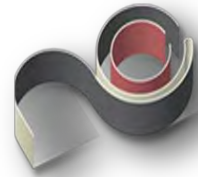




**the dti**

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 (2017-18)**

**of the**

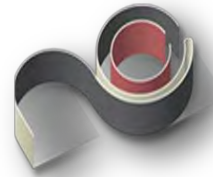
**NATIONAL CONSUMER COMMISSION**

**03 October 2017**

**By**

**Mr EBRAHIM MOHAMED**

**COMMISSIONER**

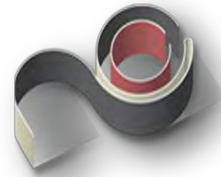


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# OUTLINE OF PRESENTATION

- Key Highlights
- Achievements against Planned Targets
- Financial Management
- Progress against AGSA findings
- Key Challenges

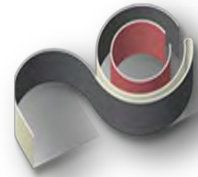


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# KEY HIGHLIGHTS

## 1st QUARTER



## Highlights

- **Timeshare Enquiry**

- The NCC, together with **the dti** -at the forefront of highlighting the plight of thousands of consumers of holiday products that are unaffordable or from which they derive very little, or no benefit. The NCC is in the process of conducting an enquiry countrywide into the business practices within the vacation ownership industry.

- **Data**

- NCC, together with ICASA, commenced serious discussions with the mobile network operators on expiry of unused data paid for in full by consumers and the high cost of out of bundle data. The intention is to seek an amicable solution.

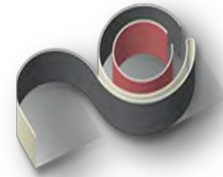
- **SADC**

- The NCC has assumed the role of chairperson of the Consumer Policy and Law Committee of SADC.

- **Media analysis** for the first quarter

- During the first quarter the NCC had regular media interaction which resulted in 15 national and regional radio interviews, 9 television interviews, and 29 newspaper and online articles that featured the NCC's activities and programmes. These news reports and interviews were all cost free to the NCC and positive.

## Highlights

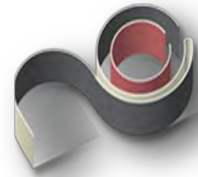


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- NCC achieved 15 out of 18 predetermined milestones translating into an 83% achievement.
- 4 investigations and 4 inspections were conducted
- 18 product recalls were registered during the first quarter

# Industry Codes Highlights



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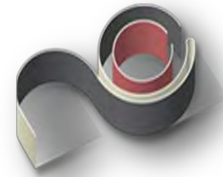
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## Motor Industry Ombud of SA

		1 Apr 2016 - 30 June 2016	1 Apr 2017 - 30 June 2017
1	POOR SERVICE	1096	655
2	ENGINE	152	407
3	AGREEMENT	43	160
4	LEGAL	42	151
5	BODY	42	113
6	GEARBOX	42	110
7	WHEELS	27	76
8	INTERIOR	22	68
9	SERVICE	19	44
10	OUT OF MANDATE	16	35
11	IGNITION SYSTEM	15	34
12	WINDOWS	7	32
13	UNDER CARRIAGE	7	21
14	STEERING	7	21
15	FUEL SYSTEM	5	21
16	ELECTRICAL	2	19
	<b>TOTAL</b>	<b>1544</b>	<b>1969</b>

# Industry Codes Highlights

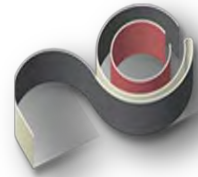
## Motor Industry Ombud of SA



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Month	Total Number of Incoming Calls per Month	
	2016	2017
April	13 230	13 117
May	16 114	19 172
June	17 077	15 249
<b>Total</b>	<b>46 421</b>	<b>47 538</b>



## Industry Codes Highlights

### CGSO

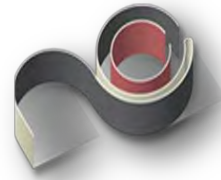
- 39% of complaints were in relation to Services, 29% on agreements and 26% on goods. The remaining 6% related to disclosure, deposits etc.

