC countries against international professional agreements standards to which some South African BE programmes are benchmarked against.

It is therefore commendable that the Professional Councils are undertaking the following interventions:

1. Benchmarking of qualifications to international agreements
2. Working towards assisting African Professional Associations and regulatory regimes to raise the standards of their qualifications and BE regulatory regimes to international standards in pursuance and within the ambit of the African agenda and increasing cooperation between the emerging global South and BRIC countries.

Accreditations

There are 11 universities and 6 universities of technology which offer built environment programmes in South Africa. In the 2009/10 reporting cycle, there were 23 unaccredited programmes that were reported on and in the current reporting for 2010/11 only 10 programmes remain unaccredited which is represent some progress. However, the remaining un-accredited programmes remain of concern to the CBE and the organisation will monitor progress through the agreed accreditation timetable schedule agreed with the affected Professional Councils. The table below presents unaccredited programmes. It should be noted that the SACPVP and ECSA are not listed below as all their respective professions programmes are accredited.

Table : Non-accredited BE programmes

INSTITUTION	SACQSP	SACPCMP ¹	SACLAP	SACAP
University of Johannesburg (UJ)	N/A	N/A	N/A	Mtech in Architectural Technology (Prof)
UNISA	N/A	N/A	ND in Landscape Technology	N/A
CPUT	Bachelor of Technology in Quantity Surveying	Btech in Construction Management Mtech in Construction Management	N/A	MTech (Thesis)
Central University of Technology	Btech in Quantity Surveying	N/A	N/A	N/A
Durban University of Technology	N/A	N/A	ND in Landscape Technology	N/A
Tshwane University of Technology		N/A	ND in Landscape Technology BTech in Landscape Technology	N/A

Source: Professional council quarterly reports, 2010/11

Table : List of institutions with BE programmes and their accreditation status

The programmes have been colour-coded to denote the following accreditation status:

Red – Full Accreditation

Orange – Not Accredited

Blue – Partial Accreditation

Black – Accreditation status not determined as information was not provided

The current accreditation status of the programme could not be established and the reported data is based on accreditation status reported in 2008.

	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
(UCT)	Bachelor of Quantity Surveying Bachelor of Science (BSc) (Hons) in Quantity Surveying	BSc in Property Studies BSc (Hons) in Property Studies MSc in Property Studies Postgraduate Diploma in Property Studies	BSc (Hons) in Construction Management	Master of Landscape Architecture (MLArch)	Bachelor of Architectural Studies (BAS) BAS (Hons) Master of Architecture PhD in Architecture	Bachelor of Engineering in Civil Chemical Electrical Mechanical Electrical and Electronic Material Electro-mechanical Mechatronic Electrical and Computer
University of the Free State (UFS)	Bachelor of Quantity Surveying Bsc (Hons) in Quantity Surveying	Master of Land and Property Development (MPROP Property Valuation)	BSc in Construction Management	N/A	Bachelor of Architectural Studies BAS (1st 3 yrs) BAS (Hons) Master of Architecture Master of Architectural Profession Master of Architecture Research PhD Architecture Doctor of Architecture	N/A
University of KwaZulu-Natal (UKZN)	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	N/A	BSc (Hons) in Construction Management	N/A	BAS Master of Architecture PHD in Architecture (All until 2012)	BSc (Eng) Electrical Agricultural Chemical Electronic Civil Mechanical Computer

	SACQSP	SACVP	SACPCMP	SACLAP	SACAP	ECSA
University of Pretoria	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	MSc in Real Estate Property Valuation	BSc (Hons) in Construction Management	BSc Landscape Architecture BL (Hons) ML (Prof)	BSc in Architecture M.Arch Prof BSc (Hons) in Architecture	Engineering Bachelor of Engineering in Industrial and Systems Chemical Electrical, Electronic and Computer Mechanical and Aeronautical Material Science and Metallurgical Mining Civil
University of the Witwatersrand	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying	BSc (4 years) in Property Studies (conditional accreditation)	BSc (Hons) in Construction Management	N/A	BAS BAS (Hons) M.Arch (Prof) M.Arch (Research) (All until 2012)	Bachelor of Engineering in Chemical and Metallurgical Civil and Environmental Electrical and Information Mechanical, Industrial and Aeronautical Mining
Nelson Mandela Metropolitan University (NMMU)	Bachelor of Quantity Surveying BSc (Hons) in Quantity Surveying ND in Building BTech in Quantity Surveying	MSc in Built Environment Facilities Management MSc in Built Environment Property Economics and Valuation	BSc (Hons) in Construction Management BTech, BSc, Hons, Masters in Construction Studies Postgraduate Diploma in Construction Management BSc in Construction Economics	N/A	M.Arch (Professional) M.Arch (Research) D.Arch ND in Architectural Technology Btech in Architectural Technology BAS MTech	ND and BTech Engineering Civil Electrical Industrial Operations Management Quality Mechanical B.Eng Mechatronics

	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
			BSc in Construction Economics and Computer Science Msc in Built Environment Project Management Msc in Built Environment Construction Management Btech in Construction Management PhD in Construction Management		(Architectural Technology)	
UJ	BTech in Quantity Surveying ND: Building	ND in Real Estate Property Valuation	BTech. MTech in Construction Management	N/A	MTech Architectural Technology (Prof)	BTech in Engineering Extraction Metallurgy Computer Systems Mining Chemical Civil Electrical Industrial Mechanical Metallurgy Mineral Resource Management Bachelor of Engineering Civil Mechanical Electrical and

	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
						Electronic with Informational Technology Electrical and Electronic Mechanical Mechanical (Information Technology)
Walter Sisulu University of Technology	ND in Building	N/A	N/A	N/A	N/A	BTech, ND in Engineering Civil Mechanical Electrical, Electronic and Computer Chemical
Stellenbosch University	N/A	N/A	N/A	N/A	N/A	B.Eng Chemical Civil Electrical and Electronic Electrical and Electronic with Computer Science Industrial Mechatronic Mechanical
North West University (Potchefstroom)	N/A	N/A	N/A	N/A	N/A	B.Eng Chemical Electrical and Electronic with Computer Engineering Mechanical Nuclear Science and Engineering
UNISA	N/A	ND in Real Estate Property Valuation (programme to be discontinued in 2011)	N/A	ND in Landscape Technology	N/A	ND BTech and in Engineering Civil (environmental) Chemical Electrical

	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
						Industrial Information Technology Mechanical Mining
CPUT	Bachelor of Technology in Quantity Surveying	ND in Real Estate (Property Valuation)	Btech in Construction Management Mtech in Construction Management	ND and BTech in Landscape Technology Btech in Landscape Technology (1 Year)	BTech (Bachelor of Architectural Technology) ND in Architecture MTech (Thesis based)	ND BTech and in Engineering Civil Chemical Computer Systems Industrial Electrical Mechanical
CUT	Btech in Quantity Surveying	N/A		N/A	N/A	ND BTech and in Engineering Chemical Civil Electrical Industrial Mechanical Mechatronics Operations Management Quality
Durban University of Technology	N/A	N/A	N/A	ND in Landscape Technology (Programme to be terminated in 2011)	ND in Architecture BTech Higher Diploma in Architectural Technology (All until 2012)	ND in Engineering Computer Systems Electronic Chemical Civil Electrical Mechanical
Mangosuthu University of Technology	ND in Building ND in Surveying	N/A	N/A	N/A	N/A	ND BTech and in Engineering Civil Electrical Mechanical Chemical

	SACQSP	SACPVP	SACPCMP	SACLAP	SACAP	ECSA
TUT	B Tech Quantity Surveying	Building Science	N/A	ND in Landscape Technology Btech in Landscape Technology	Architectural Technology Part 1 MTech in Architecture (Part 2) BTech (All until 2012)	ND BTech and in Engineering Chemical and Metallurgical Civil Electrical Industrial Mechanical Mechatronics Operations Management Quality
Vaal University of Technology	N/A	N/A	N/A	N/A	N/A	ND BTech dan Engineering Chemical Electrical Civil Industrial Mechanical Computer Systems Metallurgical

PROGRESS ON IMPLEMENTATION OF CPD BY THE SIX BEPCs

Table 9: Percentage of professionals that comply with CPD requirements

	2008/09	2009/10	2010/11
ECSA	70%	70%	70%
SACPCMP	Policy under development	Policy under development	Policy gazetted for comment to be implemented in the 2011/12 financial year
SACLAP	Policy reviewed	Policy reviewed	95%
SACQSP	2,2%	95%	97%
SACPVP	33%	5%	60%
SACAP	57%	76%	60%

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

The table above shows that there has been high uptake of CPD activities across the board by BEPs. The CBE commends the finalization of CPD policies by the SACPCMP and SACLAP. The CBE is encouraged by the general trend towards high CPD utilization by BEPs. However, the CBE is concerned by the ECSA report that they experience monitoring and evaluation challenges through the overload of their IT system which is a reflection of organizational systems capacity constraints. It should be noted that the common approach by Professional Councils to monitor CPD compliance is through the assessment of records from a random sample of registered professional each year which gives an indication of CPD compliance levels.

It is therefore important that knowledge (experiences and best practice guidelines) and resource/systems sharing between the Councils should be encouraged in order to ensure that capacity constraints are not experienced when the IDoW policy is implemented and CPD points accumulation forms part of the re-registration requirements. The issue of knowledge and resource sharing is important because in its SGB policy position paper, the CBE has recommended after a comparative study of the graduate and professional competency requirements, that there are common knowledge and competency profile requirements across the relevant international agreements that the BE qualifications are benchmarked to. The CBE in its 2010 Built Environment Indaba deliberations with stakeholders also raised the issue of the rationalization of BE programmes which came after the completion of the CBE 2009 Report on the State of the Built Environment Professions. The following generic competency requirements have been identified as cross-cutting across the six professions:

1. Socio-economic responsiveness/social responsibility (ethics, sustainable development, health and safety, appropriate technology for rural development and labour based technologies for job creation)
2. Business effectiveness skills
3. Inter-personal effectiveness skills

The CBE takes the issue of CPD in a serious light and adopts a broader and more strategic orientation than the narrow re-registration objective. The CBE sees the CPD policy instrument as an important tool firstly to ensure that BEPs in South Africa constantly upgrade their knowledge base and professional practice to address the complex socio-economic developmental challenges facing the country. Secondly, that BEPs keep their knowledge base benchmarked to international best-practice through the insistence that BE qualifications are benchmarked to the requirements of the international agreements alluded to above which have strict CPD requirements.

requirements of the international agreements alluded to above which have strict CPD requirements. Furthermore, the CPD policy position paper of the CBE has made the following recommendations:

1. The CBE together with the professional councils should determine appropriate content through SGBs that will form the core knowledge areas addressing core knowledge areas of BEPs that address developmental issues within the ambit of international professional agreements. The approved content should only be provided by accredited providers to be jointly determined by the CBE and the professional councils
2. The CBE together with the professional councils should determine the core research areas that will determine the content of CPD knowledge areas backed by empirical research findings from universities and other state agencies such as the CSIR, etc. The research agenda should be determined by the CBE and professional Councils with the assistance of VAs and not by private providers.
3. The professional councils should be the primary organisations that disseminate knowledge on approved content and the CPD requirements to professionals.
4. The cost of CPD activities should be capped to prevent an unfair financial burden on BEPs.
5. Professionals should undertake CPD activities that are relevant to their core cognate knowledge areas which will be determined by research as identified in points 2 and 3 above.
6. The CPD accumulation cycle and the number of accumulated points per year need to be standardized and uniform across all professions.

RECOGNITION OF PRIOR LEARNING

One of the often mentioned binding constraints to a high growth and developmental trajectory for South Africa is the skills deficit that she faces. The job reservation apartheid legacy has ensured that previously disadvantaged individuals are still confined to marginal and supportive roles within the employment milieu. This however has not prevented the acquisition and accumulation of meaningful knowledge and competencies which is still unrecognised in the form of a qualification through a formal assessment process. It is within this context that RPL is important. It seeks to rightfully recognise and affirm through qualifications the prior acquired knowledge and competence outside of the formal qualification sphere to bolster the recognised skills base within BEPs and country.

The second most important issue for the BE is that the promulgation of the IDoW will mean that only registered professionals can practice with a formal qualification being one of the requirements for registration. If RPL is not vigorously pursued, it will mean that the historical two-tier job market which has a strong class and racial basis will be perpetuated leading to the frustration of the transformation agenda of the country which is an untenable situation on political, economic and social grounds.

It is therefore important that the RPL is located and seen within this strategic transformative paradigm and should therefore be rigorously marketed and implemented by professional councils. One of the greatest deficiencies within the current RPL dispensation in the BE is the lack of baseline studies which makes it difficult to ascertain the extent of the need for RPL in the sector. The planning, monitoring and evaluation framework that has been developed by the CBE will address this issue. Lack of baselines and targets makes it difficult to make a meaningful analysis of the following RPL figures:

Table 10: Number of successful RPL cases

	2008/09	2009/10	2010/11
ECSA	0	0	0
SACPCMP	14	0	3
SACLAP	0	0	0
SACQSP	35	0	23
SACPVP	0	0	0
SACAP	16	6	1
TOTAL	65	6	27

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

The urgency of the implementation of RPL, especially for ECSA is occasioned by the fact that the CESA Bi-Annual Economic and Capacity Survey for July – December 2010 has found that as at December 2010, there were 1565 technical assistants and 1997 unregistered other technical staff which by virtue of them being unregistered might be an indication of their lack of formal qualifications. It is therefore important that proper baseline studies are carried out to prevent the type of non-empirical speculation about the numbers and needs for RPL.

Another important issue that came out of the current reporting cycle is the 66% drop in successful RPL assessments between 2009 and 2010 as reflected in the table below. These figures further underscore the need for an urgent baseline study to determine the need for RPL and in the latter case, the reasons for the decreasing trend in the pass rate from a high of 89% to a measly 11% in 2010/11. As a first step, the CBE will for the next reporting cycle require Professional Councils to furnish reasons for the failure of candidates that undergo RPL assessment.

Table 11

	2008/09 total applications	2008/09 passrate	2008/09 % passrate	2009/10 total applications	2009/10 passrate	2009/10 % passrate	2010/11 total applications	2010/11 passrate	2010/11 % passrate
SACPCMP	14	14	100%	0	0	0%	5	2	40%
SACQSP	35	35	100%	0	0	0%	24	1	4%
SACAP	16	9	56%	13	6	46%	7	1	14%
TOTAL	65	58	89%	13	6	46%	36	4	11%

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

REGISTRATION

Sectoral context of the built environment

The CBE Skills Audit report (2008) and the CBE State of the Built Environment Professions report (2009) empirically reiterated the well developed trend in the building industry which shows a building industry that follows the macro-economic business cycle which leads to the expansion and contraction of its human resource base, especially the BE professional base in line with crest and trough of the business cycle. This business cycle effect has in previous business cycle downturns led to the shrinking of the BE professions labour force which reverberated downwards through the skills pipeline and affected the enrolment numbers for BE programmes.

The State of the Built Environment Professions report (2009) also found that the Engineering and to a lesser extent the Quantity Surveying professions derive a sizable part of their income from the public sector (especially the consulting engineering professions industry). The private sector however also is an important source of income for the Engineering and Quantity Surveying profession, more so for the quantity surveying profession in particular. In the case of Construction and Project Managers, Property Valuers, Landscape Architects and Architects professions, the State of the Built Environment Professions report found that they derive a substantial proportion of their fee income from the private sector especially the private residential and non-residential sectors. It is therefore expected that the greatest fall in BE professions numbers will occur in those professions that are exposed and derive a substantial portion of their fee income from the private sector with a far more subdued fall in numbers from those professions that are exposed to the public sector.

The Bureau for Economic Research (BER) Q1 2011 report on Building Costs states that the building industry reached a peak in activity levels during 2007/08 and has been on a sustained downswing since. Due to the 2008 global financial crisis and the resultant global recession. The BER Q3 2010 report on building costs states that the residential sector peaked in 2006/7 and has been declining ever since, whilst the non-residential sector peaked in 2010. The downswing in the building industry continued into the Q1 of 2011 with BER report for Q1 2011 stating that business confidence levels of architects who are traditionally at the start of the building planning cycle dropped sharply from 48 to 26 and those of quantity surveyors also dropped at a much lower rate from 47 to 33 and that of non-building contractors also dropped from 18 to 11. The report concludes that the current building recession is lasting longer and is deeper than anticipated with tough trading conditions for building contractors and the construction industry in general characterized by intensive tendering competition with the profitability of building firms falling as a result and will not be supported by construction works which peaked in 2010 with the completion of several football stadiums and international airports. However, the BER Q3 2010 report states that government infrastructure investment especially in roads, electricity generation, railways, pipelines, sewerage schemes and waterworks is anticipated to underpin construction demand.

It would therefore be expected from this business cycle effect that the professional human resource base and aggregate registration trends of the BE professions industry will fall in response to the downturn in building industry activity and profits, especially for those professions that are exposed to the private sector due to the business cycle effect.

