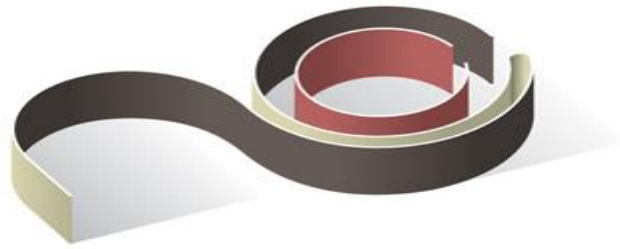


# National Consumer Commission

## National Consumer Commission Strategic Plan for 2022/2023-2025/2026



NATIONAL CONSUMER COMMISSION

<b>VERSION CONTROL</b>				
<b>Version</b>	<b>Date</b>	<b>Revised by</b>	<b>Reason</b>	<b>Sections affected</b>
V1	25/0/2020	J.V Selolo	Alignment with Revised Framework for Strategic Plans	PART D. insertion of TID profiles
V2	23/01/2022	J.V Selolo	Alignment with APP	Correction of CCRB page 10, alignment of JKPI with JKPI on APP and Part alignment of TID profiles

## Abbreviations and commonly used acronyms

CPA	-	Consumer Protection Act No. 68 of 2008
<b>the dtic</b>	-	Department of Trade, Industry and Competition
CGSO	-	Consumer Goods and Services Ombud
DPSA	-	Department of Public Service and Administration
HR	-	Human resource/s
ICT	-	Information and communications technology
MIOSA	-	Motor Industry Ombud of South Africa
NCC/ Commission	-	National Consumer Commission
NRCS	-	National Regulator for Compulsory Specifications
NCT	-	National Consumer Tribunal
PFMA	-	Public Finance Management Act
SABS	-	South African Bureau of Standards

**Table of Contents**

Executive Authority Statement ..... 5

Accounting Authority’s Statement..... 6

Official Sign Off ..... 8

Part A: MANDATE OF THE NCC ..... 9

    1. Constitutional Mandate ..... 9

    2. Legislative and policy mandates ..... 10

    3. Institutional Policies and Strategies governing the five-year planning period ..... 11

    4. Relevant Court Rulings..... 14

PART B: OUR STRATEGIC FOCUS ..... 15

    5. Vision..... 15

    6. Mission ..... 15

    7. Values..... 15

    8. Situational Analysis ..... 16

PART C: MEASURING OUR PERFORMANCE ..... 22

    9. Institutional Performance Information..... 22

        9.4. Explanation of Planned Performance over the Five-Year Planning Period..... 24

    10. Key Risks and Mitigations ..... 25

        11. Public Entities..... 25

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID) ..... 26

## **Executive Authority Statement**

Mr Ebrahim Patel - Minister of Trade, Industry and Competition

The Strategic Plan 2022/23, is hereby submitted in accordance with the Revised Framework on Strategic and Annual Performance Plans.

**MR EBRAHIM PATEL**

**MINISTER OF TRADE, INDUSTRY AND COMPETITION**

## Accounting Authority's Statement

I am pleased to present this strategic plan of the National Consumer Commission ("the NCC"). This plan details the NCC's strategic goals that it has committed to.

The NCC has slowly but surely begun entrenching itself as a key consumer protection regulator in South Africa, within the SADC region and on the African continent on the whole. It has begun to take up consumer issues that have a serious negative impact on a significant number of consumers. The timeshare enquiry report has been issued in 2018/19 and the recommendations will have to be given effect in this strategic period. The involvement of the NCC in the recall of unsafe consumer products from the marketplace has been increasing over time. The NCC's work in this area will continue and gain momentum over this strategic period.

In pursuance of its mandate to enable consumers to enjoy their right to privacy concerning direct marketing, the NCC has commenced the planning, establishment and operation of the Opt-Out Register (Registry). All in all, despite its limited resources, the NCC intends to deliver on these complex tasks, over this strategic period.

The NCC has been consistently enrolling with and arguing matters, on behalf of consumers, at the National Consumer Tribunal (NCT). Thus far, it has received mainly favourable outcomes in such matters disposed of at the NCT. In the process, precedents are being established and the jurisprudence concerning consumer protection law is fast developing. The NCC will, in this strategic period, continue in its endeavours to enforce the rights of consumers at the different fora.

In line with the consumer policy of **the dtic**, the NCC has to work closely with other key stakeholders to promote the resolution of consumer complaints. Hence, one of its focus areas is its engagement with targeted industries/ sectors on the submission of industry codes and the expansion of alternate dispute resolution schemes in South Africa. The NCC has enjoyed some success in this regard, now that the ombud schemes for the motor industry and the consumer goods and services industry have been accredited by the Minister of Trade and Industry. The NCC has recommended the accreditation of another two ombud schemes in the 2016/17 financial year being the franchise and advertising sectors. It is envisaged that other similar schemes will be recommended for accreditation by Minister.

