



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA



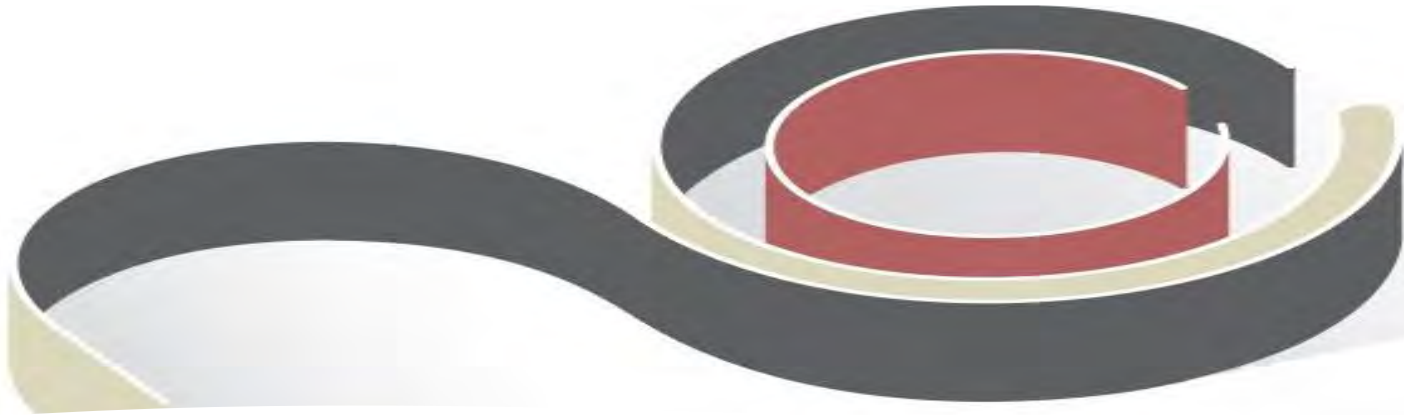
NATIONAL CONSUMER COMMISSION
a member of the dtic group

BRIEFING TO THE PARLIAMENTARY SELECT COMMITTEE ON ECONOMIC DEVELOPMENT & TRADE

NATIONAL CONSUMER COMMISSION

2024/25 REVISED APP AND Q2 PERFORMANCE

18 FEBRUARY 2025



DELEGATION

Mr. Hardin Ratshisusu – Acting Commissioner

Ms. Prudence Moilwa – HOD Complaints & Investigations

Mr. Joseph Selolo – Company Secretary

Mr. Lefu Nhlapo – Acting Chief Financial Officer

Mandate



Legislative Mandate

- ❖ The National Consumer Commission (NCC) is established by the Consumer Protection Act (CPA), 2008 (Act No. 68 of 2008).

- ❖ The purpose of the CPA is, amongst others:
 - to promote and advance the social and economic welfare of consumers in South Africa;

 - to protect consumers from unconscionable, unfair, unreasonable, unjust or otherwise improper trade practices; and

 - to promote a fair, accessible, and sustainable marketplace for consumer products and services and to establish national norms and standards relating to consumer protection.



Vision, Mission and Values

❖ **Vision:** “To promote a fair and sustainable marketplace for consumer goods and services.”

❖ **Mission:** "To deliver services that exceed expectations in tackling unfair practices, promote compliance, and ensure redress to consumers.”

❖ **Values:** Fairness, Integrity, and Good Governance.