Aggregate professional and candidate registration

The total registration complement for the six councils under the CBE is as follows:

Table 12 : Aggregate registration statistics, 2007-2009

Council	2007/08	2008/09	2009/10	2010/11	% growth between 2007 and 2010
ECSA	26789	28221	33245	34664	29%
SACPCMP	3276	3418	3624	3103	-5%
SACLAP	104	144	159	187	80%
SACQSP	2666	2537	2687	2900	9%
SACPVP	2557	2536	2375	2304	-10%
SACAP	10465	12487	11663	10517	0.5%
TOTAL	45857	49343	53753	53675	17%

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

Table above confirms the empirical findings of the State of the Built Environment Professions report (2009) and shows that those professions that are exposed to the private sector showed a contraction in numbers whilst those that are substantially exposed to the public sector have shown increasing numbers. The aggregate registration numbers show that overall, there has been a growth of 17% in registration numbers between 2007 and 2010 with the greatest rise in registration numbers coming from the Landscape Architect, Engineering and Quantity Surveying professions. Property Valuers and Project and Construction Managers professions saw an absolute fall in registration numbers whilst the Architectural profession saw a marginal rise in registration numbers. It is therefore important to analyse BEP registration numbers both on a macro-sectoral (BEP industry) and micro-sectoral (per profession) levels because the business cycle affects the professions differently depending on their exposure to the private or public sector as was discussed above.

At the macro-sectoral level, there has been an increase in registrations of 7818 (17%) between 2007 and 2010 especially for those professions that are exposed to the public sector. This positive growth in numbers for those professions exposed to the public sector is attributable to two important and reinforcing drivers; the longest economic growth cycle from 1992 to 2009 (-1,9% GDP contraction) which rebounded in 2010 (2,6% GP growth) and the infrastructure investment drive of government. Positive economic growth leads to higher tax revenue for the fiscus which leads to higher fiscal spending which has been reflected in higher infrastructure expenditure. Positive economic growth also stimulates private residential and non-residential expenditure which further strengthens and diversifies the income of those professions that rely on both the public and private sectors for their income.

The Support Programme for Accelerated Infrastructure Development (SPAID)) report states that from 2006/7 to 2009/10, actual cumulative infrastructure spending by the public sector amounted to R621,6 billion. The effect of the positive economic growth cycle and the strong and real growth in government infrastructure investment is aptly captured by the CESA Bi-Annual Economic and Capacity Survey for July – December 2010 which states that since the late seventies, investment in the civil construction industry has a higher contribution to GDP compared to the building industry (private residential and non-residential sectors which have in previous years were the highest component in the building industry contribution to GDP). The CESA survey continues further by stating that the rapid growth over the past five years has required an increase in capital, including human, financial and manufacturing and notes

in its survey a significant change in firms looking to increase employment with the number of firms looking for Engineers increasing by 82%, following a period from 2007 where fewer firms expected to increase employment. The CESA survey concludes by stating that increased spending by government and state owned enterprises supported the confidence of the consulting engineering industry which remained upbeat and stood at an index level of more than 85 during a time when the economy and the business sector showed considerable weakness.

The infrastructure investment drive of government has therefore been an important factor in maintaining the steady rise in registration numbers of Engineers and Quantity Surveyors with the CESA report stating that employment for other professionals rose by 11% (includes Architects) and those of Quantity Surveyors rose by 20%.

The large growth in numbers of Landscape Architects is mainly attributable to statistical base effects, where the growth in numbers came from a very low base.

In the case of Property Valuers which have experienced a 10% fall in numbers, the State of the Built Environment Professions report (2009) notes that the profession relies to a very large extent on the private sector, especially the residential housing market, property development companies and banks which experienced the largest contraction in business activity at the back of 2008 global financial crisis. The BER report attributes this to the National Credit Act of 2007 which has had a severe effect on the housing market as banks after the 2008 global financial crisis tightened lending criteria and reduced mortgage finance borrowing which reduced housing demand and therefore new residential developments.

The Project and Construction Managers profession also experienced a contraction of 5% in registration numbers and this is attributable to the business cycle effect discussed above and also to the professional substitution effects which were found by the State of the Built Environment Professions report (2009). The report found that clients and professionals substitute for the services of a qualified Project and Construction Managers with mainly Engineers and to a small extent Architects. The fall in registration numbers can also be attributable to natural attrition due to emigration which was found as one of the factors that affect the supply of skills in BE and movement to non-construction related industries which has also been reported by the State of the Built Environment Professions report (2009) to be important factors that affect the number of BE professions in general.

The table below provides a comparative analysis of aggregate registration between the 2007/08 and 2010/11 financial years. The analysis above found that cyclical business activity will affect those professions that rely on the private sector more than those that balance their revenue stream between the private and public sectors. This business cycle effect is reflected in the table below which shows that the major de-registrations were experienced in the Construction and Project Management, Property Valuers and Architectural professions which rely on the private sector for their fee income. The fall in registration numbers does however not mean an absolute fall in the number of professionals available to the country. The Skills Audit (2008) and State of the Built Environment Professions (2009) reports do however throw caution to the latter statement and state that the temporary excess human resource capacity might be permanently lost to the built environment in the event of career switching and emigration.

The sustainable growth of BEPs must therefore be underpinned by sustained positive macro-economic growth which stimulates the private residential and non-residential sectors and efficient government infrastructure planning and spending to bolster and maintain the high public sector investment drive. In this regard, the CBE held a Built Environment INDABA in November 2010 to solicit BE stakeholder views and recommendations following the research findings and recommendations of the Skills Audit (2008) and State of the Built Environment Professions (2009) reports. The CBE has consolidated the recommendations and synthesized them into firm policy proposals for the built environment and these have been submitted to the Minister of Public Works for consideration.

Table13: Comparative analysis of aggregate professional growth 2007/08-2010/11 at 31 March 2011

Council	2007/08	2008/09	2009/10	2010/11	Cumulative increase in registrations	Emerging issues
ECSA	26 789	28 221 (1 432)	33 246 (5 025)	34664 (1 418)	7875	ECSA has seen a significant increase in registrations from 2007, with 7875 new registrations between 2007 and 2010. The growth in numbers is expected following strong government infrastructure investment and the 2010 peak in private non-residential sector.
SACPCMP	3 276	3 418 (142)	3 624 (206)	3103 (-521)	-173	SACPCMP has seen a decrease in registrations from 2007, with a cumulative fall of 173 in registrations. This is expected as explained above because the Project and Construction Managers derive the majority of their fees from the private sector, which peaked in 2006/07 (residential) and 2010 (non-residential). The fall in number in 2010 reflects the business Cycle effect.
SACLAP	104	144 (40)	167 (23)	187 (20)	83	SACLAP has seen a significant increase in registrations from 2007, with 83 new registrations. The large jump is, however, due to the low base which the number of professions is growing from.
SACQSP	2 666	2 537 (-129)	2 679 (142)	2900 (221)	106	SACQSP has seen an increasing trend in registrations following the pattern for the engineering professions i.e. sustained government infrastructure investment and the peak of the private non-residential sector in 2010 has led to the strong growth in numbers with 106 new registrations.
SACPVP	2 557	2 536 (-21)	2 375 (-161)	2304 (-71)	-253	SACPVP has seen a fall in registrations from 2007 due to the business Cycle effect leading to a cumulative fall in registrations of 253.
SACAP	10 465	12 487 (2 022)	11 446 (-1 041)	10517 (-929)	-52	SACAP has also seen a fall in registered professionals also, following the business Cycle effect which saw a cumulative fall in numbers of 52.

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

Aggregate Gender Representation

Given the static growth in numbers for all registered professions, the gender representivity of the professions has also remained static with only the landscape architectural profession showing a large jump in female registration numbers. The other professions are slow to show gender transformation. It is often argued that the non-feminised outdoor practice environment of the BE is suitable for male than females, which came out of the Skills Audit Report and the 2009 HSRC report on Engineers in a Developing Country. This feeds the perception that the BE is a male dominated industry. This argument is a red herring that hides the deeper and unbalanced gender power social relations and politics within the industry and across the country at large. It is a gender issue because the some professions are mostly office bound and therefore practiced in a more so called feminised environment. It therefore calls for a gender transformation and mainstreaming strategy for the built environment in order to speed up gender transformation in the BE. There is a lack of adequate transformation in the sector as the following table show that the Architectural Landscape profession is the only profession that is showing substantial gender transformation. The racial composition of the professions is changing and it is time that the same effort is expended towards gender transformation.

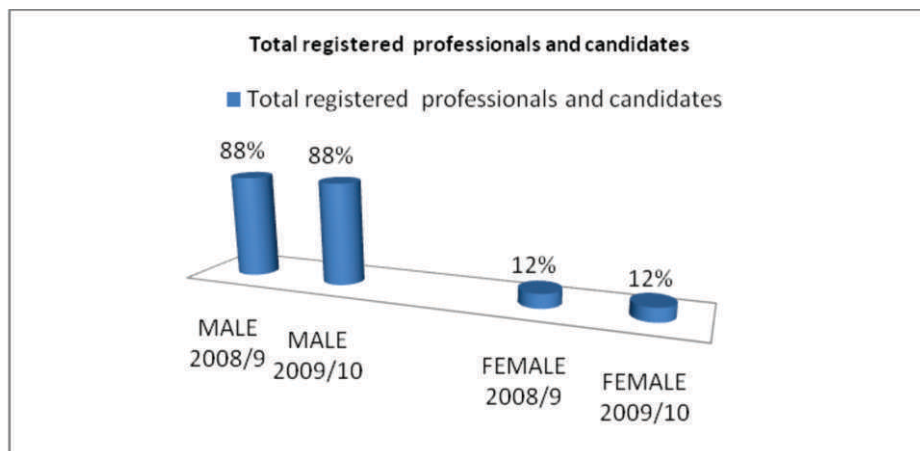
Table 14 : Gender representation within the six BEPCs

Professional Council	Total registered 2009/10	Male	Female	Total registered 2010/11	Male	Female
ECSA	33246	30774	2472	34664	31682	2982
		93%	7%		91%	9%
SACPCMP	3624	3431	193	3103	2897	206
		95%	5%		93%	7%
SACLAP	167	138	29	187	95	92
		83%	17%		51%	49%
SACAP	11446	8825	2621	10517	8252	2265
		77%	23%		78%	22%
SACQSP	2679	2199	480	2900	2377	523
		82%	18%		82%	18%
SACPVP	2375	1914	461	2304	1848	456
		81%	19%		80%	20%
TOTAL	53537	47281	6256	53675	47281	6256
		88%	12%		88%	12%

Source: Professional council quarterly reports, 2009/10, 2010/11

The urgency of a gender mainstreaming and transformation strategy is further necessitated by the following diagram which shows that the number of females have not changed since 2008 and hover at the 12% level which is still the situation found in 2010.

Figure 1: Total registered gender profile of professionals and candidates, 2008/09 and 2009/10 financial years



Source: Professional council quarterly reports, 2009/10 and 2008/09

Candidate Registration

Table 15: Growth in registered candidate numbers

PROFESSIONAL COUNCIL	TOTAL REGISTERED CANDIDATES 31 March 2009	TOTAL REGISTERED CANDIDATES 31 March 2010	TOTAL REGISTERED CANDIDATES 31 March 2011
ECSA	6 753	9 064	10 751
SACAP	3 091	1 868	1 841
SACPCMP	910	1 068	767
SACQSP	872	941	1 101
SACPVP	1 300	1 085	962
SACLAP	30	40	56
TOTAL	12 956	14 066	15 478
Annual change %	0%	9%	10%

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

The table shows that there has been a significant growth in candidate numbers, especially for the Engineering profession, where in March 2011 the number of candidates grew by 63% from 6 753 in 2009 to 10 751 in 2011. The only other professions that experienced significant growth are the Quantity Surveying and Landscape Architectural professions who respectively grew by 85% and 71%. The other three professions, Architects, Project Construction and Managers and Property Valuers experienced a fall in candidature numbers. This fall in candidature numbers for these three professions is a reflection of the business cycle effect identified above. The contraction of construction industry activity forces companies to retrench and candidates might therefore be affected by the general lack of placement and mentorship opportunities, especially for those professions that substantially rely on the private sector for their fee income as they are greatly affected by the business-cycle effect.

Table 16 : % Growth in registered candidate numbers

PROFESSIONAL COUNCIL	TOTAL REGISTERED CANDIDATES 31 March 2009	TOTAL REGISTERED CANDIDATES 31 March 2010	TOTAL REGISTERED CANDIDATES 31 March 2011
ECSA	0%	34%	19%
SACAP	0%	-40%	-1%
SACPCMP	0%	17%	-28%
SACQSP	0%	8%	17%
SACPVP	0%	-17%	-11%
SACLAP	0%	33%	40%
TOTAL	12 956	14 066	15 478
Annual % change	0%	9%	10%

Source: Professional council quarterly reports, 2009/10, 2010/11

It is important to understand whether the growth in candidature numbers is from new graduates or from prior graduates who have not been able to enter their candidature phase due to lack of placement and mentorship opportunities. The following table compares the age cohort of the 20-24 and 25-29 age cohort to the candidate universe.

Table 17:

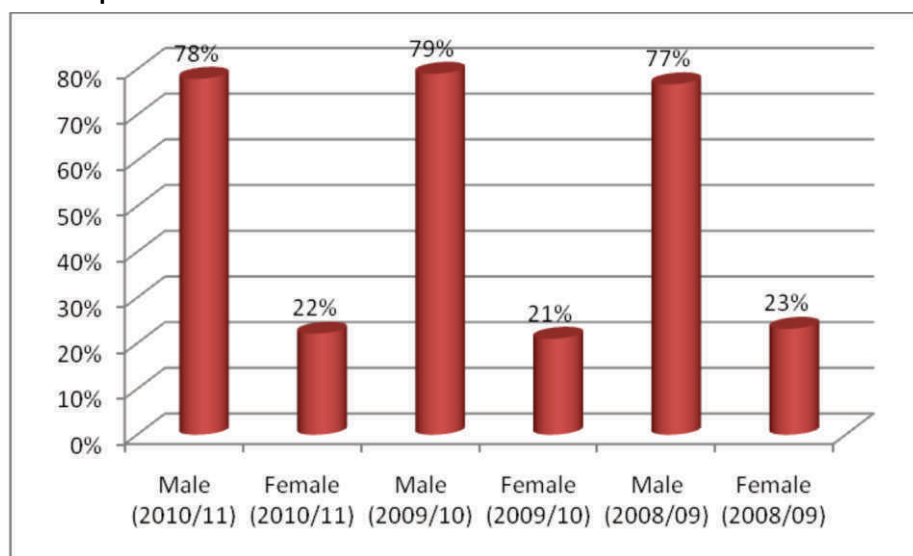
PROFESSIONAL COUNCIL	TOTAL REGISTERED CANDIDATES 31 March 2011	20-24 age cohort	% 20-24 per Professional Council	25-29 age cohort	% 25-29 per Professional Council
ECSA	10 751	1 281	12%	4 429	41%
SACQSP	1101	140	13%	242	22%
SACLAP	56	1	2%	23	41%
TOTAL	11 908	1 422	12%	4 694	39%

Source: Professional council quarterly reports, 2010/11

The above table shows that on average, 12% of candidates can be considered as recent graduates as they fall in the 20-24 age cohort which is the expected graduation age. What the above figures might be indicating is that graduating students find placement and mentoring opportunities a while after graduating as most of the candidature age cohort fall in the 25-29 age group (41%) and the rest in the other age cohorts. This fact might be borne by the fact that the CESA report states that approximately 2500 engineers are produced in South Africa annually whilst the Skills Audit report (2008) approximated the number at 2700 and also found that 66% of interviewed students stated that they intended to stay in South Africa and enter the BE industry. The new registration figures of 1281 are therefore within the expected range as 66% of 2500 graduates (1650) and 2700 (1782), however, both figures show that there are those graduates who do not register and might point to the lack of placement opportunities. This analysis therefore makes a strong point for more robust data gathering and for monitoring and evaluation in order to understand the growth in the skills pipeline of the BEP and factors that might hamper its optimal functioning. In this regard, the CBE has started a project to use HEMIS and university data to collect enrolment and graduation data which will assist in determining the progress of built environment graduates.

therefore makes a strong point for more robust data gathering, and for monitoring and evaluation to understand the growth in the skills pipeline of the BEP and factors that might hamper its optimal functioning. In this regard, the CBE has started a project since the previous financial year to use Higher Education Management Information System HEMIS and university data to collect enrolment and graduation data which will assist in having an accurate candidature profile.

Gender profile of candidates



Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

The above figure shows that the numbers of female candidates have remained static in the professions, with only a 1% marginal growth between 2008 and 2010. If current growth trends are maintained going forward, gender representivity in the professions will be affected and will take a long time to transform and therefore make a strong point for a gender transformation strategy as discussed above.

Table 18: Aggregate candidate gender profile of the BEPCs

	ECSA	SACPMP	SACAP	SACQSP	SACPVP	SACLAP
Male (2010/11)	80%	83%	70%	74%	71%	38%
Female (2010/11)	20%	17%	30%	26%	29%	63%
Male (2009/10)	81%	87%	72%	73%	74%	35%
Female (2009/10)	19%	13%	28%	27%	26%	65%
Male (2008/09)	80%	87%	72%	70%	72%	57%
Female (2008/09)	20%	13%	28%	28%	28%	43%

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

Table 19 : Aggregate candidate gender profile of the BEPCs

	ECSA	%	SACPMP	%	SACAP	%	SACQSP	%	SACPVP	%	SACLAP	%	TOTAL
Total registered candidates (2010/11)	10 751		767		1 841		1 101		962		56		15 478
Male (2010/11)	8 624	80%	637	83%	1282	70%	810	74%	681	71%	21	38%	12 059
Female (2010/11)	2 127	20%	133	17%	559	30%	291	26%	281	29%	35	63%	3 427
Total registered candidates (2009/10)	9 064		1 068		1 868		941		1 085		38		14 064
Male (2009/10)	7 325	81%	930	87%	1345	72%	689	73%	807	74%	14	35%	11 110
Female (2009/10)	1 739	19%	138	13%	523	28%	252	27%	278	26%	26	65%	2 956
Total registered candidates (2008/0)	6 753		910		3 091		872		1 300		30		12 956
Male (2008/09)	5 372	80%	788	87%	2 221	72%	608	70%	931	72%	17	57%	9 937
Female (2008/09)	1 381	20%	122	13%	870	28%	248	28%	369	28%	13	43%	3 003
Not specified							16						

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

Racial profile of candidates

Table 20 : Racial profile of total candidates

Total candidates	White	Black	Other
15478	6 409	8 951	118
100%	41%	58%	1%

Source: Professional council quarterly reports, 2010/11

The total racial composition of candidates is changing and is gradually moving towards representivity of the demographic profile of the country as reflected in the table above, with aggregate black candidate registration in 2010 standing at 58%. However, the aggregate rise in the number of black candidates hides the differing performance within the professions as reflected in the table below.