The NCC has, over time, been working closely with the provincial consumer protection authorities and other key regulators involved in consumer protection. The NCC chairs the Consumer Protection Forum (CPF). A key project of the CPF over this strategic period is to harmonise consumer protection throughout the Republic. I am very encouraged

that the NCC is also involved with consumer protection at the Southern African Development Community (SADC) level, which requires the promotion of consumer protection amongst member states. The NCC plays a key role in the Competition and Consumer Laws and Policies Committee of SADC. The harmonisation of competition and consumer protection laws within the region is a key project that the NCC will be involved in, thus contributing to the government's priority of 'Increase Intra Africa Trade'

This plan is aligned to the South African consumer policy prerogatives as espoused in the CPA. Being a creature of statute, the NCC must focus on its key legislative mandate. The strategic, annual performance and operational plans remain highly ambitious in view of the fact that the NCC has very limited resources. However, despite these challenges, I commit to the implementation of this strategic plan. I urge the staff of the NCC, our colleagues in each provincial consumer protection authority and the accredited ombuds to also work with the NCC with commitment and zeal. It is of immense importance for the economy of South Africa and for consumers, in particular, that little or no room is left for any unscrupulous business to operate within the borders of the Republic of South Africa.



---

**Ms Thezi Mabuza**

**Acting Commissioner**


**Official Sign Off**

It is hereby certified that this strategic plan:

- Was developed by the management of the NCC under the guidance of the Executive Authority;
- Takes into account all the relevant policies, legislation and other mandates for which the NCC is responsible; and
- Accurately reflects the impact, strategic outcomes and outputs which the NCC will endeavour to achieve over the period from 1 April 2022 to 31 March 2026.

  
**Ms Phillipine Moshidi**  
Divisional Head: Corporate Services and  
Chief Financial Officer


31/01/2022  
Date

  
**Ms P Moilwa**  
Divisional Head: Enforcement and Investigations

31/01/22  
Date

  
**Ms P Mlungu**  
Divisional Head: Advocacy, Education and Awareness


31/01/22  
Date

  
**Mr J Mbeje**  
Divisional Head: Legal Services

31/01/22  
Date

  
**Mr J. Selolo**  
Company Secretary

31/01/2022  
Date

  
**Ms T Mabuza**  
Accounting Authority

31/01/2022  
Date

**Approved by**

**Mr Ebrahim Patel**  
Minister of Trade and Industry

\_\_\_\_\_  
Date



## **Part A: MANDATE OF THE NCC**

### **1. Constitutional Mandate**

Through its legislative mandate and its promotion of fair business practices, the NCC plays a significant role in upholding and preserving the principles enshrined in the Bill of Rights. Specifically, the NCC has a direct impact on the following areas within the Constitution of the Republic of South Africa, **under the Bill of Rights section:**

#### **Sub-section 9: Equality**

Through remaining accessible to diverse groupings of consumers, the NCC plays its role in ensuring that parties have the right to equal protection and benefit of the law. Additionally, the NCC strives through its value system to respect human diversity and ensure that no form of discrimination of consumers is tolerated.

#### **Sub-section 10: Human dignity**

The NCC ensures that prohibited conduct on the part of suppliers of goods and services, as well as the relevant action thereto, does not impair human dignity.

#### **Sub-section 14: Privacy**

The NCC ensures that the privacy of persons is protected.

#### **Sub-section 33: Just administrative action**

The NCC ensures it applies the rules of natural justice and issues reasons for its decisions

#### **Schedule 4 of the Constitution**

Provides that consumer protection is an area of concurrent jurisdiction between national and provincial governments. This means that both levels of government assume responsibility in so far as consumer protection is concerned.

Section 146 (2) (b) of the Constitution provides that national legislation applies uniformly to the country as a whole and prevails over provincial legislation if, amongst other things, the following conditions are met:

- i. The national legislation deals with a matter that cannot be regulated effectively by legislation enacted by the respective provinces individually
- ii. The national legislation deals with a matter that, to be dealt with effectively, requires uniformity across the nation, and the national legislation provides that uniformity by establishing:
  - Norms and standards
  - Frameworks
  - National policies
- iii. The national legislation is necessary for the:
  - Protection of the common market in respect of the mobility of goods, services, capital and labour
  - Promotion of economic activities across provincial boundaries
  - Promotion of equal opportunity or equal access to government services

The CPA entrenches national consumer protection policy as well as norms and standards.

## **2. Legislative and policy mandates**

### **Consumer Protection Act 68 of 2008:**

The NCC is established in terms of Section 85 of the Consumer Protection Act No. 68 of 2008 (CPA) with jurisdiction throughout the Republic of South Africa.

### **Reporting by NCC**

The NCC reports to the Department of Trade, Industry and Competition (**the dtic**), particularly to the Minister, **the dtic's** Public Entity Oversight Unit and to its Consumer and Corporate Regulation Branch (CCRB). The CCRB has, as one of its key roles, the creation of "*credible institutions for enforcement and implementation of regulatory instruments*".

## **NCC Responsibility in terms of the CPA**

The NCC is charged with the responsibility to enforce and carry out the functions assigned to it in terms of the CPA.

## **Consumer Protection Act Aims**

The CPA seeks to promote a fair, accessible and sustainable marketplace for consumer products and services and for that purpose, to establish national norms and standards relating to consumer protection. It further seeks to provide for improved standards of consumer information, to prohibit certain unfair marketing and business practices, to promote responsible consumer behaviour and to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements.

## **Disputes between Consumers and Suppliers**

The CPA makes it clear that the NCC must promote the resolution of consumer complaints but that it is not responsible for intervening directly therein. This means that the NCC is not expected to be involved in the conciliation or mediation of disputes between consumers and suppliers unless the parties consent to a settlement of the dispute during an investigation.