Organisational Structure



Mr Hardin Ratshisusu
Acting Commissioner



Ms Thezi Mabuza
Deputy Commissioner



Mr Joseph Selolo
Company Secretary



Mr Lefu Nhlapo
Acting Divisional Head
Corporate Services and
CFO



Ms Poppy Kweyama
Divisional Head:
Education and Advocacy



Ms Prudence Moolwa
Divisional Head:
Complaints
and Investigations



Mr Jabulani Mbeje
Divisional Head: Legal
Services and Enforcement

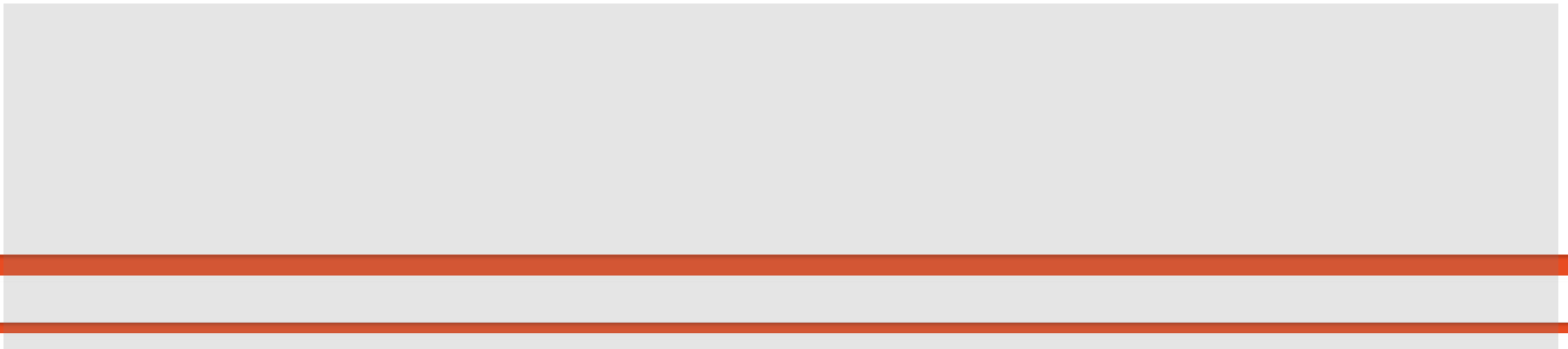
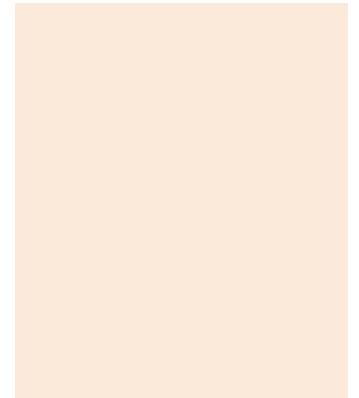


Organisation Profile

- ❖ The NCC was established in 2011 and has a total of 72 funded and filled positions, whilst the approved organisational structure provides for a total of 151 positions to fulfil its mandate. Therefore 79 positions are unfunded.
- ❖ The NCC is a primary regulator responsible for consumer protection in the Republic and has concurrent jurisdiction with Provincial Consumer Office.
- ❖ The mandate of the NCC is supported by mediation services by Sector Ombuds (CGSO and MIOSA).
- ❖ The NCC receives approximately 500 complaints per month (± 6000 per year).



2024/2025 Strategic Objectives



Previous Strategic Objectives

❖ The following were the strategic objectives of the NCC:

- Contribution to industrialization and transformation of the economy;
- Effective regulation of prohibited conduct;
- Education and Awareness; and
- Improving efficiencies in investigations.



Previous Targeted Outcomes

- ❖ The NCC had aimed to achieve the following outcomes:
 - Improved turn-around times in the administration of complaints;
 - Services rendered by NCC positively impact the socio-economic welfare of consumers;
 - Public awareness of the provisions of the CPA ;
 - Curb importation of non-compliant clothing, textile, footwear, and leather (CTFL);
 - Goods or services supplied at prices that are fair, reasonable, and just; and
 - Curb prohibited conduct.