Table 21 : Racial composition of candidates per BEPC

	WHITE for 2008/09	WHITE for 2009/10	WHITE for 2010/11	BLACK (African, Coloured, Indian) for 2008/09	BLACK (African, Coloured, Indian) for 2009/10	BLACK (African, Coloured, Indian) for 2010/11
ECSA	44%	41%	36%	56%	59%	64%
SACPCMP	34%	30%	57%	66%	70%	43%
SACLAP	75%	95%	80%	25%	5%	20%
SACQSP	77%	36%	31%	23%	64%	69%
SACPVP	86%	60%	39%	14%	40%	61%
SACAP	51%	51%	53%	49%	49%	40%

Source: Professional council quarterly reports, 2008/09, 2009/10, 2010/11

The above table shows that ECSA (Engineers), SACQSP (Quantity Surveyors) and SACPVP (Property Valuers) have shown large jumps in the number of Black candidates. ECSA saw Black candidate numbers rise from 56% in 2008 to 64% in 2010, whilst SACQSP and SACPVP have shown jumps from 23% to 69% and 14% to 61% respectively with all of them performing above the 58% aggregate Black candidacy registration level. However, there may be other factors such as slow progression to professional status that contribute to the increase in number of black candidates in these professions. These may call for different types of intervention from the CBE, the state and the BE industry at large. The SACPCMP (Project and Construction Managers), SACLAP (Landscape Architects) and SACAP (Architects) professions show decreasing trends in Black candidate registration from 66% to 43% for SACPCMP and 25% to 20%, 49% to 40% respectively for SACLAP and SACAP. This might be an indication of the business cycle effect identified above and the lack of placement and mentorship opportunities. It is however important that accurate graduation and registration data is collected.

Black candidates

The following table shows the absolute change in numbers for Black candidates per profession between 2008 and 2010. The Table shows that there has been an absolute rise in numbers of Black candidates between 2008 and 2010 for ECSA of (2290), SACQSP (500), SACPVP (317) and SACLAP (8). The Architectural profession experienced the largest fall in numbers between 2008 and 2010 of 775 followed by SACPCMP with Black candidates falling by 69.

Table 22 : Black candidate change in registration

	2008/09	2009/10	2010/11
ECSA	4 264	4 018	6554
SACPCMP	600	552	531
SACLAP	3	4	11
SACQSP	200	462	700
SACPVP	99	331	416
SACAP	1 514	563	739
TOTAL	6 680	5 928	8951
Annual % change	0%	-11%	51%

Source: Professional council quarterly reports, 2010/11

Table above shows the annual change in registration of black candidates and shows that in general, there was a -11% fall in numbers between 2008 and 2009, with SACAP experiencing the largest fall in registration numbers of -682% or 951 candidates. The fall in candidature numbers in 2009 is a reflection of the peak in the construction industry cycle of 2007/08 and therefore the fall in numbers in 2009. However, the uptick in candidature numbers in 2010 might be a reflection of the sustained strength in the infrastructure drive of government, which has buoyed mainly those professions that are exposed to the public sector. The effect of the Affirmative Action and BBBEE policies might also be a factor which is driving the uptick in the number of black candidates.

White candidates

Table 23 : White candidate change in registration

	2008/9	2009/10	2010/11
ECSA	3 351	3 757	4 197
SACPCMP	309	318	236
SACLAP	9	36	45
SACQSP	671	342	401
SACPVP	613	646	546
SACAP	1 576	952	984
TOTAL	6 529	6 051	6 409
Annual % change	0%	-7%	6%

Source: Professional council quarterly reports, 2009/10

White candidate registration similarly fell by -7% in 2009 against -11% for black candidates and rose by 6% in 2010 against a rise of 51% for black candidates. Between 2008 and 2010, the number of white candidates fell by 120 against a rise in black candidates of 2271. However, the fall in absolute numbers has not happened across the whole professions. Between 2009 and 2010, ECSA gained 440 new white candidates, SACLAP (36), SACQSP (59) and SACAP (32) for a total gain of 567 new white candidates between 2009 and 2010. The loss of 120 candidates between 2008 and 2010 is attributable to the business-cycle effect and the trends in white graduates and candidate registration will be closely monitored through the HEMIS project to ensure that constitutional values of non-racialism are upheld and the BEPs do not suffer the same gender stereotypes and perception only in its racial guise.

The table above show that between 2008 and 2010, four professions saw their white candidature numbers rise with only the Project Construction and Managers and Property Valuers professions showing falls in registrations and this might be attributable to the business-cycle effect which, as it established above, saw the peak in the private non-residential sector occur in 2010.

CONCLUSION

The analysis reported above is based on the thematic areas covering public protection, HRD, sustainable and integrated development, and the governance of BEPCs. The CBE has noted reasonable improvement in some areas of the functions of the BEPCs, whilst leaving a big room for improvement. The number of appeals and disciplinary cases not finalised by the end of the reporting year are of concern. Moreover, these cases not finalised are higher within the larger and established councils. Notable improvements include the increase on registration numbers by black candidates, though it is important to ensure that those registered persons proceed to next levels of registration. The CBE still takes the challenge of capacity within the BEPC as a serious concern. The CBE will continuously ensure that the approved policy frameworks of the different functions of the BEPCs are implemented effectively

REPORT ON ACTIVITIES OF PROFESSIONAL COUNCILS: ANNUAL 2010/11 FINANCIAL YEAR

1. INTRODUCTION

One of the objectives of the CBE in terms of section 3(f) of the CBE Act of 2000 is to promote sound governance of the BE professions. Accordingly, the CBE formulated reporting templates intended to provide indication of how well the professional councils have implemented the public functions delegated to them by the State. The reports gathered from professional councils also aim to facilitate the process of data collection, analysis and information sharing and dissemination to policymakers and government.

Equally important, the statistics provide a portrait on the state of professional councils and professions that is critical to assessing trends and understanding the challenges that lie ahead.

Professional councils are individually mandated, amongst other roles and functions, to facilitate the registration of professionals, candidates and specific categories of professionals. The CBE exists to facilitate participation by the BE professions in integrated development within the context of the country's national imperatives.

The CBE is continuing to work in terms of the CBE Act of 2000, with a mandate to oversee the activities of the six built environment professional councils. This report presents a statistical summary of the activities undertaken by the councils as at the end of the 2010/11 financial year.

2. PROTECTING THE INTERESTS OF THE PUBLIC

In terms of section 30(1) of the Professional Councils Acts of 2000, a professional council must appoint a disciplinary tribunal to hear a charge of improper conduct. A professional council has the power to institute disciplinary proceedings regarding any complaint, charge or allegation of improper conduct against any person registered with the council. If a registered professional transgresses the Rules and Code of Conduct laid down by the council, the professional will be subjected to a disciplinary process.

In terms of the CBE Act, 2000 the CBE is responsible for promoting and protecting the interests of the public in the built environment. The CBE's responsibility regarding public protection is ensuring that disciplinary action is taken against professionals found guilty of negligence and failing to ensure public safety in execution of their duties. The following is a record of complaints being managed by each of the Professional Councils for the period of reporting:

South African Council for the Quantity Surveying Profession (SACQSP)

The SACQSP received 19 complaints arising from breaches of the SACQSP Code of Conduct. As at 31 March 2011 all the complaints were still in progress. The nature of the complaints relate to the contravention of Quantity Surveying Profession Act 49 of 2000.

South African Council for the Architectural Profession (SACAP)

SACAP received 62 complaints against its registered professionals for the period to date. All 62 cases received are in progress. SACAP reported 2 appeal matters that were in progress during the period under review. The nature of the complaints were declared as follows:

- 40-Incompetence
- 10- Misrepresentation
- 10-Breach of Contract
- 2-Fraud

Engineering Council of South Africa (ECSA)

ECSA reported to the CBE that 57 complaints were received against their registered professionals. Of the 57 complaints received, 7 were finalised, 50 were in progress and 1 appeal matter which has since been finalised during the reporting period.

The nature of complaints were declared as follows:

- 36-Competency/design errors/non-compliance
- 13-Integrity
- 8-Unwarranted issuing of completion certificates

The South African Council for the Landscape Architectural Profession (SACLAP)

The SACLAP reported to the CBE that 4 appeals were received for failure to be registered as professionals. The 4 appeals were finalised.

South African Council for Property Valuers Profession (SACPVP)

SACPVP reported to the CBE that 19 complaints were received. The nature of the complaints relates to undervaluation of property. Of the 19 received, 3 were in progress, 1 was finalised and 15 were withdrawn. SACPVP also received 1 appeal matter which was to be finalised. The nature of the appeal is undervaluation.

South African Council for Project and Construction Management Profession (SACPCMP)

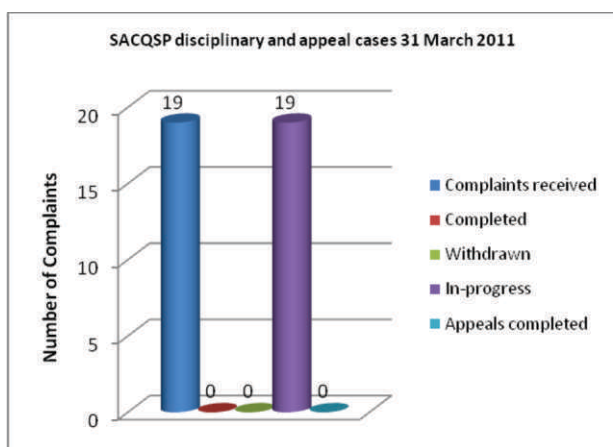
SACPCMP reported to the CBE that 10 appeals had been received for failure to be registered as professionals due to examination results. Of the 10 received, 9 appeals were finalised and 1 remained in progress.

Challenges

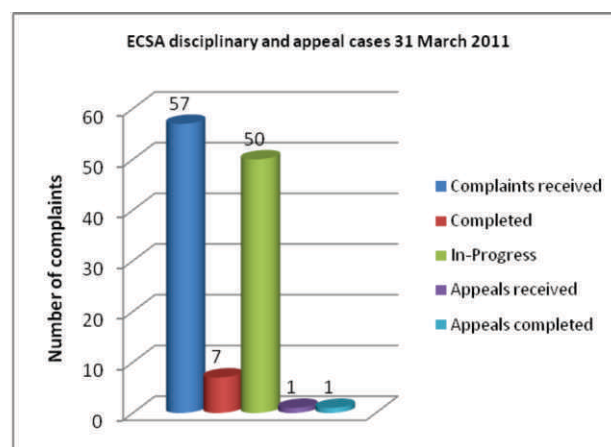
The professional councils highlighted challenges regarding the resourcing of tribunals. ECSA and SACAP indicated that the cost of investigations and conducting of disciplinary hearings remained a challenge, particularly the high costs of running tribunals. SACAP indicated lack of skills, particularly those of their Investigating Committee members.

The graphs below illustrate the number of cases received by SACQSP, ECSA, SACAP, SACPCMP, SACPVP and SACLAP as at 31 March 2011.

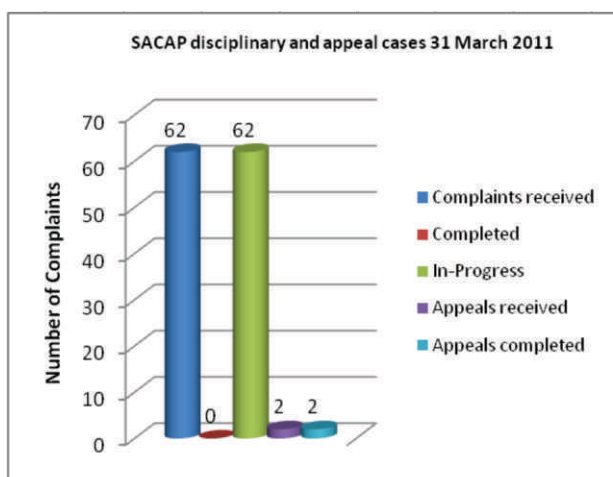
Figure 3: Number of disciplinary cases completed, in-progress and appealed



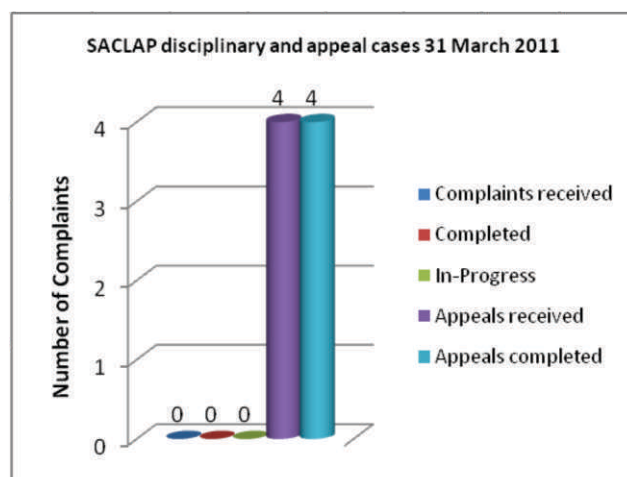
Source: SACQSP, April 2011



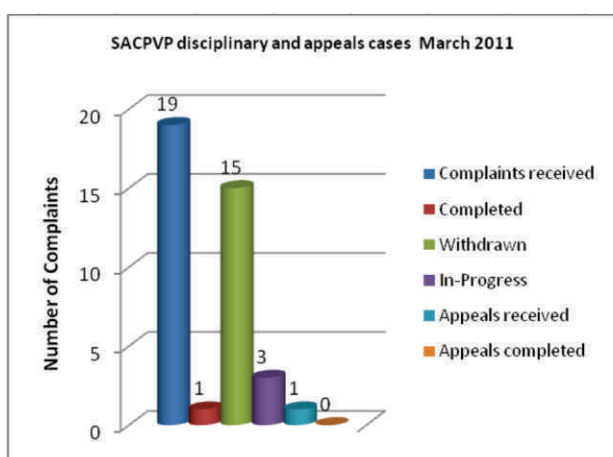
Source: ECSA, April 2011



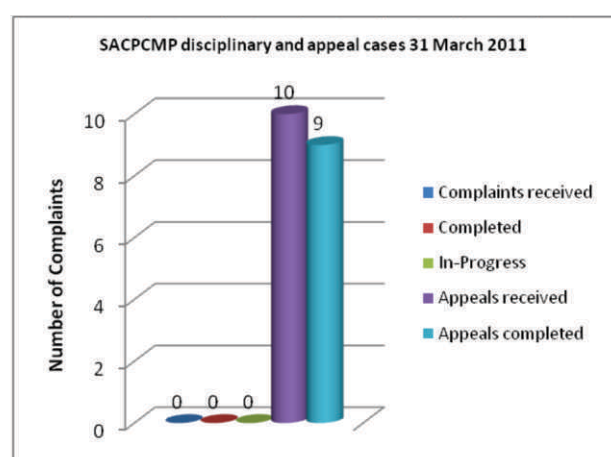
Source: SACAP, April 2011



Source: SACLAP, April 2011



Source: SACPVP, April 2011



Source: SACPCMP, April 2011

3. REGISTRATION

In terms of section 11 of each of the six Built Environment Professions Acts of 2000, the Councils may:

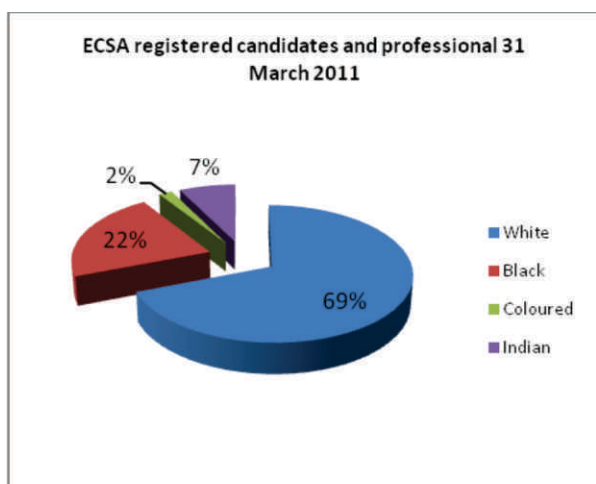
- a) Consider and decide on any application for registration;
- b) Prescribe the period of validity of the registration of a registered person;
- c) Keep a register of registered persons, and:
 - i) decide on the form of certificates and the register to be kept;
 - ii) the maintenance of the register or issuing of certificates, and;
 - iii) the reviewing of the register and the manner in which alterations thereto may be effected.

Below are the indicative outcomes from the councils in discharging their regulatory public functions.