<b>Nature of complaint</b>	<b>Total</b>
Services	137
Cell Phones	89
Other	56
Electrical Appliances	27
Computers related	5
Building Material	4
Timeshare	3
Medical Equipment	3



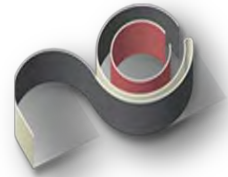
# Industry Codes Highlights

## CGSO Resolution of complaints



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Outcome	Total
Resolved complaint upheld fully	134
Referred outside jurisdiction	100
Dismissed no co-operation supplier	68
Resolved matter not upheld	59
Dismissed no co-operation –complainant	27
Resolved complaint upheld partially	21
Complainant withdrawn complaint	17
Resolve assistance provided	10
Resolved mediation held	1
<b>Total</b>	<b>437</b>

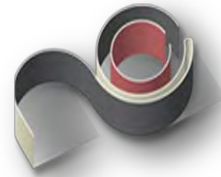


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# ACHIEVEMENTS AGAINST PLANNED TARGETS

# Achievements against planned targets

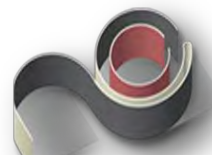


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NCC fully met 15 out of its 18 targets

Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
1. Percentage (%) of ICT strategy implemented	20% of ICT strategy implemented	<b>Achieved</b> 20% of the ICT Strategy has been implemented.	None	None

# Achievements against planned targets

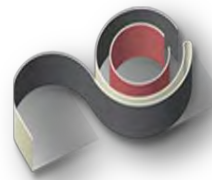


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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
2. Percentage (%) of complaints referred or issued with non-referrals in a pre-defined time period	95% of complaints processed on an average of 20 days	<b>Not Achieved</b> 83.1 % (1294 of 1556) processed on an average of 15 days of receipt Calculations: Brought forward 38 New complaints 1518 Total 1556 Referred /resolved 1294 Pending 262	The Commission envisaged that complaints received by the Commission would be referred for mediation to ADRs. However, a significant number of complaints that were not processed had already been mediated upon. This requires further assessments.	Further assessment underway.
3. Report on accredited Ombuds in line with the published codes of conduct or as agreed with the supplier.	Compile quarterly assessment reports and submit to Executive Authority	<b>Achieved</b> Assessment Reports compiled for the two accredited Ombud schemes, namely MIOSA and CGSO.	None	None
4. Recommend compliant Industry Code for accreditation to Minister	Identify industry and consult with stakeholders. Develop guidelines.	<b>Achieved</b> Tourism industry identified. Initial Consultation held. Guidelines developed.	None	None

# Achievements against planned targets

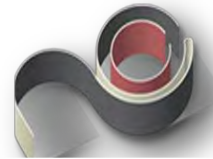


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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
5. Codes of good practice developed	Assess existing codes of good practice.	<b>Achieved</b> Two existing codes assessed. Report produced	None	None
6. Number of investigations conducted and reports with recommendations produced.	2 investigations conducted and reports produced	Achieved Four (4) Investigations conducted and reports produced.	None	None
7. Number of Inspections conducted and reports with recommendations produced.	4 inspections conducted and	<b>Achieved</b> Four (4) inspections were conducted in the Western Cape. Reports produced.	None	None
8. Percentage of Applications made to the National Consumer Tribunal to declare certain investigated conduct as prohibited conduct	File 90% of approved investigated matters in the National Consumer Tribunal to declare certain investigated conduct as prohibited within 60 days of approval	<b>Achieved</b> Filed 100% of approved investigated matters in the National Consumer Tribunal to declare certain investigated conduct as prohibited within 60 days of approval	Two matters were approved by Commissioner for filing with the National Consumer Tribunal. Both matters were filed.	None

# Achievements against planned targets

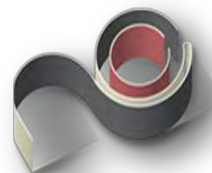


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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
9. Report on all product recalls in the line with the published Product Recall guidelines or as agreed with the supplier.	Receive, register, analyse; and monitor product recalls in line with published Product Recall guidelines or as agreed with the supplier. Report produced	<b>Achieved</b> Received, registered, analysed; and monitored product recalls in line with published Product Recall guidelines or as agreed with the supplier. First quarter report on product recalls produced (18 product recalls were registered during the first quarter).	None	None
10. Procure and appointment of service provider and commence with establishment process	Commence with procurement of the Registry and reports produced as per project plan.	<b>Not Achieved</b> Procurement of Registry not yet commenced with. Reports produced as per project plan.	Awaiting approval of feasibility study and recommendations from GTAC.	Where possible, the activities will be expedited.

