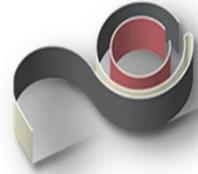




the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA



NATIONAL CONSUMER COMMISSION

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BRIEFING TO THE PARLIAMENTARY PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY

On the

1st QUARTER REPORT (2015-16)

of the

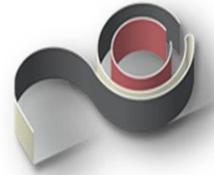
NATIONAL CONSUMER COMMISSION

13 October 2015

By

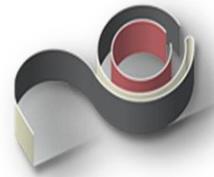
Mr EBRAHIM MOHAMED

COMMISSIONER



OUTLINE OF PRESENTATION

- Overview of 1st Quarter Report
- Achievements against Planned Targets
- Financial Management
- Progress against AGSA findings
- Key Challenges



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OVERVIEW OF 1ST QUARTER REPORT

Highlights

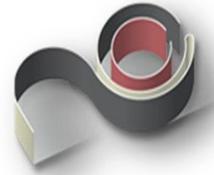


Inspections

The NCC together with the NRCS, in consultation with Minister, launched a joint winter safety campaign.

- The campaign focused on unsafe and illegal (non-compliant) paraffin stoves affecting vulnerable consumers.
- The campaign entailed conducting inspections within the Kya Sands informal settlement and neighbouring businesses.
- It culminated in illegal stoves (non-compliant) being swapped with legal (compliant) ones coupled with the raising of awareness on safety and the protection of consumers from hazardous products.

Highlights



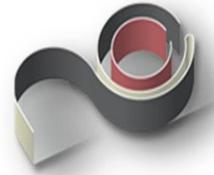
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Recalls received and monitored:

COMPANY NAME	PRODUCT BEING RECALLED:
General Motors South Africa	Opel Corsa
Audi South Africa, a Division of Volkswagen of South Africa (Pty) Ltd	Fuel rail of injection system (fitted to Audi 3.0 litre TFSI engines), sold between 24 June 2011 to 28 February 2013.
Lenovo (South Africa) (Proprietary) Limited	Sanyo ZT battery cells (“battery packs” or “batteries”)
VWSA (Pty) Ltd.	Part recalled: VW Beetle: Torsion Beam Rear Axle.
General Motors South Africa.	Clutch Apply Sensing System (CASS).
Distell Limited.	Bottled wine products.
Boston Scientific	CLEARSIGN II Amplifier
Apple, Inc.	BEATS by Dr Dre Pill XL
Volkswagen of South Africa	Amarok Brake caliper bolts
Foodcorp Milling Division	Supreme Cake Wheat Flour 10kg and 12,5kg
General Motors South Africa	Chevrolet Trailblazer
In Sink Erator (a business unit of Emerson Electric Co.)	InSink Erator

Highlights



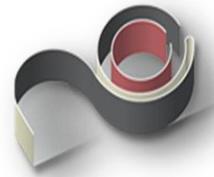
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Launch of Consumer Goods and Services Code

- Consumer Goods and Services Ombud and Code accredited by Minister in March 2015;
- NCC together with the Ombud, officially launched the Ombud Scheme.
- The launch was attended by amongst others, the Chairperson of the Portfolio Committee on Trade and Industry, the Honourable, Ms Joan Fubbs.
- The role of the Ombud is most significant, in that it plays the role of an Alternate Dispute Resolution agent.
- In accessing the Ombud, consumers will be able to seek accessible, free and speedy conciliation and mediation services on their consumer related disputes emanating from this sector.
- Accreditation means that the code and scheme has the force of law and is applicable to all suppliers within the sector
- Enables the NCC to monitor consumer disputes per industry and sector and to determine whether specific investigations are necessary.

Highlights

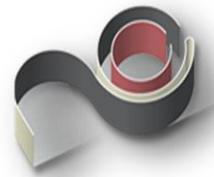


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Visibility

- NCC continued on increasing its visibility;
- fifty six articles related to the NCC were published;
- Participated in twenty radio and television interviews.
- Three advertisements broadcast in the quarter.
- The tone of coverage was positive in all instances.
- A number of media engagements related to the CGSO Industry Code launch and the Winter Safety Campaign (paraffin stoves).

