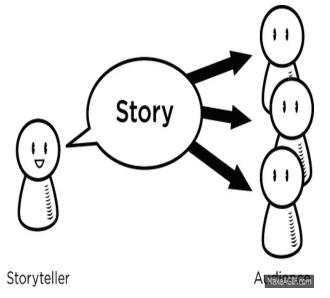
Annual Performance Plan 2024/25





Portfolio Committee on Trade, Industry and Competition

"We invite you to listen to our NCT story"

Submitted by:

The National Consumer Tribunal

11 September 2024

Mr. Trevor Bailey

Ms. Hazel Alwar

Mr. Ahmed Moolla

Mr. Nhlanhla Nziyane

Mr. Prenesen Moodley



national consumer tribunal





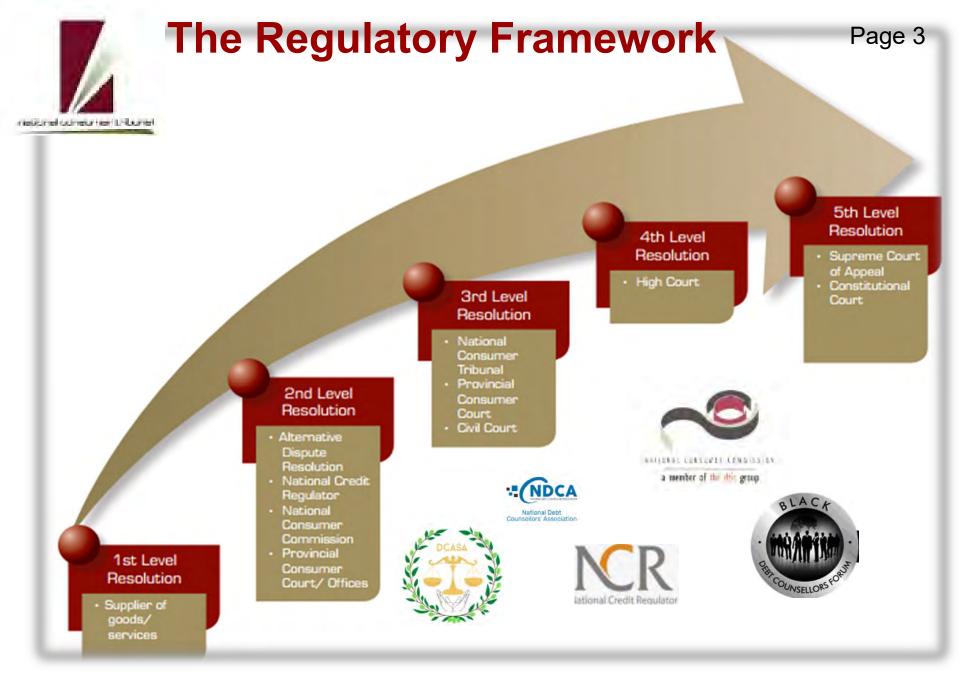


Our mandate



To **adjudicate** on cases related to the Consumer Protection Act 68 of 2008 and the National Credit Act 34 of 2005 within its jurisdiction.





The 'dtic' priorities, NCT alignment (and contributing to developmental objectives)

Page 4



(new priority)

Industrialisation (Aligned to KPI 4)

Capable state

(Aligned to KPI 1, 2, 3, 56, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19 and 20)

Transformation

(Aligned to KPI 14 and 15, inclusive of various capable state measures)





Capable state (Justice not delayed)

- A cornerstone of the Tribunal's adjudicative mandate is expeditious adjudication.
- Speed is entrenched in binding legislation.
- Therefore, turnaround of processes within adjudication creates public value and drives the building of a capable state.



INQUISITORIAL EXPEDITIOUS INFORMAL NATURAL JUSTICE



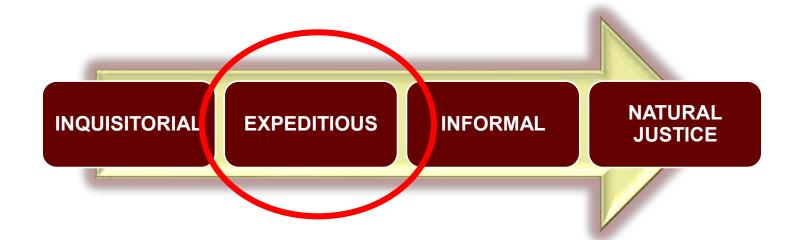
Capable state (Adjudication KPI's)

Adjudication KPI's

The number of days in which DRA's are finalised.

