

NATIONAL CONSUMER COMMISSION

STRATEGIC PLAN

(2016/17 to 2020/21)

25 January 2016

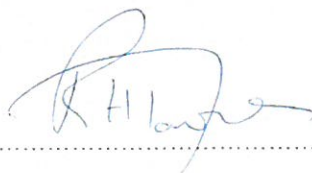
Foreword by Minister

In terms of the Public Finance Management Act 1 of 1999 (PFMA), I have to ensure that every public entity that I am responsible for, must comply with the provisions of the PFMA and in the case of the National Consumer Commission (NCC), it must also comply with the provisions of the Consumer Protection Act 68 of 2008 (CPA). I am satisfied that the NCC's past focus on complying with the PFMA, is on track. This must be maintained and improved, in line with the guidance provided by its relevant governance structure.

One of my key focus areas insofar as the NCC is concerned, particularly in this strategic period, is to ensure that the NCC meets its policy objectives as contained in the CPA. To this end, I aim to ensure that the NCC, focusses on the following key priority areas:

- 1) Promotion of effective relations with provincial consumer protection authorities, enforcement agencies and other regulators;
- 2) Improving consumer awareness and information and encouraging responsible and informed consumer choice and behaviour;
- 3) Providing for a consistent, accessible and efficient system of consensual resolution of disputes arising from consumer transactions;
- 4) Conduct research and propose policies to me in relation to the realisation and full enjoyment of consumer rights by vulnerable consumers;
- 5) Enforcement of the CPA by monitoring the consumer market to ensure that prohibited conduct and offences are prevented or detected and prosecuted;
- 6) Education and awareness on labelling across the different sectors and working in collaboration with other entities and Departments; and
- 7) Improved publication of the work undertaken by the NCC.

I do understand that the NCC is a small entity, with limited resources. However, it is imperative that the NCC maximises delivery to consumers. I would expect that business would cooperate with the NCC in ensuring that consumers realise the benefits of the provisions of the CPA and thereby promote the proliferation of ethical business throughout and beyond the borders of the Republic of South Africa.



Dr Rob Davies, MP

Minister of Trade and Industry

A: Abbreviations and commonly used acronyms

CPA/ Act - Consumer Protection Act No. 68 of 2008

the dti - Department of Trade and Industry

HR - Human resource/s

ICT - Information and communications technology

NCC/
Commission - National Consumer Commission

PFMA - Public Finance Management Act

B: Table of Contents

C: Overview by the Commissioner	5
E: Official plan sign-off	6
1. SECTION 1: BACKGROUND INFORMATION	7
1.1 Vision	7
1.2 Mission	7
1.3 Value statements	7
1.4 Legislative and policy mandates	8
1.4.1 Constitutional mandates	8
1.4.2 Legislative mandates	8
1.4.3 Policy mandates	9
1.4.4 Decisions of the Courts	10
1.5 Situational Analysis	11
1.6 Alignment with the dti's priorities	19
2. SECTION 2: STRATEGIC OBJECTIVES	20
2.1. Strategic objectives	20
2.2. Governance structure	25
2.3. Operational structure	25
2.4. Finance strategy	26
Materiality and significance framework	31
2.5. Key strategic risks	32
3. SECTION 3: OTHER PLANS	33
3.1. Human resource strategy	33
3.2. Information and Communications Technology Strategy	35
3.3. Communications Strategy	36
3.4. Anti-fraud and corruption policy	37

C: Overview by the Commissioner

I am pleased to present this five year strategic plan of the National Consumer Commission (“the NCC”). It sets out the key focus areas for the NCC over the financial years 2016/17 to 2020/21. A separate annual performance plan and business plan will provide details of the specific performance measures in relation to the strategic goals.

The NCC was established in terms of section 85 of the Consumer Protection Act No. 68 of 2008 (“the Act”) Act and began exercising its mandate with effect from 1 April 2011.

It is also clear from its recent history that the NCC cannot deal with all consumer complaints on its own. It has to work closely with other key stakeholders to promote the resolution of consumer complaints. Hence, one of its focus areas is the engagement with targeted industries on the submission of industry codes and the creation of alternate dispute resolution schemes within these industries. 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 Minister.

This strategic framework is aligned to the South African consumer policy prerogatives as espoused in the Consumer Protection Act (CPA). This has been highlighted by Minister as well. Minister has rightly pointed out that the NCC must focus on its key legislative mandate. Having reconsidered its legislative mandate coupled with Minister's priorities, the strategic, annual performance and business plans are all highly ambitious in view of the fact that the NCC is still a young institution with very limited resources. However, despite the challenges I implore all staff members and stakeholders of the NCC to adopt this strategic plan and play their role in fulfilling it 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 unscrupulous business to operate within the borders of the Republic.