## **Access to Redress**

Ordinarily, disputes amongst consumers and suppliers, if not resolved amongst themselves, are dealt with by provincial consumer protection authorities and the Ombud schemes accredited by Minister. Increased involvement of provincial consumer protection authorities in the conciliation and mediation of disputes between consumers and suppliers have been promoted and encouraged by the NCC and **the dtic**.

## **The main functions of the NCC, insofar as consumer complaints are concerned, are to:**

- Promote the resolution of disputes between consumers and suppliers;
- Promote compliance with the CPA through advocacy, education and awareness;
- Conduct investigations against suppliers allegedly engaging in prohibited conduct; and to
- Prosecute suppliers who have contravened the CPA.

## **3. Institutional Policies and Strategies governing the five-year planning period**

For this current administration, the government has set seven national priorities listed below:

1. Economic Transformation and Job Creation
2. Education, Skills and Health
3. Consolidating the Social Wage through Reliable and Quality Basic Services
4. Spatial Integration, Human Settlements and Local Government
5. Social Cohesion and Safe Communities
6. A Capable, Ethical and Developmental State
7. A better Africa and World

The NCC as an organ of state, has through its alignment with the **dtic's** key priorities, also aligned to Government's key national priorities as espoused in the government's overall mandate to the people of South Africa. The NCC's work as per its legislative mandate contributes to priorities 1 and 7.

The most important policies and strategies that the NCC plans to continue or initiate in the five year planning period are to promote:

1. Accessible consumer protection by monitoring alternate dispute resolution schemes accredited by Minister for functionality and efficiency and creating awareness on the rights and obligations amongst consumers and suppliers.
2. A fair marketplace by conducting investigations into the conduct of suppliers of goods and services which conduct is in contravention of the CPA and prosecuting (at the National Consumer Tribunal) those suppliers who are in breach of the CPA;
3. The supply of Safe Goods to consumers by administering and recalling unsafe, failed, defective or hazardous goods.

In addition, the government has developed an Economic Reconstruction and Recovery Plan aimed at stimulating equitable and inclusive growth. To support economic reconstruction and recovery, the following structural reforms will be implemented:

- Modernizing and reforming network industries and associated state-owned enterprises;
- Re-orienting trade policies and pursuing greater regional integration to boost exports, employment and innovation;
- Lowering barriers to entry to make it easier for businesses to start, grow, and compete;
- Supporting labour-intensive sectors such as tourism and agriculture to achieve more inclusive growth;

- Creating greater levels of economic inclusion, including through addressing high levels of economic concentration;
- Addressing the weak job-creating capacity of the economy;
- Boosting education and skills development;
- Promoting greater beneficiation of raw materials; and
- Addressing racial, gender and geographical inequalities which hamper deeper economic growth and development.

Through its enforcement activities the NCC will contribute to the following:

- Re-orienting trade policies and pursuing greater regional integration to boost exports, employment and innovation; and
- Creating greater levels of economic inclusion, including addressing high levels of economic concentration.

In its support to the 'Joint-KPIs' designed to increase the level of coordination and alignment of efforts between different programmes of the Department and its entities to ensure appropriate alignment between the work of the dtic and:

- the Economic Recovery and Reconstruction Plan tabled in Parliament in October 2020 by President Ramaphosa;
- the priorities set out in the 2021 State of the Nation Address (SONA);
- the new performance compacts between members of the Executive and the Presidency signed in November 2020; and
- The New District Development Model as the integration of development efforts at the local level.

The NCC will contribute to all seven joint indicators:

#### **4. Relevant Court Rulings**

The NCC continually reviews key decisions of the National Consumer Tribunal, High Courts and Constitutional Court. It evaluates the potential impact of these decisions on its mandate and functions. The impact is considered during planning processes.

In line with its strategic plan, the NCC continuously assesses the need for and submits recommendations to Minister for the accreditation of industry codes. As part of its monitoring function, the NCC constantly analyses the recommendations/ decisions of accredited alternative dispute resolution (ADR) schemes to determine trends and emerging concerns for both consumers and businesses. These schemes are a critical part of creating and expanding the dispute resolution platform for dealing with disputes between consumers and suppliers.

The Financial Sector Conduct Authority, in line with the Financial Sector Regulation Act, is now responsible for protecting consumers of financial services products and improving the way financial service providers conduct their business. The business practices of banks, long term and short term insurers are no longer regulated by the CPA. However, it must be understood that the CPA is the current yardstick for the protections afforded to consumers in general, whichever sector consumers transact in. The NCC remains supportive of regulators seeking to protect consumers provided that these regulators are enabled to provide an equivalent or better protection to consumers than that which is contained in the CPA. This is intrinsic to the CPA and consumer protection policy.

## PART B: OUR STRATEGIC FOCUS

### 5. Vision

The NCC's Vision is to be:

**“That national consumer protection regulatory authority that is proactive and responsive to ensuring effective Consumer Protection**

### 6. Mission

The Mission of the NCC is to be:

**That institution which**

- Tackles unfair business practices;
- Promotes compliance; and
- Ensures redress

**by enforcing the law through**

- Advocacy;
- Prosecutions;
- Investigations; and
- Co-ordinating efforts with other institutions

**and at all times**

- Continuously educate consumers;
- strive to improve our capabilities through relevant research and
- Being seen to be fair.

