

LEVY CONSULTATIONS 2012- 2014

AUTOMOTIVE DIVISION

Presenter: Dries van Tonder
Automotive Division: Technical Specialist

Mr Cyril Musa Ndlovu
Acting Director : Non Perishable Products

POINTS FOR DISCUSSION

- NRCS Vision/Mission.
- New Legislation.
- 2010/11 Feedback.
- Operational Performance.
- Challenges.
- Finances.
- Levy Proposals.
- Discussions/Objections and Submissions.
- Closure.

NRCS VISION AND MISSION

NRCS VISION

The vision of the NRCS is to foster public safety, health and environmental protection.

NRCS MISSION

The NRCS mission is to administer and maintain compulsory specifications and technical regulations in the interest of public safety, health, environmental protection and fair trade

PUBLICATION OF NEW REGULATIONS

- The NRCS Regulations came into force on 1 January 2011. (Replacement of Regulation R999).
- Among others, the regulations deal with issues such as the payment of levies, sales permits, directives and the registration of MIB's of products and providers of services subject to compulsory specifications.
- The roll-out of registration of manufacturers in particular has begun at a good pace, with the process being made as user-friendly and smooth as possible through the use of online registration on a dedicated portal on the NRCS website.
- More information on role-players through the registration process and the efficient enforcement of the new regulations should not only make the organization more effective, but should allow for the collection of additional income for the Regulator to use in enacting its mandate.

2010/11 FEEDBACK

- 2010/11 financial year was a difficult year for the organization. On average, 79% of the NRCS's income was received from industry levies and only 21% from government
- These operational and financial challenges were further exacerbated by the industrial action during the third quarter of the financial year.
- We believe that risk based inspections and mandatory registration of regulated companies, coupled with technology, will lead to high levels of effectiveness.
- To this end, the NRCS introduced the development of a Customer Relationship Management (CRM) system during this year. The CRM system is intended to expedite client management by enhancing client registration, lodging of applications and approval of certificates. (Envisaged to roll-out in second part of 2012)
- CRM will allow NRCS to communicate and share critical information with its partners, including (SARS), (DoT E Natis), Companies and Intellectual Property Commission (CIPC) and (ITAC). The system will also incorporate inspections and sampling information, thus streamlining processes and contributing to greater organizational efficiency and effectiveness

2010/11 FEEDBACK CONTINUE

- Human Resources - an on-going challenge as the organization operates in a highly specialized environment for which skills are relatively scarce.
- Lack of adequate financial resources hampers the implementation of the Competence Development Programme and other corporate programs.
- As at 31 March 2011, the organization had a total staff complement of 287 permanent employees and six contract employees.
- The Automotive Division has a staff compliment of 45 with 14 being support administrative staff. The Division was fortunate in that only two inspectors resigned during this report period.
- NRCS Staff is currently busy with a project at various customs ports and early indicators are reflecting positive results.

OPERATIONAL PERFORMANCE

Actual Performance of the Automotive Division for the past 12 months;

- Inspections Completed - 4 986
- Approvals Granted (Homologation Vehicles Incl derivatives) – 2997
- Approvals Granted (Homologation of Tyres) – 3314
- Approvals Granted (Commodities) – 109
- Sanctions Applied – 41 Directives were served
- Motor cycle helmets destroyed – Value R59,000-00
- E-Natis numbers – 25 Natis model numbers suspended

OPERATIONAL PERFORMANCE CONTINUE

- The Department achieved SANAS accreditation in the areas of – M1&N1 Light passenger and Commercial vehicles, Motor vehicle tyres and motorcycle helmets. 11 Technical signatories were declared competent in line with the requirements of ISO17020.
- During August 2011 assessment, a further 13 individuals in the N2 and N3 Category vehicles were assessed and competency is currently being approved by the SANAS approvals board.
- This will bring the total to 24 individuals being competent as Technical Signatories according to ISO 17020.
- It is anticipated to achieve 100% accreditation within the next two years dependent on availability of SANAS. (Meeting to take place with SANAS before end of year to address concerns)
- Homologations were done in China, Australia and the United Kingdom.
- Participation in SABS Technical Committees, NDoT meetings and WP29 and GR activities are on-going to ensure that the Division stays on par with all developments.

CHALLENGES

- The lack of accredited testing facilities remains a challenge and examples of such limitations are motorcycle helmets, brake fluid, elastomeric cups and seals, motor vehicle tyres and child restraints as well as various test required within the different category vehicles.
- Turnaround times offered by many of the testing facilities resulted in some instances in the NRCS not being able take action in a timely fashion.
- Budgetary constraints meant a delay in the appointment of specialist investigators that are needed for the SIU to start operational work.
- The lack of memorandums of understanding with some key government agencies such as SARS and SAPS created operational constraints, for example in cases where the SAPS assistance was sought.

LEVY CALCULATION MODEL

1. Total costs per industry, including direct and support cost
2. Total number of current inspectors included on cost mentioned in 1 above
3. $1 / 2 =$ cost per inspector
4. Number of inspectors needed for a specific product
5. $3 \times 4 =$ Total cost needed to recover for a product to be regulated
6. Total number of products in the industry
7. $5 / 6 =$ Levy per product regulated

LEVY PROPOSALS

- Consultation 2010, was gazetted 4 August 2011
- NRCS suggest that the fees be applicable from 1 July 2011.
- 2011 Consultation will be gazetted in May 2012, effective from 1 July 2012 and payable January 2013.
- General suggested increase 2012: 3,9% (Ave CPI as published by Govt)
- Exceptions:
 - Passenger tyres from R0,17 to R0,22
 - Commercial tyres, from R0,22 to R0,30
 - Towbars, levy need to be implemented after consultation with Towbar Industry.

LEVY PROPOSALS

- Elastomeric cups and seals for hydraulic brake systems (8410) (Loose) R6.68 per 100. (Was R6,43)
- Elastomeric cups and seals for hydraulic brake systems (8411) (Kit Form) R0.30 per Kit (Was R0,29)
- Amend – Notification of New vehicle model form processing - Fee R618-00 (Only applicable where no Homologation fee is relevant.)
- Add: Application for amendments and reprints. Fee R60-00 (Already calculated as new fee)

LEVY PROPOSALS CONTINUE

Further to the proposals:

- Propose that agreement be reached with Industry to accept a CPI (As declared annually by Govt) related increase for the following period.
- If CPI + increase a formal meeting shall be called.

DISCUSSIONS, COMMENTS/ OBJECTIONS SUBMISSION

Interested parties can lodge their comments and/ or objections from today to the Acting Executive Director – Non Perishables:

Mr Musa Ndlovu

E-mail: ndlovu@nrccs.org.za

Administrator

Tumi Kekana

kekanabe@nrccs.org.za

Tel : 012 428 7252

- Closing date for comments/objections: by end of business day on the 30 November 2011.

Please Sign attendance register

CLOSURE

Thanking you