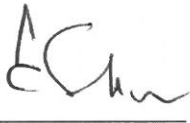
Mr E Mohamed

Commissioner

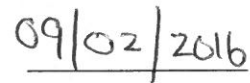
E: Official plan sign-off

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;
- Accurately reflects the strategic outcome oriented goals and objectives which the NCC will endeavour to achieve over the period from 1 April 2016 to 31 March 2021.



Mr E Mohamed
Commissioner



Date

1. SECTION 1: BACKGROUND INFORMATION

1.1 Vision

In pursuance of its strategic mandate as enshrined in the Act, the vision of the NCC is: **“To be the leading institution in consumer protection that is professional, responsive and effective.”**

1.2 Mission

The mission of the NCC is: **“To promote compliance with the Consumer Protection Act through advocacy and enforcement, in order to ensure fair business practice and to uphold the social and economic welfare of consumers”.**

1.3 Value statements

Values are common traits and attributes, which guide the manner in which the organisation will relate with its stakeholders. They are intended to define and shape the culture of the NCC and guide how staff members interact both internally and with stakeholders.

The NCC's value statements are:

- a. **Professionalism and Ethical conduct** - Promote and maintain a high standard of professional ethic and promote efficient, effective and economic use of resources.
- b. **Efficiency & effectiveness** - Promote efficient, effective and economic use of resources.
- c. **Transparency** – Fostering a culture wherein the bases upon which decisions are made are consistent and transparent
- d. **Accountability** - Accepting responsibility for our own actions.
- e. **Teamwork** - Promote coherent and effective teams within the NCC

1.4 Legislative and policy mandates

The NCC has considered the following sets of legislation and policy prescripts:

1.4.1 Constitutional mandates

In terms of Section 41 of the Constitution read with Schedule 4 thereof, consumer protection is an area of concurrent jurisdiction. Through its legislative mandate and its promotion of fair business practice, the NCC plays a significant role in upholding and preserving the principles enshrined in the Constitution. Specifically, the NCC has a direct impact on the following areas within the Constitution of the country, 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, if any, 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 in their capacity as consumers, is protected and respected.
- **Sub-section 33: Just administrative action** – The NCC ensures it hears both sides to a dispute and that it issues reasons for its decisions.

1.4.2 Legislative mandates

The NCC is established in terms of Section 85 of the Consumer Protection Act No. 68 of 2008 (“the Act”) with jurisdiction through the Republic of South Africa. The NCC reports to the Department of Trade and Industry’s (“the dti”) Entity and Oversight Unit and to the Consumer and Corporate Regulation Division (“CCRD”) which has, as one of its key roles, the creation of “credible institutions for enforcement and implementation of regulatory instruments”.

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

1.4.3 Policy mandates

The NCC also ensures that through its alignment with the **dti's** key priorities, it is also aligned to Government's key national priorities as espoused in the government's overall mandate to the people of South Africa.

These national priorities are:

1. Improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable and sustainable rural communities with food security for all.
8. Sustainable human settlements and improved quality of household life.
9. A responsive, accountable, effective and efficient local government system.
10. Environmental assets and natural resources that are well protected and continually enhanced.
11. Create a better South Africa and contribute to a better and safer Africa and World.
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

1.4.4 Decisions of the Courts

The NCC continually reviews key decisions of the National Consumer Tribunal, High Courts and Constitutional Court. It evaluates the potential impact on its mandate and functions for consideration 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. Once these codes are accredited, then as part of its monitoring function, the NCC will constantly analyse the decisions of accredited alternative dispute resolution (ADR) schemes with a view to determining trends and emerging concerns for both consumers and business.

The National Treasury has announced the Implementation of the Twin Peaks model of financial regulation. It has been further announced that the twin peaks regulatory framework will provide a comprehensive framework for regulating the financial sector. This is a multi-year and two phased project. The intention is to establish two regulatory bodies, namely a Prudential Authority within the Reserve Bank and a Market Conduct Authority. The former Authority will be responsible for the oversight of the safety and soundness of banks, insurers and financial conglomerates. The latter Authority seeks to protect customers of financial services firms and to improve the way financial service providers conduct their business.

