

Section 2

Programme Performance

Voted Funds

Appropriation	Main appropriation	Adjusted appropriation	Actual amount spent	Under-expenditure
	R'000	R'000	R'000	R'000
Programme 1	387 207	384 207	372 906	11 301
Programme 2	690 361	702 331	621 350	80 981
Programme 3	203 700	178 465	172 489	5 976
Programme 4	441 142	472 102	469 730	2 372
Programme 5	10 501	10 501	6 366	4 135
Total	1 732 911	1 747 606	1 642 841	104 765
Responsible Minister	Minister of Labour: MMS Mdladlana, MP			
Administering Department	Department of Labour			
Accounting Officer	Acting Director-General of Labour: S Morotoba			

Departmental revenue, expenditure and other specific topics

Collection of departmental revenue

	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Target	2008/09 Actual	% deviation from target
	R'000	R'000	R'000	R'000	R'000	%
Tax revenue	-	-	-	-	-	-
(Specify)						
Non-tax revenue	2 866	4 443	5 733	5 744	8 995	56.59
Sales of capital assets (Capital revenue)	42	-	-	-	-	-
(Specify)						
Financial transactions (Recovery of loans and advances)	1 451	1 640	2 715	2 588	19 868	667.00
Total departmental receipts	4 359	6 083	8 448	8 332	28 863	246.41

Departmental expenditure

Programme	Voted for 2007/08	Roll-overs and adjustments	Virement	Total voted	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1	387 207	-	(3 000)	384 207	372 906	11 301
Programme 2	690 361	11 970	-	702 331	621 350	80 981
Programme 3	203 700	13 517	(38 752)	178 465	172 489	5 976
Programme 4	441 142	-	30 960	472 102	469 730	2 372
Programme 5	10 501	-	-	10 501	6 366	4 135
Total	1 732 911	25 487	(10 792)	1 747 606	1 642 841	104 765

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Transfer payments

Transfers to be listed and reported on include amongst others:

- transfers to provinces
- transfers to local governments
- transfers to Public Entities
- transfers to NGO's and civil society
- capital transfers e.g. Transfers to the National Roads Agency

Name of institution	Amount transferred	Estimate expenditure
	R'000	R'000
Departmental Agencies and Accounts		
Compensation Fund	6 366	10 500
Unemployment Insurance Fund	-	1
Commission for Conciliation, Mediation and Arbitration	261 710	261 710
National Productivity Institute	41 138	41 138
National Skills Fund	46 949	46 949
Strength Civil Soc Lab Reb Trans (Development Institute for Training, Support and Education for Labour (DITSELA))	15 903	15 903
National Economic Development and Labour Council (NEDLAC)	13 959	13 959
Umsobomvu Youth Fund	5 080	5 080
Statutory		
Sector Education and Training Authorities	5 787 308	5 787 308
National Skills Fund	1 446 827	1 446 827
Foreign Government/International Organisations		
International Labour Organisation (ILO)	9 777	9 777
ARLAC	600	600
Non-Profit Institutions		
SA National Council for the Blind	237	249
Deaf Federation of South Africa	105	163
National Council for the Physical Disabled	159	200
Subsidised workshops for the blind	7 365	7 365
Subsidised work centres for people with disabilities	95 411	95 411
Households: Leave Gratuity		
Retirement Benefit	179	179
Severance Package	2 203	2 203
Donations, Sponsorships	1 206	1 206
	7 743 533	7 747 779

Aim of the Vote

The aim of the Department of Labour is to play a significant role in reducing unemployment, poverty and inequality, through policies and programmes developed in consultation with role players and aimed at: improved economic efficiency and productivity; skills development and employment creation; sound labour relations; eliminating inequality and discrimination in the workplace; and alleviating poverty in the workplace; as well as to play a significant role in improving employment and protecting and improving workers' rights and benefits.

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Programme purpose and measurable objectives

Programme 1:	Administration
Purpose:	Conduct the overall management of the department and provide support and advisory services.
Programme 2:	Service Delivery
Purpose:	Protect the health and safety of workers and implement and enforce Department of Labour policies.
Measurable objective:	Ensure the effective, efficient and integrated implementation of legislation, standards, guidelines and policies through the provision of inspection and enforcement services, employment services, and labour market information and statistical services.
Programme 3:	Employment and Skills Development Services/Human Resource Development
Purpose:	Achieve the strategic objectives and equity targets of the national skills development strategy and contribute to the achievement of the strategic objectives of the national human resources development strategy.
Measurable objective:	Achieve the success indicators of the national skills development strategy targets through managing service level agreements and providing support services to all SETAs and the effective management of the strategy.
Programme 4:	Labour Policy and Labour Market Programmes
Purpose:	Establish an equitable and sound labour relations environment and promote South Africa's interests in international labour matters through research, analysing and evaluating labour policy and providing data and statistics on the labour market, including providing support to institutions that promote social dialogue.
Measurable objective:	Develop labour legislation and policy to reduce conflict and inequalities and improve working conditions and equity in the labour market, including through fulfilling South Africa's obligations to international and regional organisations.
Programme 5:	Social Insurance
Purpose:	Provide for administrative and other support services to the Unemployment Insurance Fund (UIF) and the Compensation Fund, and manage government's contribution to the activities of these funds.
Measurable objective:	Support and ensure sound administration of the Compensation Fund and manage government financial assistance to the Funds, for efficiency and financial sustainability.

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Broad policies, priorities and strategic goals

Government priorities for 2009 to 2014

The national government's mandate underscores the need to create a democratic, non-racial, non-sexist and prosperous society through the following strategic priorities:

- **Strategic Priority 1:** Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods
- **Strategic Priority 2:** Strengthen our skills and human resource base
- **Strategic Priority 3:** Improve the health profile of the nation
- **Strategic Priority 4:** Comprehensive rural development strategy linked to land and agrarian reform and food security
- **Strategic Priority 5:** Intensify the fight against crime and corruption
- **Strategic Priority 6:** Massive programme to build economic and social infrastructure
- **Strategic Priority 7:** Build cohesive, caring and sustainable communities
- **Strategic Priority 8:** Sustainable resource management and use
- **Strategic Priority 9:** Pursuing African advancement and enhanced international co-operation
- **Strategic Priority 10:** Building a Developmental State including improvement of public services and strengthening democratic institutions.