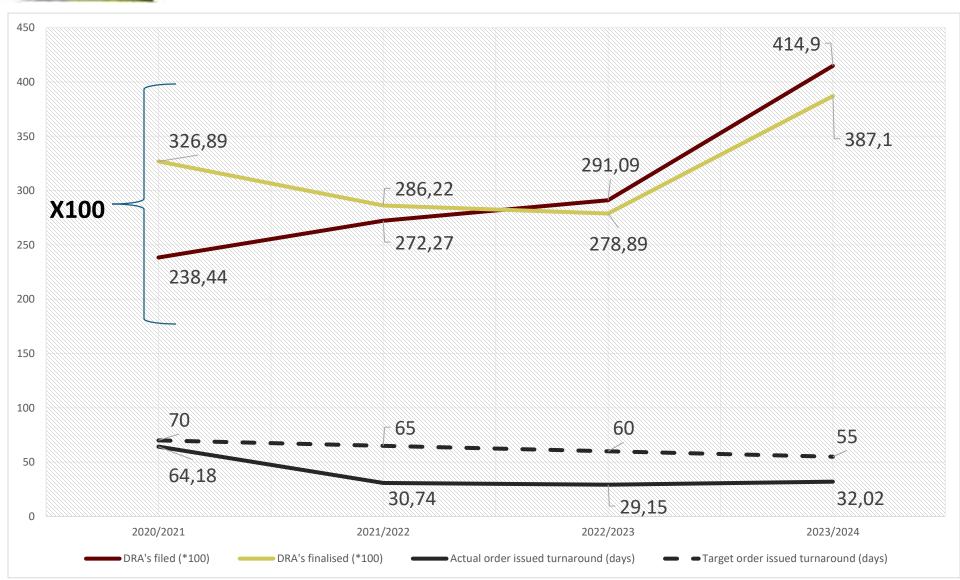
The number of days it takes to issue a judgment from the last date of adjudication

The number of days it takes to set down a matter from close of pleadings



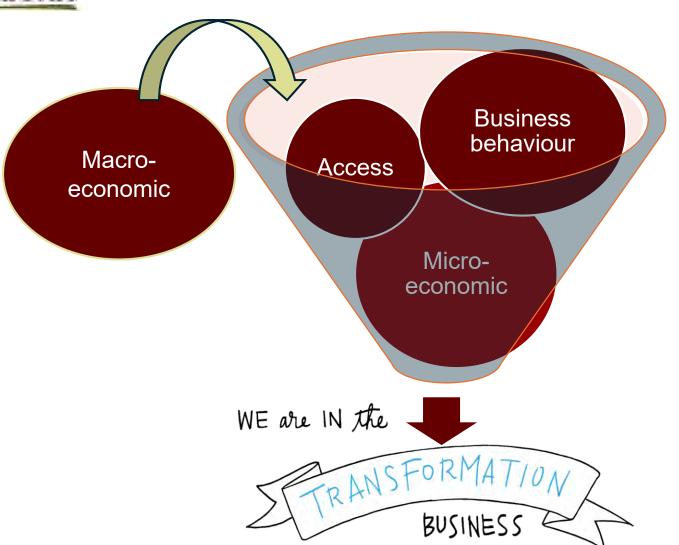
Capable state (KPIs build a capable state and reduce red tape)

Page 7





Transformation (NCT Impact)





Transformation

(macro-economic)

* Data derived from NCR's Consumer Credit Market report and CBM report end March 2024.