This then means that the business practices of banks, long term and short term insurers will no longer be regulated by the Consumer Protection Act. The policy is in line with international agreements that bind the Republic of South Africa. The NCC can only encourage the establishment of sector specific regulators that would serve the interest of consumers. However, it must be understood that the Consumer Protection Act is the current yardstick for the protection afforded to consumers in general, whichever sector consumers transact in. The NCC will always be 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 Consumer Protection Act. This is intrinsic to the Consumer Protection Act. Very importantly, the Twin Peaks model makes provision for cooperation amongst regulators, the NCC, included. Provision for such cooperation will have to be considered going forward.

1.5 Situational Analysis

The elected manner of conducting a situational analysis was through a detailed SWOT (strengths, weaknesses, opportunities, threats) analysis conducted at a workshop on the 26-27 November 2015. The results are tabled below:

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. Clearly defined mandate. Knowing what to do. 2. Easy access to leadership of the NCC. 3. Learning and growing organisation – Opportunity to innovate. 4. Support of the Executive Authority and Parliament. 5. Young and vibrant workplace - that can be easily galvanised. 6. Diverse skills. 7. Genuine need for NCC services. 	<ol style="list-style-type: none"> 1. Inadequate information and communications technology (“ICT”) systems. 2. Human & Financial resource constraints. 3. Inadequate internal business processes. 4. Inadequate skills and capacity building. 5. Working in silos. 6. Low staff morale.
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. Establishing a national presence. 2. Working with other agencies within consumer protection environment. 3. Influencing the status of consumer protection locally and internationally. 	<ol style="list-style-type: none"> 1. Poor working relations with other regulators. 2. Inadequate resources to fully achieve its mandate. 3. Lack of strategy to enable the NCC to work with the consumer protection groups. 4. Safety and security of enforcement staff may be compromised.

1.5.1 Performance Delivery Environment

Consumer protection is an integral part of a modern, efficient, effective and just market place. 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 Consumer Protection Act is a critical part of **the dti's** overall strategy to improve the competitiveness of business in South Africa.

In revising the consumer protection framework, **the dti's** intention was to create an environment where a culture of consumer rights and responsibilities prevails. Such an environment is not only beneficial to consumers but to business as well. The enforcement of the Consumer Protection Act assists in regulating the conduct of suppliers of goods and services to consumers. If left unchecked, unethical

traders will merely serve to hinder the creation of a fair, competitive and equitable environment for all. Prior to the enactment of the Consumer Protection Act, 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 incidence of scams and unfair practices, on the other hand, has become more sophisticated.

The need to enforce the Consumer Protection Act 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;

The Consumer protection Act applies to:

- Suppliers (for profit or non-profit) that promote or supply goods or services to consumers across all sectors of the economy unless exempted;
- 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 legislations. A consumer court can declare a business practice unfair and in contravention of a provincial legislation and order appropriate redress to a consumer in terms a provincial legislation which created it.

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

- The national legislation deals with a matter that cannot be regulated effectively by legislation enacted by the respective provinces individually;
- 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:
 - (i) *norms and standards;*
 - (ii) *frameworks; or*
 - (iii) *national policies*
- 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 Consumer Protection Act entrenches national consumer protection policy as well as norms and standards.

The NCC had changed its strategy in the 2012/13 financial year and it has commenced delivering on this revised strategy in the 2013/14 financial year. Essentially, the NCC sought to encourage consumers and suppliers to attempt to resolve their disputes amongst themselves, prior to referring these complaints to the NCC. This obviously was in direct contrast to the previous strategy which invariably resulted in the NCC then being virtually swamped with vast numbers of complaints to the point where it was unable to cope with the influx, leading to backlogs stretching back to 2011. It was however clear from the very outset that consumers were primarily concerned with a speedy resolution of their complaints against suppliers and therefore, the need for facilitating conciliation and mediation between consumers and suppliers became imperative. This document reflects a revised strategy without altering the essence of the 2012/13 strategy.

In order to expand conciliation and mediation fora for the resolution of consumer complaints, the NCC will continue approaching key industries or sectors to assist in the establishment of industry/ sector ombud schemes. This approach serves to benefit consumers and business. Consumers will be able to seek accessible, free and speedy conciliation and mediation services on their consumer related disputes. These disputes will ordinarily be dealt with by persons who should be familiar with the nature of the transactions as these are endemic within the particular industry or sector. This would enable the NCC to monitor consumer disputes per industry and or sector. In monitoring the complaints dealt with by these alternate dispute resolution schemes, the NCC will be able to identify pervasive harmful business practices as well as emerging harmful trends emanating from these industries and or sectors. Interventions by the NCC can therefore be meaningful. This is vital, as resources, that is, both financial and skilled human resources, are limited and must be put to effective use. Ultimately, another key focus of the NCC would be the monitoring of the accredited ombud schemes.