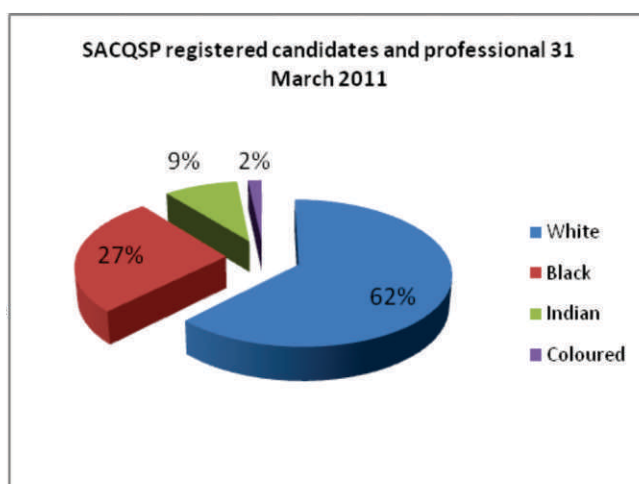
The pie charts below demonstrate that built environment professionals are still predominantly white. However, the numbers on candidacy levels indicate an emergence of a significant growth of black candidates in engineering and **quantity** surveying professions. The SACQSP, SACPCMP and ECSA have breached the 20% mark, constituting Black registered Candidates and Professionals.

Figure 3. Percentage breakdown of registered professionals and candidates by race

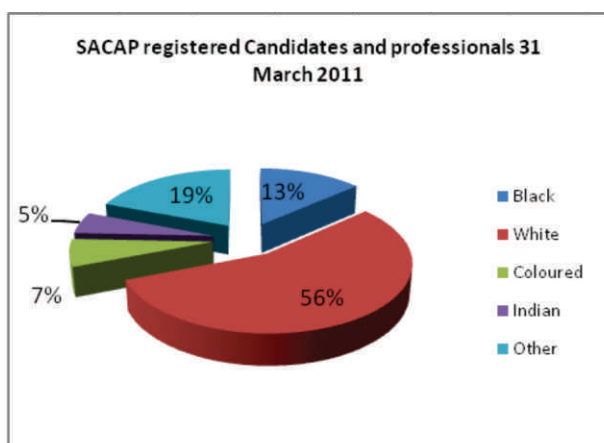
Source: ECSA, April 2011



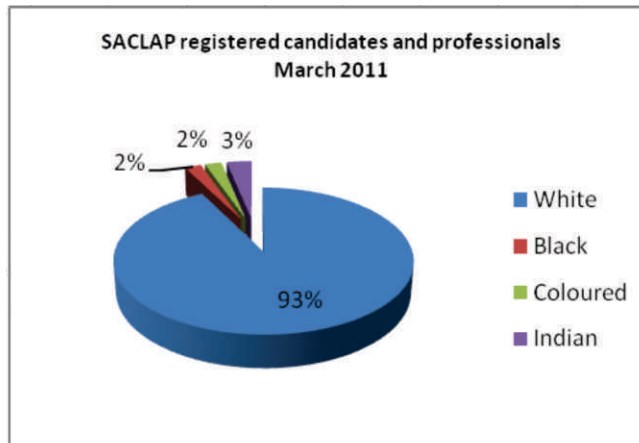
Source: SACQSP, April 2011



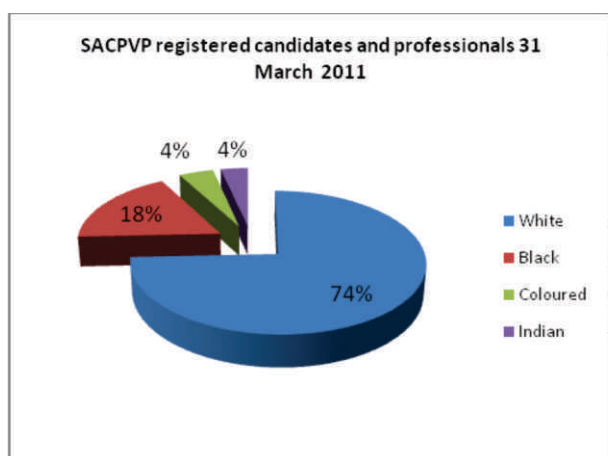
Source: SACAP, April 2011



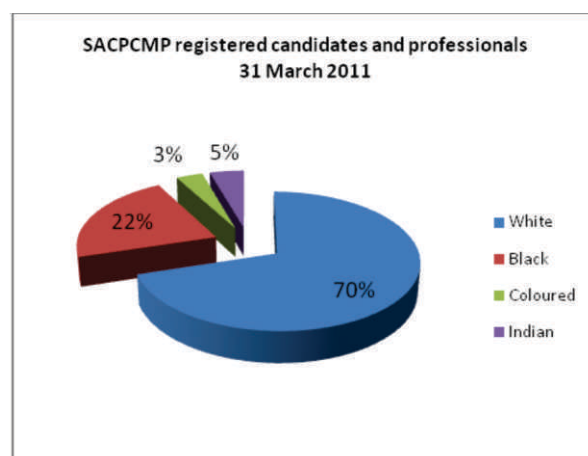
Source: SACLAP, April 2011



Source: SACPVP, April 2011



Source: SACPCMP



(A) Total registered candidates and professionals per category of registration

Regarding issues of transformation and representivity of previously disadvantaged groups in the professions, challenges are still prevalent. For instance representation of women within the built environment professions remain a concern. The built environment professions are male dominated with an average of 88% male representation. In terms of race representation, professionals are white dominated, with SACLAP having as much as 91% registered white candidates and professionals. Table 21 to 32 below provides a breakdown of total registered professionals and candidates per Professional Council.

Table 24: Professional and Candidates demographic profile per council as at 31 March 2011

Council	White	African	Coloured	Indian/Asian	Other	Total
ECSA	23 949	7 537	605	2 573		34 664
SACAP	5 846	1 425	689	543	2014	10 517
SACPVP	1 712	410	102	80	-	2 304
SACQSP	1 810	777	49	264	-	2 900
SACLAP	174	4	4	5	-	187
SACPCMP	2 176	676	108	143		3 103
Total	35 667	10 829	1 557	3 608	2014	53 675

Source: Professional council quarterly reports, fourth quarter 2010/11

Table 25: Gender profile of registered professionals and candidates as at 31 March 2011

Professional Council	Total registered	Male	Female
ECSA	34 664	31 682	2 982
SACPVP	2 304	1 848	456
SACAP	10 517	8 252	2 265
SACLAP	187	95	92
SACQSP	2 900	2 377	523
SACPCMP	3 103	2 897	206
Total	53 675	47 151	6 524

Source: Professional council quarterly reports, fourth quarter 2010/11

Table 26: ECSA total registered candidates as at 31 March 2011

	Total registered candidates – March 2011
Candidate engineers	5 652
Candidate engineering technologist	1 984
Candidate engineering technicians	2 902
Candidate certificated engineers	213
Total	10 751

Source: ECSA third quarterly report, 2010/11

Table 27: SACAP total registered candidates as at 31 March 2011

	Total registered candidates – March 2011
Candidate architects	550
Candidate senior architectural technologists	246
Candidate architectural technologists	497
Candidate architectural draughts persons	548
Total	1 841

Source: SACAP third quarterly report, 2010/11

Table 28: SACQSP total registered candidates as at 31 March 2011

	Total registered candidates – March 2011
Candidate quantity surveyors	1 101

Source: SACQSP fourth quarterly report, 2010/11

Table 29: SACPVP total registered candidates as at March 2011

	Total registered candidates – March 2011
Candidate valuers	946
Candidate residential property assessors	16
Total	962

Source: SACPVP fourth quarterly reports, 2010/2011

Table 30: SACLAP total registered candidates as at 31 March 2011

	Total registered candidates – March 2011
Candidate landscape architects	34
Candidate landscape technologists	17
Candidate landscape architectural technician	5
Candidate landscape architectural assistance	0
Total	56

Source: SACLAP fourth quarterly report, 2010/11

Table 31: SACPCMP total registered candidates as at 31 March 2011

	Total registered candidates – March 2011
Candidate construction managers	182
Candidate construction project managers	585
Total	767

Source: SACPCMP fourth quarterly report, 2010/11

Table 32: SACLAP total registered professional as at 31 March 2011

	Total registered professionals – March 2011
Professional landscape architects	126
Professional landscape technologists	5
Professional landscape architectural technicians	0
Professional landscape architectural assistants	0
Total	131

Source: SACLAP fourth quarterly report, 2010/11

Table 33: SACQSP total registered professionals as at 31 March 2011

	Total registered professionals – March 2011
Professional quantity surveyors	1 799

Source: SACQSP third quarterly report, 2010/11

Table 34: SACAP total registered professionals as at 31 March 2011

	Total registered professionals – March 2011
Professional architects	3 514
Professional senior architectural technologists	1 930
Professional architectural technologist	1 212
Professional architectural draughts persons	2 020
Total	8 676

Source: SACAP fourth quarterly report, 2010/11

Table 35: ECSA total registered professionals as at 31 March 2011

	Total registered professionals – March 2011
Professional engineers	14 696
Professional engineering technologist	3 702
Engineering technicians (Master)	415
Professional certificated engineers	1 036
Registered engineering technicians	857
Professional engineering technicians	2 247
Lift inspectors	158
Lifting machinery inspectors	802
Total	23 913

Source: ECSA fourth quarterly report, 2010/11

Table 36: SACPVP total registered professionals as at 31 March 2011

	Total registered professionals – March 2011
Professional valuers	575
Professional associated valuers	764
Single residential property assessors	3
Total	1 342

Source: SACPVP fourth quarterly report, 2010/11

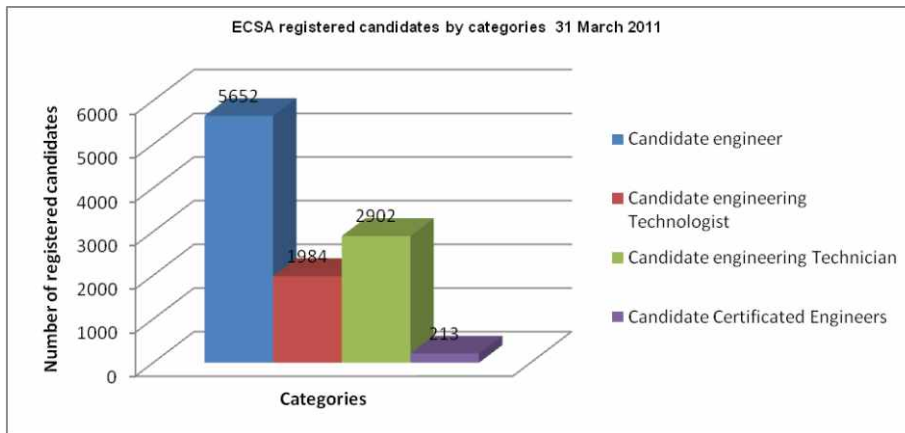
Table 37: SACPCMP total registered professionals as at 31 March 2011

	Total registered professionals – March 2011
Professional construction managers	752
Professional construction project managers	1573
Professional construction mentor	11
Total	2 336

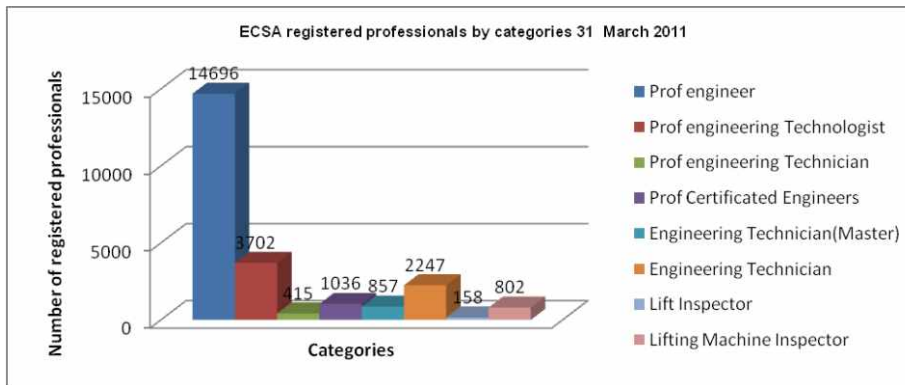
Source: SACPCMP third quarterly report, 2010/11

The graphs below illustrate the categories of professions and registration numbers per category.

Figure 3: ECSA registration by category

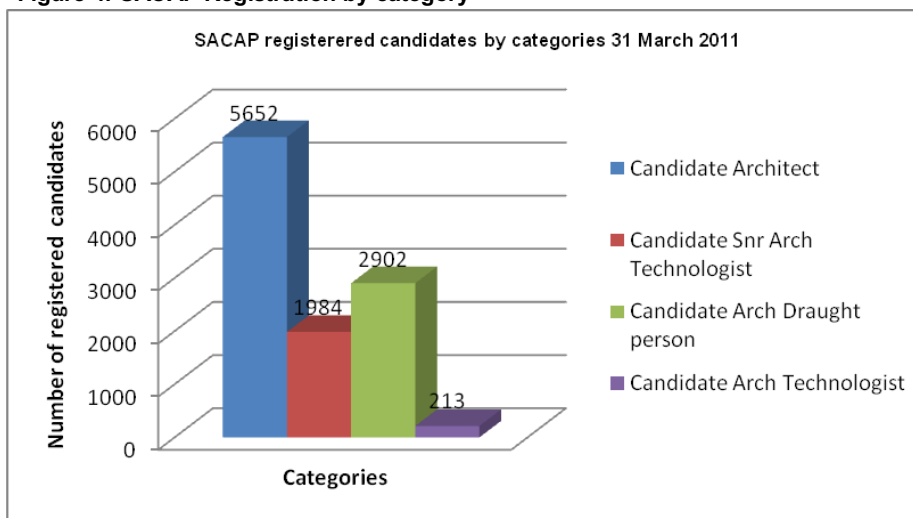


Source: ECSA fourth quarterly report, March 2011

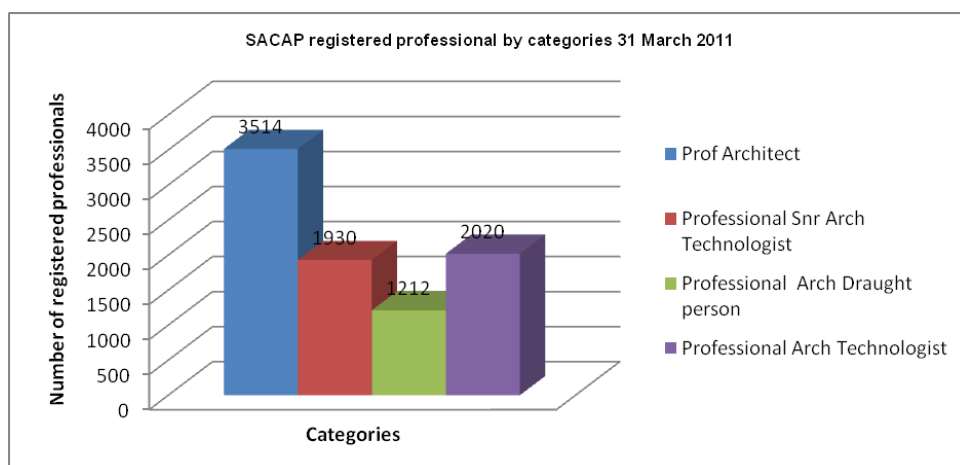


Source: ECSA fourth quarterly report, March 2011

Figure 4: SACAP Registration by category

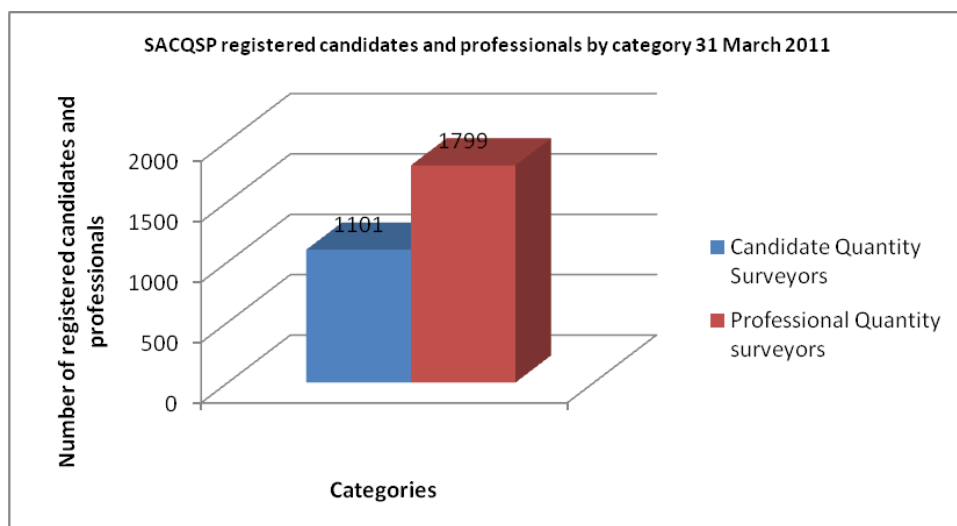


Source: SACAP fourth quarterly report, March 2011



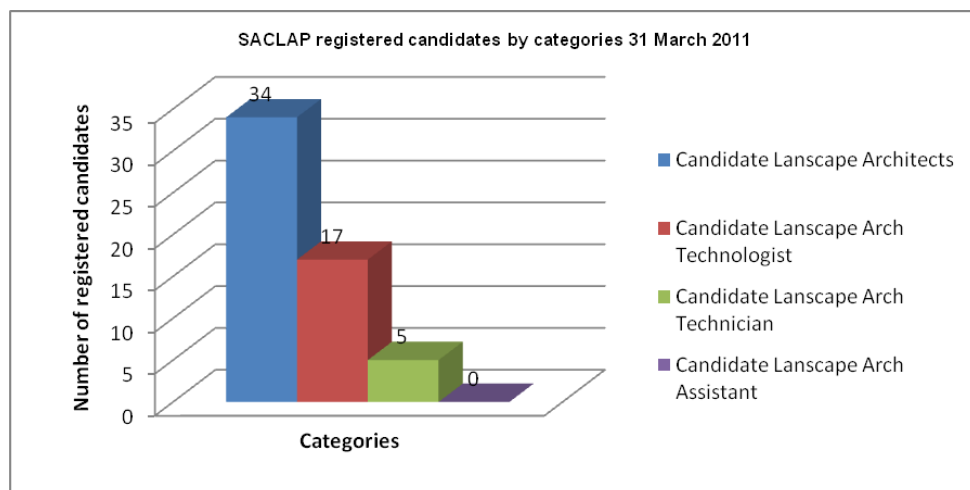
Source: SACAP fourth quarterly report, March 2011