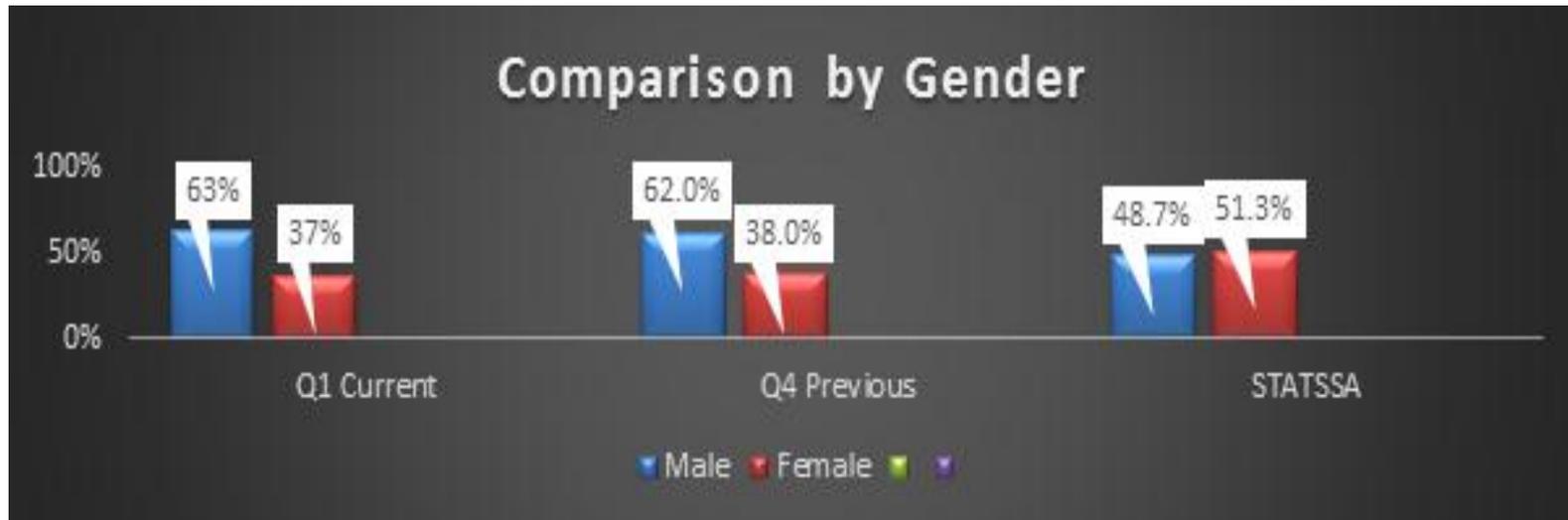


Highlights

ANALYSIS OF COMPLAINTS

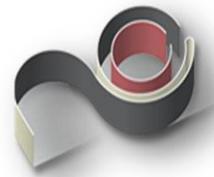
COMPLAINANTS BY GENDER

- Out of a total of 1752 complainants that filed complaints with the NCC during the 1st quarter, 645 (37%) are female complainants and 1107 (63%) are male complainants.



COMPLAINANTS BY AGE GROUPS

- 666 (38%) were from the age group ranging between 18-35 years, 473 (27%) were from the age group 36-45 years, 491 (28%) were from the age group 46-60 years and 123 (7%) were from the age group >60 years.



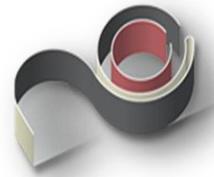
ANALYSIS OF COMPLAINTS

COMPLAINANTS PER RACE GROUPS

- The African race group lodged the highest number of complaints, that is, 806 (46%). followed by the White group at 718 (41%). The lowest number of complaints were lodged by the Indian and Coloured groups at 193 (11%) and 35 (2%) respectively.

COMPLAINTS BY CATEGORIES

- 301 (17%) were in relation to motor vehicles, 76 (4%) were in relation to the property market, 39 (2%) related to the travel and tourism, **453 (26%) related to the ICT sector** and **484 (28%) was against the retail sector**. (The analysis further revealed that 11 (1%) related to medical services, 41 (2%) to fitness services, 127 (7%) related to timeshare, 32(2%) against Government, 150 (9%) related to financial services and 36 (2%) were in relation to Education services.)