Minister has recently approved the Motor Industry Scheme and the Motor Industry Ombud (MIO) will be the ADR agent implementing the code. All complaints related to the motor industry will be dealt with by the MIO. The complainants will refer their complaints directly to the MIO and those complaints lodged with the NCC or the Provincial Consumer Affairs will be referred to MIO as per a referral protocol. The NCC and the MIO and other accredited ombuds will develop mechanisms and enter into an agreement in relation to the reporting of performance and utilization of resources.

Insofar as investigations are concerned, despite the increasing demand, the NCC is unable to investigate every consumer complaint. This is neither possible nor feasible given the resources at its disposal. Instead, the NCC will focus on the investigation of systemic unfair conduct based on criteria that is in line with its enforcement strategy. Investigations will be conducted so as to promote market integrity and transparency by addressing unethical or unscrupulous conduct and promoting better disclosure of information. Apart from the enforcement criteria, investigations and or other regulatory interventions by the NCC, are also informed by research and complaints trend analysis. The NCC intends increasing its access to consumer complaints databases in order 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 so as to ensure that consumers are supplied with reliable goods and services which are safe for consumer health and life as well as for the environment. In order to promote the safe supply of consumer goods and services, the NCC will continue working closely with, amongst other regulators, the National Regulator for Compulsory Specifications (NRCS), South African Bureau of Standards (SABS) and the South African Revenue Service (SARS). The facilitation and monitoring of recall 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.

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 remain. It is also evident, that whilst suppliers are aware of their obligations in terms of the Consumer Protection Act, 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.

Following the receipt of a qualified audit in the 2012-13 financial year, the NCC subsequently focussed on implementing compliance related processes so as to enable it to comply with the PFMA, Treasury Regulations and directives. This resulted in the NCC receiving an unqualified audit for the 2013-14 and 2014-15 financial years. The compliance burden on the NCC has been increasing. This impacts on all officials and on its efficacy to deal with its core mandate. The NCC has been saddled with a poor compliance history and in this financial year the NCC will ensure that it maintains and improves on its internal controls. This will be largely guided by findings made by internal and external auditors as well as the performance assessments performed by the Executive Authority.

1.5.2 Organisational Delivery Environment

The NCC is an organ of state and is a Schedule 3A entity in terms of the Public Finance Management Act, 1999, Act No. 1 of 1999 (PFMA). The entity is 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 NCC does not have a Board. 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. He has duly delegated, certain powers or functions 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 the position of the Commissioner is vacant. The Minister of Trade and Industry, 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 and Industry (Portfolio Committee) exercises its oversight role through evaluating the performance of the NCC by interrogating its strategic and annual performance plans, quarterly reports and annual financial statements and other relevant documents which have to be tabled, as well as any other documents tabled from time to time. The Portfolio Committee also exercises oversight over the service delivery performance of the NCC and, in doing so, reviews the non-financial information contained in the annual reports of the NCC.

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 enters into a Shareholders Compact with the NCC and a performance agreement with the Commissioner, both, on an annual basis. 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 quarterly and annually whereas management accounts are submitted monthly. Reports are also provided from time to time on matters of significance.

The NCC currently has an approved structure that makes provision for 182 full-time positions. However, only 83 positions out of the 182 approved positions are funded. Given the existing fiscal status, the likelihood of receiving an increase in the budget allocation that would enable the NCC to fill all unfunded posts, is remote. In order to assist in giving effect to its strategy and annual performance plan, a review of the NCC structure will be finalised. Following the review, unnecessary vacant positions will be abandoned and only key vacant positions will be filled. The review of the structure will not result in any retrenchments. Going forward, the NCC largely intends decreasing its approved structure to coincide with funded posts.

A skills audit has been conducted at the NCC, it is apparent that a major skills shortage does exist within the entity. An appropriate skills upgrade programme is underway.

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. The Executive Authority is in the process of facilitating the establishment of bargaining chambers for its entities. NCC officials are members of the GEPP. Officials are prevented by the Government Employees Medical Scheme (GEMS) from participating in GEMS. Further engagement with the said scheme on participation by officials of government agencies will be pursued.

Corporate governance at the NCC embodies processes and systems by which public entities are 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 has one ex-officio member that serves 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 and monitored regularly and reported on at Audit and Risk Committee meetings.

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 internal 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 plan and its 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.

The NCC has approved a Fraud Prevention Plan (Plan) which is regularly canvassed with staff. No acts of fraud have occurred over the last two years. As a part of the Plan, mechanisms are in place to report fraud and corruption. In order to promote fraud prevention, a whistleblowing policy is in place which makes provision for officials to make confidential disclosure about suspected fraud and corruption.