The following constitutes interventions that will be undertaken by the Department of Labour in order to address the Government Strategic Priorities as well as numerous, inter-related challenges faced by the labour market and to institutionalise decent work in South Africa.

Strategic Priority 1: Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods

The Department of Labour will contribute towards this government's strategic priority through the following strategic objectives:

Strategic Objective: Contribution to employment creation

It is generally understood that while labour market policies do contribute to the promotion of decent work, they cannot by themselves create jobs. A combination of properly harmonised macro-economic, industrial as well as labour market policies is necessary for ensuring that the economy generates enough employment opportunities in order to reduce the rate of unemployment.

The Department will contribute towards employment creation in the following ways:

- By actively striving to ensure that its labour market policies and strategies complement national growth and development objectives
- New labour market policies in relation to new job creation strategies, such as worker cooperatives, will be developed, implemented, monitored and evaluated
- Social dialogue will be strengthened to support growth and development
- There will be ongoing monitoring of the achievements and targets of government departments' Growth and Development Summit (GDS) agreement commitments
- Sector skills plans will be aligned to sectoral growth plans
- Provincial skills plans will be aligned to provincial economic growth and development strategies
- Learnerships, apprenticeships and internships targets as related to critical skills required by the economy, will be achieved as per the National Skills Development Strategy, (NSDS) 2005-2010
- Exit strategies for unemployed people in skills programmes, learnerships, apprenticeships and other scarce skills interventions will be developed and implemented
- Enhance the efficacy and responsiveness of the Employment Services System to improve its performance and create value for the citizens

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- Rehabilitation and re-integration of workers who sustained injuries.

Strategic Objective: Protecting vulnerable workers

Since discrimination based on gender, race, disabilities, HIV status and other prohibited grounds continue to pervade the labour market in the fourth cycle of democracy, the Department will seek to eradicate such discrimination by vigorously implementing the Employment Equity Act, 1998.

In order to eliminate unfair discrimination and promote equity in the labour market, the following interventions will be undertaken:

- The Department will amend the Employment Equity Act (Act) to strengthen enforcement mechanisms whilst promoting the culture of self-regulation. Areas of concern include amongst others, powers of inspectors, assessment of compliance, fines to be imposed for contravention with the requirements of the Act, etc.
- Review the Code of Good Practice and Technical Assistance Guidelines (TAGs) on Key Aspects of HIV and AIDS and Employment in order to align it to the newly introduced International Labour Organisation (ILO)'s Standard
- Amendment of all applicable legislation and associated regulations; to enhance the capacity of inspectors to enforce compliance
- Restructuring of the Inspectorate to enforce and improve compliance.

Strategic Objective: Protecting vulnerable workers

Several sectoral determinations were promulgated during the second cycle of our democratic rule. These sectoral determinations were necessary in order to protect workers whose unique work circumstances render them susceptible to the worst forms of abuse. The main challenge in the third cycle of the democratic government is to ensure that workers in the sectors governed by sectoral determinations benefit from these interventions. The approach will include ensuring that in the first place, employers and workers understand their reciprocal rights and obligations. To this end, the Department will continue to embark on advocacy campaigns aimed at engendering the culture of voluntary compliance. Compliance with legislation will be increased further through targeted advocacy and inspection programmes.

During the period 2009–2012 the Department will increase its capacity to enforce sectoral determinations, especially in the domestic and agricultural sectors.

Pursuant to these objectives, the Department will protect vulnerable workers by undertaking the following interventions:

- Restructuring of the Sheltered Employment Factories (SEF) will be completed. This entails finalising a Business Case to define the legal personality of the SEF
- Sectoral determinations will be published in the following sectors :
 - Unskilled workers
 - Building and construction workers where councils have collapsed
- Existing sectoral determinations will be reviewed:
 - Farm workers
 - Domestic workers
 - Wholesale and Retail Sector
 - Hospitality
 - Civil Engineering
 - Learnerships
 - Private Security Sector
 - Forestry Sector

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- The ministerial determination for the Expanded Public Works Programme will be amended.

The following occupational health and safety regulations will be amended and published:

- Hazardous work for children
- Construction
- Hazardous chemical substances
- Globally harmonised system for labeling and packaging of chemical substances
- Diving
- Noise induced hearing loss
- General health and safety
- Asbestos.

Strategic Objective: Promoting sound labour relations

It is generally agreed that the degree of adversarialism, that characterised the pre-1994 period, drastically declined during the first 10 years of democracy, manifest in part by the decline in the number of workdays lost due to strike action. This was largely attributable to the efficacy of our labour market policies as well as the maturation of social dialogue – which is also regulated by labour legislation.

At the dawn of the third cycle of democratic rule, new labour relations challenges are beginning to emerge. The labour relations environment is entering hitherto uncharted territory, whereby workers and management need to negotiate complicated issues such as methods of production. Global competition calls for a more enhanced degree of cooperation between labour and management. In other words, in respect of industries that faces fierce international competition, management and labour need to redefine their relationships to enable them to jointly produce goods and services at globally competitive prices. The challenge for the Department of Labour is that of facilitating the deepening of these relationships - in the first instance through NEDLAC.

Bargaining councils, as centres of social dialogue, have been functioning effectively in the first two cycles of democracy. However, the impact of bargaining councils on small businesses continues to be raised as one of the constraints on the growth of SMMEs. At the same time, the tendency to casualise workers and create triangular labour relations undermines both the letter and the spirit of labour legislation - thus rendering workers vulnerable. South Africa has seen a considerable growth of temporary employment services or labour brokers as they are known. The wages of workers of temporary employment services, or labour brokers are very low. This is motivated by employers' attitudes of seeking to lower labour cost. Further to these objectives, the Department will continue to promote sound labour relations through:

- Ensuring legislative amendments to protect the employment relationship, address labour broking and improve the functioning of the labour market
- Ensuring an effective and efficient dispute resolution system through participation in CCMA governance, support for its operations and legislative amendments to ensure the smooth functioning of dispute resolution
- Ensuring the publication of collective agreements to cover vulnerable workers in the manufacturing, construction, trade, transport and services sectors
- Ensuring that collective agreements embody the pillars of decent work
- Enter into partnership with organised labour and the National Labour and Economic Development Institute (NALEDI) to identify obstacles to union organisation in farm and other vulnerable sectors
- Enhance the capacity of the CCMA and Bargaining Councils to enforce compliance with arbitration awards by parties
- Integration of case management systems of the CCMA, Bargaining Councils and the Department
- Enhance accessibility of the CCMA in remote and rural areas
- Address abusive and exploitative practises associated with labour broking, sub-contracting and outsourcing of work.