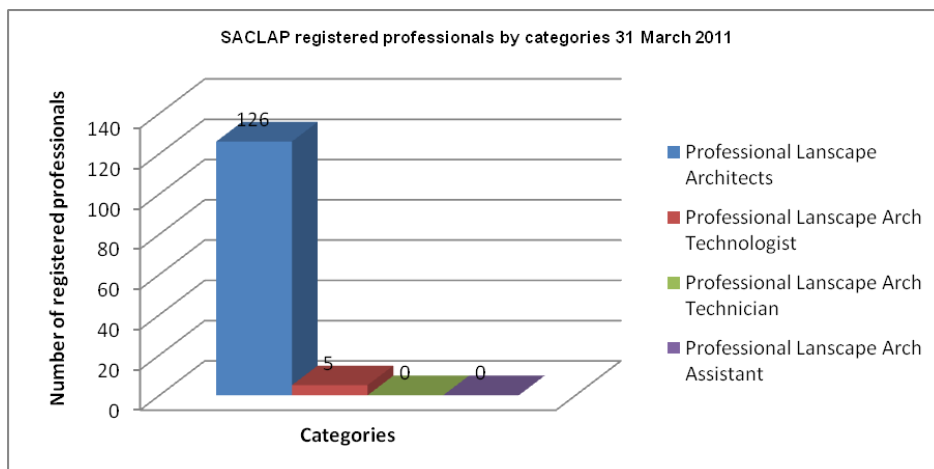
Figure 5: SACQSP registration by categories



Source: SACQSP fourth quarterly report, March 2011

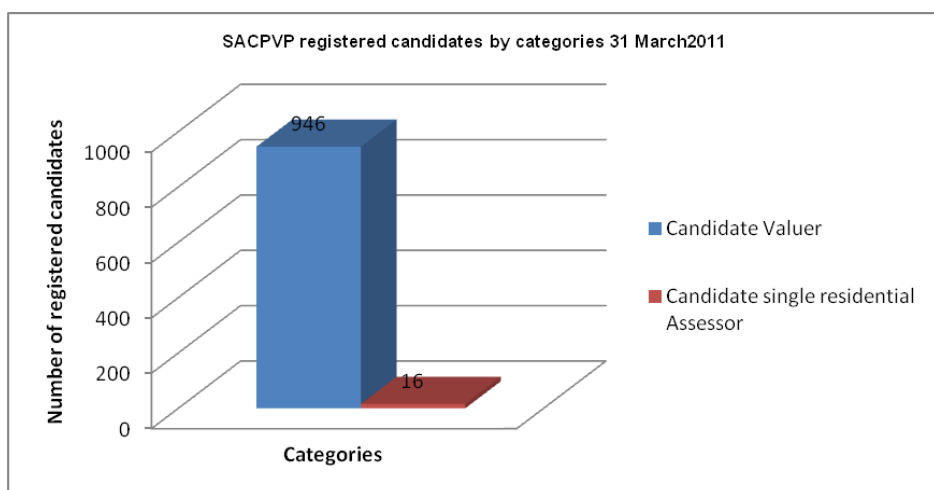
Figure 6: SACLAP registration by categories



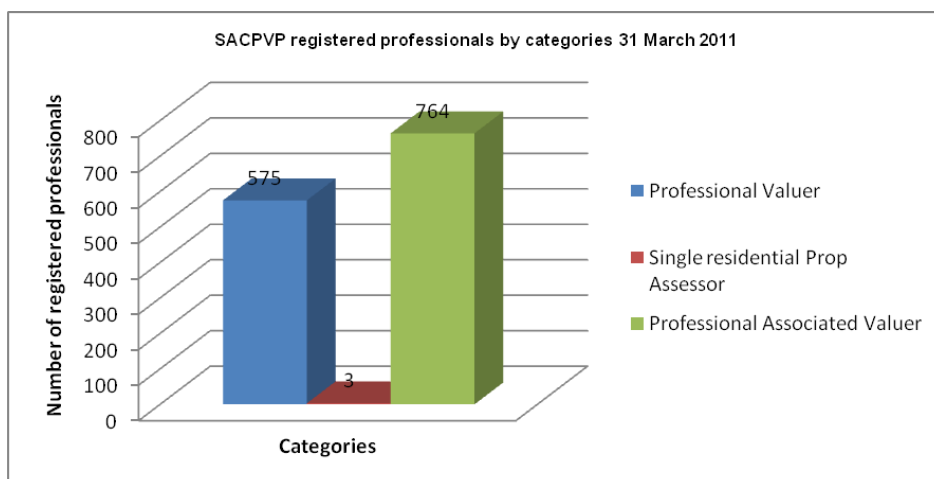


Source: SACLAP fourth quarterly report, March 2011

Figure 7: SACPVP registration by categories

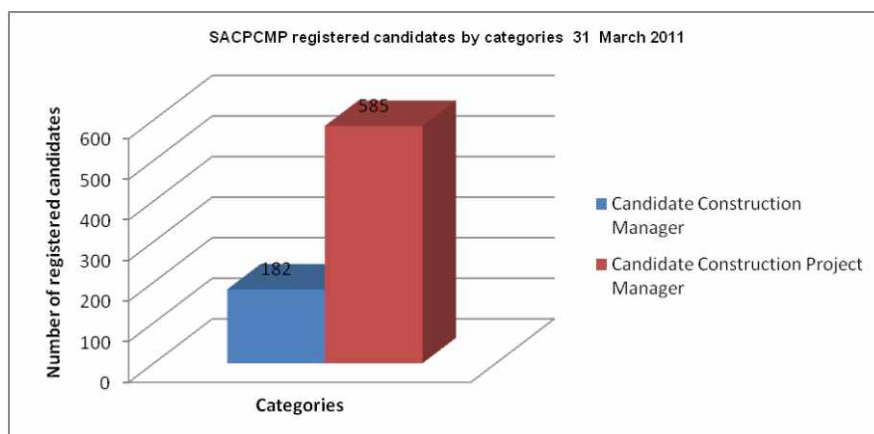


Source: SACPVP fourth quarterly March 2011

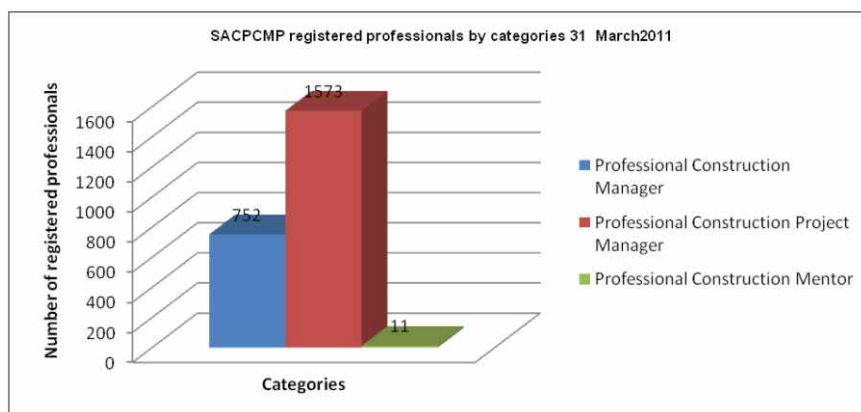


Source: SACPVP fourth quarterly report, March 2011

Figure 8: SACPCMP registration by categories



Source: SACPCMP fourth quarterly report, March 2011

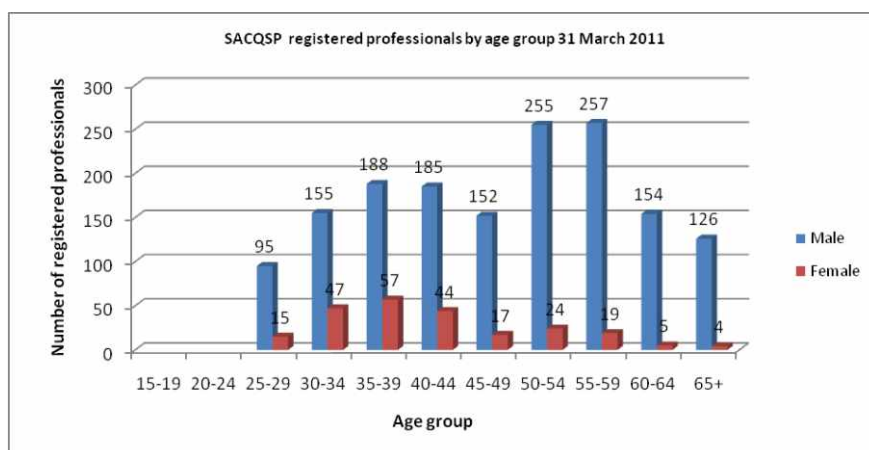


Source: SACPCMP fourth quarterly report, March 2011

(B) Registration distribution per age group

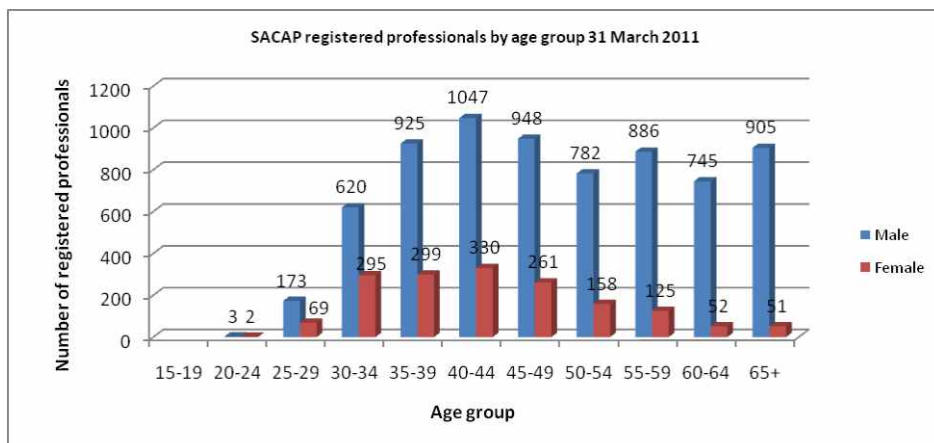
The graphs below indicate an age profile of the register and roll of professionals kept by the six BE professions.

Figure 9: SACQSP registered professionals registration distribution per age group



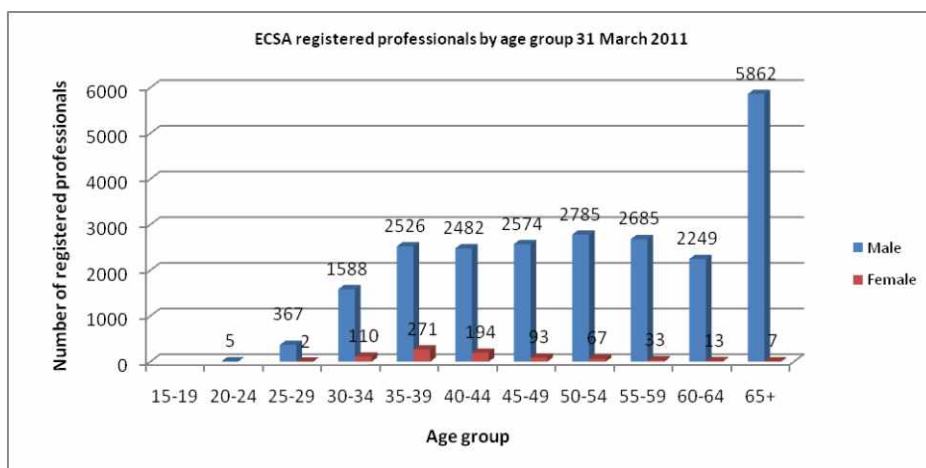
Source: SACQSP fourth quarterly report, March 2011

Figure 10: SACAP registered professionals registration distribution per age group



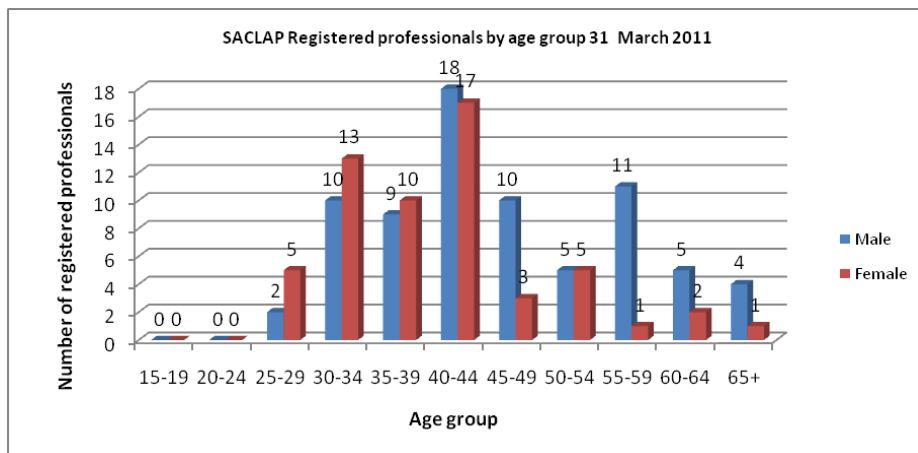
Source: SACAP fourth quarterly report, March 2011

Figure 11: ECSA registered professionals registration distribution per age group



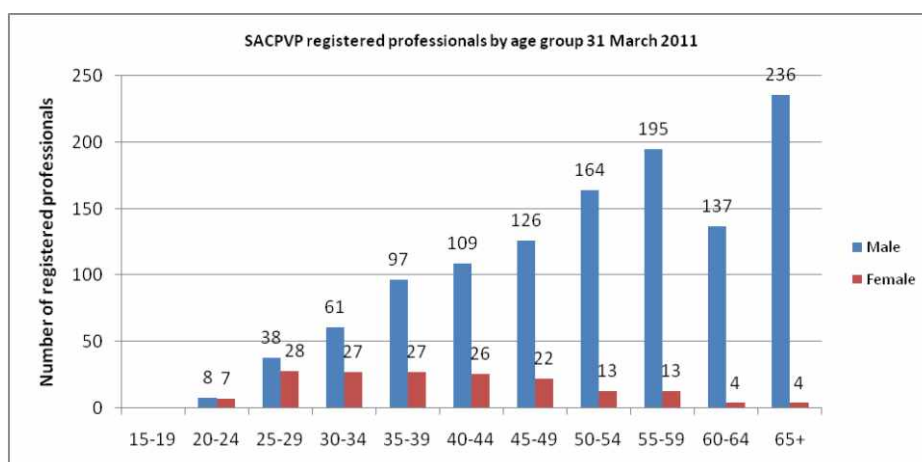
Source: ECSA fourth quarterly report, March 2011

Figure 12: SACLAP registered professionals registration distribution per age group



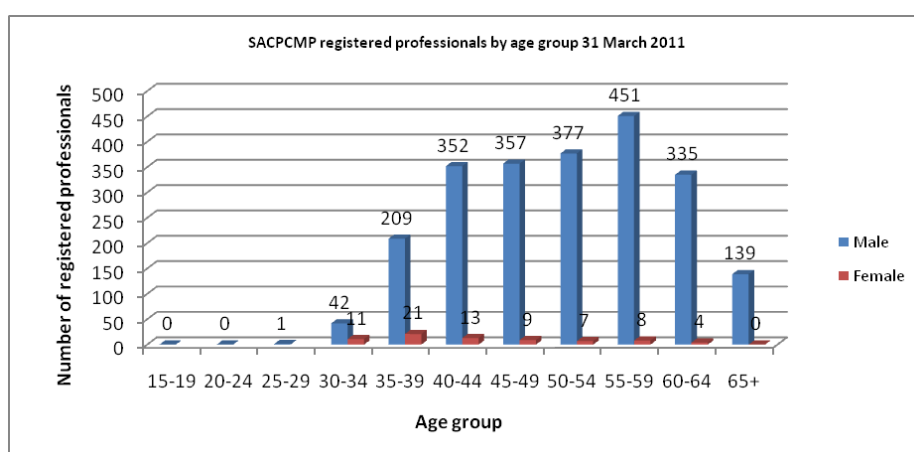
Source: SACLAP fourth quarterly report, March 2011

Figure 13: SACPVP registered professionals registration distribution per age group



Source: SACPVP fourth quarterly report, March 2011

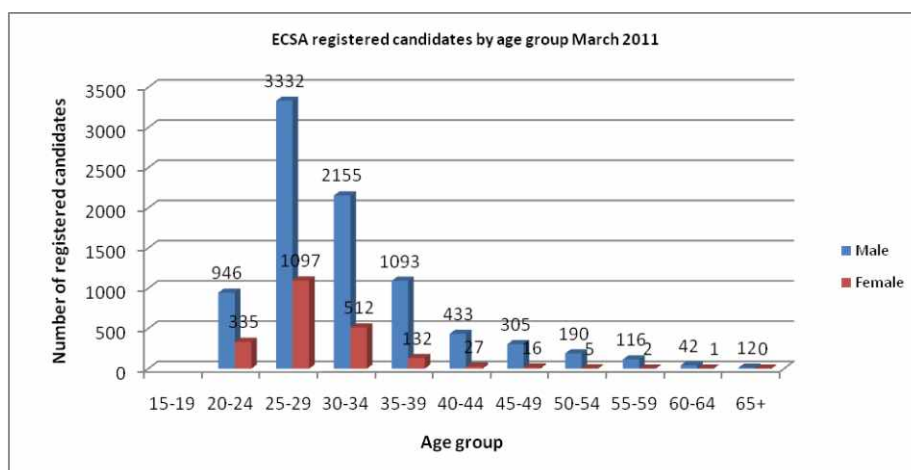
Figure 14: SACPCMP registered professionals registration distribution per age group



Source: SACPCMP fourth quarterly report, March 2011

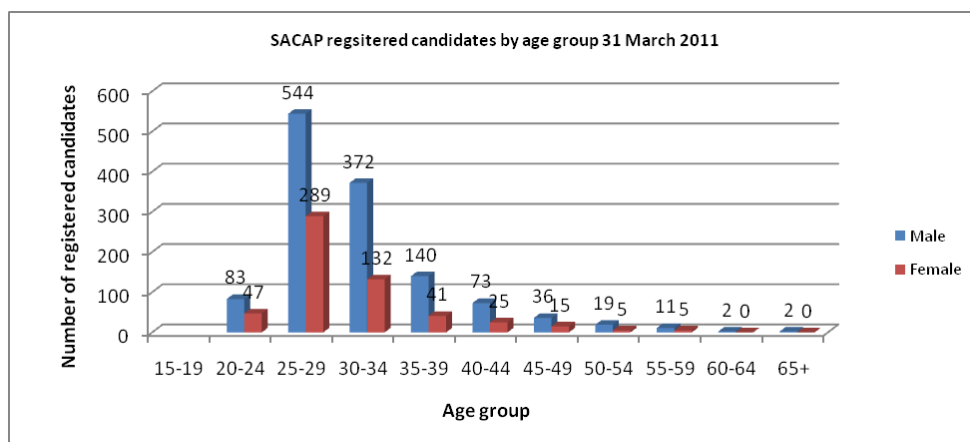
The graphs below indicate an age profile of the register and roll of candidates kept by the six BE professions.