### 7. Values

The NCC believes in and is committed to the following values:

- Professionalism
- Integrity [ethical, high moral standards, honesty and truthfulness]
- Transparency Credibility [trusted and consistent]
- Accountability
- Teamwork

## 8. Situational Analysis

### 8.1 Updated Situation Analysis

- a) The NCC is the primary regulator of consumer business interaction in South Africa, established by **the dtic**, in line with the Consumer Protection Act (CPA), Act 68 of 2008.
- b) The NCC is driven by its Legislative and other mandates.
- c) The Situational Analysis has been conducted through a SWOT Analysis, the results of which are presented below:

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"><li>1. Expertise and Skills</li><li>2. IT Support</li><li>3. Good Working Relationships</li><li>4. Credibility</li></ol>	<ol style="list-style-type: none"><li>1. Capacity (People)</li><li>2. Resources (Finances)</li><li>3. Role Clarification</li><li>4. Technical Skills</li></ol>
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"><li>1. Collaboration (with other regulators)</li><li>2. Use of ICT</li><li>3. Internal Development</li><li>4. Capacity Building</li><li>5. Can Influence Legislative Changes</li></ol>	<ol style="list-style-type: none"><li>1. Safety and Security of Personnel</li><li>2. Undue Political Interference</li><li>3. Failure to Investigate and Prosecute</li><li>4. Lack of Co-operation from Industry Players</li></ol>

### 8.2 External Environment Analysis

Consumer protection is an integral part of a modern, efficient, effective and just marketplace. Confident consumers are one of the important drivers of competitiveness. By demanding competitive prices, improved product quality and better service, consumers provide an impetus for innovation and enhanced performance by business. The CPA is a critical part of the dtic's overall strategy to improve the competitiveness of business in South Africa.

In implementing the revised consumer protection framework, the dtic intended to create an environment where a culture of consumer rights and responsibilities prevail. Such an environment is not only beneficial to consumers but to businesses as well. The enforcement of the CPA assists in regulating the conduct of suppliers of goods and or services to consumers. If business conduct is left unchecked, unethical and unscrupulous suppliers will merely serve to hinder the creation of a fair, competitive and equitable environment for all. Prior to the enactment of the CPA, South Africa lagged behind other international jurisdictions in protecting its consumers. The global and domestic trading environment has changed significantly over time. Markets have opened up and there has been a significant increase in the



movement of people, goods and services across borders. The incidences of scams and unfair practices, on the other hand, has become more sophisticated.

- i. The need to enforce the CPA is critical to:
  - establishing a legal framework for the achievement of a fair, accessible, responsible and sustainable market;
  - reducing any disadvantages experienced in accessing the supply of goods and services by low income, low literacy, rural and vulnerable consumers;
  - Promoting fair business practices;
  - Protecting consumers from unfair and deceptive conduct;
  - Improving consumer awareness; and
  - Providing for an accessible, efficient and effective system of redress;
  
- ii. The CPA applies to:
  - Suppliers (for-profit or non-profit) that promote or supply goods or services to consumers across all sectors of the economy, unless exempt;
  - Government institutions or any entity contracted by the state to provide goods or services to consumers;
  - Franchise offers, solicitations and agreements; and to
  - Any business-to-business transaction, subject to a stipulated two-million-rand turnover per annum threshold.

Consumer Protection is a concurrent functional area of national and provincial legislative competence. Provincial consumer protection authorities exist in all provinces. Provincial consumer courts have jurisdiction over complaints of unfair business practices in terms of their respective legislation. A consumer court can order appropriate redress to a consumer in terms of the provincial legislation which created it. The NCC has been in continuous discussions with provincial consumer protection authorities to effectively deal with consumer/ supplier disputes that arise in their respective provinces and to ensure that their consumer courts are fully functional. Strategies to implement decisions taken during discussions with all provinces are underway.

Prior to placing reliance on provincial consumer protection authorities to ensure redress for consumers, the Minister of Trade and Industry accredited the Motor Industry Ombud (MIOSA) and the Consumer Goods and Services Ombud (CGSO) as the Alternate Dispute Resolution agents. Following the accreditations, consumer complaints related to the motor industry and the fast-moving consumer goods industries are now mainly dealt with by the MIOSA and CGSO.

Complainants are encouraged to refer their complaints directly to these ombuds. The NCC and the accredited ombuds have developed mechanisms and entered into arrangements concerning the reporting of performance and utilization of resources. The NCC will continue to monitor the effectiveness of these accredited schemes.

The demand for investigating conduct alleged to have been contrived by suppliers is increasing. The NCC strive to investigate every consumer complaint, but it proves to be neither possible nor feasible given the resources at its disposal. Instead, the NCC is compelled to prioritise and investigate systemic unfair conduct, based on criteria that are in line with its enforcement strategy. Apart from the enforcement strategy, investigations and or other regulatory interventions by the NCC, are informed by research and complaints trend analysis. The NCC intends to increase its access to consumer complaints databases to obtain better and more reliable trends analysis. This approach is in line with international practice (of like regulators).