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On conditions of employment, certain provisions are not applicable or are not applied in practice. In some instances workers are forced to enter into contracts of employment that erodes their rights in terms of the law. Some of the labour brokers undermine health and safety rules by subjecting employees to working conditions that are hazardous.

Strategic Objective: Monitoring the impact of legislation

During the third cycle of our democracy, government departments were structured into clusters in order to promote collaboration and improve coordination both at a policy as well as implementation level. This intervention has improved the overall performance of government.

The Department of Labour will, during the fourth cycle of democratic governance carry out research, including monitoring and evaluation aimed at determining the extent to which labour market policies are harmonised with other economic policies and contribute to the objective of creating work opportunities.

To this end the Department will:

- Publish labour market reviews and statistics reports
- Research and reports on the impact of aggregate and disaggregate departmental policies and programmes on stated goals and objectives
- Conduct annual client satisfaction surveys on levels of service delivery and make them public
- Establish strategic partnerships and cooperation with established research institutions
- Enhance the research capacity within the Department
- Strengthen the monitoring, evaluation and reporting Unit in the Department.

Strategic Priority 2: Strengthen our skills and human resource base

The Department will contribute towards this government's strategic priority through the following strategic objective:

Strategic Objective: Enhancing skills development *

During the 2009/10 financial year, the Department will implement the last year of the National Skills Development Strategy (NSDS) 2005-2010 to contribute to government's broader goals to halve unemployment and poverty and reduce inequality by 2014. The strategy also indicates aggregate indicators that Sector Education and Training Authorities (SETAs) and projects funded under the National Skills Fund (NSF) must achieve.

The NSDS will also contribute to the following:

- Skills to assist the country's competitiveness and growth as part of the broader Human Resource Development Strategy
- Scarce skills to support the implementation of the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA)
- Improved participation of Small, Medium and Micro Enterprises (SMMEs) in skills development
- Improved productivity through work-based skills intervention programmes
- Assisting youth to enter the labour market through learnerships, apprenticeships, internships, bursaries and other scarce skills programmes
- Improved literacy levels through ABET interventions and incentives to improve access to programmes and quality of learning
- Assit workers faced with possible retrenchment through re-training-lay-off interventions.

The Skills Development Amendment Act, 2008 will bring about a number of developments, including:

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Formally establishing the Quality Council for Trades and Occupations (QCTO); establishing Productivity SA; listing the National Skills Fund as a public entity; introducing additional functions to the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA) to moderate artisan assessments; expanding the provision of employment services to work-seekers; and introducing a register of artisans. These developments will: improve the quality of training, including more effective workplace learning; improve and sustain productivity in both the private and public sectors, which will save jobs and contribute to economic growth; improve the operational efficiency of the National Skills Fund to train more unemployed people, in line with the National Skills Development Strategy (NSDS) targets; provide increased access to learners for trade assessment; and professionalise and promote the training of artisans in response to labour market demands.

A new National Skills Development Strategy (2010 - 2015) will be developed and launched during the October Skills Conference. This will include a new SETA landscape that will be certified for the period April 2010 to March 2015.

Strategic Priority 3: Improve the health profile of the nation

The Department will contribute towards this government strategic priority by:

- Commissioning research into the prevalence of silicosis and muscular skeletal as occupational diseases in order to design relevant interventions by 2011
- In 2009/10, inspectors will be trained on the enforcement of hazardous biological agent regulations (HBA)
- Participate in the comprehensive national social security reforms driven by the Inter-departmental Task Team at National Treasury.

To ensure conformity with international standards the following will be done:

- Promulgation of the revised occupational exposure limits and biological exposure limits
- Refocusing the Compensation Fund to also include a rehabilitation programme to ensure early return to work of injured workers in collaboration with the SEF
- Promoting HIV and AIDS Code of Good Practice in work places.

Strategic Priority 4: Comprehensive rural development strategy linked to land and agrarian reform and food security

The Department will contribute towards this government's strategic priority through the following strategic objectives:

Strategic Objective: Contribution to employment creation

- Sector skills plans will be aligned to sectoral growth plans
- Provincial skills plans will be aligned to provincial economic growth and development strategies
- Expanded Public Works Programmes' (EPWP) participants will be trained
- Learnerships, apprenticeships and internships targets as related to critical skills required by the economy, will be achieved as per the National Skills Development Strategy, (NSDS) 2005-2010
- Exit strategies for unemployed people in skills programmes, learnerships, apprenticeships and other scarce skills interventions will be developed and implemented
- The Department will collaborate and work with the Department of Agriculture and Rural Development on skills programmes and provision of employment services to enhance the implementation of the Land and Agrarian Reform Programme.

Strategic Objective: Enhancing skills development

- Improved participation of Small, Medium and Micro Enterprises (SMMEs) in skills development

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- Improved productivity through work-based skills intervention programmes
- Assisting youth to enter the labour market through learnerships, apprenticeships, internships, bursaries and other scarce skills programmes
- Improved literacy levels through ABET interventions and incentives to improve the quality of learning through SAQA accreditation.

Strategic Priority 5: Intensify the fight against crime and corruption

The Department will contribute towards this government's strategic priority through the following strategic objectives:

The Department will develop a crime prevention and anti-corruption strategy within the Department and for all Public Entities in compliance with the Public Finance Management Act which requires that each government department or body design an anti-corruption strategy.

To bolster its fight against crime, fraud and corruption, the Department, the Unemployment Insurance Fund and the Compensation Fund together with all its Public Entities will increase its capacity to:

- Investigate allegations
- Institute and complete disciplinary action for cases of fraud and corruption
- Detect fraud and corruption
- Refer allegations of fraud and corruption to relevant law enforcement agencies or other appropriate agencies/bodies in terms of a formal arrangement.