Previous 2024/2025 Annual APP Targets

No	Annual Target
1	95% availability for complaints handling e-Service System and Website
2	60 documented cases of impact by the NCC activities
3	384 consumer education and awareness programmes conducted
4	30 business education programmes conducted.
5	Produce 4 product recall reports on the administration of the product recalls
6	100% of CTFL investigations completed
7	Enforcement action taken against 100% of non-compliant CTFL importers
8	10 investigations completed into unfair prices
9	10 enforcement actions taken against suppliers for unfair pricing
10	Complete investigations on 90% of complaints approved for investigation
11	Enforcement action taken in 95% of approved reports



Revised Targeted Outcomes

❖ The NCC aims to achieve the following outcomes:

- Eradicate practices that undermine local production and industrialization.
- Reduction in practices that involve the importation of non-compliant CTFL
- Enhanced collaboration with regulatory bodies (national and provincial authorities) to improve regulatory outcomes for consumers.
- Improved outcomes for consumers.
- SMME supported.
- Work experience provided.
- Reduction in the prevalence of Ponzi schemes and fraudulent activities targeting vulnerable populations.
- Minimized harm to consumers caused by unsafe or defective goods and exploitative supplier practices.
- Success before the NCT and Courts.
- Enhanced public knowledge and understanding of the CPA
- Service Delivery Channels Optimized



Revised 2024/2025 Annual APP Targets

KPI	REVISED TARGETS	ALIGNMENT TO 10 CORE OUTPUTS
1.	Number of market monitoring inspections.	Investment.
2	Finalize CTFL matters within 20 business days.	Red tape reduction.
3	1 joint initiative conducted in collaboration with regulatory bodies with concurrent jurisdiction.	No direct or indirect alignment.
4	4 engagements with accredited consumer protection ombud schemes.	No direct or indirect alignment.
5	60% of preferential procurement from SMME's in designated groups.	SMME Supported.
6	4 business education initiatives targeted at companies in industrial parks conducted.	Industrial Parks & DDM Transformation.
7	20 interns employed by the NCC and accredited ombud schemes namely, MIOSA and CGSO.	Work Experience
8	Finalize investigations into Ponzi Schemes and scams within 40 days.	Red tape reduction.
9	One high impact investigation into high priority sectors including steel, food and unsafe goods exploitative supplier practices initiated.	No direct or indirect alignment.
10	One high impact investigation into high priority sectors including steel, food and unsafe goods exploitative supplier practices finalized.	No direct or indirect alignment.



Revised 2024/2025 Annual APP Targets

KPI No.	REVISED TARGETS	ALIGNMENT TO 10 CORE OUTPUTS
11	75% of complaints in priority sectors including second-hand cars finalized.	Red tape reduction.
12	80% success rate in cases presented before the National Consumer Tribunal and Courts.	No direct or indirect alignment.
13	Administer product recalls and issue communication thereon within 20 business days of receipt of recall notice from suppliers.	Red tape reduction.
14	Finalize 80% of energy-related complaints within 6 months.	Red tape reduction.
15	16 consumer education and awareness initiatives targeted at consumer conducted.	No direct or indirect alignment.
16	8 business education and awareness initiatives targeted at SMMEs conducted.	SMME Supported.
17	Publication of Newsletter on NCC interventions and outreach.	No direct or indirect alignment.
18	Answer 90% of answered calls made to the contact centre.	Red tape reduction.
19	95% availability of complaints handling e-Service System and Website.	Red tape reduction.
20	Pay service providers within 20 business days.	Red tape reduction.



Seven Priorities to Achieve Targets

- ❖ In this financial year, the NCC has prioritized the following areas:
 - Secondhand automotive industry.
 - Unsafe and expired foods in all provinces.
 - Unfair and unreasonable pricing of goods and services.
 - Combating importation of non-compliant clothing, textile, footwear and leather goods (CTFL).
 - Market monitoring of low-quality imported goods – focus on imported frozen chicken, metal roof sheeting, gardening tools and wheelbarrows.
 - Scams and Ponzi Schemes.
 - Product recalls (including the finalisation of the peanut butter matter).