Figure 14: ECSA registered candidates registration distribution per age group



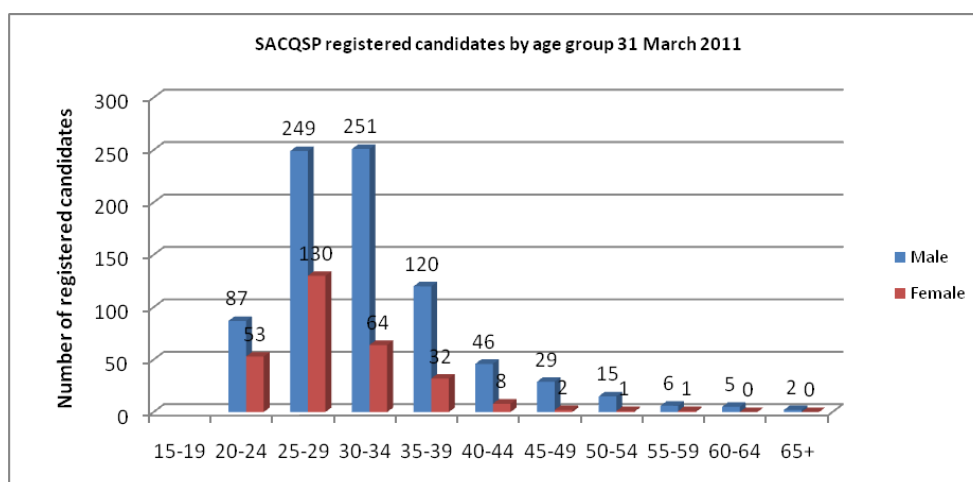
Source: *ECSA fourth quarterly report, March 2011*

Figure 15: SACAP registered candidates registration distribution per age group



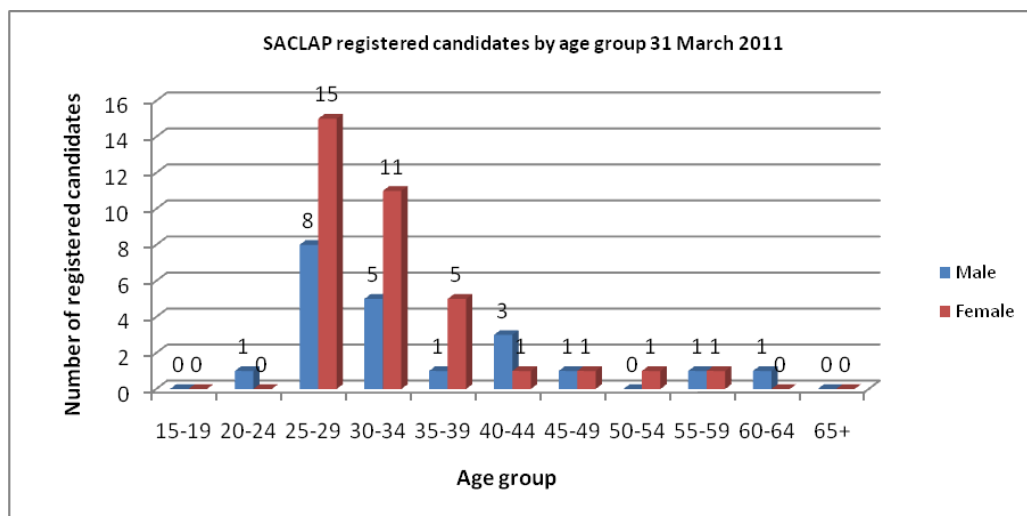
Source: *SACAP fourth quarterly report, March 2011*

Figure 16: SACQSP candidates registration distribution per age group



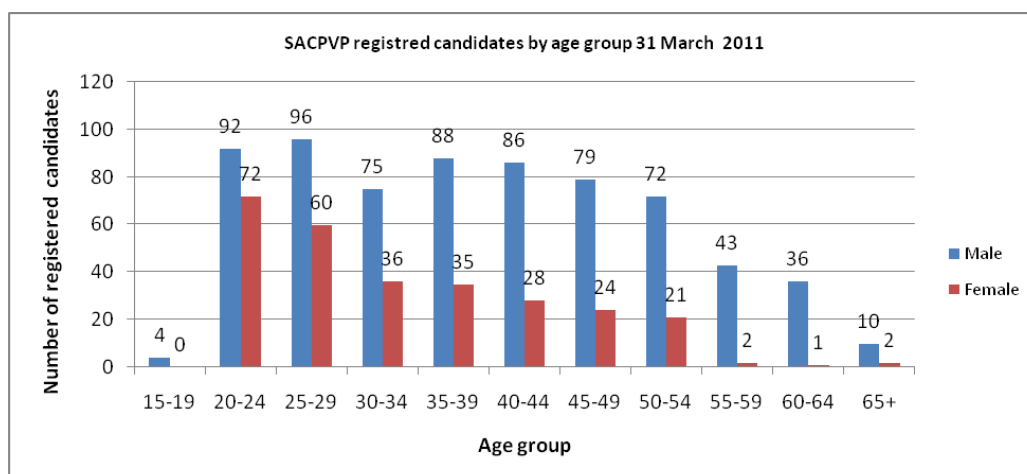
Source: *SACQSP fourth quarterly report, March 2011*

Figure 17: SACLAP candidates registration distribution per age group



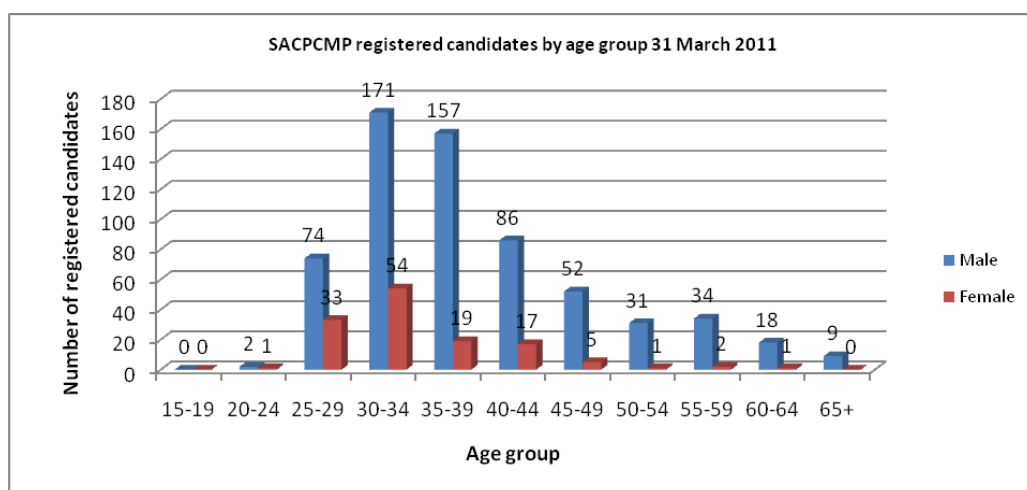
Source: SACLAP fourth quarterly report, March 2011

Figure 18: SACPVP candidates registration distribution per age group



Source: SACPVP fourth quarterly report, March 2011

Figure 18: SACPCMP candidates registration distribution per age group



Source: SACPCMP fourth quarterly report, March 2011

(C) Registration distribution by province and gender

The statistics from the professional council's report indicate that Gauteng has the largest number of registered professionals in each profession. Gauteng accounts for an average of 42% of registered professionals while the Northern Cape has an average of 1.08% of registered professionals. The tables below indicate registration distribution by province and profession registration per provincial distribution.

Table 38 : Registrations by provincial distribution and gender

SACAP	Registered professionals and candidates	Percentage share of the total registered	Men	Women	ECSA	Registered professionals and candidates	Percentage share of the total registered	Men	Women
Eastern Cape	759	7.22%	641	118	Eastern Cape	1910	5.51%	1 708	202
Western Cape	2 749	26.14%	215 7	592	Western Cape	5 505	15.88%	5 197	308
Northern Cape	80	0.76%	59	21	Northern Cape	394	1.14%	370	24
Free State	361	3.43%	297	64	Free State	1 028	2.97%	935	93
Gauteng	4 177	39.72%	318 1	996	Gauteng	14 968	43.18%	1 362 1	1 347
KwaZulu Natal	1 415	13.45%	111 4	301	KwaZulu Natal	4 779	13.79%	4431	348
Limpopo	348	3.31%	288	60	Limpopo	937	2.70%	779	158
North West	164	1.56%	135	29	North West	574	1.66%	529	45
Mpumalanga	262	2.49%	212	50	Mpumalanga	3 133	9.04%	2730	403
Other	202	1.92%	168	34	Other	1 436	4.14%	1382	54
Total	10 517	100%	8 252	2 265	Total	34 664	100%	31 682	2 982

Table 16: registrations by provincial distribution and gender

SACLAP	Registered professionals and Candidates	Percentage share of the total registered	Men	Women	SACQSP	Registered professional and Candidates	Percentage share of the total registered	Men	Women
Eastern Cape	6	3.21%	3	3	Eastern Cape	232	8.00%	200	32
Western Cape	57	30.48%	20	37	Western Cape	479	16.52%	393	86
Northern Cape	0	0.00%	0	0	Northern Cape	32	1.10%	25	7
Free State	0	0.00%	0	0	Free State	118	4.07%	96	22
Gauteng	107	57.22%	64	43	Gauteng	1251	43.14%	976	275
Kwa Zulu Natal	14	7.49%	7	7	Kwa Zulu Natal	395	13.62%	324	71
Limpopo	2	1.07%	1	1	Limpopo	73	2.52%	60	13
North West	0	0.00%	0	0	North West	58	2.00%	46	12
Mpumalanga	0	0.00%	0	0	Mpumalanga	79	2.72%	55	24
Other	1	0.53%	0	1	Other	183	6.31%	168	15
Total	187	100%	95	92	Total	2900	100%	2343	557

Table 40: registrations by provincial distribution and gender

SACPVP	Registered professionals and candidates	Percentage share of the total registered	Men	Women	SACPCMP	Registered professionals and candidates	Percentage share of the total registered	Men	Women
Eastern Cape	173	7.51%	140	33	Eastern Cape	310	9.99%	288	22
Western Cape	499	21.66%	409	90	Western Cape	505	16.27%	486	19
Northern Cape	38	1.65%	35	3	Northern Cape	48	1.55%	48	0
Free State	101	4.38%	87	14	Free State	107	3.45%	100	7
Gauteng	940	40.80%	722	218	Gauteng	1327	42.77%	1247	80
KwaZulu Natal	313	13.59%	264	49	KwaZulu Natal	484	15.60%	437	47
Limpopo	81	3.52%	60	21	Limpopo	119	3.83%	110	9
North West	89	3.86%	73	16	North West	45	1.45%	40	5
Mpumalanga	70	3.04%	58	12	Mpumalanga	124	4.00%	110	14
Other	0	0%	0	0	Other	34	1.10%	31	3
Total	2 304	100%	1 848	456	Total	3 103	100%	2 897	206

(D) Deregistration and cancellations

With regard to de-registrations and cancellations, the six Professional councils reported the following:

Table 41: SACAP Cancellations and Deregistration

Cancellations and De-registration	Total
Deceased	182
Non-Practising	96
Retired	90 ¹
Suspensions	0
Resigned	445 ²
Removed(due to default)	4 085
Disqualified (due to incomplete information provided)	114

Source: SACAP report, March 2011

Table 42: SACQSP Cancellations and Deregistration

Cancellations and Deregistration	Total
Deceased	3
Non-Practising	0
Retired	0
Suspensions	0
Resigned	17
Removed (due to default)	17

¹ **Retired** means those with no intentions of coming back into the profession because they are mainly above 70 years and have indicated so on their letter

² **Resigned** means those who have prospects of coming back as they are now following some other careers and not active in their profession.

Source: SACQSP report, March 2011

Table 43: ECSA Cancellations and Deregistration

Cancellations and Deregistration	Total
Deceased	102
Non-Practising	47
Retired	39
Suspensions (disciplinary)	2
Resigned	94

Source: ECSA report March 2011

Table 44: SACLAP Cancellations and Deregistration

Cancellations and De-registration	Total
Deceased	4
Non-Practising	0
Retired	6
Suspensions	5
Resigned	1
Removed (due to default)	42

Source: SACLAP report, March 2011

Table 45: SACPVP Cancellations and Deregistration

Cancellations and De registration	Total
Deceased	4
Non-Practising	0
Retired	22
Suspensions	0
Resigned	16
Removed (due to default)	149

Source: SACPVP report, March 2011

Table 46: SACPCMP Cancellation and Deregistration

Cancellations and De-registration	Total
Deceased	4
Non-Practicing	1
Retired	5
Suspensions	237
Resigned	5
Removed(due to default) Due to lack of payment	143

Source: SACPCMP report, March 2011

(E) Examinations

The following are the results of applications to write professional practice examination from SACAP, SACPVP, SACQSP, SACPCMP and SACLAP.

SACAP reported that 271 applicants wrote the examination. Out of 271, 27 passed while 102 failed and 142 results were pending.

The SACQSP reported that 279 new applications were received and registered.

The SACPCMP reported that the total number of applications received was 548. Of these, 112 were rejected, meaning 436 were accepted.

Challenges with regard to registration

The SACAP reported that, there is a challenge with regard to foreign qualifications. There is a need for more stringent qualification and background checks for persons with foreign qualifications. A new assessment procedure was being structured. This will involve:

- A request for transcripts of the qualifications
- Qualifications will be researched on the internet;
- The applicant must indicate if he/she has a work permit;
- An undertaking from the applicant's Mentor is required;
- Applications will be brought before the Registrations Committee for evaluation;
- Applicants may be asked to appear before the Registrations Committee.

4. RECOGNITION OF PRIOR LEARNING

RPL assists individuals employed in the professions who do not have a formal qualification which will enable them to be recognised as either professionals or candidate professionals under the statutory professional designations. Recognition is based on their demonstration of competence against learning outcomes required for an NQF-aligned qualification.

The SACAP reported that seven professionals applied to be upgraded through RPL. Of the seven, six were rejected and only one was successful.

The SACQSP reported that 24 professionals had applied for Professional Quantity Surveying registration through RPL, and their results were awaiting assessment of their Professional Competence interview. The SACQSP rejected one RPL application.

The ECSA, SACLAP and SACPVP reported that no applications had been received for recognition through RPL.

The SACPCMP reported that of the five professionals, who applied to be upgraded through RPL, three professionals were registered and 2 applications had been rejected.

5. CONTINUING PROFESSIONAL DEVELOPMENT

The purpose of CPD is to ensure that professionals' knowledge and competencies are continuously kept up to date with new technological and theoretical developments in their respective fields.

ECSA's CPD system continues to run smoothly except for capacity problems occasionally experienced with IT support systems. The Act requires registered persons to renew their registration periodically; and ECSA had set the period at five years. Completion of a specified complement of CPD activity is one of the conditions attached to re-registration. However, the delay in implementing identification of engineering work means that registration is not in effect compulsory. The council has therefore adopted a flexible approach to the need for CPD for re-registration. Good co-operation has nevertheless been received from registered persons due for renewal of their registration during the period under review. About 70% of its professionals complied with CPD requirements.

The SACQSP indicated that 97% of registered persons complied with CPD requirements.

The SACAP reported that 66% of its registered persons complied with CPD requirements. However, staff turnover in that at the unit responsible for administering CPD had been the biggest challenge in finalising submissions and re-registrations.