1.6 Alignment with the dti's priorities

The main objective of the **dti's** CCRD unit is to create a **fair regulatory environment** that enables investment, trade and enterprise development in an equitable and **socially responsible** manner and promote a professional, competitive and customer-focused working environment that ensures effective and efficient service delivery.

In line with the prescripts of the Act, the NCC contributes to the **dti's** growth path by freeing up / increasing funding in the SA economy for investment / productive purposes through promoting compliance with the Consumer Protection Act and thereby curtailing incidences of prohibited business practice. Moreover, enforcing the said Act consistently, certainty is created which adds to confidence amongst suppliers/business.

2. SECTION 2: STRATEGIC OBJECTIVES

2.1. Strategic objectives

This revised strategic plan is linked to and flows from various plans developed by the NCC to fulfil its mandate, especially Performance Agreements between the Minister and Commissioner and between the Commissioner and Deputy Commissioner. The Shareholders Compact entered into between the NCC and the Executive Authority.

The strategic objectives articulated below were arrived at through a careful assessment of the legislative mandate and the environment in which the NCC operates. The planning of this strategic plan gathered up-to-date information about the organisation's performance and its challenges. Consideration was also given to political, economic, social, environmental and technological aspects applicable to the NCC. Through this exercise, the NCC was able to refine and reshape the list of critical questions facing the NCC, and thus defining the critical strategic tasks facing the NCC over the next five years.

Strategic Outcome Oriented Goal 1	Administration
Goal statement	Administration comprises leadership and corporate services functions. The Commissioner and Deputy Commissioner are responsible for leadership, corporate governance and direction in respect of the strategic objectives and operation of the NCC as a whole. Corporate services is critical to supporting the operation of the NCC, in that, it is responsible for support services, including finance, supply chain, human resources, information and communication technology and records management.
Description	To improve on the governance, compliance and resource requirements of the entity.

<p>Strategic Outcome Oriented Goal 2</p>	<p>To promote Consumer Protection and Consumer Safety</p>
<p>Goal statement</p>	<p>The goal is to ensure consumer protection and consumer safety through the enforcement of the provisions of the Consumer Protection Act and to facilitate an environment that enables resolution of disputes between consumers and suppliers that is expedient, cost effective, fair and transparent.</p>
<p>Description</p>	<p>The functions in relation to this objective are performed by the Legal Division and the Enforcement and Investigations Division</p> <p>The purpose is to:</p> <ul style="list-style-type: none"> (i) Facilitate an environment that enables resolution of disputes between consumers and suppliers that is expedient, cost effective, fair and transparent. (ii) Conduct inspections and investigations so as to enforce the provisions of the Consumer Protection Act thereby ensuring compliance with the provisions of the Consumer protection Act; (iii) Make applications to the National Consumer Tribunal for declaration of various conduct as prohibited conduct; (iv) Facilitate, conduct and monitor product recalls; (v) Establish or recognize as authoritative, a registry in which any person may register a pre-emptive block against any communication that is primarily for the purpose of direct marketing;

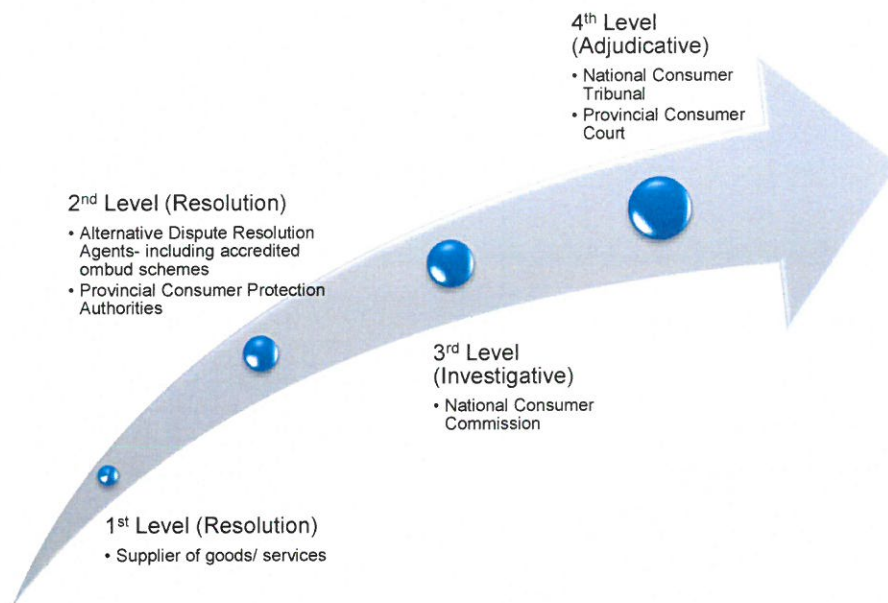
Strategic Outcome Oriented Goal 3	To promote reform of consumer policy and consumer protection legislation
Goal Statement	Reform consumer legislation in order to achieve the progressive transformation and improvement of practices that are inconsistent with the CPA
Description	The functions in relation to this objective are performed by the Legal Division The purpose is to: <ul style="list-style-type: none"> i) Advise Minister on matters relating to consumer protection and on the determination of national norms and standards regarding consumer protection in terms of the CPA that should apply generally throughout the Republic; ii) Identify legislation that affects the welfare of consumers which is inconsistent with the purposes of the CPA. Develop proposals and recommendations to Minister for reform of practices that are inconsistent with the CPA. iii) Provide guidance to the public by issuing explanatory notes and/or non-binding opinions on the interpretation of provisions of the CPA; iv) Apply to a court for a declaratory order on the interpretation or application of any provision of the CPA;