Furthermore:

- The Department, the Unemployment Insurance Fund and the Compensation Fund together with all its Public Entities will review the Risk Management Strategy, Fraud Prevention Plan and the whistle-blowing policy to address the current developments and to respond to the latest trends and needs
- Risk awareness will be conducted throughout the year
- As part of the implementation of minimum information security standards the Department has put processes in place to conduct employment pre-screening and all new appointments will be subjected to those processes. Consideration of establishing the internal vetting unit to address security vetting is on the cards
- The Department's Provincial Risk Management committees were established in 2008/09. The focus moving forward will be to provide technical advice and ensure effectiveness. These committees will also play an oversight management role in the provincial offices
- The Unemployment Insurance Fund will also intensify the detection of fraud by implementing electronic systems to analyse data on a monthly basis
- The Unemployment Insurance Fund Hotline will be entrenched to operate 24 hours daily and awareness will be intensified. The Fund will manage the investigation of all cases received and finalise 80% of such cases and ensure successful prosecution of cases
- Conduct risk assessment, especially fraud and corruption risks and management action plans will be put in place to address possible of fraud and corruption.

Strategic Priority 6: Massive programme to build economic and social infrastructure

The Department will contribute towards this government's strategic priority through the following strategic objective:

Strategic Objective: Strengthening social protection

Parliament has passed a series of legislation aimed at providing a social safety net, including the provision of social support to workers in the event of temporary loss of income due to

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unemployment or work related injuries. In the next five years, the Department will seek to strengthen these social support systems. The support will include:

- Ensuring an improved client satisfaction of the Unemployment Insurance Fund and Compensation Fund's services
- The restructuring of the Unemployment Insurance Fund and the Compensation Fund for improved service delivery
- Achieving financial viability and sustainability of the Unemployment Insurance Fund and the Compensation Fund
- Improvement in revenue collection by at least 10 % during the first year
- Legislative amendments to the UI Act to increase coverage to civil servants
- Improve the efficiency of the Unemployment Insurance Fund with regards to revenue management and payment processes
- Improve revenue inflows by at least CPIX
- Improve benefits payable to beneficiaries
- Extend unemployment insurance coverage to workers in the informal sector.

Strategic Priority 7: Build cohesive, caring and sustainable communities

The Department will contribute towards this government's strategic priority through the following strategic objectives:

Strategic Objective: Enhance Skills Development

- The Department will identify and implement income generating projects under the Social Development Funding window and the NSDS objectives as outlined under Strategic Priority 2.

Strategic Priority 8: Sustainable resource management and use

The Department will contribute by reducing its carbon footprint by implementing the environmental management plan developed in 2007/08. The Environmental Management Plan outlines the priority actions required by the Department of Labour in order to integrate environmental management within its functions.

Strategic Priority 9: Pursuing African advancement and enhanced international co-operation

The Department will contribute towards this government's strategic priority through the following strategic objectives:

Strategic Objective: Strengthening multilateral and bilateral relations

South Africa occupies a strategic place in the global arena, in both multilateral as well as bilateral fora. Over the next five years the Department will promote a collective multilateral approach to global challenges and work for the democratisation of global institutions that operate within its spheres of influence. To that end, South Africa will continue to participate in the SADC, ARLAC, NEPAD, AU and in the International Labour Organisation (ILO).

We have also signed several bilateral agreements with ministries of labour in countries that South Africa has an interest in. The challenge in the next five years is to ensure that we solidify our relationships with strategically placed countries and also extend our influence in the region so as to promote the "globalisation of labour standards".

The Department will contribute by:

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- Participating in the African Union Labour and Social Affairs Commission (AU LSAC) and will implement its resolutions
- Ensuring the implementation of the SADC employment and labour sector (SADC-ELS) resolutions
- Participating in ARLAC activities aimed at building capacity of labour administrations in English speaking African countries
- Effectively discharging South Africa's obligations to the ILO
- Ensuring that the objectives of signed bilateral agreements are implemented, monitored and achieved
- Mobilising, coordinating and managing technical cooperation
- Completing capacity building for ILO associate experts.

Strategic Priority 10: Building a Developmental State including improvement of public services and strengthening democratic institutions

The Department will contribute towards this government's strategic priority through the following strategic objectives:

Strategic Objective: Strengthening the capacity of labour market institutions

The Department created appropriate labour market institutions during the first cycle of democratic rule. Most of these institutions have been operational for about 10 years, during which many lessons have been learned. It is now necessary to carry out an evaluation of these institutions, assess their strengths and weaknesses, and effect whatever interventions are required to increase their efficiency and enhance their effectiveness.

In this regard the Department will:

- Improve service delivery provided by statutory bodies and public entities associated with the Department, through clear performance standards for relevant agencies
- The views of the public will be sought to assess the services received from the statutory bodies and public entities
- The capacity of social partners to deliver on GDS commitments and other areas of cooperation will also be enhanced by the Department's support
- The Service Delivery model and the organisational structure to be reviewed and aligned for effective service delivery
- An enhanced ICT infrastructure and Management Information system .

Priorities: 2009/10 Financial Year

1. Contribute to employment creation

To contribute to the creation of jobs by the end of March 2010, the Department will:

- 1.1 Fund the training of 90 000 people of whom 63 000 will be placed in employment opportunities.
- 1.2 Support 400 co-operatives/ NGOs through skills development, to place at least 2 000 people in co-ops.
- 1.3 Support the training of people that face retrenchment to protect at least 16 000 jobs through training-lay-offs interventions.
- 1.4 Support job creation Strategic Projects to train 18 000 people of whom 9 000 complete programmes and are placed in job opportunities.
- 1.5 Train and mentor 4 534 young people to form sustainable new ventures of which, 70% to be sustained beyond 12 months after training.
- 1.6 Implement Social Plan and turnaround strategies for enhanced productivity/

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- 1.7 competitiveness of enterprises to save 15 000 jobs.
Develop a draft Employment Services Bill.

2. Inspection and Enforcement Services (IES)

- 2.1 Ensure IES marketing and information sessions to domestic and farm workers, and wide consultation with labour unions to encourage the creation of structures for the unionisation of these workers, targeting three information sessions per province.