Consumer safety will invariably be promoted to ensure that consumers are supplied with not only reliable goods and services but also goods that are safe for consumer health and life as well as for the environment. In order to promote the supply of safe consumer goods and services, the NCC will continue working closely with, amongst others, the South African Revenue Services (SARS), National Regulator for Compulsory Specifications (NRCS); South African Bureau of Standards (SABS), Department of Agriculture, Forestry and Fisheries and Department of Health. The facilitation and monitoring of recalls of unsafe products is a critical function of the NCC. In the absence of its own product testing facilities, coupled with the lack of financial resources that are normally associated with product tests, the NCC will continue to rely on entities like NRCS and SABS. The scanning of reported product recalls by regulators in other jurisdictions has been factored in.

It is still evident that the vast majority of consumers do not lodge complaints. Consumers who are unaware of their rights as consumers, will not complain. The genuine need to increase awareness of consumers' rights remains. It is also evident, that whilst suppliers are aware of their obligations in terms of the CPA, this is not the case for all suppliers. A greater need exists for small and medium enterprises to be made aware of their obligations. The NCC intends to continue encouraging suppliers to comply with the consumer protection legislative framework. Awareness does lead to increased compliance. To this end, awareness initiatives for both consumers and suppliers are intrinsic to the NCC's enforcement function.

In the endeavour to foster good governance, the NCC implements compliance-related processes to enable it to comply with the PFMA, Treasury Regulations and directives. This resulted in the NCC receiving unqualified audit opinions for 2016-17, 2018-19, 2019-20 and 2020-21 financial years and a clean audit for the 2017/18 financial year. The

compliance burden on the NCC has been increasing. This impacts all officials and the NCC's efficacy to deal with its core mandate.

The NCC had changed its strategy in the 2012/13 financial year and further revised it in 2015/16, then in 2017/18 and finally in 2019 to be in line with its legislative mandate. This document is therefore reflective of the NCC's revised strategy in line with recommendations made by the Executive Authority.

### **8.3 Internal Environment Analysis**

The NCC is an organ of state and is a Schedule 3A entity in terms of the PFMA; established by section 85 of the CPA.

In terms of section 87 of the CPA, the Commissioner of the NCC is responsible for all matters pertaining to the functions of the NCC and is required to hold office for an agreed term, not exceeding five years. Provision is however made for reappointment on expiry of an agreed term of office.

The Commissioner is the accounting authority for the NCC, duly assisted by the Deputy Commissioner and as such, is responsible for all income and expenditure of the NCC; revenue collected by the NCC; assets and the discharge of all liabilities of the NCC; as well as the proper and diligent implementation of the PFMA in relation to the NCC. Thus, Parliament, the Executive Authority and the Commissioner are responsible for corporate governance.

The Commissioner has, as permitted, assigned management and or other duties to employees with appropriate skills to assist the NCC in the management, or control over the functioning of the entity by way of written and approved delegations of authority. Certain powers or functions have been duly delegated to suitably qualified employees of the NCC. However, such delegation does not divest the Commissioner of responsibility for the exercise of any power or performance of any duty.

The Minister has designated a Deputy Commissioner to assist the Commissioner and to perform the functions of the NCC whenever the Commissioner is unable, for any reason, to perform the functions of the Commissioner; or when the position of the Commissioner is vacant. The Minister of Trade, Industry and Competition, in consultation with the Minister of Finance, determines the Commissioner's and Deputy Commissioner's remuneration, allowances, benefits and other terms and conditions of employment.

Parliament, through the Portfolio Committee on Trade, Industry and Competition (Portfolio Committee), exercises its oversight role through evaluating the performance of the NCC by interrogating its strategic and annual performance plans, quarterly reports, annual financial statements, performance information and other relevant documents which have to be tabled in Parliament from time to time.

Oversight by the Executive Authority rests by and large on the prescripts of the PFMA. The PFMA grants authority to the Executive Authority for the exercise of its oversight powers. The Executive Authority, annually, also enters into a Shareholders Compact with the NCC and a performance agreement with the Commissioner. A Compliance Schedule is included as part of the Shareholders Compact indicating the deliverables and due dates of all documents as stipulated in the PFMA, Treasury Regulations and the Shareholders Compact. Compliance is reported on a quarterly and annual basis, whereas management accounts are required to be submitted monthly. Reports are also provided from time to time on matters of significance.

The NCC currently has 79 funded full-time positions. A skills audit was conducted at the NCC, It was apparent that a major skills shortage does exist within the entity. An appropriate skill upgrade programme is underway under the guidance of an internal Skills Development Committee.

Insofar as trade union activity is concerned, the NCC has entered into a recognition agreement with NEHAWU. As it stands, the NCC has adopted the salary scales, benefits and increments as determined by the Minister of the Department of Public Service and Administration. This does not imply that the NCC is not a Schedule 3A entity, in terms of the PFMA.

The process embarked upon by the Executive Authority, of facilitating the establishment of bargaining chambers for its entities, was finalized. The NCC is part of that forum and bargains on salary increments and benefits for NCC officials are members of the GEPP. NCC officials are prevented by the Government Employees Medical Scheme (GEMS) from participating in GEMS. However, the usual benefits applicable to employees as negotiated at the PSCBC about employees on levels 1-12 are, wherever possible, is also granted to NCC employees on these levels.