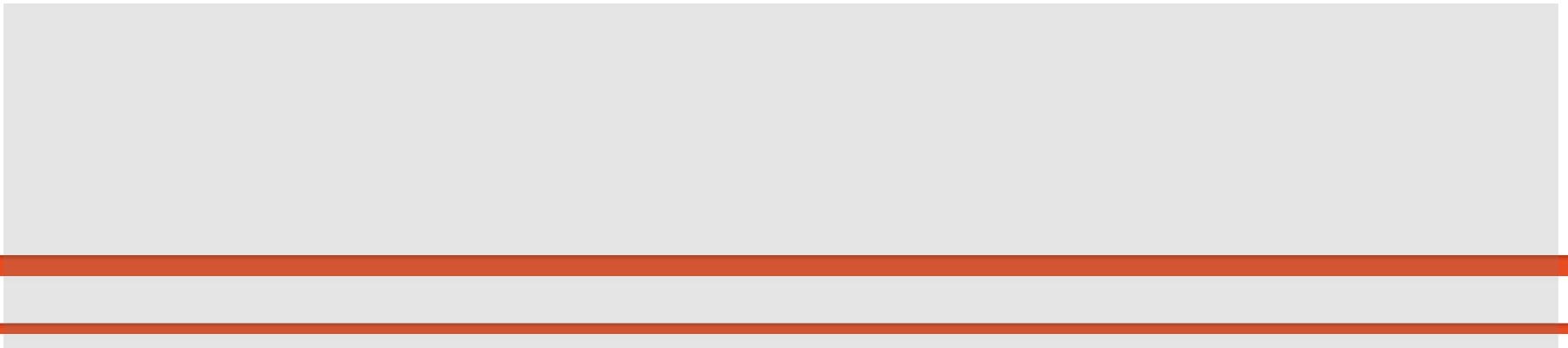
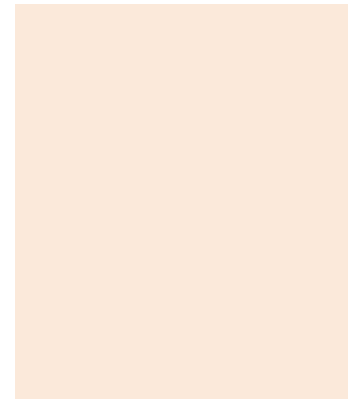


Conclusion on Revised Targets

- ❖ The revised targets for the National Consumer Commission demonstrate a clear alignment with the broader government agenda, particularly focusing on investment, red tape reduction, SMME support, and industrial transformation.
- ❖ The prioritization of red tape reduction, with targets like finalizing complaints and product recalls within strict timelines, underpins the NCC commitment to improving service delivery and streamlining processes.
- ❖ The emphasis on supporting SMMEs through preferential procurement and business education initiatives fosters a more inclusive economy, aligning with the government's economic transformation objectives.
- ❖ By aligning many of its core targets with key government outputs, the NCC is well-positioned to fulfil its mandate of consumer protection, regulatory oversight, and contribution to the broader industrialization and transformation agenda.
- ❖ These efforts will contribute to an empowered consumer base, a conducive business environment, and a streamlined regulatory process.



Progress on 2024/25 Q2 APP Targets



Progress by Function

Investigation and Enforcement Functions

- The NCC through its investigation and enforcement activities, has obtained redress to consumers to the amount of **R1 039 321.81 (One million and Thirty Nine thousand, three hundred and 21 and eighty-one cents)**.
- The NCC prevented non-compliant imported Clothing, Textile, Footwear and Leather goods to value of **R944 622.33 (Nine Hundred and Forty-Four thousand, Six Hundred and Twenty-two Rands and Thirty-Three cents)** from entering the South African market.
- In this Quarter, administrative fines to the value of **R305 000.00 (Three Hundred and Five Thousand Rands)** were levied by the National Consumer Tribunal (the Tribunal), following prosecutions by the NCC.



