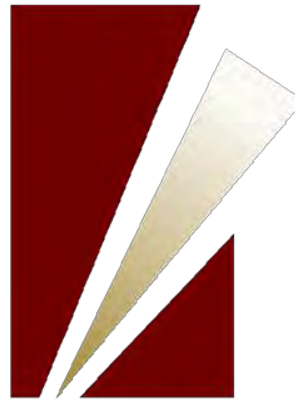


PRESENTATION ON THE NCT'S STRATEGIC PLAN 2015/16 – 2019/20 AND ANNUAL
PERFORMANCE PLAN 2015/16-2017/18 TO THE SELECT COMMITTEE ON TRADE AND
INTERNATIONAL RELATIONS

17 June 2015

Presented by:
Ms D Terblanche, Executive Chairperson



national consumer tribunal

Presentation Overview

- Mandate of the NCT
- Vision and Mission
- Strategic Goals
- Guiding Principles
- Core Programmes
- Alignment to Government and dti Priorities
- Highlights for 2014/15
- 3 Year APP
- Challenges and Remedies for the Challenges
- Budget

Mandate of the NCT

- To adjudicate on applications and referrals in terms of the National Credit Act, No 34 of 2005 and the Consumer Protection Act, No 68 of 2009, as amended.

- Mandate was expanded by the National Credit Amendment Act, No 19 of 2014 to also include the following matters:
 - Prohibited conduct. The definition of prohibited conduct was amended and through this amendment it expanded the number and types of prohibited conduct that can be brought before the NCT
 - Reckless credit matters and prohibited collection of prescribed debts
 - Matters involving debt counsellors as payment distribution agents
 - Payment distribution agents
 - Alternative dispute resolution agents.

Vision and Mission

Vision

“To be recognised as an independent and fair adjudicator, promoting and advancing the socio-economic welfare of South Africans”

Mission

“ The provision of accessible adjudication and redress on matters referred to the Tribunal in terms of the National Credit Act and the Consumer Protection Act”

Goal 1:

To effectively and efficiently manage and adjudicate on matters brought to the NCT

Goal 2:

To contribute to an efficient and effective Consumer Regulatory environment

Goal 3:

To ensure effective and efficient Organisational Management

Guiding Principles

Principles as extracted from Section 142 of the NCA are:

- Inquisitorial
- Expeditious
- Informal; and
- In accordance with the principles of natural justice.

- **Adjudication –**

Provide the necessary administrative and adjudicative and other related services to ensure that the NCT delivers successfully on its legislative mandate

- **Administration –**

Provide strategic leadership to the Tribunal to ensure the successful implementation of its legislative mandate through flexible, efficient and sustainable resource solutions and supporting services.

Alignment to NDP

The National Development Plan	
The Plan	NCT alignment to NDP
An approach to prosperity and equity can be achieved when South Africans:	There's a shared vision to fully commit and contribute to the goals of the NDP through:
Provide for job creation and quality education	Employment of the Youth through internships, contingent employment of young people, and skills development for the youth
Fight corruption	Fair adjudication of cases, sound governance and fraud management
Build a capable and developmental state	Public access and provision of redress
Ensure active Citizenry	Access remote areas through ICT interventions
Overall impact service delivery	Committed to service delivery, constitution, committed staff, proactive thinking driven to succeed in achieving the mandate of the NCT.

