

Chairperson's Statement

Advocate P Tlakula
Chairperson of the NCR Board



The justification for the introduction of the National Credit Act has been confirmed by the developments in South Africa and internationally over the last few years.

The financial crisis brought the spotlight on the prudent management of household finances and the dangers of reckless lending and over-indebtedness. Over-indebtedness is usually viewed as an individual problem and a problem between a banker and its client. The developments of the last few years demonstrated that unsustainable household finances can also have an impact on the financial markets and the well-being of societies. These developments confirmed the importance of the National Credit Act (NCA) and the importance of ensuring that it is effectively enforced.

As would be expected within this context, debt counselling and the impact of the financial crisis were the most important topics on the Board's agenda and substantial time was spent in considering these issues. Although we recognize that there are still many challenges in both these areas, we are happy to note that the National Credit Regulator (NCR) has taken decisive steps in response to these challenges.

We further note that the NCR exceeded most of the performance targets and that it is making consistent progress in dealing with all aspects of its mandate. We are particularly pleased with the quality of financial management and control and with the fact that the NCR received an unqualified audit report in every year since its establishment. This is a commendable achievement.

Despite the country's sterling performance with the hosting of the 2010 Fifa Soccer World Cup, the year ahead will be challenging as consumers and credit providers grapple with the consequences of debt stress and backlogs in debt counseling. We trust that the NCR will continue to play a valuable role in dealing with these issues and in ensuring that consumers receive the protection envisaged by the National Credit Act.

It has been a privilege to serve as chairperson of the Board of Directors of the NCR. I would like to thank my fellow board members for their contributions and similarly thank the Chief Executive Officer of the NCR and his management team and staff for their dedication and professionalism.



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