Progress By Function

Investigation and Enforcement Functions

➤ The NCC supports South Africa's efforts to increase investigations and prosecutions of complex money laundering cases (Immediate Outcome 7) and to improve the identification, seizure, and confiscation of criminal proceeds (Immediate Outcome 8), both being from the Action Plan on South Africa's Greylisting. In this regard, the NCC investigated the following scheme involved in predicate offences, being:

❖ **Women Against Poverty and Hunger (WAPH)**

The scheme was a pyramid and multiplication scheme disguised as a grocery stokvel. The scheme invites members of the public to make a once-off payment of R300 (Three hundred Rand), promising them monthly grocery parcels for 12 months thereby offering, promising or guaranteeing an effective interest of above 1770%. The NCC obtained, through the NPA's Asset Forfeiture Unit, a preservation order in the amount of **R5 326 869.00 (Five million, three hundred twenty-six thousand, eight hundred sixty-nine Rands.)** pending the finalisation of the investigation.



Investigation and Enforcement Functions

Investigation and Enforcement Functions

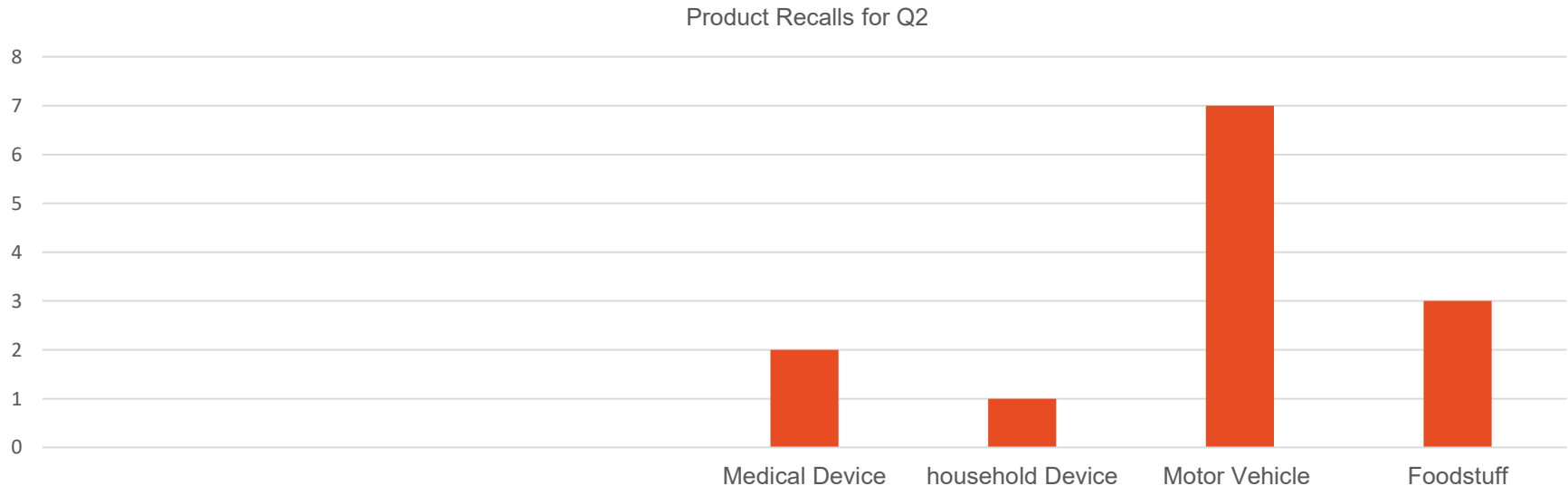
- The NCC conducted market monitoring inspections to eliminate foodstuff that is potentially unsafe and not of good quality. The three provinces that were inspected are the Northern Cape, Gauteng and the Western Cape. The practices that were observed are:
- Sale or marketing of goods that have passed their sell-by or use-by/expiry date and goods that are visibly rotten;
 - Sale or marketing of goods labelled in foreign language;
 - Repackaging of goods like meat products, juices, spices without adhering to prescribed labelling requirements;
 - Prices deliberately not being affixed or displayed on goods or in their proximity;
 - Product description (species) and date markings on repackaged foods like fresh meat, cold meat including polonies, sausages and snacks; and
 - Suppliers not issuing sales invoices or issuing sales records that are not compliant with the CPA and suppliers not offering refunds and returns.