The SACLAP reported that although 95% of professionals complied with CPD requirements, it still had a problem of lack of HR and funding shortfalls.

The SACPVP reported that 60% of its registered persons complied with CPD requirements and it was considering including mentoring as part of its Continuing Education and Training requirement to encourage professionals to mentor candidates.

The SACPCMP reported that the CPD policy was gazetted for comments and it will be implemented in the 2011/12 financial year.

Table 47: ECSA, SACAP, SACLAP, SACPVP, SACPCMP and SACQSP CPD compliance percentage

PROFESSIONAL COUNCIL	% OF REGISTERED PROFESSIONALS THAT COMPLY WITH CPD REQUIREMENTS
ECSA	70%
SACQSP	97%
SACAP	66%
SACLAP	95%
SACPVP	60%
SACPCMP	The CPD policy was gazetted for comments and it will be implemented in 2011/12 financial year

6. ACCREDITATION

In terms of section 13 of each of the six Built Environment Professions Act of 2000, the councils may, subject to section 5 and 7 of the Higher Education Act, 1997 (Act 101 of 1997), conduct accreditation visits to each educational institution which has a department, school or faculty of that profession, but must conduct at least one such visit during its term of office. If a Council does not conduct an accreditation visit within its term of office, it must:

- Notify the Minister accordingly and provide him or her with reasons for its failure to do so;
- Either conditionally or unconditionally grant, refuse or, withdraw accreditation regarding all educational institutions and their educational programmes.

According to section 4(k) of the CBE Act of 2000, the CBE may ensure the consistent application of policy by the professional councils regarding accreditation. Section 4(p) states that the CBE may promote coordination between the Council on Higher Education (CHE) and councils for the professions in relation to accreditation of educational institutions.

SACAP

The SACAP reported that its validation guidelines were revised and circulated to all relevant stakeholders for their input and these would be submitted to the council for adoption and approval. International training on validation was in the pipeline for the panellists. UCT received full validation during the period under review.

The SACAP would conduct an awareness campaign regarding private colleges that were charging exorbitant fees, while not accredited by the SACAP. The report indicated that some of these colleges were not registered with the CHE.

ECSA

The following accreditation visits were conducted by ECSA during the reporting period:

- Mangosutho University of Technology, 3 – 4 May 2010, FOLLOW UP accreditation visit.
- Central University of Technology, 18 May 2010, FOLLOW UP accreditation visits.
- Centurion Academy, 21 May 2010, FOLLOW UP accreditation visits.
- Durban University of Technology, 31 August – 3 September 2010, REGULAR accreditation visit.
- University of Cape Town, 13 – 14 September 2010, REGULAR accreditation visit.
- University of KwaZulu Natal, 16 – 17 September 2010, FOLLOW UP accreditation visit.
- Tshwane University of Technology, 4 -7 October 2010, FOLLOW UP accreditation visit.
- Cape Peninsula University of Technology, 22 October 2010, site visit of PetroSA facilities.

- Walter Sisulu University, 26 October 2010, FOLLOW UP accreditation visits.
- Central University of Technology, 21 February 2011, FOLLOW UP accreditation visit.

SACPCMP

As at 31 March 2011, the SACPCMP had not accredited any programme for the period under review but was in the process of finalising the accreditation policy.

The tables below illustrate programmes accredited and not accredited by ECSA, SACAP, SACLAP, SACPVP and SACQSP.

SACLAP

The SACLAP reported that during the past year the full suite of accreditation documentation had been reviewed by the SACLAP Education Committee and circulated to all stakeholders for comment. The suite of documents would also be commented on by the CHE and the International Federation of Landscape Architects. The suite of documents includes:

- SACLAP Education Policy
- Proposed Standards of Education
- Accreditation Procedures
- Self Evaluation Report template for tertiary education institutions.

Challenges regarding to accreditation

SACAP reported that there are private institutions that are offering architectural programmes which have not been accredited by the Council as per the SACAP Act. Some of them have been found not to be registered with CHE. The SACAP was engaging in a campaign to encourage private institutions to apply for accreditation for the benefit of students enrolled in these programmes.

7. RECOGNITION OF VOLUNTARY ASSOCIATIONS (VAs)

The CBE Act of 2000 defines a VA in the BE professions as any association that is recognised as such by the BEPCs and represents members in the field of practice of that profession, and may be an institute, institution, association, society or federation established by the BEPs to promote their collective professional and/or business interests.

Vas are an important constituent part of the BE professional milieu as they are mainly a repository of profession specific technical knowledge and are also highly involved in CPD activities and enhancement of vocational qualifications. Their recognition is therefore important to ensure that professionals enjoy support in matters related to their day-to-day discipline-specific practice matters and technical professional activities.

ECSA

The ECSA recognises 42 VAs.

SACQSP

The SACQSP profession recognised one VA, namely the Association of South African Quantity Surveyors. On 15 February 2011 the SACQSP withdrew this recognition and did not provide the CBE with reasons for this withdrawal. Regarding to the South African Black Technical and Allied Careers Organisation (SABTACO), the SACQSP reported that in spite of repeated consultations, facilitation meetings and approaches by SACQSP to SABTACO inviting that organisation to apply for recognition in terms of the South African Council for the Quantity surveying Act 49 of 2000, SABTACO had not responded.

SACAP

The SACAP recognised 11 VAs and three were being engaged regarding recognition.

SACLAP

The SACLAP recognises 1 voluntary association and it anticipated recognition of a further 3 in the new financial year and these are:

- South African Landscapers Institute,
- International Association for Impact Assessors,
- Institute of Environment and Recreation Management.

SACPVP

The SACPVP recognised 4 VAs.

SACPCMP

SACPCMP recognised 11 VAs and 3 others were not recognised. The SACPCMP did not provide reasons for not recognising the 3 VAs.

8. INTERNATIONAL RECOGNITION

In terms of section 4(k), the CBE may coordinate the establishment of mechanisms for professionals to gain international recognition. In terms of section 13(e) of the six Built Environment Professions Acts of 2000, the councils may establish mechanisms for registered persons to gain international recognition of their qualifications and professional status. Section 13 (h) of each of those Acts states that professional councils may enter into an agreement with any person or body of persons, within or outside the Republic, with regard to the recognition of any examination or qualification for the purpose of those Acts.

ECSA

The ECSA continued to be a signatory to the following international agreements:

Washington Accord: mutual recognition of educational qualification for education of engineers;
Sydney Accord: mutual recognition of educational qualification for education of engineering technologists;
Dublin Accord: mutual recognition of educational qualification for education of engineering technicians;
EMF: promoting the international recognition of registration of professional engineers;
ETMF: promoting the international recognition of registration of professional engineering technologists or equivalent.

ECSA reported that it was approached by the Engineering Council of Namibia (ECN) to conduct a desktop review of the engineering programmes offered at the University of Namibia and the Polytechnic of Namibia. The process was completed and the reports were forwarded to the respective institutions, as well as to the ECN. A site visit was also conducted at the two institutions to view the facilities and discussions were held with management regarding resourcing and sustainability. A courtesy visit was also made to the ECN, hosted at the Polytechnic campus. ECSA has subsequently received a request from the ECN, on behalf of the two institutions, to conduct a full accreditation evaluation at the respective institutions. This would take place late in 2011.

In addition, the ECSA had received a written request from the University of Botswana, to conduct a full accreditation evaluation of their engineering programmes. The ECSA had finalised an agreement of co-operation with the Engineering Council of Zimbabwe (ECZ) and submitted the agreement to ECZ for their comment. The agreement was concurrently being reviewed by the DPW for their comment, prior to signature of the agreement by both parties.

SACAP

The SACAP reported that it had been approached by five African countries (Ghana, Mauritius, Kenya, Zimbabwe and Namibia) which sought to benchmark their regulatory framework and legislation against that of the SACAP. This related to their unique regulation system that demarcated categories of architectural work and accompanying policies that addressed the specific context of professional practice in a developing economy. There were ongoing engagements with these countries with a view to entering into future agreements in the SADC, Africa and South regions. Exploratory talks with Kenya, Zimbabwe and Namibia were conducted; Ghana had requested a fact-finding visit to understand South African regulatory processes and Mauritius, being the most far advanced with legislation demarcating categories of registration about to be promulgated, is ready to enter into a Memorandum of Agreement (MoA) with the SACAP to potentially achieve reciprocal regulatory functions between the two countries.

The SACAP/CAA agreement came up for review in May 2010. Due to concerns with regard to reporting, the CAA had indicated that termination of the agreement was under consideration. A SACAP delegation led by the President of the SACAP held a meeting with the CAA in London on 11 October 2010. A follow-up meeting was held in Cape Town on 22 April 2011. In September 2010, the SACAP had signed an agreement between the DPW, CBE, and South African Institute of Architects to co-host the International Union Architects Triennial Congress in Durban in 2014.

Representatives of the SACAP had also attended and made a presentation to the Ugandan delegation hosted by the CBE in November 2010. It was anticipated that reciprocal agreements may be established within the sub-continent with African partners.

The SACAP had entered into an agreement with the.

- CAA – MoA of mutual recognition of accredited architectural qualifications.

SACQSP

The SACQSP has entered into a five year RICS/SACQSP Memorandum of Understanding

SACLAP

The SACLAP had not entered into an agreement. However, it reported that the IFLA would be hosting a symposium in Nairobi in October 2011, to discuss the education of landscape architects to which SACLAP is intending to send a representative.

SACPVP

The SACPVP had maintained its membership of the IVSC, a body that sets international valuation standards. Furthermore, the council was in consultation with RICS about educational requirements and training of valuers. The SACPVP was also a member of the AfRES which promotes “an African Valuer” in accordance with the South African Government’s African agenda.

SACPCMP

The SACPCMP reported that no international agreements had been entered into to date.

9. RECOGNITION OF NEW CATEGORIES OF REGISTRATION

The range of registration categories was being increased to support BE related health and safety requirements and new technologies, in response to requests by government departments and private institutions. An increasing range of organisations depend on professional councils for assistance in setting standards, implementing quality assurance and certification of individuals. These developments represent a new set of activities and professional councils were responding by introducing additional categories of registration to meet these demands. Below is a list of new registration categories being established by various councils

ECSA

The ECSA reported that the following new categories were under consideration in response to market related needs:

- Fire engineering inspectors - This was at a very advanced stage. ECSA had effected changes suggested by the Specified Categories sub-committee of Central Registration.
- Non-destructive Testers - Alignment of the old submissions of Policy and Rules with the new developments/ imminent submission to the Specified Categories sub-committee.
- Energy Practitioners - After all the work previously completed, the Specified Categories Committee had advised stakeholders that registration was not possible for higher levels of practitioners and requirements would apply for accommodation of level five practitioners.
- Building Inspectors - Stakeholders had advised that groundwork was required before further advice and information could be shared.

SACQSP

The SACQSP reported that no new categories of registration had been considered.

SACAP

The SACAP reported that it was considering a proposal to create an “Interior Design” discipline within the architectural profession.

SACLAP

The SACLAP had engaged with the stakeholders (at the workshops of 28 September and 11 October 2010) on further registration categories. The following new categories were under consideration:

- Landscape Contractors
- Horticulturists (IERM and SALI)
- Urban Designers (UDISA)
- Irrigation Consultants (LIA)

The Urban Design Institute of South Africa (UDISA) had started a process of engagement with the SACAP and will report accordingly should their application to form a registration category under the SACAP not be successful. No official correspondence had been received by 31 March 2011. However, indications were that registration with SACAP would occur.

It was anticipated that those categories of registration would be finalised in 2011 and registration of persons should begin in 2012 as registration processes, requirements/criteria and other documentation would be presented for each of the proposed new registration categories.

SACPVP

The SACPVP reported that there are no new categories to be recognised, however, a policy framework from CBE is awaited.

SACPCMP

The SACPCMP had engaged with the stakeholders on the introduction of a health and Safety registration category.

10. IDENTIFICATION OF WORK

The IDoW function is regulated by section 26 of the professions' Acts and section 20 of the Council for the CBE Act, of 2000. IDoW is required in terms of section 20 of the CBE Act as a means of designing policies and arrangements, assuring that all professions and categories of registered persons are treated in an equal manner in the universe of the BE, increase competitiveness and to allow effective competition within the various professions. While it articulated a boundary management system, it is not merely about distinguishing one profession or category of registration within a profession from the other, but also managing the boundaries around the whole family of professions and their mode of interaction to deliver an efficient system. It is, however, difficult to determine firm boundaries of each profession given the evolving nature of the BE. The following are the status of ECSA, SACAP, SACLAP, SACPVP, SACPCMP and SACQSP IDoW.

ECSA

The ECSA submitted its IDoW policy to the CBE. However, the CBE IDoW committee was not satisfied with the policy as there seem to be lack of a definite correlation between engineering disciplines and professional categories in order to ensure that the different professional categories would only be permitted to perform work falling within the engineering disciplines in which they are sufficiently educated, trained and or experienced.

A decision was taken by the CBE to redraft the ECSA IDoW policy to include the disciplines. However this was rejected by ECSA. The CBE IDoW committee made a decision to take the policy that was drafted by the CBE to the four provinces for stakeholder consultation and to thereafter regulate. However in the interim the Chairperson of the CBE IDoW committee is to meet with ECSA to attempt further negotiations.

SACAP

The CBE IDoW committee approved the SACAP policy document. Regulations are in the process of being drafted.

SACQSP

The CBE returned the IDoW document to the SACQSP to make minor amendments.

SACLAP

The CBE IDoW committee approved the SACALAP IDoW policy. Final draft regulations have been completed.

SACPVP

The CBE IDoW committee approved the SACPVP IDoW policy. Regulations for the policy will be done in the 2011/12 financial year.

SACPCMP

The CBE IDoW Committee approved the SACAPCMP IDoW policy. Final draft regulations have been completed.

11. GUIDELINE PROFESSIONAL FEES

In terms of section 4(k) (v) of the CBE Act of 2000, the CBE must ensure the consistent application of policy by the councils for the professions with regard to "the principles upon which the councils for the professions must base the determination of guideline professional fees which registered persons are entitled to charge in terms of any of the professions Acts, and in accordance with any legislation relating to the promotion of competition. In terms of section 34(1) of the Professions Acts of 2000, "the Council must, in consultation with the VAs, representatives of service providers and clients in the public and private sector, formulate recommendations with regard to the principles referred to in section 4(k) (v) of the CBE Act of 2000. In terms of section 34(2) of the Professions Act of 2000, "the council must annually after consultation with the voluntary associations,

representatives of service providers and clients in the public and private sector, determine guideline professional fees and publish those fees in the Gazette."

Section 4(r) gives the CBE powers to review guideline professional fees published by the BEPCs to ensure the consistent application of the principles regarding such fees. In line with this requirement, in 2008, the CBE developed a Policy Framework for Determination and Review of Guideline Professional Fees for Built Environment Professions. The policy framework sets out three broad principles upon which guideline professional fees should be based and proposes two types of guideline professional fee methods, namely:

- The value based fee structure,
- Time-based fees.

To date the CBE completed a review of the guideline professional fees from the SACAP, SACLAP, ECSA, SACPCMP, SACQSP and SACPVP. The review reports of each profession have been submitted to professional councils for consideration.

The following are individual reports from professional councils with regard to professional guideline fees.

ECSA

The ECSA published its guideline scope of services and tariff fees under Board Notice 190, Gazette 33892 dated 23 December 2010. In terms of the gazette, ECSA has four different methods of remuneration namely:

- i. Percentage fees based on cost of works
- ii. Fees for services that are additional to those provided for in the normal percentage fee based calculation
- iii. Time-based fees
- iv. Reimbursable expenses.

The ECSA also points out that where the scope of work is uncertain; remuneration will primarily be based on time and reimbursable expenses. Where the location, size, character and function of the works has been defined through previous studies and investigations that have either formed part of the clients' normal business practices or have been the subject of previous separate appointments paid for on a time and cost basis, the remuneration can be determined using the guideline tariffs that are based on the cost of works.

The ECSA reported that the basis of calculation of fees is costs of works as defined, and assume that the location, size, character, form and function of the works has been defined through previous studies and investigations that have either formed part of the clients normal business practices or have been the subject of separate appointment paid for on a time and cost basis.

The escalation factor reported by the ECSA is that the fees are adjusted annually by increasing the cost of work bands set for each percentage using typical inflation rates experienced in the industry.

The SACAP

The SACAP published its guideline professional fees for 2011 on 1 December 2010 under Board Notice 173 of 2010. In terms of the gazetted fees, the SACAP uses two fees structuring methods namely:

- Project cost based fee
- Time-based fees.

The SACAP reported that the basis of calculating "the Time-Based Fee" is based on a specified rate per hour. The Project Cost Based fee works on a Base Fee plus percentage of the cost of the project. The SACAP reported that the cost range for the year was 12.5% for projects costing up to R570 000.00 and 5.75% for projects in excess of R583 680 001.

SACQSP

The SACQSP did not publish an amended recommended Tariff for 2011. A board Notice published in the Government Gazette stated that the 2010 Tariff still applies during 2011. As in the past, the rate of escalation was published by the SACQSP. The fees recommended by the SACQSP were based on the results of an annual national salary survey conducted by the Association of South African Quantity surveyors, which researched the remuneration paid to various levels of skilled /qualified employees in quantity surveying professional firms and the survey results were processed by statisticians.

SACLAP

The SACLAP published its guideline fees under Board Notice 42 of 2011. In terms of the Board Notice the SACLAP uses Time-Based fees using the level of experience as a basis for setting hourly rates. SACLAP also uses fees based on project values. It reported that due to the current economic climate it was receiving complaints that the recommended professional fees were being greatly discounted.