*Statistics is based on PDA accounts

R5 457,29 Average monthly debt review repayment

161015

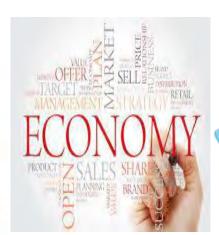
Number of consumers placed in debt review over the last 5 years by the Tribunal

R878m

Value of monthly repayments for consumers placed under debt review by the Tribunal

TRANSFORMING THE ECONOMY BY INJECTING POSSIBLY UNRECOVERABLE BAD DEBT INTO IT TO STIMULATE THE ECONOMY











Transformation (economic impact of DRA adjudication)

Page 10

The Tribunal issued 38,710 DRA orders in 2023/24 with the estimated financial impact in relation to mortgages of R1.81 billion and in relation to secured finance of R724 million.

The estimated impact of the Tribunal in this financial year exceeds R2.5 billion.



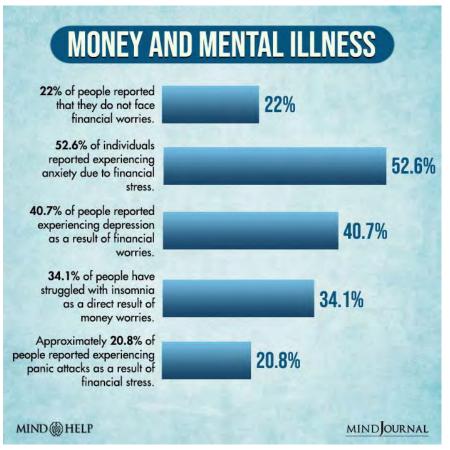
These monies were likely lost to the economy

However, the Tribunal's intervention

has increased the likelihood of its' re-entrance.



Transformation (micro-economic)



- Human dignity restored
- ✓ Home being free from repossession
- ✓ Car being free from repossession
- Being financial able to live and pay off debts.
- ✓ Interests reduced
- Terms extended
- ✓ More disposable income for households

The Tribunal's role in debt review not only supports the repayment of debt and the prevention of repossession but also supports the overcoming of mental illness creating the possibility of a better life for that consumer and family.





Transformation (micro-economic - WE TOUCH THE LIVES OF CONSUMERS)

Consumer's financial transformation

A family of 4 from Gauteng with the spouses in their late 40's, married in community of property. Together they entered 11 credit agreements to the value of R2.25m. Their joint monthly net income was R48K. After necessary expenses they had R32K available to pay their creditors however their repayment was R43K. This included a home and a vehicle repayment. Through debt review their repayment reduced to R27k allowing for all necessary expenses to be catered for and a surplus for enjoyment of life.

Now imagine if they were not placed under debt review

Their home, vehicle and other movable assets could have been repossessed.

If debt is not settled through repossession, both salaries could be garnished.

The Tribunal has transformed the lives of 169K families/consumers since

Potential Impact

strain| Emotional strain| Increased reliance on fiscus through state support| Loss to economy and minimal economic stimulation| Loss to creditors| Succession debt| Loss of enjoyment of life| Perpetuating poverty





Transformation (transforming economy by shaping business behaviour)





Wedding venue must pay back couple after postponement due to Covid-19





The Tribunal interdicted Shoprite Checkers from awarding credit recklessly and issued a fine of R1m. The HC confirmed this judgment. Shoprite was found to have issued credit to consumers who, if assessed correctly, should not have been awarded credit.

Transformation: Shoprite has awarded credit to more than 250k consumers. Shoprite business practices through the Tribunal's intervention have ensured that consumers are not issued credit recklessly. Other businesses within that sector also transform their operating models to benefit 100s of 1000s of South African consumers

Vodacom accepted the Tribunal's judgment and a fine of R1m. One of the key issues in this case was the cancellation of SIM-only contracts being subject to a 75% payment of the balance of the contract period. The Tribunal found this conduct to be prohibited. Vodacom has confirmed that it will comply with the Tribunal order.

Transformation: A change within this sector of this magnitude can impact the lives of millions of South Africans. The Tribunal's judgment stimulates a review of the terms and conditions of similar businesses to ensure compliance with the CPA



The Tribunal de-registered credit providers

SASSA cards, Identity Documents, and Bank pins taken from the elderly and women are returned to them

Tribunal made orders of reckless credit lending and declared credit agreements to have been granted recklessly.