Alignment to MTSF

Alignment to Government's Medium Term Strategic Framework (MTSF)	
MTSF Outcome 4: Decent employment through economic growth	NCT alignment to MTSF Alignment is achieved through:
Sub Outcome Two: The productive sectors account for a growing share of production and employment	<ul style="list-style-type: none"> Procure from local service providers. Prioritise Black Economic Empowerment (BEE) suppliers for general services
Sub Outcome Three: The elimination of unnecessary regulatory burdens and lower price increases for key inputs and wage goods fosters investment and economic growth	<ul style="list-style-type: none"> Make submissions to the dti in relation to reducing regulatory burden within the NCT environment and reviewing NCT's filing fee structure. Interactions with regulatory stakeholders in relation to rule amendments to facilitate ease of filing with NCT. Input into Socio-Economic Impact Assessment Systems Committee in relation to regulatory impact. Commissioning of research to contribute to this study.
Sub Outcome Four: Workers' education and skills increasingly meet economic needs	<ul style="list-style-type: none"> Training and development of NCT staff to obtain key skills necessary in the NCT environment Debt management training and retirement fund preparation training to be compulsory courses for all NCT staff members.
Sub Outcome Seven: Reduced workplace conflict and improved collaboration between government, organised business and organised labour	<ul style="list-style-type: none"> Participation in the Collective Bargaining Forum Interactions and engagements with staff Finalise Space Planning Project Create OHS Awareness in the Workplace
Sub Outcome Eight: Expanded economic opportunities for historically excluded and vulnerable groups	<ul style="list-style-type: none"> Employment opportunities for youth, including woman, and historically disadvantaged individuals, through the NCT's intern programme and contingent resources pool. Equity targets set at minimum target of 45% female.
Sub Outcome Nine: Public employment schemes provide short-term relief for the unemployed and build community solidarity and agency	<ul style="list-style-type: none"> Ad hoc employment opportunities provided through contingent resources pool

Alignment to the dti

the dti (CCRD)	Strategic Goals
<ul style="list-style-type: none"> <li data-bbox="117 625 1068 778">❑ To create a fair regulatory environment that enables Investment, Trade and Enterprise Development in an equitable and socially responsible and socially responsible manner <li data-bbox="117 825 1068 942">❑ Promote a professional, competitive and customer-focused working environment that ensures effective and efficient service delivery 	<p data-bbox="1116 625 1835 692">GOAL 1: To effectively and efficiently manage and adjudicate on matters brought to the NCT</p> <p data-bbox="1116 742 1835 813">GOAL 2: To contribute to an efficient and effective Consumer Regulatory environment</p> <p data-bbox="1116 863 1835 935">GOAL 3: To ensure effective and efficient Organisational Management</p>

Highlights for 2014/15

- We managed a minor decrease in adjudication costs and we adjudicated cases without compromising on our quality, despite a 78.04% increase in our caseload.
- We provided redress to consumers through our decisions.
- No NCT cases were overturned on appeal in the High Court during the reporting period, in fact a important decision in favour of consumers (Barko v NCR) was endorsed by the SCA.
- The governance structures we have in place continued to execute their duties efficiently and effectively and we obtained a second consecutive clean audit.

Highlights for 2014/15

- We managed to pay 100% of undisputed invoices received within 15.14 days from date of receipt.
- We achieved all 12 annual measurable objectives set for the year.
- We have implemented the electronic Case Management System (CMS) with most of its planned functionalities.
- Through our internship programme and contingency resource pool we have created opportunities for youth development.



3 Year Annual Performance Plan

Programme 1: Adjudication

Strategic Goal/Outcome	Output	Performance Indicator	Estimated Performance	Medium Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018
To effectively and efficiently manage and adjudicate on matters brought to the NCT	Responsive, timeous service to stakeholders in line with mandate	Average number of days from date of complete filing of DRA to date of issuing order to filing parties	65 days (New indicator)	75 days	75 days	75 days
		Average number of days from date of close of pleadings of non-DRA to date of issuing judgment to filing parties.	167 days (New indicator)	150 days	140 days	130 days

3 Year Annual Performance Plan

Programme 1: Adjudication

Strategic Goal/Outcome	Output	Performance Indicator	Estimated Performance	Medium Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018
To effectively and efficiently manage and adjudicate on matters brought to the NCT	Ensuring that NCT decisions are substantively and procedurally correct and creating jurisprudence in consumer and credit matters	% Decisions overturned on appeal or review	0.03%	<5%	<5%	<5%

Quarterly Milestones for Programme 1

Strategic Goal/Outcome	Output	Performance Indicator	Base line	Annual Target 2015/16	Quarterly Milestones			
					Q1	Q2	Q3	Q4
To effectively and efficiently manage and adjudicate on matters brought to the NCT	Responsive, timeous service to stakeholders in line with mandate	Average number of days from date of complete filing of DRA to date of issuing order to filing parties	65 days (New indicator)	<75 days	< 75 days	< 75 days	< 75 days	< 75 days
		Average number of days from date of close of pleadings of non-DRA to date of issuing judgment to filing parties.	167 days (New indicator)	<150 days	<150 days	<150 days	<150 days	<150 days