Strategic Outcome Oriented Goal 4	To conduct research and develop public awareness on consumer protection matters
Goal Statement	To increase knowledge on the nature and dynamics of the consumer market and promote public awareness on consumer protection matters by implementing education and information measures to develop public awareness of the provisions of the CPA
Description	The functions in relation to this objective are performed by the Research and Advocacy, Education and Awareness Divisions. The purpose is to: <ul style="list-style-type: none"> (i) Conduct targeted consumer workshops as well as business focused workshops and presentations aimed at facilitating a better understanding of the Act; (ii) Analyse complaints and market conduct and develop trends analysis reports which would serve to assist the NCC in determining its intervention strategies. (iii) Facilitate a consumer protection environment that is well coordinated and responsive to consumer needs. (iv) Conduct research and propose policy changes to the Minister in relation to any matter affecting the supply of goods and services, that would improve the realization and full enjoyment of consumer rights;

Each objective is supported by specific key outputs, which are in turn supported by key performance indicator and targets, is detailed in the annual performance plan and business plan of the NCC.

Delivery Model

The following diagram provides for a simplistic depiction of the relationship between the NCC in relation to other mechanisms for resolving consumer and credit disputes:



2.2 Governance Structure



The Commissioner of the NCC is responsible for the governance and oversight of the operations of the NCC. The NCC reports through the Consumer and Corporate Regulation Division (CCRD) and the Public Entity Oversight Division (PEO) of the Department of Trade & Industry ("the dti") to the Executive Authority, the Minister of Trade and Industry. The NCC acts in terms of a budget approved by the dti.

2.3 Operational structure

At the time of formulating this strategic plan, the vacancy rate in the NCC indicated a high number of positions that are not filled. In total, one hundred and eighty two ("182") posts have been approved by the dti as the total head-count of the NCC. Currently, seventy two positions are filled and one hundred and ten positions are vacant. However, only 83 positions are funded. The size of the structure increased since thirty three employees employed outside the structure was incorporated therein. Further restructuring envisaged in the 2014/15 and 2015/16 years will result in all unfunded posts being abandoned.

**2.4 Finance Strategy
Financial Plan**

(i) Projections of revenue, expenditure and borrowings

Financial Performance data in R'000s

	Details			
	2016/17	2017/18	2018/19	
Transfers received	58 013	60 914	64 447	
Interest received	1 606	1 695	1 788	
Total revenue	59 619	62 609	66 235	
Compensation of employees	41 574	43 902	46 361	
Salary & wages	37 759	39 870	42 099	
Social contributions (employer contributions only)	3 815	4 032	4 262	
Use of goods and services	18 045	18 707	19 874	
Administrative fees	1 180	1 239	1 262	
Advertising	1 089	1 191	1 205	

Details		2016/17	2017/18	2018/19
Assets less than R5 000		20	20	25
Audit costs		1 972	1 662	1 887
Bank charges		27	28	29
Catering: internal activities		161	185	206
Communication		468	514	522
Computer services		370	391	414
Consultants		1 292	1 327	1 331
Contractors		1 873	1 982	2 097
Consumables / Groceries		63	66	68
Lease Payments		4 327	4 583	5 141
Legal fees		831	935	980
Non-life insurance		84	88	92
Printing and publication		473	568	583