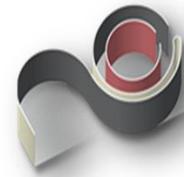


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ACHIEVEMENTS AGAINST PLANNED TARGETS

Achievements against planned targets- Summary

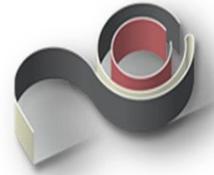


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- Fully achieved on 7 out of 17 milestones in this quarter.
- NCC will meet all its targets by the end of the financial year.
- Progress is tracked on a monthly basis.



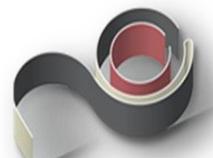
Achievements against planned targets



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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
Percentage (%) of funded positions filled	Advertise all vacant and funded positions within a month of position becoming vacant and maintain a vacancy rate of not more than 5%	<p>As at 1 April 2015, 7 (8%) of the 83 funded positions were vacant. One vacancy was filled during the quarter.</p> <p>During the quarter, a further 2 positions became vacant, implying 8 (10%) vacant posts as at 30 June 2015. Recruitment actions are underway in respect of all the posts that were vacant as at 01 April 2015. The advertising of the new vacancies that arose in quarter 1 are underway.</p>	<p>Counter-offers were made to successful candidates in 2 cases. which resulted in the appointment processes being delayed in 1 case. , One other post had to be re-advertised.</p> <p>Large volumes of applications and HR capacity constraints also resulted in delays in the recruitment actions., more particularly in respect of the selection process.</p>	HR staff is working overtime to address the delays in the recruitment processes

Achievements against planned targets

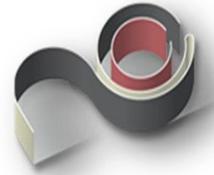


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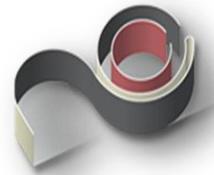
Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
Percentage (%) of complaints referred or issued with non-referrals in a pre-defined time period	80% of complaints referred or issued with non-referrals on an average of 60 days	73% (1270 of 1730) of complaints referred or issued with non-referrals on an average of 10 days		
Percentage (%) of request for advice responded to in a pre-defined time period	95 % of registered requests for advice responded to on an average of 10 days	Provided 100% (8 of 8) in-depth advisory opinion within 10 days of receipt of request		
Report on the performance of accredited Ombud Scheme(s) in line with MOU entered into between NCC and Scheme/s	MOU entered between NCC and Accredited Ombud.	MOUs between NCC and Motor industry Ombud (MIOSA) and Consumer Goods and Services Ombud (CGSO) have been drafted and circulated for comments. The MOU with MIOSA is settled and awaiting signature of the parties. The MOU between NCC and CGSO is being amended to include monitoring on corporate governance issues	The signing of the MOU between NCC and MIOSA was scheduled to take place at its official launch. The launch was postponed by MIOSA. The delay in the conclusion of the CGSO MOU was a result of amendments that had to be included and agreed upon prior to signature.	The signing of the MOUs will take place in the next quarter.

Achievements against planned targets



Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
Number of investigations conducted and reports with recommendations produced.	2 investigations conducted and reports produced	3 investigations conducted and reports produced		
Number of Inspections conducted and reports with recommendations produced.	4 inspections conducted and reports produced	7 inspections conducted and reports produced	Ground work for the winter campaign (paraffin stoves)	
Report on the administration and monitoring of product recalls in line with published Product Recall guidelines or as agreed with the supplier	Receive, register, analyse and monitor product recalls in line with published Product Recall guidelines or as agreed with the supplier. Reports produced.	12 recall notifications Received, registered, analysed and monitored product recalls in line with published Product Recall guidelines or as agreed with the supplier. Reports produced..		