Consumers are refunded excess interest rates and cost of credit charges - thus giving back to the consumers





Strategic outcome and impact through adjudication



2023/2024



DRA

More than **R2.5bn** debt subject to debt review

More than **4600** vehicles free from repossession in 2023/24

Almost **39000** families were given a second chance to manage their finances and improve mental well-being and stress created by financial strain.

More than **2300** homes free from repossession in 2023/24

Non-DRA

Industry behaviour changed by judgments and admin fines to the value of **R3,6m**

Refunds, repairs, and replacements awarded to the value of **R2.8m**

Audits were ordered to ensure all aggrieved consumers were protected

Certificates of prohibited conduct issued to consumers to claim damages in the High Court



Transformation (accessibility)

FILERS

Debt Counsellors

Other Registrants

Increased access - Increased number of consumers can be transformed financially.

Regulators

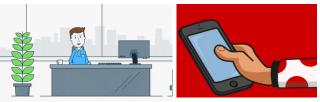


Consumers in limited circumstances

FILING METHODS

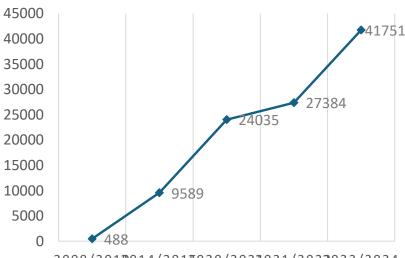








CASE'S FILED



2009/2010014/2013020/2022021/2022023/2024



Transformation (accessibility – impacting lives of South Africans)

Non-DRA Geo-spread (Finalised 2023/24)







Transformation (accessibility – impacting the lives of South Africans)

DRA Geo-spread (Finalised 2023/24)





Transformation (accessibility – impacting the lives of South Africans)

Faster

Cheaper

More accessible



Capable state and reducing red tape

Human capital enhancement

Compliance and risk management

Building our brandstakeholder engagements Knowledge management

Capable state - NCT KPI's

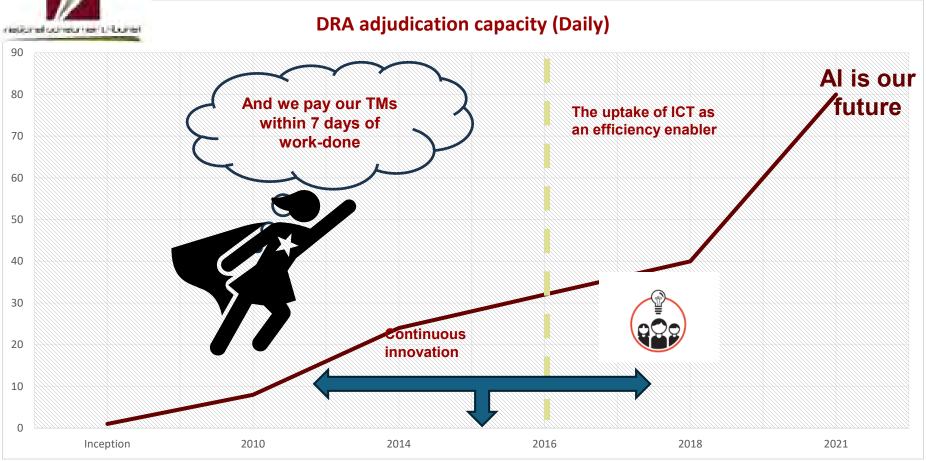
Technology advancement and security

Financial sustainability and efficiency



esional consumer Liberary

Capable state (technology enhancement)











Capable state and Transformation (Financial management)



Its' about making the most impact whilst remaining agile enough to navigate the environment

Sustainability

• Devising strategies to respond to budget cuts and economic changes, value for money

Clean audits

 Achieved 12th consecutive clean audit for 2023/24, inspiring public trust in the Tribunal's ability to execute its mandate

Payment efficiency

- Surpass expectation by increasing payment efficiency payments less than 20 days
- 76% of NCT's contractors are SMME's



Capable state (Human capital and developing skills and capacity- KPI's)

Focus on skill development and youth development

Building a culture to generate superior performance

Employee safety prioritised



Managing capacity



Culture reviews and interventions



Capable state (Compliance, risk and records management)

Purpose: Developing an organisation of leaders



Increasing knowledge in relation to risk management – bringing risk to life at the NCT



Increase knowledge in relation to compliance management stimulating a shift from being reactive to proactive



Leveraging institutional knowledge as a tool for decision making and increase records management knowledge to ensure sustainability

KPI's on records management, risk management and compliance have a strategic imperative.