- 2.2 Implementation of the IES Strategy with its three pillars:

Pillar One: Professionalisation of the Inspectorate

Pillar Two: Customer Centric Services

Pillar Three: Improved Compliance.

To contribute to a successful 2010 World Cup event, the Department will:

- 2.3 Conduct focused advocacy and inspections and enforcement in the Hospitality, Tourism and Security sectors.

- 2.4 Each Provincial Office to identify companies and conduct inspections in these sectors for focused inspections as follows:

- Hospitality 30
- Tourism 30
- Security 20

3. Decent Work

This will serve as a contribution towards the Decent Work Agenda:

- 3.1 Facilitate Public Hearings within communities on Labour Brokers and atypical forms of employment, complimented by a formal research programme.

4. Strengthen the institutional capacity of the Department:

4.1 Finalise quick wins of the “Functional Shift”:

- Establish the Chief Operations Office at Head Office
- Relocate the Office of the Chief Inspector together with the Inspection and Enforcement Service (IES) component from Service Delivery to Labour Policy and Labour Market Programmes (LP&LMP)
- Establish a gender and special projects section at Head Office
- Reprioritise the budget and posts within Corporate Services
- Resuscitate the management development programme.

4.2. Develop transitional plan to review remaining PPP period and post PPP IT enabling strategy:

- Identify and document all outstanding items as agreed in the PPP and agree on an implementation plan to finalise these within the contract period
- Resolve all outstanding contractual and administrative matters if any exist
- Review the PPP to determine the strengths, weaknesses, shortcomings and challenges during the contract period

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- Identify future options and research these options to determine the best one for the Department (in-house IT management or another PPP)
- Develop an operational framework for the preferred option
- Develop and implement a “phase-out phase-in” programme (Transitional plan).

5. Contribution to Anti-Poverty Strategy

The Department will continue to play a critical role as a member of the National Task Team and all departmental provincial offices participated at the launch of the Campaign.

The Department will continue to contribute towards poverty eradication and making a dent on unemployment by 2014 through its various programmes. The Department’s programmes are intended to assist people to move out of poverty, they have social partners support and enjoy solidarity amongst those that are fortunate and less fortunate. These programmes are driven through legislation that is in line with international conventions and include the following:

- **Minimum Sectoral Wage Determinations** regulated under the Basic Conditions of Employment Act. The intervention is aimed at protecting vulnerable workers without trade unions to ensure that they are paid a determined wage set after national consultation for sectors such as Domestic Workers, and Farm Workers, etc.
- **Unemployment Insurance Fund** regulated under the Unemployment Insurance Act. The Fund provides a temporary relief income to those who go on maternity leave and those who loose employment through dismissals and retrenchments up to a period of eight months, depending on their contribution credits. These workers are assisted to secure new employment
- **Compensation Fund regulated under the Compensation of Occupational Injuries and Diseases Act (COIDA)**. The Fund provides a temporary relief income or long-term pension to those injured on duty or those who contracted occupational diseases. The Fund also pays for related medical cost and re-habilitation cost aimed at assisting injured people to re-enter employment
- **Learnerships, apprenticeships and internships programmes** regulated under the Skills Development and Skills Development Levies Acts. These programmes are aimed at assisting young people to enter employment by providing them with the necessary work experience whilst providing them with a determined living allowance to meet their subsistence needs such as food, transport, etc.
- **National Skills Fund Social Development Funding Window and Strategic Projects** that is also regulated under the Skills Development and Skills Development Levies Acts. The intervention is aimed at providing the unemployed with skills through ±860 skills programmes that are 2 weeks to 6 months long. Learners are provided with a ±R35 daily allowance whilst participating in these programmes to meet their subsistence needs
- **Sheltered Employment Factories** provide employment and a living allowance mainly to people with disabilities who would ordinarily find it difficult to access employment in the labour market.

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Public Entities

The following public entities listed in Schedule 3 of the Public Finance Management Act, No. 1 of 1999 reported to the Minister of Labour, and separate Annual Reports and Financial Statements are published independently:

- Commission for Conciliation, Mediation and Arbitration (CCMA)
- Compensation Fund (CF)
- National Economic Development and Labour Council (NEDLAC)
- Productivity South Africa (PSA)
- Sectoral Education and Training Authorities (SETAs)
- Unemployment Insurance Fund (UIF)
- Umsobomvu Youth Fund (UYF)

Commission for Conciliation, Mediation and Arbitration (CCMA)

This Commission was established in terms of section 112 of the Labour Relations Act, 1995 (LRA).

The Commission's functions are to:

- Attempt to resolve disputes through conciliation and arbitration
- Assist in the establishment of workplace forums
- Compile and publish information and statistics about its activities
- Advise a party on the procedure to follow in respect of a dispute in terms of this Act
- Assist a party to obtain legal advice, assistance or representation in respect of a dispute
- Offer to resolve a dispute that has not been referred to the Commission through conciliation
- Conduct, oversee or scrutinise any election or ballot of a registered trade union or registered employers' organisation if requested to do so
- Publish guidelines in relation to any matter dealt with in this Act
- Conduct and publish research into matters relevant to its functions
- Provide, upon request, workers, employers, registered trade unions, registered employers' organisations or councils with advice on training relating to the primary objects of the LRA
- Perform any other duties imposed, and exercise any other powers conferred on it by or in terms of the LRA and perform any other function entrusted to it by any other law.

Compensation Fund

The Compensation Fund was established in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (COIDA). The functions of the Fund are to provide compensation resulting from:

- Occupational injuries
- Diseases
- Death of workers in the course of their employment.

National Economic, Development and Labour Council (NEDLAC)

This Council was established under section 2 of the National Economic Development and Labour Council Act, 1994 (NEDLAC Act). The functions of the Council are to:

- Strive to promote the goals of economic growth, participation in economic decision-making and social equity
- Seek to reach consensus and conclude agreements on matters pertaining to social and economic

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- policy
- Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament
- Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament
- Encourage and promote the formulation of coordinated policy on social and economic matters.