Achievements against planned targets

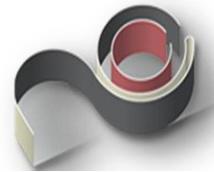


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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
Recommend industry code for Minister's accreditation within 12 months.	Identify 2 industries and consult with stakeholders. Develop guidelines for respective industries.	The advertising industry has been identified for purposes of developing an industry code. A meeting was held with the representative of the industry. A guideline has been developed for the industry.	The drafting of the MoU for the accredited Ombuds received priority.	The 2nd industry will be identified in the 2nd quarter.
Codes of good practice developed	Industry consulted and principles and guidelines developed	Code of Good Practice for the interpretation of Rights in section 23 to 28 where internal consultation was finalised has been approved by the Commissioner to be published for public comments. The scope for the code of good practice for the towing industry is still in draft and not approved to start engagement with the industry	The drafting of the MoU for the accredited Ombuds received priority.	This will be expedited in the next quarter.

Achievements against planned targets

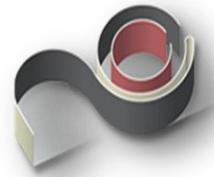


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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
Opt Out Register established, implemented, maintained and monitored in line with the SLA	Terms of reference drafted and tariff structure approved by Commissioner for submission to Minister for approval.	Bench Mark Exercise with similar institutions completed. Request for approval of funding for PPP feasibility study completed and approval still awaited	It is evident that the project will result in a Public Private Partnership (PPP) which has to be determined by National Treasury.	Corrective action can only be taken following receipt of the outcome of the application to National Treasury on registration of PPP project. Milestones may have to be amended thereafter.
Number of research reports completed and issued to Minister	<p>Terms of reference for the following research developed and presented to EXCO and approved.</p> <ol style="list-style-type: none"> 1) The State of Consumer Protection in RSA; 2) Private Sales and the Consumer Protection Act; 3) Sales of Immovable Property in Execution and the Consumer Protection Act 	<p>Terms of reference for the State of Consumer Protection in RSA developed, presented to EXCO and approved. The Service Provider has been appointed and work will commence in July 2015.</p> <p>Terms of Reference for the remaining two research projects were developed but not yet presented to EXCO for approved.</p>	<p>Presentation of two Terms of Reference to EXCO and approval outstanding. This will be done at the next EXCO meeting in the next quarter.</p>	<p>The Senior Researcher has been instructed to fast track the project.</p>

Achievements against planned targets



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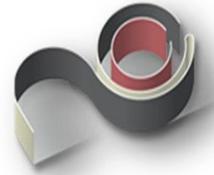
Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
100% of complaints registered analysed, trends established and report produced	100% of registered complaints analysed, trends established and report produced for quarter	100% (1752) of registered consumer complaints analysed, trends established and a report produced for the quarter		
Number of consumer awareness initiatives conducted	4 consumer awareness workshops conducted	3 Workshops were held in Sedibeng, Springs and Kya Sands.	The unit had to deploy its resources towards the implementation of the winter safety awareness campaign	Workshops have been scheduled for execution during quarter 2.
Number of business compliance initiatives conducted in different provinces	3 business compliance workshops conducted.	1 Business compliance workshop was conducted in Pretoria.	The unit had to deploy its resources towards the implementation of the winter safety awareness campaign	Workshops have been scheduled for execution during quarter 2.

Achievements against planned targets

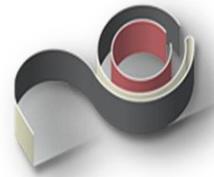


Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
Number of newsletters published and distributed to stakeholders in predetermined frequencies	1 Internal Newsletter published and distributed internally.	The draft internal newsletter was finalised.	Preparation of the approval memo was delayed.	
Number of meetings with key stakeholders held.	2 Meetings held with critical stakeholders including quarterly meetings with provincial consumer protection authorities.	6 Meetings were held with critical stakeholders i.e with.: 1. Consumer Education Committee (Committee comprises of provincial Consumer Protection Authorities) 2. NRCS on joint Winter Safety Awareness Campaign. 3. With the CGSO to develop a joint education and awareness programme. 4. Jointly arranged and hosted official launch of the Consumer Goods and Services Ombudsman. 5. Two meetings were held with Mpumalanga and Northern Cape provincial consumer protection authorities on revision of their respective provincial consumer legislation.		