Progress By Functions

Investigation and Enforcement Functions

The NCC administered 13 Product Recalls during quarter 2. The Figure below represents the distribution of different categories: Motor Vehicles, Electronic Devices, Foodstuff, Household Goods, Cosmetics, and Medical Devices.

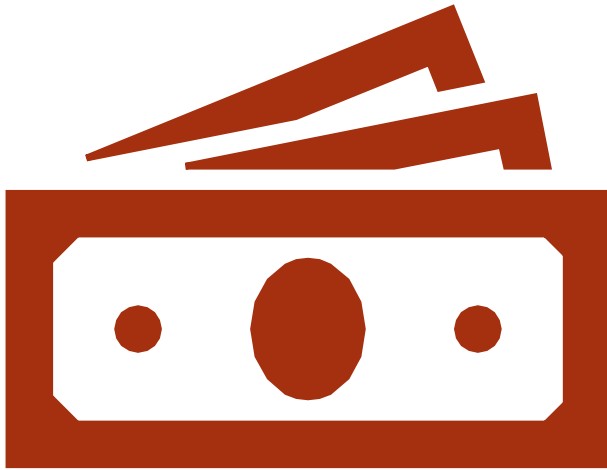


Progress By Function

Education and Awareness Function

- In this quarter, 12 targeted workshops were held with SMMES owned by women at Northern Cape, Gauteng, and Western Cape the workshops were to raise business compliance on Section 55 (The Consumer's right to Safe, Good Quality Goods) and 56(2) (Consumer's right to redress) of the Consumer Protect Act No. 68 of 2008.
- One hundred and twenty-three (123) consumer education initiatives were conducted in eight (8) Provinces through physical contact sessions, (31) broadcast and online media (74), Facebook (05), X (13).





BUDGET FOR 2024- 25 FINANCIAL YEAR



Financial Position of the NCC

	2020/21 Final Budget	2021/22 Final Budget	2022/23 Final Budget	2023/24 Final Budget	2024/25 Initial Budget	2024/25 Final Budget	2025/26 Initial Budget	2025/26 Final Budget
Baseline	54 346	58 505	59 388	62 973	65 666	76 800	68 473	83 583
Reductions	(2 816)	-	-	-		(7 680)		(10 062)
Rental	9 709	10 195	10 684	10 593	11 134	-	11 707	
	61 239	68 700	70 072	73 566	76 800	69 120	80 180	73 521



Financial Position of the NCC

- ❖ For 2023-24 Financial year; the R62,9 (R73,5) million baseline included Compensation of Employees, Goods & services at R10,6 million, and office accommodation at R10,5 million.
- ❖ A 10% erosion of the baseline is observed in 2024/25 reducing the budget to R69,1 from R73,5 million.
- ❖ A further 12% reduction is also observed in 2025/26 financial year from R80,1 million to R73, 5.
- ❖ Only in 2025-2026 will the budget equal the 2023-2024. Allocation which is detrimental to the business of the NCC.



Financial Position of the NCC

- ❖ The NCC currently has an allocation of R69 million for the 2024/25 financial year with projected interest of R5 million.
- ❖ The bulk of the expenditure of R50,8 million consists of compensation of employees as the work of the Commission is labour intensive.
- ❖ R20,5 million is allocated to goods and services, majority being fixed costs.



QUARTER 2 FINANCIAL INFORMATION

Quarter 2- Revenue

Description of item	Annual Budget	Year to date budget	Year to date Actual Revenue	Variance
	'000	R'000	R'000	R'000
Government grants	69 120	37 595	41 472	(3 877)
Interest income	4 950	2 475	1 578	897
Other Income	-	-	9	9
Total	74 070	42 710	43 059	2 989



Quarter 2- Revenue

- ❖ The NCC has an allocated budget for the financial year of R69,1 million with interest of R4,9 million initially projected.
- ❖ The total amount of R41,7 million was received in April 2024 to cover expenditure for both Quarter 1 and 2.
- ❖ The funds not immediately required were invested in an interest-bearing account with the South African Reserve Bank.
- ❖ Interest to the value of R1,6 million was earned as at the end of September 2024. Interest is slightly lower than expected because only 60% of the grants were received from **the dtic**.