Furthermore, and to achieve the above, the Council:

- May investigate as it may consider necessary and shall continually survey and analyse social and economic affairs
- Shall keep abreast of international developments in social and economic policy
- Shall continually evaluate the effectiveness of legislation and policy affecting social and economic policy
- May conduct research into social and economic policy
- Shall work in close cooperation with government departments, statutory bodies, programmes and other forums and non-governmental agencies engaged in the formulation and the implementation of social and economic policy.

Productivity South Africa

This is a section 21 Company (Incorporated association without gain), established under the Companies Act, 1973, with the following functions:

- To promote a culture of productivity in workplaces
- To develop relevant productivity competencies
- To facilitate and evaluate productivity improvement and competitiveness in workplaces
- To measure and evaluate productivity in the workplace
- To maintain a data-base of productivity and competitiveness systems and publicising these systems
- To undertake productivity-related research
- To support initiatives aimed at preventing job losses.

Sectoral Education and Training Authorities (SETAs)

A total of 23 Sectoral Education and Training Authorities (SETAs) were established for a period of 60 months in terms of section 9 of the Skills Development Act, 1998 and may apply to be re-certified for another period of 60 months or for a period as will be determined by the Minister.

The SETAs are as follows:

- Banking Sector Education and Training Authority
- Chemical Industries Education and Training Authority
- Clothing, Textiles, Footwear and Leather Sector Education and Training Authority
- Construction Education and Training Authority
- Safety and Security Sector Education and Training
- Education, Training and Development Practices Sector Education and Training Authority
- Energy Sector Education and Training Authority
- Financial and Accounting Services Training Authority
- Food and Beverages Manufacturing Industry Sector Education and Training Authority
- Forest Industries Sector Education and Training Authority
- Health and Welfare Sector Education and Training Authority
- Information Systems, Electronics and Telecommunications Technologies Training Authority

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- Insurance Sector Education and Training Authority
- Local Government, Water and Related Services Sector Education and Training Authority
- Manufacturing, Engineering and Related Services Sector Education and Training Authority
- Media, Advertising, Publishing, Printing and Packaging Training Authority
- Mining Sector Education and Training Authority
- Agriculture Sector Education and Training Authority
- Public Sector Education and Training Authority
- Services Sector Education and Training Authority
- Tourism and Hospitality Education and Training Authority
- Transport Education and Training Authority
- Wholesale and Retail Sector Education and Training Authority.

The functions of the SETAs are regulated in terms of the Skills Development Act, 1998, Skills Development Levies Act, 1999, Public Finance Management, 1999, and include the following:

- Develop sector skills plans within the framework of the National Skills Development Strategy
- Implement sector skills plans through establishing learnerships
- Approve workplace skills plans
- Allocate grants in the prescribed manner to employers, workers, and education and training providers
- Monitor education and training in the sector
- Promote learnerships by identifying workplaces for practical work experience and registering learnerships
- Any other functions as required in terms of their approved constitution.

Unemployment Insurance Fund (UIF)

The Fund was established under section 4 of the Unemployment Insurance Act (Act No. 63 of 2001), administered by the Director-General of Labour, to provide for the payment from the Fund of unemployment benefits to certain employees, and for the payment of illness, maternity, adoption and dependants' benefits related to the unemployment of such employees.

The Unemployment Insurance Fund collects and receives revenue contributions under the Unemployment Insurance Contributions Act, 2002, administered by the Commissioner of the South African Revenue Service.

The Unemployment Insurance Fund strives to contribute to the alleviation of poverty in South Africa by providing effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits.

The central purpose and role of the Unemployment Insurance Fund is defined as:

- Rendering an effective and accessible service to all stakeholders
- Being a sustainable organisation with sufficient reserves
- Administering the Fund professionally.

Umsobomvu Youth Fund (UYF)

The Umsobomvu Youth Fund (UYF) was established in 2001 and mandated to facilitate and promote the creation of jobs and skills development and transfer among young South Africans between the age of 18 and 35. The UYF fulfils its mandate by making strategic investments that facilitate opportunities for young people to acquire skills, to access job opportunities or pursue meaningful self-employment opportunities through various initiatives. The Fund received R855 million in 2001 and a further allocation of R400 million in 2007/08. The UYF was part of a review on development

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financing institutions and will be undergoing a mandate alignment based on the findings. The organisation's priorities are informed by the Accelerated and Shared Growth Initiative for South Africa (ASGISA), the National Skills Development Strategy (NSDS) and the anticipated national youth policy. The UYF has contributed to achieving these national policy objectives by:

- Improving access to employment opportunities through the provision of career development information and counselling, job preparation and development, and linking young people to employment opportunities facilitated through a range of delivery channels that include Youth Advisory Centres (YAC) (including mobile centres), the South African youth card and magazine, Youth Connect (a UYF operated call centre), and the internet portal.

Since its inception, over 1.1 million young people have accessed UYF services through the YAC programme. A total number of 121 YACs established to date, including two UYF- full service operated YACs (in Tshwane and Nelspruit).

UYF's youth portal has recorded over 10 million hits since inception. The UYF call centre (Youth Connect) recorded 27 000 calls in 2007/08, bringing the total number of calls since inception to 233 948. The South African youth card increased its membership by 58 425 during 2007/08, bringing the total number of members to 131 937 since the start of the programme

- Expanding support for entrepreneurial activity and self-employment through the delivery of entrepreneurship information and training, business development consultancy and advisory services, access to market opportunities/employment and enterprise finance.

A total number of 5 480 Business Development vouchers were issued in 2007/08 to the value of R36 million, resulting in the creation of 2 256 new businesses and 5 795 jobs. A total number of 119 voucher clients accessed loans to the value of R57.1 million and 23 clients accessed tenders worth over R15 million. Since the inception of the voucher programme, over 29 000 vouchers have been issued to youth and women, who have in turn accessed loans exceeding R200 million and tenders worth over R100 million.

Since the inception of the business opportunity support services (BOSS) programme, over 1 500 entrepreneurs have been linked to business opportunities worth over R250 million. The job opportunity seeker (JOBS) programme, aimed at linking unemployed graduates to jobs, has registered over 8 000 CVs, sourced 2 949 employment opportunities and dispatched 2 819 CVs to employers in 2007/08, and 531 young people registered on the JOBS database have also accessed skills training and job preparedness workshops.