Achievements against planned targets



Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
Number of conferences attended and papers presented	Participate in the ICPEN international conferences and compile a report:	<p>The NCC participated in and made a presentation at the LAP 10 Conference held in Dublin, Ireland from 08 to 12 June 2015.</p> <p>Participated in Africa Dialogue webinar where a presentation on NCC's complaints trend analysis was made.</p> <p>Participated in the Water and Sanitation conference in Cape Town and presented on the principles of the CPA in relation to goods and services.</p>	The LAP conference took place earlier than initially planned. The ICPEN conference will be attended later in the year.	The ICPEN conference will be attended later in the year. No corrective action is needed as both ICPEN and LAP conferences are part of targets.

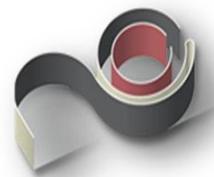


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FINANCIAL MANAGEMENT

Statement of Financial Performance

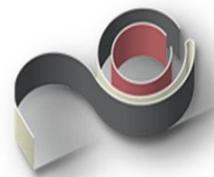


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	Note	June	March
		2015	2015
		R	R
Revenue			
Government grant and subsidies	9.1	16,378,500	53,376,000
Interest received – investment	9.2	373,745	1,522,431
Other income		17,941	8,080
Total revenue		16,770,186	54,906,511
Expenditure			
Employee related costs	10	8,400,805	32,605,458
General expenses	16	3,095,216	16,995,786
Finance costs		-	-
Repairs and maintenance		34,149	92,962
Bad debts		-	10,942
Depreciation and amortisation	12	435,587	1,736,656
Total expenditure		11,965,757	51,441,804
Surplus for the period		4,804,429	3,464,707

Statement of Financial Position



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	Note	June	March
		2015	2015
		R	R
Assets			
Cash and cash equivalents	3	31,029,614	9,271,806
Receivables from exchange transactions	4	11,470	31,132
Prepayments	5	1,603,908	1,137,415
Receivables from non-exchange transactions	6	20,231	22,943
Non-current assets		3,059,741	3,214,088
Property, plant and equipment	1	2,597,710	2,551,440
Intangible assets	2	462,031	662,648
Total assets		35,724,964	13,677,384
Liabilities			
Current liabilities		19,946,850	2,703,699
Payables from exchange transactions	7	2,312,796	1,745,341
Provisions	18	1,255,554	958,358
Transfers received		16,378,500	-
Non-current liabilities		377,364	377,364
Operating lease liability	8	377,364	377,364
Total liabilities		20,324,214	3,081,063
Net assets			
Accumulated surplus		15,400,750	10,596,321
Total liabilities and net assets		15,400,750	10,596,321

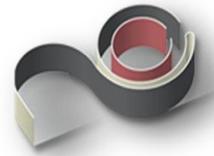
STATEMENT OF CHANGES IN NET ASSETS



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		R		R
	Note	Accumulated surplus		Total net assets
Balance at 1 April 2014		7,117,338		7,117,338
Adjustments		14,276		14,276
Surplus for the year		3,464,707		3,464,707
Balance as at 31 March 2015		10,596,321		10,596,321
Balance as at 1 April 2015		10,596,321		10,596,321
Surplus for the period		4,804,429		4,804,429
Balance as at 30 June 2015		15,400,750		15,400,750 23

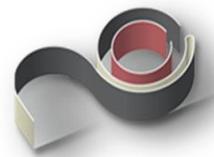


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Progress against AGSA Findings

Progress on AGSA Findings: Summary



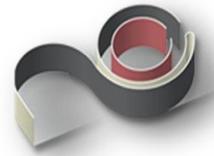
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Number of action plans	Status	Percentage
92	Fully Implemented	79%
11	In progress	12%
08	Not started	09%
96	Total	100%

- Full, open and transparent cooperation with the Auditor General of South Africa;
- Progress tracked on all previous findings of the Auditor General;
- Genuine progress made against all findings;
- Action Plans drafted and the vast majority fully implemented;

Delegation Details



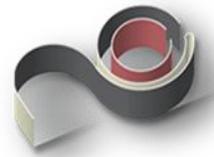
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Ms Thezi Mabuza- Deputy Commissioner- T.Mabuza@thencc.org.za – 0836532391

Mr Anton Van Der Merwe- Acting Head of Corporate Services- A.Vandermerwe@thencc.org.za



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Thank You