# Achievements against planned targets

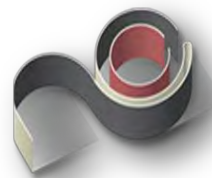


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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
11. Number of research projects conducted on matters relating to consumer protection and on the determination of national norms and standards in terms of the CPA that should apply generally and advice provided to Minister	Terms of Reference for the following research developed and presented to EXCO and approved	<b>Not Achieved</b> Draft terms of reference developed.	The planning for the project took longer than expected	The project will be fast tracked once terms of reference are approved in Q2
12. Number of proposals developed on legislation affecting the welfare of consumer, which is inconsistent with the purposes of the CPA.	90 % of registered requests for explanatory notes and /or non-binding opinions provided within an average of 20 days	<b>Achieved</b> 100% of registered requests for explanatory notes and /or non-binding opinions provided within an average of five days	The explanatory notes and /or non-binding opinions provided were not complex.	None

# Achievements against planned targets



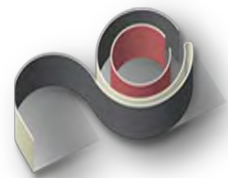
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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
13. Percentage (%) of requests for explanatory notes and /or non-binding opinions on the interpretation of provisions of the CPA provided within a pre-defined time period	90 % of registered requests for explanatory notes and /or non-binding opinions provided within an average of 20 days	<b>Achieved</b> 100% of registered requests for explanatory notes and /or non-binding opinions provided within an average of five days	The explanatory notes and /or non-binding opinions provided were not complex.	None
14. Apply for declaratory orders on the interpretation or application of any provision of the CPA.	Identify subject of declaratory order and brief legal counsel.	<b>Achieved</b> Identified subject of declaratory order. Briefing of Counsel not necessary at this stage as application to be made at National Consumer Tribunal.	None	None
15. Number of consumer awareness initiatives conducted	5 Workshops coordinated	<b>Achieved</b> 5 consumer workshops coordinated and conducted	None	None



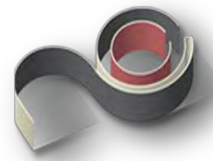
# Achievements against planned targets



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Performance Indicator/ Measure	Q1 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
16. Number of business compliance initiatives conducted in different provinces	2 Workshops coordinated	Fully achieved. 10 consumer awareness workshops conducted	All stakeholders in the identified areas confirmed positively.	The performance will be adjusted accordingly in the remaining quarters.
17. Number of newsletters published and distributed to consumers in predetermined frequencies	1 External newsletter developed and approved by Commissioner for publication.	<b>Achieved</b> 1 External newsletter developed and approved by Commissioner for publication.	None	None
18. 100% of complaints registered analysed, trends established and report produced.	100% of registered complaints analysed, trends established and report produced for the quarter	<b>Achieved</b> 100% of registered complaints were analysed, trends established and a report produced.	None	None

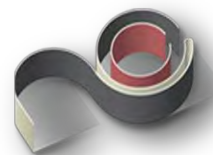


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# Progress against AGSA Findings

# Progress on AGSA Findings: Summary

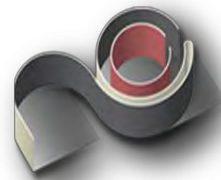


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Number of action plans	Status	Percentage
62	Fully Implemented	79%
12	In progress	15%
4	Not started	5%
78	Total	100%

- 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 in progress;
- Progress scrutinized by Audit and Risk Committee.



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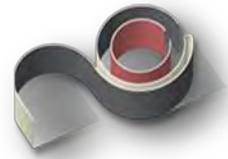
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# FINANCIAL MANAGEMENT

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	NOTES	June-17	Mar-17
		R	R
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		29,377,285	10,882,748
Receivables from exchange transactions		127,837	11,026
Prepayments		187,523	281,285
Receivables from non-exchange transactions		237,730	130,816
<b>Current Assets</b>		<b>29,930,375</b>	<b>11,305,875</b>
<b>NON-CURRENT ASSETS</b>			
Property Plant and Equipment		2,079,928	2,267,327
Intangible Assets		205,392	255,872
<b>Non current Assets</b>		<b>2,285,320</b>	<b>2,523,199</b>
<b>TOTAL ASSETS</b>		<b>32,215,695</b>	<b>13,829,074</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables from exchange transactions		2,091,436	3,303,546
Provisions		2,445,270	2,329,817
Transfers received		18,414,500	-
Fines and Penalties		100,000	-
<b>TOTAL LIABILITIES</b>		<b>23,051,206</b>	<b>5,633,363</b>
<b>Net Assets</b>		<b>9,164,488</b>	<b>8,195,711</b>
<b>Accumulated Surplus</b>		<b>9,164,488</b>	<b>8,195,711</b>



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# Thank You