The SME programme has exceeded its target for 2007/08, approving loans in excess of R98 million. The micro-finance programme has issued over 8 000 loans valued at over R19 million, resulting in the creation and or sustainability of over 7 000 jobs

- Facilitating, targeted skills development programmes focusing on graduate development and providing young people with access to training in scarce skills required by the priority sectors identified in ASGI-SA.

Since 2006/07, 1 450 unemployed graduates have benefited from the graduate development training interventions and 3 930 young people are being trained through the school-to-work training programme. These projects are implemented through FET colleges and NGOs. With regards to the entrepreneur development training interventions, 180 teachers and 14 771 learners (in-school) were trained

- Engaging young people in community service and voluntarism is aimed at community development through support for the implementation of national youth service and volunteer programmes.

The national youth service unit has engaged with 19 government departments that have committed to projects that will benefit more than 15 000 young people. To date, 11 484 youth have been registered on national youth service (NYS) projects. The NYS volunteer programme has reached over 20 000 volunteers, most of whom were participants in the Global Youth Service Day campaign.

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Communication

The Chief Directorate of Communication continues to ensure that information about programmes, initiatives and services of the Department is disseminated to the relevant stakeholders and target audiences. Various communication channels specifically identified and suitable for different audiences have been utilised in this regard as a way of attaining government's objective of interacting with constituencies. The disseminated information emanated from the various components of the Chief Directorate, which include:

● Stakeholder Relations

This section has through exhibitions showcased the services of the Department at the Small Business Week in the Northern Cape, Pretoria Show in Pretoria, Public Service Week in the Northern Cape, National Skills Conference at Gallagher Estate, Midrand, HRD in Africa in Johannesburg, Rand Show in Johannesburg, Izimbizo in Northern Cape, Limpopo and KwaZulu-Natal.

● Marketing and Advertising

During the financial year under review, 20 Marketing and Advertising Campaigns were implemented. These include: Workers Rights are Human Rights, Employment Equity Reporting Campaign, QCTO Road-show Awareness Campaign, Domestic Workers Sectoral Determination and Wage Increase Awareness Campaign, OHS Campaign, Learnerships Adverts for Matriculants, Public Invite to Private Security Public Hearings and Strategic Projects Programme.

● Media Liaison

This section is tasked to profile the Department in both the print and electronic media through the writing of features, media statements, organising media conferences on crucial labour related matters, as well as arranging interviews for the Executive Authority and Senior Managers of the Department, where the policies, programmes and departmental services are explained to members of the public. Some of the statements generated by this component of the Chief Directorate include:

- Statements on Safety and Health Day held in Port Elizabeth in May 2008
- Articles on the Employment Equity Road-shows
- Six features have been published in the Sunday Times, Sowetan and City Press
- Other features were published in Staff Communiqué, the Department's internal newsletter, as well as articles on the SADC Employment and Labour Sector.

Human Resource Management

Introduction

The mission of the Department's Human Resource Management is to facilitate the development of staff, ensure effective and efficient utilisation of human capital and to render legal services to the Department of Labour. Three functional areas are covered in the programme, namely, Management Advisory Services, Human Resource Management and Legal Services. The purpose is to provide management with advisory services on strategic management, restructuring, performance management, organisational development and skills development, and at the same time ensure efficient human resource services that promote representativity in line with the Employment Equity Act. The purpose is also to provide a legal advisory service to management and stakeholders in order to protect and further the interests of the Department in line with its strategies.

The Department's Human Resource (HR) Plan for 2006-2009 is in place.

In its quest to further empower Senior Management Service (SMS) members with the necessary knowledge and skills, the Department embarked on a drive to implement the Khaedu training and ensured that all SMS members are granted an opportunity to participate in Khaedu programmes in

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line with the SMS Handbook.

The management of employee performance in the Department for SMS and employees at Salary Range level 12 and lower has significantly improved as most SMS members have complied with the obligation to complete and submit performance agreements and reviews. Employees at Salary Range level 12 and lower have also participated and complied with the requirements of the Performance Management policy.

The Department is promoting Voluntary Counselling & Testing (VCT) to the employees. VCT was started at the Head Office and will be rolled out to other provinces as well. The counselling referred to was either telephonic, a referral to a health professional or was provided in-house by Employee Health and Wellness (EHWP) Practitioners.

The Department is promoting the Health and Wellness of employees. The four key Pillars that inform the Health and Wellness programme are HIV and AIDS and TB Management, Disease Management, Health and Productivity Management and Safety, Health, Environment, Risk and Quality Management (SHERQ). The Department is currently implementing the following pillars: HIV and AIDS and TB Management, Disease Management, Health and Productivity Management.

Candlelight Memorial, Wellness Day, VCT and World Aids Day were commemorated in December 2008.

The Department also continues to ensure that gender, disability and youth issues are mainstreamed into its strategic plan and policies.

Employment Equity continues to be implemented as one of the Department's key strategic areas. As a result, progress with regards to the implementation of the Departmental Employment Equity Plan is continuously reported to Top Management. Progress with regards to the implementation of the Employment Equity Plan 2006 to 2009 is monitored on a monthly basis by Local Employment Equity Forums (LEECFs) and on a quarterly basis by the National Employment Equity Consultative Forum (NEECF). Comparative EE representativity profiles are updated on a monthly basis to monitor the achievement of the numerical goals.

Office of the Chief Financial Officer (CFO)

The Office of the CFO consists of three Directorates, namely Financial Management, Financial Liaison of Public Entities, Office Administration and Supply Chain Management.

Directorate of Financial Management

The Directorate of Financial Management strives to ensure sound financial management and establish accountability for public funds allocated to the Department by Parliament.

The Directorate of Financial Management coordinates the compilation of the budget, monitors and controls expenditure and administers salaries in compliance with the Public Finance Management Act (PFMA). In addition, training is provided to develop managers and staff directly involved in financial management.

Financial management is based on a system of monitoring actual expenditure against the funds allocated in terms of the Main Divisions of the Vote and the remuneration of staff members. This is performed with the aid of computerised transversal systems, the Basic Accounting System (BAS) and the Integrated Personnel and Salaries System (PERSAL), respectively.