SACPVP

The SACPVP published its Guideline Professional Fees for 2011 under Board notice 138 of 2010. It reported that many registered persons discount these fees when charging clients.

SACPCMP

The SACPCMP reported that the Tariff of Fees Committee is still discussing the professional guidelines fees.

12. STANDARD GENERATING BODIES

Professional councils established SGBs, with the objectives to develop generic outcome-based qualifications for registration on the National Qualifications Framework (NQF). The focus of the SGBs is to develop qualifications that will enable learners to become professionally registered in various categories administered by professional councils. In terms of section 13 (d) of professions Acts the council may consult with the South African Qualifications Authority (SAQA) established by the SAQA Act, 1995 (Act 58 of 1995), or any body established by it and the Voluntary Associations to determine competency for the purpose of registration. Section (f) of the professions Acts states that the council may liaise with relevant National Standards Body established in terms of Chapter 3 of the regulations under the SAQA Act, of 1995, with a view to the establishment of an SGB in terms of those regulations.

SACAP

The SACAP reported that it does not have a policy regarding to the SGB function. However, the SACAP has a Heads of School Committee that consists of all the Heads of Department in the programmes of Architecture in the 10 public universities offering Architecture. Currently, the committee has been debating the revision of the National Diploma and the BTech in the universities of technology such as TUT, DUT and the comprehensive universities such as UJ and NMMU.

SACLAP

The SACLAP does not have a policy regarding to SGB function.

ECSA

The ECSA reported the following regarding to SGB function execution. Refer to the table below.

Table 53: ECSA status of outcome-based qualification

Qualifications Title	NQF Level	Credits	NQF Status	SGB status
Bachelor of Engineering Technology	NQF Level 7	480	Whole qualification submitted but not registered yet	Waiting for response from CHE/SAQA
Diploma in Engineering	NQF Level 6	360	Whole qualification submitted but not registered yet	Waiting for response from CHE/SAQA
Advanced Certificate in Engineering	NQF Level 6	140	Whole qualification submitted but not registered yet	Waiting for response from CHE/SAQA
Advanced Diploma in Engineering	NQF Level 7	140	Whole qualification	Narrow consultation
Honours Degree in Engineering	NQF Level 8	140	Whole qualification	Narrow consultation
Higher Certificate in Engineering	NQF Level 5	140	Whole qualification	Narrow Consultation
Advanced Certificate in Engineering	NQF Level 6	140	Whole qualification	At final development stages
National Certificate in Forensic Engineering	NQF Level 6	120	Specialist qualification	Work in Progress
National Certificate in Forensic Engineering	NQF Level 5	120	Specialist qualification	Work in Progress
Higher Certificate (Advanced) Electrical Engineering (Power)	NQF Level 6	120	Specialist qualification	Awaiting (task team) stakeholders' submission for further scrutiny
National Certificate (Higher) Electrical Engineering (Power)	NQF Level 5	120	Specialist qualification	Awaiting (task team) stakeholders' submission for further scrutiny

The SACQSP

The SACQSP reported that development of outcome-based qualifications was completed in 2008. This comprised two formats namely:

- Qualifications without unit Standards
- Qualifications with Unit Standards.

Table 54: SACQSP status of outcome-based qualification

Qualifications Title	NQF Level	Credits	NQF Status	SGB status
Bachelor of Science (Hons) in Quantity Surveying	8	480	Qualification registered	The Quantity Surveying SGB completed its work in 2008 with delivery to the SAQA of 49 Unit Standards and four fully-documented Process Reports which detailed the development of the a)

				Quantity Surveying Qualifications and the b) Unit Standards Based Qualifications
Bachelor of Quantity Surveying	7	360	Qualification registered	The Quantity Surveying SGB completed its work in 2008 with delivery to the SAQA of 49 Unit Standards and four fully-documented Process Reports which detailed the development of the: a) Quantity Surveying Qualifications and the: b) Unit Standards Based Qualifications
Bachelor of Technology in Quantity Surveying	6	360	Qualification registered	The Quantity Surveying SGB completed its work in 2008 with delivery to the SAQA of 49 Unit Standards and four fully-documented Process Reports which detailed the development of the: a) Quantity Surveying Qualifications and the: b) Unit Standards Based Qualifications
Diploma in Quantity Surveying	5	240	Qualification registered	The Quantity Surveying SGB completed its work in 2008 with delivery to the SAQA of 49 Unit Standards and four fully-documented Process Reports which detailed the development of the: a) Quantity Surveying Qualifications and the: b) Unit Standards Based Qualifications
The 480-credit Unit Standards Based qualification in Quantity Surveying	FET	120	Unit Standards Based Qualification completed	The Quantity Surveying SGB completed its work in 2008 with delivery to the SAQA of 49 Unit Standards and four fully-documented Process Reports which detailed the development of the: a) Quantity Surveying Qualifications and the: b) Unit Standards Based Qualifications
The 360-credit Unit Standards Based qualification in Quantity Surveying	FET	120	Unit Standards Based Qualification completed	The Quantity Surveying SGB completed its work in 2008 with delivery to the SAQA of 49 Unit Standards and four fully-documented Process Reports which detailed the development of the: a) Quantity Surveying Qualifications and the: b) Unit Standards Based Qualifications
The 240-credit Unit Standards Based qualification in Quantity	FET	120	Unit Standards	The Quantity Surveying SGB completed its work in 2008 with delivery to the

Surveying			Based Qualification completed	SAQA of 49 Unit Standards and four fully-documented Process Reports which detailed the development of the: a) Quantity Surveying Qualifications and the: b) Unit Standards Based Qualifications
The 120-credit Unit Standards Based qualification in Quantity Surveying	FET	120	Unit Standards based Qualification completed	The Quantity Surveying SGB completed its work in 2008 with delivery to the SAQA of 49 Unit Standards and four fully-documented Process Reports which detailed the development of the: a) Quantity Surveying Qualifications and the: b) Unit Standards Based Qualifications

SACPVP

The SACPVP has not developed outcome-based qualifications.

SACPCMP

The SACPCMP has not developed outcome-based qualifications.

13. HEALTH, SAFETY AND THE ENVIRONMENT

In terms of the CBE Act, of 2000, the objects of the CBE include promoting and protecting the interests of the public in the BE and promoting appropriate standards of health, safety and environmental protection within the BE.

SACAP

The SACAP reported the following regarding to health and safety issues: Various workshops have been held with municipalities in this regard. This project is ongoing and further visits are planned for the coming financial year. The SACAP reported two cases regarding the infringement of environmental legislation and regulations within their profession. The nature of the two environmental cases is contravention of heritage site regulations. The SACAP identified that local authorities have differing regulations and lack of skills at local authorities is a serious challenge.

ECSA

The ECSA reported the following regarding to health and safety issues:

- One person died at the Carnival Mall collapse.
- One died during a slab collapse at Lakefield Benoni, Sedgfield.
- One person died and another was injured during a slab collapse at 20 Sabie Road, Leachville, and Brakpan.

SACQSP

The SACQSP had no health and safety issues.

SACLAP

The SACLAP had no health, safety and environmental issues.

SACPCMP

SACPCMP had no health, safety and environment issues.

The SACPVP

The SACPVP reported that some banks had only recently requested their valuers to indicate the impact the environment will have on the future values of any property within a development that requires EIA.

14. CONCLUSION

From the above report, it can be concluded that some progress is being made in areas of CPD compliance. However there are still a number of challenges in areas of professional registration with most professions reflecting slow progress regarding registration of professionals from the previously disadvantaged backgrounds. There is also a concerning trend in respect of deregistrations. This highlights the urgency of a policy intervention in the form of IDoW that will criminalise professional practice without registration.

In the area of international agreements, it is encouraging to see efforts being made by various Professional Councils to enter into agreements with equivalent bodies within the African continent, SADC region in particular. In the CBEs view this needs to be conducted in a procedural manner consistent with the provisions of the Constitution. International agreements are governed by section 231 of the Constitution of the Republic of South Africa of 1996 which states that:

- (1) The negotiating and signing of all international agreements is the responsibility of the national executive.
- (2) An international agreement binds the Republic only after it has been approved by resolution in both the National Assembly and the National Council of Provinces (NCOP), unless it is an agreement referred to in subsection
- (3) An international agreement of a technical, administrative or executive nature, or an agreement which does not require either ratification or accession, entered into by the national executive, binds the Republic without approval by the National Assembly and the NCOP, but must be tabled in the NA and the NCOP within a reasonable time.
- (4) Any international agreement becomes law in the Republic when it is enacted into law by national legislation; but a self-executing provision of an agreement that has been approved by Parliament is law in the Republic unless it is inconsistent with the Constitution or an Act of Parliament.
- (5) The Republic is bound by international agreements which were binding on the Country when this Constitution took effect.

The Constitutional provisions mentioned above ought to be observed by the Professional Councils when entering into any type of international agreement. In addition, the CBE policy framework on international agreements should also be used as a guide and reference during the processes of entering into international agreements.

The cost of running appeals and disciplinary cases is an issue of concern. There is a need to find ways of resourcing this important mandate. This was clearly illustrated by the above reports where 90% of their disciplinary and appeals matters are not finalised. This is a serious concern to the CBE, as the mandate of the organisation is to protect the interests of the public and if cases are not finalised timeously then it is a contravention of the right to a speedy hearing in terms of the Constitution and the Promotion of Administrative Justice Act, 2000 (Act 3 of 2000). In 2008, the SACQSP had responded to the CBE's request and had submitted its application for funding to support the appointment of Tribunals to conduct Disciplinary Hearings in terms of Act 49 of 2000. In the 2011/12 financial year, the CBE will undertake a project that will assess the viability of integrated and shared legal services to reduce the costs of running tribunals.

Improvements in areas of accreditation are noted. However, the non-accredited programmes are still a challenge that faces the BE professional councils. This has a direct negative impact on the employability of the graduates that come from these non-accredited programmes. It also affects their registration prospects with any of the six BE professions because their qualifications will not be recognised. It also adds a further burden into their registration requirements, resulting in some professionals giving up and pursuing careers in other professions such as finance or leaving the country to seek greener pastures abroad. This has a significant negative impact into the supply and availability of skills within the BE and can discourage potential new entrants into the professions.

Professional councils still experience challenges in a number of areas such as health, safety and RPL. The implementation of RPL policies in the BE is poor. This is due to the lack of awareness amongst the general public and practising BE professions about the existence of this option as a registration route. Regarding to health and safety, there seems to be a lack of monitoring and reporting on health and safety related issues.

In December 2008, the CBE lodged its first submission of IDoW policy framework for the SACPCMP to the Competition Commission. In its letter of 25 March 2009, the Competition Commission raised three concerns, one of which was the publication of the guideline of fees and standardisation of fees mooted by the SACPCMP and that it may facilitate horizontal price collusion in terms of section 4 of the Competition Act of 1998. That means that it has the effect of substantially preventing, or lessening competition in a market, or it directly or indirectly fixing a purchase or selling price or any other trading condition or collusive tendering.

On the 20 July 2009, the CIDB held a meeting with the CBE regarding IDoW for the BE sector as they are in the process of developing their register of professional service-providers. A point that came out clearly was that guideline fees have become the "norm" in the public sector, resulting in distorted pricing mechanisms. The relevance of professional fees cannot be justified in a competitive procurement environment.

The CBE accordingly set up an ad hoc guideline professional fees committee to investigate other pricing mechanisms aligned and compliant to competition laws of the country. Work is currently underway and the Committee will present its report to Council in the new financial year.

15. CURRENT INITIATIVES AND RECOMMENDATIONS

Current initiatives

In respect of monitoring and evaluation, the CBE as an overarching body within the BE has a responsibility of reporting to Parliament through the Minister of Public Works on the contribution of the BE towards the developmental objectives of the country and the extent to which the Professional Council have executed the mandate given to them by the State. In addition, the CBE must report to Parliament on the status of policy implementation within the BE particularly on the 13 public functions that have been delegated to the CBE and BEPCs. To understand the status of policy implementation, it is imperative that the CBE and BEPCs develop systems and processes to track performance and report on progress. In this regard, the CBE developed a planning, monitoring and evaluation framework. The framework will be presented to the Registrars forum in the 2011/12 financial year as part of stakeholder engagement to introduce a monitoring and evaluation framework for implementation. The aim of the framework is to synchronise the planning and reporting processes of the CBE and Professional Councils with the performance management and reporting systems of government. The objective of the framework is also to guide the process of developing measurable performance targets for professional councils on all the thirteen public functions.

So far the CBE has only been monitoring implementation of these functions without developing performance benchmarks against which the performance of professional councils can be measured.

In respect of policy development, the CBE has so far developed policy frameworks for 11 of the 13 legislated concurrent public functions of the CBE and BEPCs. Eight of these public functions were approved by the council during the 2010/11 financial year. The following are the policy frameworks that were approved by CBE Council in the 2010/11 financial year:

- i. Professional registration
- ii. Recognition of VAs
- iii. Competency standards for graduates and professionals
- iv. Appeals and tribunals
- v. International agreements
- vi. Accreditation
- vii. RPL
- viii. Code of professional conduct.

The alignment process with the professional councils will begin in the 2011/12 financial year.

Regarding transformation, the CBE has initiated a number of projects to encourage women and black students to consider a career in the BE. The CBE participates in a number of career exhibitions throughout the country to encourage historically disadvantaged individuals to choose a career in the BE. In addition, the CBE has a bursary programme intended to provide financial assistance to previously disadvantaged students at tertiary institutions. The CBE completed an integrated strategy to address the skills pipeline in the BE and it is being processed by the Ministry. The objective of the strategy is to contribute in producing competent, skilled and motivated BE professionals through learning interventions and focused experiential learning processes. The integrated skills pipeline strategy is a ground-breaking proposal aimed at addressing a number of bottlenecks that hinder skills development and retention in the sector.

On RPL, the CBE has already developed a policy framework for RPL and the professional councils will align their RPL policies with the CBE's Policy in the 2011/12 financial year

On Disciplinary and Appeal tribunals, the CBE developed an appeals manual and regulations for disciplinary and appeals procedures. This manual is designed to lay out the CBE Appeals process. The CBE has also developed a policy framework on appeals and tribunals.

Regarding to guideline professional fees, the CBE recently developed a mechanism for review of guideline professional fees, which was approved by the recently convened Professional Fees Ad Hoc Committee.

On Recognition of New Professions, the CBE policy position paper was presented to the BE stakeholders during the 2010/11 financial year. The policy framework will be developed in the new 2011/12 financial year post concurrence and direction given by the Minister on the proposed policy direction.

On professional registration, a policy framework was developed and implementation is being planned for 2011/12 financial year.

The CBE has also developed a policy framework on recognition of Voluntary Associations with the aim of ensuring that there is consistency in the application of this policy across the six professions.

Regarding IDoW, the CBE is currently in the process of regulating the IDoW policies throughout the six professions. The significance of regulating the IDoW policy is that any person who is not registered in terms of the BE professions Acts will be prevented from carrying out any kind of work identified for any category of registered persons. This means that once the Minister of Public Works Promulgates the regulations on IDoW, any unregistered person who carries out the work of a registered person for which the work has been reserved in terms of the IDoW policy they will be guilty of a criminal offence. This has significant policy implications for the regulatory work of the CBE in as far as giving the organisation a platform to encourage professionals within the BE to register.

In respect of CPD, the CBE has finalised draft regulations for the CPD policy framework to be proposed to the Minister of Public Works. Once approved by the CBE Council, the regulation will be submitted to the Ministry to consider for promulgation.

With regard to the establishment of Standards Generating Bodies (SGB), the CBE developed a policy position paper that was presented to stakeholders in the 2010/2011 financial year. The policy framework will be developed in 2011/2012 financial year, post concurrence and direction given by the Minister on the proposed policy direction.

Regarding to Accreditation, the CBE developed a Policy Framework on Accreditation of programmes within the BE. The Policy Framework sets out broad principles that are intended to provide a guideline on the discharge of accreditation public functions across the six BE professions. The CBE Council approved the Policy Framework in November 2010 and the alignment process with professional councils is planned for the 2011/12 financial year. Following a concern from the Portfolio Committee about programmes that remain unaccredited within the BE industry, the CBE and professional councils agreed to develop a time-table for accreditation of all non-accredited BE programmes in tertiary institutions. To implement this resolution, in 2010 the CBE consulted with representatives of professional councils with the aim of developing a time-table for accreditation of programmes. The engagement process resulted in a time-table that was presented and agreed upon by Registrars of Professional Councils and the CBE in August 2010. The CBE, however, has a responsibility of reporting back to Parliament about progress regarding the implementation of the time-table hence a project has been set at the CEO's Office to monitor implementation in the 2011/12 financial year. A report in this regard will be presented to Registrars during the third quarter of 2011/12 financial year.

In respect of International Agreements, the CBE developed a Policy Framework on International Agreements within the BE. As part of facilitating and coordinating the signing of international agreements the CBE developed a report on the programme of engagement to allow for a process of concluding agreements which is compliant with the Constitution of the Republic of South Africa, The report was submitted to the DPW's International Relations Chief Directorate for consideration.

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NOTES

Lined area for notes.

ISBN NO. 978-0-620-50276-4 2010/11 ANNUAL REPORT

For A Better Built Environment

Postal Address: P.O. Box 915 • Groenkloof • PRETORIA • 0027

Tel: +27 12 346 3985 • Fax: +27 12 346 3986

Email 1: info@cbe.org.za • Email 2: registrar@cbe.org.za

Physical Address: 121 Muckleneuk Street • Nieuw Muckleneuk • PRETORIA • 0027
www.cbe.org.za