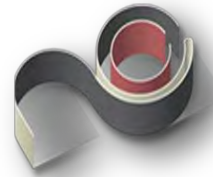




the dti

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

2nd QUARTER REPORT (2017-18)

of the

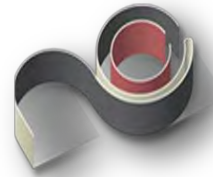
NATIONAL CONSUMER COMMISSION

31 October 2017

By

Mr EBRAHIM MOHAMED

COMMISSIONER

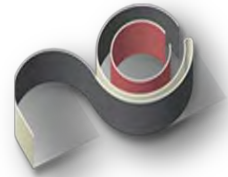


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OUTLINE OF PRESENTATION

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

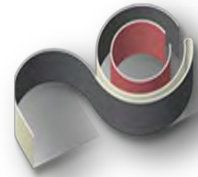


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KEY HIGHLIGHTS

2nd QUARTER

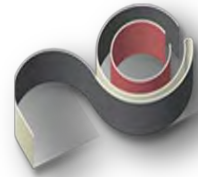


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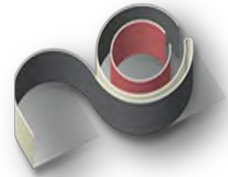
Highlights

- **Timeshare Enquiry**
 - The NCC has conducted public hearings throughout South Africa and has completed its interaction with consumers in all 9 provinces.
 - The next set of hearings will entail engagements with relevant regulators and industry experts.
- **South Bakels**
 - NCC together with the SAPS and certain consumer protection bodies in the Free State province, conducted a raid on a warehouse of South Bakels (Bakels).
 - Raid followed from a tip off received from ETV that Bakels was allegedly defacing labelling of food products, in that, it extended the expiry dates of baking products that are ordinarily sold to major retailers.
 - The Bakels warehouse was temporarily shut down by Bakels and certain senior members of their staff resigned.
- **Data**
 - Representations made to ICASA in a special consultative forum on ICASA's draft regulations. The NCC agrees with certain aspects of the draft regulation but not with the limited data expiry duration proposed by ICASA.



Highlights

- **Opt Out Register**
 - Options presented in the feasibility study were explored and the Public Private Partnership (PPP) option was deemed not feasible.
 - Feasibility study recommends alternative options
 - The alternative option chosen will result in the target being amended since the existing target only relates to the PPP process.
- **Media analysis for the second quarter**
 - During the first quarter the NCC had regular media interaction which resulted in 46 national and regional radio interviews, 12 television interviews, and 54 newspapers and online article mentions, either based on comment from the NCC or its activities and programmes.
 - News reports and interviews were all cost free to NCC and the publicity was 100% positive.

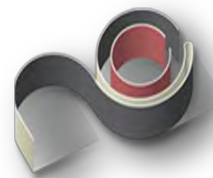


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ACHIEVEMENTS AGAINST PLANNED TARGETS

Achievements against planned targets



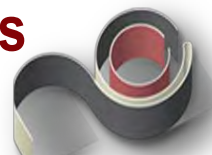
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NCC fully met 13 out of its 18 targets

Performance Indicator/ Measure	Q2 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
1. Percentage (%) of ICT strategy implemented	50% ICT strategy implemented	Achieved- Target exceeded 80% of the ICT Strategy implemented.	The majority of the ICT risks were addressed during the previous reporting period, thus addressing several of the deliverables of the ICT Strategy.	None
2. Percentage (%) of complaints referred or issued with non-referrals in a pre-defined time period	95% complaints referred or issued with non-referrals on an average of 20 days	Not Achieved 80% (1937 of 2413) of complaints referred or issued with non-referrals on an average of 18 days of receipt Calculations: Brought forward 262 New complaints 2151 Total 2413 Referred /resolved 1937 Pending 476	A number of complaints received had failed at mediation level and these therefore required in-depth analysis. This has slowed down the processing of complaints	The referrals and non-referrals will be more carefully managed to ensure that the target is met by the end of the financial year