Quarterly Milestones for Programme 1

Strategic Goal/Outcome	Output	Performance Indicator	Base line	Annual Target 2015/16	Quarterly Milestones			
					Q1	Q2	Q3	Q4
To effectively and efficiently manage and adjudicate on matters brought to the NCT	Ensuring that NCT decisions are substantively and procedurally correct and creating jurisprudence in consumer and credit matters	% Decisions overturned on appeal or review	0,03%	<5%	<5%	<5%	<5%	<5%

3 Year Annual Performance Plan

Programme 2: Administration

Strategic Goal/Outcome	Output	Performance Indicator	Estimated Performance	Medium Term Targets			
			2014/2015	2015/2016	2016/2017	2017/2018	
To contribute to an efficient and effective Consumer Regulatory environment	Co-operation and partnership between stakeholders	Number of structured engagements with external stakeholders, including events, structured meetings and joint forums	6 engagements	10 engagements	12 engagements	14 engagements	
			20	22	24	26	
	Increased knowledge	Number of research and approved briefing papers on consumer protection and credit related matters added to the NCT knowledge database					

3 Year Annual Performance Plan

Programme 2: Administration

Strategic Goal/Outcome	Output	Performance Indicator	Estimated Performance	Medium Term Targets			
			2014/2015	2015/2016	2016/2017	2017/2018	
To ensure effective and efficient Organizational Management	Adequate Human Resources to fulfil NCT mandate	Percentage positions filled on approved organisational structure	80%	85%	85%	85%	
	An ICT Enterprise Architecture that supports, enables and meets NCT requirements	Number of identified project deliverables implemented	DRA implemented Website Functional Specification approved CMS implemented	Implementation of HR performance management module – ESS	2 optimised business processes implemented	-	

3 Year Annual Performance Plan

Programme 2: Administration

Strategic Goal/Outcome	Output	Performance Indicator	Estimated Performance	Medium Term Targets		
			2014/2015	2015/2016	2016/2017	2017/2018
To ensure effective and efficient Organizational Management	Reliable budgeting and forecasting model developed, implemented and enhanced	Reliable budgeting and forecasting model developed, implemented and enhanced – as approved by the Executive Chairperson	0 (New indicator)	Research and develop model for approval	Implement approved model	Review and enhance implemented model
	Youth with employable skills and experience	Number of youth employed through structured opportunities created for youth development	22	28	34	40



national consumer tribunal

Quarterly Milestones for Programme 2

Strategic Goal/Outcome	Output	Performance Indicator	Base line	Annual Target 2015/16	Quarterly Milestones			
					Q1	Q2	Q3	Q4
To contribute to an efficient and effective Consumer Regulatory environment	Co-operation and partnership between stakeholders	Number of structured engagements with external stakeholders, including events, structured meetings and joint forums	6 engagements	10 engagements	2	3	2	3
	Increase d knowledge	Number of research and approved briefing papers on consumer protection and credit related matters added to the NCT knowledge database	20	22	5	6	5	6



national consumer tribunal

Quarterly Milestones for Programme 2

Strategic Goal/Outcome	Output	Performance Indicator	Base line	Annual Target 2015/16	Quarterly Milestones			
					Q1	Q2	Q3	Q4
To contribute to an efficient and effective Consumer Regulatory environment	Adequate Human Resources to fulfil NCT mandate	Percentage positions filled on approved organisational structure	80%	85%	85%	85%	85%	85%
	An ICT Enterprise Architecture that supports, enables and meets NCTs requirements	Number of predefined ICT systems developed and/or implemented	CMS implemented	HR performance management module – ESS	Business Requirement and Functional Specification designed	Detailed Designed Specification approved	Development and data migration	Piloted and User Acceptance Testing completed



national consumer tribunal

Quarterly Milestones for Programme 2

Strategic Goal/Outcome	Output	Performance Indicator	Base line	Annual Target 2015/16	Quarterly Milestones			
					Q1	Q2	Q3	Q4
To contribute to an efficient and effective Consumer Regulatory environment	Reliable forecasting & budgeting	Achievement of milestones in the development of a reliable budgeting and forecasting model – approved by the Executive Chairperson	-	Model approved and developed	Research and report on proposed model	Approved model	Developed project plan for model development	Development of model in terms project plan
	Youth with employable skills and experience	Number of youth employed through structured opportunities created for youth development	24	28	-	14	-	14