Q2- YTD Expenditure against the Budget

Description	Annual Budget '000	YTD Budget	YTD Actual Expenditure	Commitments/ Prepayments	Total Actual and Commitments	YTD variance	Remaining Budget for 2024/25
Compensation	50 854	25 427	25 700	24 108	49 808	(273)	1 046
Goods and Services	23 216	12 168	14 003	10 041	24 044	(1 835)	(828)
Total	74 070	37 595	39 703	34 149	73 852	(2 108)	218



Quarter 2- YTD Budget against Expenditure

- ❖ Compensation of employees is slightly over the budget by R273 thousand which is attributable to leave pay provision.
- ❖ Goods and services is overspending by an amount of R1, 8 million. The overspending is projected to be R829 thousand for the rest of the financial year considering orders and contracts to be fulfilled for the remainder of the financial year.
- ❖ Therefore, without an increase in the budget, the NCC will also not have the ability to implement critical projects.



RISK



No	Outcomes	Key Risks	Risk Mitigation
1.	Ensure that the appropriate technology architecture, electronic communications channels and other associated information resources and services are available.	"Cyber attacks"	<ol style="list-style-type: none"> 1. Regular monitoring and review of cybersecurity controls 2. Regular cybersecurity awareness training 3. Appointment of Managed security services (MSS) provider 4. Perform regular cybersecurity evaluation. 5. Develop and implement third party management policy 6. Develop incident response plan 7. Generate and present system generated evidence for business systems access reviews. 8. Regular review of systems and infrastructure licenses. 9. Establishment of ICT Change Control Board (CAB) 10. Develop data privacy policy 11. Review ICT security and related policies. 12. Business systems access reviews with manual generated evidence (Finance and HR)
2.	"To educate consumers about their consumer rights and businesses about their obligations in terms of the CPA"	"Inadequate National footprint to educate consumers and business "	<ol style="list-style-type: none"> 1. Self initiated workshop 2. Use of diverse media platforms to convey messages (social, print, electronic, webinars). 3. Customised presentation to relevant target audience 4. Collaboration with internal and external stakeholders 5. Partnership with relevant stakeholders.



No	Outcomes	Key Risks	Risk Mitigation
	To ensure that goods that are unsafe are recalled from the market.	Delayed recalls of unsafe product by suppliers	<ol style="list-style-type: none"> 1. Investigate and Prosecute the Suppliers who delays notification 2. Review the guidelines to include Investigation and Prosecution of the Suppliers who delays/fails to notify the Commission.
	Combatting the supply of goods or services at a price that is unfair, unreasonable, or unjust.	Unable to identify impactful investigation.	<ol style="list-style-type: none"> 1. Develop market monitoring tool. 2. Develop unfair pricing regulation.



Conclusion

- ❖ The NCC is making significant strides in its priority areas, addressing key consumer protection challenges across the country.
- ❖ Our focused efforts in sectors such as the second-hand automotive industry, unsafe and expired foods, unfair pricing practices, and the importation of non-compliant goods have yielded notable outcomes leading to substantial redress for consumers.
- ❖ Our contributions to South Africa's Greylisting Action Plan, particularly through investigations into complex schemes like Piggy Farm Trading and Grosavestokvel, demonstrate our commitment to combating serious financial crimes.
- ❖ Additionally, the NCC is effectively raising awareness of consumer rights, particularly among youth, ensuring that communities across the nation are informed and empowered.
- ❖ As we move forward, the NCC remains steadfast in its mission to safeguard consumers and promote fair market practices in South Africa.





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Thank you!

**National Consumer Commission
South Africa**

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