Details	2016/17	2017/18	2018/19
Repairs and maintenance	99	104	111
Research and development	720	785	835
Training and staff development	162	171	181
Travel and subsistence	806	845	862
Water and electricity	496	500	512
Venues and facilities	271	303	412
Depreciation and amortisation	1 261	1 220	1 119
Total expenses	59 619	62 609	66 235
Surplus / (Deficit)	-	-	-

ii. Asset and Liability Management		2016/17	2017/18	2018/19
Assets				
Current Assets				
Trade and other receivables from non- exchange transactions		46	20	30
Trade and other receivables from exchange transactions		40	30	20
Cash and cash equivalents		9 500	9 000	9 500
Current Assets		9 586	9 050	9 550
Non-Current Assets				
Property, plant & equipment		3 500	3 600	3 500
Intangible assets		1 100	1 594	1 300
Non-Current Assets		4 600	5 194	4 800
Total Assets		14 186	14 244	14 350
Liabilities				
Current Liabilities				
Trade and other payables from exchange transactions		1 400	1 200	1 000
Provisions		1 100	1 200	1 300
Operating lease liability		840	940	800
Non-current liabilities		239	297	643
Total liabilities		3 579	3 637	3 743
Assets		14 186	14 244	14 350

	2015/16	2016/17	2017/18
Liabilities	(3 579)	(3 637)	(3 742)
Net assets	10 607	10 607	10 608
Accumulated surplus	10 607	10 607	10 608
iii. Cash Flow Projections			
Receipts	59 619	62 609	66 235
Transfer received	58 013	60 914	64 447
Interest received	1 606	1 695	1 788
Payments	59 619	62 609	66 235
Employee cost	41 574	43 902	46 361
Operating expenditure	18 045	18 707	19 874
Cash flow from operating activities	-	-	-
Cash Flow from investing activities			
Purchase of property, plant & equipment	(300)	(600)	(650)
Purchase of intangible assets	(200)	(700)	(300)
Net cash flow from investing activities	(500)	(1 300)	(950)
Total cash & cash equivalents movement	(500)	(1 300)	(950)

(iv) **Capital expenditure projects**

- Records management system
- Security / access control system
- Furniture

(v) **Infrastructure plans; and
N/A**

(vi) **Dividend policies
N/A**

i) **Materiality and significance framework**

The NCC, as a public entity listed in Schedule 3A, must annually submit a proposed strategic plan for by **the dti**. Such a plan must be submitted as agreed to between **the dti** and the public entity. The strategic plan must – include the materiality/significant framework, referred to in Treasury Regulation 28.3.1

In terms of Treasury Regulation 28.3.1 and for purposes of material [section 55 (2) of the PFMA] and significant [section 54 (2) of the PFMA], the NCC must develop and agree a framework of acceptable levels of materiality and significance with **the dti**.

Whereas, the NCC agrees, in line with section 54 (2) of the PFMA, to the following:

- 1) Prior to concluding any of the following transactions, the NCC shall promptly and in writing inform the Treasury of the transaction and submit relevant particulars of the transaction to **the dti** for approval of the transaction relative to:
 - (a) Establishment or participation in the establishment of a company;
 - (b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
 - (c) Acquisition or disposal of a significant shareholding in a company;
 - (d) Acquisition or disposal of a significant asset;

- (e) Commencement or cessation of a significant business activity; and a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.

The NCC may assume that approval has been given if it receives no response from **the dti** on a submission in relating to any of the aforementioned within 45 days.

The dti has not granted any exemptions upfront to the NCC from any of the aforementioned matters.

In terms of 55 (2) of the PFMA, it is accepted that the annual report and financial statements of the NCC must fairly present the state of affairs of the NCC, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned.

The annual report and financial statements shall include particulars of—

- (i) Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;
- (ii) Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;
- (iii) Any losses recovered or written off,
- (iv) Any financial assistance received from the state and commitments made by the state on its behalf and
- (v) Any other matters that may be prescribed.

Further, the NCC shall submit the annual report and financial statements report and statements for tabling in Parliament, to **the dti** through the Public Entity Oversight Unit of **the dti**.

2.5 Key strategic risks

The recently drafted strategic risk register is attached herewith marked **Annex “A”**. The risks facing the NCC are being managed and updated on an ongoing basis

3. SECTION 3: OTHER PLANS

3.1 Human resource strategy

The NCC values the contribution of human resources to attainment of its mandate and key strategic outcomes. In order to realise the strategic objectives envisaged in this strategic plan, leadership of the NCC will ensure that a formal human resource (“HR”) Strategy is implemented as part of unlocking value out of human resources. It is the NCC’s positioning that, when well leveraged, human resources can unlock and sustain economic and social returns for the organisation.