Budget for the 2015/16 – 2019/20

BUDGET FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2018

	2015/16	2016/17	2017/18
TOTAL INCOME	49 830 859	54 788 585	60 210 818
DTI Transfer Payment (Grant)	43 029 000	46 151 000	48 459 000
Additional funding required	4 960 000	6 090 000	8 620 000
Filing fees and service charges	1 259 800	1 763 700	2 292 800
Interest	582 059	783 885	839 018
TOTAL EXPENDITURE	49 830 859	54 788 585	60 210 818
BUDGETED SURPLUS/(DEFICIT)	-	-	-

Budget for the 2015/16 – 2019/20

BUDGET FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2018 (continue)

	2015/16	2016/17	2017/18
GOODS AND SERVICES	22 749 470	26 071 062	29 545 878
Fees for Tribunal Members	9 261 210	11 522 285	13 848 100
Operating costs	2 719 373	2 915 323	3 121 203
Training	420 000	443 100	465 255
Consultants and Special Services	5 819 080	6 139 129	6 446 086
Travel and Subsistence	2 296 000	2 694 559	3 190 736
Administration	1 753 806	1 850 265	1 942 779
Communication	480 000	506 400	531 720
CAPITAL EXPENDITURE	730 000	630 000	900 000
TOTAL EXPENDITURE	<u>49 830 859</u>	<u>54 788 585</u>	<u>60 210 818</u>

Budget for the 2015/16 – 2019/20

- The budget for the MTEF period was prepared on the assumption that the caseload would be as follows:
2015/16 – 12,800 cases (April&May 2015 = 3000+)
2016/17 – 17,890 cases
2017/18 – 23,240 cases
- The grant allocation and other income are not sufficient to cover the adjudication costs with these anticipated case numbers.
- As the entity cannot budget for a deficit, the shortfall is reflected in the additional grant/donor funding required.
- The impact of this is illustrated in the next slide.

Budget for the 2015/16 – 2019/20



Possible Challenges for Programmes 1 and 2

Challenge 1: Unpredictable and Increasing Caseload

- Our caseload is unpredictable and it increased by 78.04%, up from 5 386 in the previous financial year to 9 589. For April and May 2015 in excess of 3000 cases already received.
- Effect of this Challenge: Puts additional strain on our staff and Tribunal Members and makes it difficult to plan.

Challenge 2: Funding Constraints

- Furthermore, funding remains constrained, despite an 11.26% increase in our grant from the **the dti** (R40 164 000 compared to R36 099 000 in 2013/14).
- Effect of this Challenge: The NCT may not have efficient funding to adjudicate on its cases if all the anticipated cases (or more) are filed²⁷ with the NCT.

Remedies for Challenges to Programme 1 and 2

- **Addressing Unpredictable and Increasing Caseload Challenge**
 - As part of our contingency planning, we have increased the type and number of participants in our contingency pool of employees.
 - Several vacancies on our organogram were filled during the year and
 - We have re-aligned our staffing to our changing human resource (HR) requirements.
 - Implemented CMS with future enhancements (e-filing)
 - Use of electronic file transfers

Remedies for Challenges to Programme 1 and 2

- **Addressing Funding Constraints Challenge**
 - Revised our work processes and efficiencies in order to continue to adjudicate cases within the allocated timeframes, which is our core function.
 - Implementation of CMS (and future enhancements) will significantly reduce operational cost and increase access to the parties
 - Possible changes to legislation
 - Possible increase in filing fees
 - Possible donor funding for specific projects i.e youth development programmes

END

THANK YOU