Achievements against planned targets

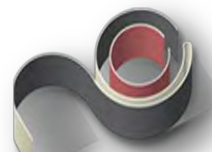


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Performance Indicator/ Measure	Q2 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
3. Report on accredited Ombuds in line with the published codes of conduct or as agreed with the supplier.	Compile quarterly assessment report and submit to Executive Authority	Achieved Quarterly assessment reports compiled and submitted to Executive Authority in relation to accredited Ombud Schemes (MIOSA and CGSO)	None	None
4. Recommend compliant Industry Code for accreditation to Minister	Consultation with stakeholders	Achieved Two meetings held with Department of Tourism for identifying potential industry formation for a tourism ADR scheme. Accreditation guidelines produced.	None	None
5. Codes of good practice developed	Revise Codes if necessary	Achieved Code of good practice within the motor industry has been revised in consultation with joint task team including motor industry representatives.	None	None

Achievements against planned targets

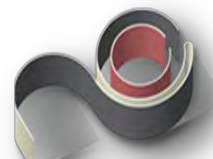


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Performance Indicator/ Measure	Q2 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
6. Number of investigations conducted and reports with recommendations produced.	4 investigations conducted and reports produced and approved by Commissioner.	Achieved- Target exceeded 7 investigations were conducted, reports were produced and approved by Commissioner	Some of the investigations that were approved in the previous financial year were concluded in the second quarter of 2017/18	None
7. Number of Inspections conducted and reports with recommendations produced.	7 inspections conducted and reports produced and approved by Commissioner.	Achieved- Target exceeded Inspections conducted in 9 District Municipalities. A total of 21 Inspection reports were produced and approved by Commissioner. Reports were drafted in relation to the local municipalities.	Inspections were planned to coincide with visits by NCC Investigators to particular areas. The rationale was that the investigators would assist NCC inspectors during inspections. The bigger teams resulted in more inspections being conducted.	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 conduct as prohibited within 60 days of approval.	Target achieved. One investigated matter (NCC V Midcity) was approved in this quarter and the application filed within 5 days of approval.	None	None

Achievements against planned targets

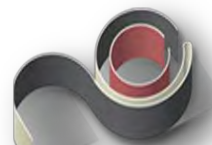


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Performance Indicator/ Measure	Q2 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
9. Report on all product recalls in the line with the published Product Recall guidelines or as agreed with the supplier.	Receive, register, analyse; and monitor product recalls in line with published Product Recall guidelines or as agreed with the supplier. Report produced	Achieved All product recalls notifications were received, registered and monitored in line with published Product Recall guidelines or as agreed with the supplier. A total of 45 product recall reports were produced	None	None
10. Procure and appointment of service provider and commence with establishment process	Finalize procurement of Registry and reports produced as per project plan	Not Achieved Deliverable deferred as a result of feasibility report recommending the establishment of a trading entity as opposed to planned PPP project.	Establishment of a trading entity will require financial and other resources that will have to be negotiated and secured prior to proceeding any further with the project.	NCC to revise the APP and Business Plan once agreement is reached on the alternative to the PPP project that was initially envisaged.

Achievements against planned targets

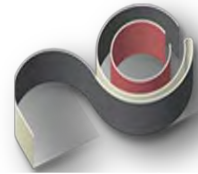


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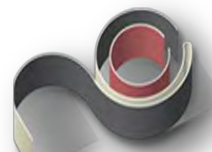
Performance Indicator/ Measure	Q2 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
11. Number of research projects conducted on matters relating to consumer protection and on the determination of national norms and standards in terms of the CPA that should apply generally and advice provided to Minister	Appointment of service provider to conduct research. Research commenced; Progress reports produced on research project	Not Achieved Terms of reference for the appointment of a service provider drafted but approval not secured.	There was a delay in finalizing the terms of reference.	The project will be fast tracked.
12. Number of proposals developed on legislation affecting the welfare of consumer, which is inconsistent with the purposes of the CPA.	Assess and analyse Legislation and produce 2 reports	Achieved Reports prepared and submitted to Commissioner for consideration. Legislation considered: 1) ICASA licensing regulation in terms of section 69 (3) of the Electronic Communications Act 36 of 2005 2) Postal Services Act	None	None