Corporate governance at the NCC embodies processes and systems by which public entities are generally directed, controlled and held to account. In addition to legislative requirements based on the CPA, corporate governance is

applied through the precepts of the PFMA and run in tandem with the principles contained in the King Reports on Corporate Governance.

In line with the requirements of the PFMA, the NCC has an Audit and Risk Committee. The membership thereof is made up of independent persons. The said Committee also provides for one ex-officio member to serve thereon at the behest of the Executive Authority.

Risk management is integral to corporate governance at the NCC. A risk strategy is implemented and revised from time to time. A risk register is in place, monitored regularly and reported on at Audit and Risk Committee meetings. Internal audit and risk management committees were also established and are functional.

Internal audit assists the Accounting Authority in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The NCC has outsourced the internal audit function. Internal audit, in consultation with and the approval of the Audit and Risk Committee, ordinarily prepares and submits –

- a) a rolling three-year strategic audit plan based on its assessment of key areas of risk for the institution, having regard to its current operations, those proposed in its Strategic audit plan and risk management strategy;
- b) an annual internal audit plan for the first year of the rolling three-year strategic internal audit plan;
- c) plans indicating the proposed scope of each audit in the annual internal audit plan; and
- d) reports to the Audit and Risk Committee detailing its performance against the annual internal audit plan, to allow effective monitoring and possible intervention.

Internal Audit reports administratively to the Accounting Authority and functionally to the Audit and Risk Committee. The function is independent of activities that are audited, with no limitation on its access to information or parties within the NCC or any of NCC's stakeholders.

The NCC has approved a Fraud Prevention Plan (Plan) which is regularly updated and NCC officials are re-orientated every year on their roles in terms of the Plan, mechanisms are in place to report fraud and corruption. To promote fraud prevention, a whistleblowing policy is in place which makes provision for officials to make confidential disclosure about suspected fraud and corruption.

## PART C: MEASURING OUR PERFORMANCE

### 9. Institutional Performance Information

#### 9.1. Measuring the Impact

<b>Impact Statement</b>	<b>Accessible, fair, safe and sustainable markets for consumer goods and services</b>
-------------------------	---

#### 9.2. Strategic Objectives and Goal Oriented Outcomes

The NCC’s strategy, driven by the Vision and Mission (purpose), will be achieved through three (3) measurable strategic objectives. How each strategic objective is achieved is determined by specific outcomes.

There are seven (7) measurable outcomes that link to the strategic objectives.

#### 9.3. Measuring Outcomes

Objective	Outcome	Outcome indicator	Baseline	Five Year Target
<b>1. Accessible and coherent consumer protection system</b>	To promote accessible consumer protection	1. Assessment reports on accredited Ombuds approved by the Commissioner. 2. Number of business compliance initiatives conducted	1. Four assessment reports. 2. 18 Business compliance initiatives conducted in a financial year.	1. A Reduction in the percentage of complaints received by NCC by 50% 2. 26 Business compliance initiatives conducted in a financial year.

		<p>3. Number of Consumer Awareness initiatives conducted</p> <p>4. Percentage (%) of requests for explanatory notes and /or non-binding opinions on the interpretation of provisions of the CPA provided within a pre-defined period</p>	<p>3. 36 Consumer Awareness initiatives conducted in a financial year.</p> <p>4. 95 % of registered requests for explanatory notes and /or non-binding opinions provided within an average of 6 days</p>	<p>3. 44 Consumer Awareness initiatives conducted in a financial year.</p> <p>4. 95 % of registered requests for explanatory notes and /or non-binding opinions provided within an average of 4 days</p>
<p><b>2. To promote a fair marketplace</b></p>	<p>To promote a fair marketplace</p>	<p>5. Percentage of finalized investigation within a predetermined period</p> <p>6. Percentage of further enforcement action taken within a predetermined period</p>	<p>5. Conducted 80% of approved investigations produce reports with recommendations within 90 days</p> <p>6. Took further enforcement action against non-compliant suppliers in 90 % of approved matters within 40 days of approval</p>	<p>5. Conducted 80% of approved investigations and produce reports with recommendations within 70 days</p> <p>6. Took further enforcement action against non-compliant suppliers in 90 % of approved matters within 30 days of approval</p>
<p><b>3. Promote the supply of Safe Goods to consumers</b></p>	<p>Promote the supply of Safe Goods to consumers</p>	<p>7. Report on all product recalls and monitoring thereof</p>	<p>7. Produce 4 quarterly reports on the administration and monitoring of product recalls</p>	<p>7. Produce quarterly reports on the administration and monitoring of product recalls</p>

#### **9.4. Explanation of Planned Performance over the Five-Year Planning Period**

##### **Accessible and coherent consumer protection system**

The strategic impact of the plan is to ensure that the consumer protection system is comparatively more accessible and coherent.

Ensuring access to redress for consumers is an important aim of the CPA and represents a core mandate of the NCC. The CPA only permits the NCC to investigate complaints but not to conciliate or mediate between consumers and suppliers, unless suppliers offer to settle a matter during an investigation.

The policy espoused by the CPA is that consumers should first attempt to resolve disputes directly with suppliers. Where a resolution is not reached between a consumer and a supplier, then in terms of the CPA, consumers should approach alternative dispute resolution agents. Alternative dispute resolution agents include ombuds accredited by the minister and provincial consumer authorities. The NCC has no control over provincial consumer authorities. The NCC does exercise a monitoring function over the efficacy of the ombuds.