The rapid growth of the NCC remains a challenge when assessed against available resources. The intention of the NCC is to fill all vacant positions timeously and with the correct calibre candidates as well as ensure that all resources in place are aligned to the correct jobs and have the correct competencies and skills to fulfil their duties. However, this can only be possible if additional funds are received as the current spend does not permit the filling of all vacancies. The strategy is also to retain high performing staff, train current staff and up-skill staff. HR processes will be implemented to facilitate smooth, efficient and effective HR management.

The NCC endeavours to have a high-performance culture linked to rewards for performance excellence.

The NCC’s human resource management approach seeks to gain competitive advantage through the strategic development of a highly committed and capable workforce. In order to realise this strategic HR outcome, the following human resource management principles will be practised within the NCC:

- HR management will be rolled out as an area of responsibility for managers.
- The NCC will develop and sustain an organisational culture that encourages all members of staff to be highly committed to the organisation and its continuous improvement.
- Prioritising staff development
- Managing performance
- Retaining of high performing staff

- Equity in employment opportunities and promoting fairness principles.
- Considering and incorporating the outcomes of formal job evaluation exercises as part of HR strategic planning from time to time.
- Contributing to youth development by offering employment opportunities in line with government youth employment initiatives as applicable.
- Complying with all applicable HR legislation and policies.

The summarized strategic HR objectives remain as follows for the ensuing five-year period.

1. To enhance operational and strategic efficiencies by implementing an optimal organizational structure for the NCC.
2. To position the NCC as a high-performance, well balanced work environment with a sound corporate culture.
3. To ensure that the NCC effectively leverages employee skills by recruiting, retaining and developing high quality people.
4. To ensure effective and efficient human resource management systems and processes to aid in effective management of people.

In order to realize these strategic HR objectives, the NCC will implement a strategic human resource management framework as illustrated below:



The four dimensions presented above are highly critical to the attainment of organizational strategy as they are the core responses that ensure coordinated and aligned HR delivery in the organization.

3.2 Information and Communications Technology Strategy

The NCC's operations and increased demand for its services indicate the need for more efficient handling and management of complaints. The NCC will endeavor to enhance automation of its core business processes in order to enhance operational efficiency. Information communication technology (ICT) is identified as a key driver to enhance operational efficiency

ICT remains inadequate to support efficient operations at the NCC and is receiving priority. This will continue over the next five-year period. An ICT strategy has been developed. The NCC is in the process of implementing the ICT strategy. Going forward it intends aligning its ICT to its growing strategic needs and standards of excellence. After the implementation of systems and processes that are required in line with available resources, ICT will focus on maintaining and updating those systems and processes.

The over-arching objective of ICT in the NCC will remain aimed at the acquisition, implementation and maintenance of ICT technologies to improve and enhance service delivery having regard to costs and benefits and the direction of emerging technology.

With the increased project activity, it is imperative that the NCC establishes a formal project governance framework in order to ensure that projects are implemented in a controlled monitoring and oversight environment.

3.3 Communications Strategy

Stakeholder communication through implementation of a communications plan is crucial to the achievement of the NCC's mandate. Such a plan builds the positive reputation of the NCC by ensuring that messages are conveyed correctly to specific stakeholder audiences, particularly consumers.

The communications strategy involves the identification of activities throughout the year that, when taken as a whole, incrementally communicate the NCC's messages to its stakeholders. The strategy furthermore entails creating awareness of its purpose, processes and timeframes to its stakeholders. The strategy is sufficiently flexible to be responsive to any developments in respect of the NCC's mandate and any subsequent increased caseload.

Communication must be purposeful and timeous, particularly in relation to consultation and decision-making. Branding will be a continuous priority to enhance the image and recognition of the NCC amongst its stakeholders.

The NCC will identify alternative mechanisms of access to ensure that all stakeholders can interact with the NCC. The communication strategy is furthermore structured to accommodate diversity of gender, language, levels of education, and cultures, amongst other factors. In order to ensure effective implementation of the communications strategy, the NCC will utilize a broad range of communication tools optimally. These include amongst others, publications, annual reports, the production and distribution of communications material, internal communications, building of stakeholder relationships, electronic communication, consultative forums and working with organizations with similar mandates.

By communicating the NCC's core mandate to its stakeholders in a targeted manner, the communications function contributes to the broadening of previously marginalized groups in the economy. The NCC's organisational structure will support effective communication wherever possible. The communication strategy will continue to enable all stakeholders to play their respective roles in implementing the NCC's strategic objectives.

3.4 Anti-fraud and corruption policy

The approved anti- fraud and corruption policy is attached hereto marked **Annex "B"**.