Achievements against planned targets



Performance Indicator/ Measure	Q2 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 10 days	Not Achieved	The NCC receives requests for advisory opinions through various sources. The various sources were in the process of being consolidated in order to ensure that information reported herein is verifiable.	The matters will be expedited and reported on in the next quarter.
14. Apply for declaratory orders on the interpretation or application of any provision of the CPA.	Prepare application for declaratory order	Achieved <ul style="list-style-type: none"> • One application for declaratory order in the National Consumer Tribunal made- in NCC/ Midcity Motors. • In this quarter, in the NCC V Western Car sales, the NCT declared that it has no jurisdiction to handle matters relating Section 40, 41 and 48 	In the NCC V Western Car sales declaration- the NCC did not preplan the application of the declaratory order. This arose during deliberations. Due to the significance of the declaration, the NCC feels it is important to report thereon. It also means that the NCC cannot bring any matter to the Tribunal that relates to Sections 40, 41 and 48. All such matters have to be taken to Court.	None

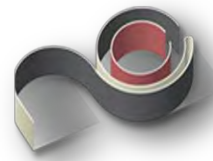
Achievements against planned targets



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Performance Indicator/ Measure	Q2 Milestones	Actual Achievement	Reasons for Variance	Corrective Action
Number of consumer awareness initiatives conducted	7 Workshops conducted	Achieved- Target Exceeded 13 Consumer education workshops were conducted in the North West, KZN and in Eastern Cape.	Invitations were received by NCC to participate in workshops with the dti .	None
16. Number of business compliance initiatives conducted in different provinces	5 Workshops conducted	Not Achieved 3 Business compliance workshops were conducted	The stakeholder requested that workshop dates be changed to earlier dates- these were done in Q1.	None required as 2 additional business compliance workshops were conducted during quarter 1 which made up for the shortfall in this quarter.
17. Number of newsletters published and distributed to consumers in predetermined frequencies	1 External newsletter developed, and approved by Commissioner for publication and distribution to consumers	Achieved 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 quarter	Achieved 2151 registered complaints analysed, trends established and report produced.	None	None

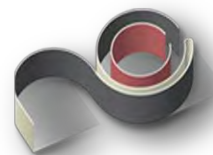


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Progress against AGSA Findings

Progress on AGSA Findings: Summary

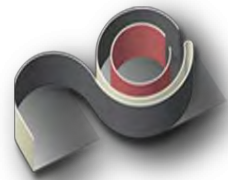


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Division/ Unit	Recommendations	Recommendations fully implemented	Recommendations not implemented	Repeat findings
Finance	26	26	0	3
Supply Chain Management	32	26	6	2
Human Resources	9	9	0	1
ICT	5	3	2	3
Operations	19	11	8	5
Total	91	75	16	14

- Full, open and transparent cooperation with the Auditor General of South Africa;
- Progress tracked on all previous findings of the Auditor General-
- 82% of findings fully implemented
- 16 Action Plans in progress;
- Progress scrutinized by Risk Manager/ Task Team and Audit and Risk Committee.



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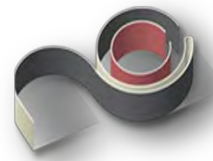
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FINANCIAL MANAGEMENT

Statement of financial Position as at September 2017

	September 2017 R	March 2017 R
Assets		
Current assets	15,276,175	11,305,875
Cash and cash equivalents	14,972,043	10,882,748
Receivables from exchange transactions	13,288	11,026
Prepayments	93,761	281,285
Receivables from non-exchange transactions	197,083	130,816
Non-current assets	2,260,071	2,523,199
Property, plant and equipment	2,132,821	2,267,327
Intangible assets	127,250	255,872
Total assets	<u>17,536,246</u>	<u>13,829,074</u>
Liabilities		
Current liabilities	10,396,002	5,633,363
Payables from exchange transactions	2,828,111	3,303,546
Provisions	2,306,891	2,329,817
Fines and Penalties	-	-
dti Transfers	5,261,000	-
Total liabilities	<u>10,396,002</u>	<u>5,633,363</u>
Net assets	<u>7,140,244</u>	<u>8,195,711</u>
Accumulated surplus	<u>7,140,244</u>	<u>8,195,711</u>

Delegation Details



NATIONAL CONSUMER COMMISSION

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

Ntsobe Nkoana – Chief Financial Officer N.Nkoana@thencc.org.za –0732892906

Thank You