As it stands, contrary to the provisions of the CPA, consumers often approach the NCC before attempting conciliation or mediation. Consumers should approach the NCC after exhausting conciliation or mediation and only when their complaint does not fall within the jurisdiction of a provincial consumer protection authority. Consumer complaint handling and consumer redress is neither accessible nor coherent as such consumers do not get equal access to consumer protection services throughout the country

In order to achieve this objective, the NCC plans to ensure knowledge, understanding and the same application of the CPA throughout the country. At the same time, the NCC plans to disseminate awareness information to consumers to ensure that more consumers approach their relevant provincial consumer protection authorities and the accredited ombuds if they are unable to settle matters directly with the suppliers. This will entail effective awareness programmes, improved efficiencies at the mediation level and encouraging industries or sectors to establish additional ombud schemes.



## 10. Key Risks and Mitigations

Strategic Risks		
Outcomes	Key Risk	Risk Mitigation
To promotes accessible consumer protection	1. Unstable ICT systems	1.1 Procurement of ICT infrastructure. 1.2 Implementation of DRP 1.3 Implementation of a case management system
	2. Ineffective channels of communication	2.1 Use of technology (website) in sharing information with consumers and suppliers. 2.2 Implementation of social media strategy
To promote a fair marketplace	1. Lack of agility to adapt to changing unfair market practices.	1.1 Continuous skills development of staff 1.2 Sourcing of services of experts specializing in particular business conduct

## 11. Public Entities

N/A

## PART D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

1.

Indicator title	<ul style="list-style-type: none"> <li>Assessment reports on accredited Ombuds approved by the Commissioner.</li> </ul>
Definition	<ul style="list-style-type: none"> <li>Accredited Ombuds mean Consumer Goods and Services Ombud (CGSO) and Motor Industry Ombud of South Africa (MIOSA)</li> <li>An assessment report is a document that contains an analysis of the Ombuds performance in handling complaints.</li> </ul>
Source/ of data or information	<ul style="list-style-type: none"> <li>Quarterly reports received by the NCC from accredited Ombuds Schemes</li> <li>Assessment reports approved by the office of the Commissioner</li> <li>NCC quarterly report</li> </ul>
Method of calculation/ assessment	<ul style="list-style-type: none"> <li>Number of quarterly reports from Ombuds</li> <li>Number of approved assessment reports</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>None</li> </ul>
Disaggregation of beneficiaries	<ul style="list-style-type: none"> <li>None</li> </ul>
Spatial transformation	<ul style="list-style-type: none"> <li>none</li> </ul>
Desired performance	<ul style="list-style-type: none"> <li>Achievement of stipulated target</li> </ul>
Indicator Responsibility	<ul style="list-style-type: none"> <li>Divisional Head: Legal Services</li> </ul>

2.

Indicator title	<ul style="list-style-type: none"> <li>Number of business compliance initiatives conducted</li> </ul>
Definition	<ul style="list-style-type: none"> <li>Business compliance initiative means workshops and seminars (physical or virtual) held with business forums, business associations or business formations to encourage compliance with the Consumer Protection Act.</li> </ul>
Source/ of data or information	<ul style="list-style-type: none"> <li>Attendance Register or Confirmation of attendance by Host</li> </ul>
Method of calculation/ assessment	<ul style="list-style-type: none"> <li>Count (quantitative)</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>None</li> </ul>
Disaggregation of beneficiaries	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Desired performance	<ul style="list-style-type: none"> <li>18 Business Compliance initiatives</li> </ul>
Indicator Responsibility	<ul style="list-style-type: none"> <li>Education, Compliance &amp; Advocacy</li> </ul>

3.

Indicator title	<ul style="list-style-type: none"> <li>Number of Consumer Education Programmes conducted</li> </ul>
Definition	<ul style="list-style-type: none"> <li>Consumer Education Programmes means Education Sessions (Workshops, seminars, radio and TV programmes) conducted for consumers to raise awareness on the Consumer Protection Act.</li> </ul>
Source/ of data or information	<ul style="list-style-type: none"> <li>Approved content</li> <li>Attendance Register or Confirmation of attendance by Host</li> <li>Media monitoring reports</li> </ul>
Method of calculation/ assessment	<ul style="list-style-type: none"> <li>Count (quantitative)</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>Consumers</li> </ul>
Disaggregation of beneficiaries	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Desired performance	<ul style="list-style-type: none"> <li>36 Consumer Education Programmes conducted</li> </ul>
Indicator Responsibility	<ul style="list-style-type: none"> <li>Education, Compliance &amp; Advocacy</li> </ul>

4.