How is it going?

12th successive clean audit, risks effectively managed, compliance is currently 100% and knowledge management is becoming a hub for intelligence and decision making



Research capability

Adjudication research

Decision making research

- ✓ Designated research capacity
- ✓ Skills in terms of conducting evidence based research and analysis
- ✓ Legislative drafting skills

Innovation stimulated research



Legislative analysis research



Governance structure

Audit and risk committee







ICT governance committee



Human resource governance committee



Financial management

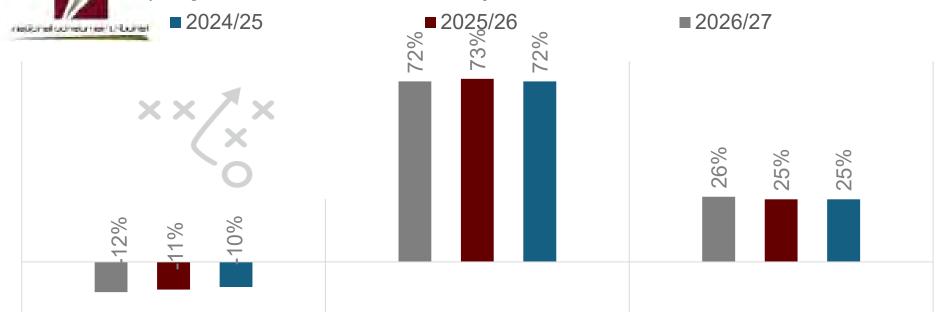
(Budget over medium term)

Description	2024/25	2025/26	2026/27
	Budget	Budget	Budget
Grant allocation	52 000 000	53 726 000	55 556 000
Roll over funds	-	-	-
Filing Fees	17 392 081	18 696 487	20 098 724
Interest received	1 087 516	1 187 516	1 287 516
Insurance Proceeds	-	-	-
Total Income	70 479 597	73 610 003	76 942 240

Description	2024/25	2025/26	2026/27
	Budget	Budget	Budget
Compensation of employees	50 653 528	53 371 926	55 739 074
Goods and services	19 326 069	19 898 077	20 673 165
Capital Expenditure	500 000	340 000	530 000
Total Expenditure	70 479 597	73 610 003	76 942 240
Surplus / Deficit	-	-	-

Financial management

(Key financial indicators)



% DECREASE IN GRANT EMPLOYEE COST AS A % OF OWN REV AS A % OF TOTAL TOTAL COSTS **REV**

Own revenue growth key strategic priority – stronger own revenue ratio to cater for grant decrease

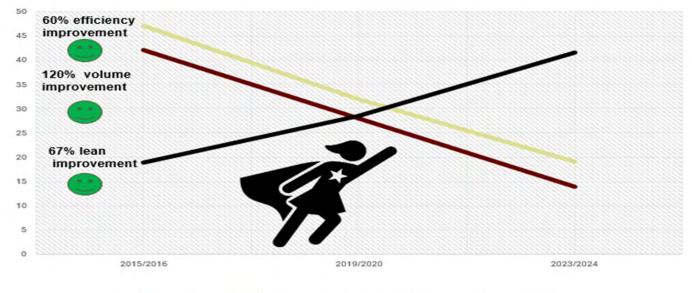
Employee cost maintenance whist delivering stronger output a key strategic priority – structure enhancements underway – employee cost ratio improving as grant decreases



Our strategic advantage







Average case related turnaround (days)

Case volume (*100)



Our strategic advantage

DO MORE





Final words



We are committed to being better today than we were yesterday... and if we not... we committed to always trying

We at the NCT are here to SERVE

Visit our new revamped interactive website www.thenct.org.za