Indicator title	<ul style="list-style-type: none"> <li>Percentage (%) of requests for explanatory notes and /or non-binding opinions on the interpretation of provisions of the CPA provided within a pre-defined period</li> </ul>
Definition	<ul style="list-style-type: none"> <li>Explanatory notes or non-binding opinions mean legal advice, opinion and explanation provided by Legal Services to consumers upon receipt of a request.</li> <li>Days mean business days only excluding holidays, weekends and NCC's shutdown period.</li> </ul>
Source/ of data or information	<ul style="list-style-type: none"> <li>Explanatory notes or non-binding opinions Register</li> <li>Requests for explanatory notes or non-binding opinions received through the advisory email address of the NCC</li> <li>Copies of explanatory notes or non-binding opinions given</li> </ul>
Method of calculation/ assessment	<ul style="list-style-type: none"> <li>The percentage is calculated by counting the number of explanatory notes or non-binding opinions provided (dividend) divided by the total number of requests received (divisor).</li> </ul>

	<ul style="list-style-type: none"> <li>To calculate the average of 6 days, the days taken to issue each explanatory notes or non-binding opinions are added together then the total is divided by the number of all explanatory notes or non-binding opinions issued.</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>None</li> </ul>
Disaggregation of beneficiaries	<ul style="list-style-type: none"> <li>None</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>None</li> </ul>
Desired performance	<ul style="list-style-type: none"> <li>Issue 95% of explanatory notes and /or non-binding opinions on the interpretation of provisions of the CPA provided within 6 days</li> </ul>
Indicator Responsibility	<ul style="list-style-type: none"> <li>Divisional Head- Legal Services</li> </ul>

5.

Indicator title	<ul style="list-style-type: none"> <li>Percentage of finalized investigation within a predetermined period</li> </ul>
Definition	<ul style="list-style-type: none"> <li>An investigation starts when the office of the commissioner approves the investigation by signing the investigation certificate.</li> <li>An investigation is finalised when an investigation report is approved by the Office of the Commissioner</li> <li>Days means business excluding weekends, public holidays NCC's shutdown period</li> </ul>
Source/ of data or information	<ul style="list-style-type: none"> <li>Spreadsheet of approved investigations and approved reports</li> <li>Investigation Certificate (to determine the start date of an investigation)</li> <li>Investigation reports (to determine the date of approval of reports)</li> </ul>
Method of calculation/ assessment	<ul style="list-style-type: none"> <li>Number of approved reports (dividend) divided by the number of approved investigations (divisor)</li> <li>The quotient is the percentage</li> <li>To calculate the average of 90 days, the days taken to complete each investigation are added together then the total is divided by the number of all completed investigations.</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>None</li> </ul>
Disaggregation of beneficiaries	<ul style="list-style-type: none"> <li>Not Applicable</li> </ul>

Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>
Desired performance	<ul style="list-style-type: none"> <li>• 80% of approved investigations conducted. Reports with recommendations produced in 90 days.</li> </ul>
Indicator Responsibility	<ul style="list-style-type: none"> <li>• HOD: Enforcement and Investigations</li> </ul>

6.

Indicator title	<ul style="list-style-type: none"> <li>• Percentage of further enforcement action taken within a predetermined period.</li> </ul>
Definition	<ul style="list-style-type: none"> <li>• Enforcement action is deemed as taken on a date when a compliance notice is issued, or the date when a settlement agreement is signed, or the date when a referral to Equality court or Competition Commission or National Prosecuting Authority is made or a date when Application papers are filed at the National Consumer Tribunal.</li> <li>• The period for further enforcement action starts on the day after the commissioner approves an assessment report for further enforcement.</li> </ul>
Source/ of data or information	<ul style="list-style-type: none"> <li>• Prosecution register</li> <li>• Assessment Register</li> <li>• Approved assessments</li> <li>• Compliance notice, settlement agreement, referral letter, filing email or stamp</li> </ul>
Method of calculation/ assessment	<ul style="list-style-type: none"> <li>• Number of approved assessment reports (dividend) divided by the number of enforcement actions taken (divisor)</li> <li>• The quotient is the percentage</li> <li>• To calculate the average of 40 days for the enforcement action, the days taken for each enforcement action are added together then the total is divided by the number of all enforcement actions taken.</li> <li>• Average number of days taken to finalise the investigation.</li> </ul>
assumptions	<ul style="list-style-type: none"> <li>• None</li> </ul>
Disaggregation of beneficiaries	<ul style="list-style-type: none"> <li>• None</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>• None</li> </ul>
Desired performance	<ul style="list-style-type: none"> <li>• It is desired that the Division reaches 90% of further enforcement to be taken within 40 days</li> </ul>

Indicator Responsibility	<ul style="list-style-type: none"> <li>Divisional Head: Legal</li> </ul>
--------------------------	--

7.

Indicator	<ul style="list-style-type: none"> <li>Report on all product recalls and the monitoring thereof.</li> </ul>
Definition	<ul style="list-style-type: none"> <li>Product recall means a recall of unsafe, hazardous, defective or failed product</li> <li>Product means consumer goods</li> </ul>
Source/ of data or information	<ul style="list-style-type: none"> <li>Product recall register</li> <li>Quarterly report approved by the office of the commissioner</li> </ul>
Method of calculation/ assessment	<ul style="list-style-type: none"> <li>Count</li> </ul>
assumptions	<ul style="list-style-type: none"> <li>None</li> </ul>
Disaggregation of beneficiaries	<ul style="list-style-type: none"> <li>None</li> </ul>
Spatial transformation (where applicable)	<ul style="list-style-type: none"> <li>Not Applicable</li> </ul>
Desired performance	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Indicator Responsibility	<ul style="list-style-type: none"> <li>Divisional Head: Enforcement and Investigations</li> </ul>