Financial Management provided information and support in the finalisation and conclusion of audit queries issued to the Department of Labour, the Sheltered Employment Factories and the National Skills Fund for the 2008/09 financial year. In collaboration with the Office of the Director-General, regular Audit Query Forums were held in order to monitor and report on all corrective actions taken to address matters raised by the Office of the Auditor-General. The forum focused on audit reports throughout the Department, including the National Skills Fund, Sheltered Employment Factories,

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INDLELA, the Compensation Fund and the Unemployment Insurance Fund. In addition to this, Audit Steering Committee meetings were also conducted on a regular basis, where the Chief Financial Officer of the Department is also present.

The Annual Financial Statements were prepared in accordance with the prescripts provided by the Office of the Accountant-General and the financial code structures on the Basic Accounting System (BAS), for both the Department and the National Skills Fund. A help-desk facility was provided to all BAS users within the Department as well as the National Skills Fund.

Support was provided to all spending units within the Department, through the Budget Advisory Committee in ensuring the management and control of financial resources.

Financial Management also provided support to all of the Main Divisions of the Vote regarding the processing of subsistence and travel advances and claims, the payment of salaries and service benefits, salary deduction reconciliations and payment processes, BAS/PERSAL reconciliations and the management of departmental debt in line with the Department's debt management policy. The Department managed to submit its 2008/09 income tax reconciliation to the South African Revenue Service (SARS) before the determined deadline.

Directorate of Financial Liaison – Public Entities

The Public Finance Management Act, 1999, Treasury Regulations and corporate governance oversight responsibilities concerning 31 Public Entities reporting to the Minister of Labour, rests within this Directorate. This accountability was amplified with the provision of services to these entities, in the form of assistance and support on related matters in pursuit of the Public Entities' individual performance outputs.

During the year under review, the focus of the Directorate was, amongst others, the:

- Implementation of enhancements to the Annual Financial Statements' template in order to conform to the revised National Treasury's reporting requirements
- Facilitation and assistance with the submission and consolidation of the quarterly financial reports and the analysis thereof
- Identification in performance gaps, including the production and generation of consolidated management reports for early warning purposes
- Analysis and capturing of budget information of all Sector Education and Training Authorities (SETAs) onto a database
- Analysis of project and discretionary reserve budgetary planning, and assisting SETAs with Discretionary Reserve planning
- Establishment of the final approved changes to the accounting standards applicable to the current financial year, and disseminated relevant information to Public Entities
- Following up on critical Public Entities and the provision of feedback, guidance and support
- Continuation with capacity building, training and skills transfer to Public Entity personnel
- Analysis of Annual Financial Statements to ascertain Public Entities' financial positions, production of reports reflecting the findings and overall financial performance evaluation, including recommendations on the suggested individual Public Entities
- Commencement with the building of profiles on individual Public Entities.

The Directorate has also continued in providing financial advisory services to Programme 4: Labour Policy and Labour Market Programmes on the assessment of employers' abilities to pay minimum wages, concerning individual applications for exemption from Sectoral Determinations. The number of affected workers borders on 1 441.

The Directorate also managed the transfer of voted funds from the Department to selected Public Entities in accordance with drawdown agreements subject to pre-set deliverables to ensure sound financial management in order to maximise delivery through the efficient and effective use of the funds so transferred. (Umsobomvu Youth Fund, Commission for Conciliation, Mediation and

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Arbitration, Productivity SA and National Economic Development and Labour Council (NEDLAC).

Directorate of Office Administration and Supply Chain Management

The Directorate of Office Administration and Supply Chain Management supports the line function components through the management and control of procurement processes.

Supply Chain Management (SCM) and Commodity Policies have been circulated to users and made available on the Department's Intranet for easy reference. The necessary support was provided to all chief users throughout the Department regarding the facilitation and processing of procurement and logistical matters such as advertising and finalising of bids, processing of orders, transit, accounting (posting function) and warehouse management.

Supply Chain Management also provided procurement support to the Compensation Fund and Sheltered Employment Factories and also assisted the National Skills Fund (NSF) to align their procurement procedures to supply chain management best practices by drafting workflow processes and conducting workshops where the NSF procurement procedure manual was drafted.

Supply Chain Management also provided ongoing support to numerous units with regard to the utilisation of iQual and Logis as and when the need arose when chief users are either new or absent. Guidelines on various procedures with regard to procurement, contract management, warehouse issues and irregular expenditure were issued in various circulars during this financial year for ease of reference to all users.

Transport services relating to official as well as subsidised and ministerial transport requirements are managed and controlled. The Department is now fully utilising the services of the PPP Fleet Contract with PhakisaWorld Fleet Solutions. Systems have been put in place to ensure the effective and efficient management of the contract. Monthly meetings are held with provincial representatives to ensure the effective management of the contract.

Office accommodation is sourced and managed and Repair and Maintenance Programmes (RAMPs) on State owned buildings are facilitated through the Department of Public Works. RAMPs for nine contracts have been completed and four more will be completed in the new financial year and bid processes for a RAMP in respect of Head Office was completed. Planning for follow-on RAMP contracts for the 12 Sheltered Employment Factories have been completed.

Funds devolved from the budget of the Department of Public Works for accommodation and municipal charges, have been fully utilised.

Record and archive functions were performed and messenger and cleaning services were administered. Support was provided to the Department's Ministry and Parliamentary Office in reviewing and finalising records through the development of a new file plan and records management process.

Document security was improved through the installation of mobile shelving in all archival storage facilities.

Approval was secured for the designation of the departmental records manager and briefing sessions were held with the National Archive and Records Management of South Africa.

A Subdirectorate of Asset Management has been established at the Department's Head Office. National asset verification has been conducted for 2008/09. Major asset registers are in place for all provincial offices, INDLELA and Head Office. Asset Inventory Controllers are appointed at Head Office, provincial offices and INDLELA.

Asset registers in respect of the Department's Information Technology Public Private Partnership (ITPPP), including the attachment of financial values, were made available.

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Information Technology

Introduction

The Department of Labour is committed to using technologies to improve service delivery. This intent is fully reflected in the Department's policies and strategies which reflects the recognition of the contribution that technology can make to the Department's internal operations as well as to its services to organised business, organised labour and the public. It is envisaged that the application of technologies will have a major impact on the way the Department conducts its business.

The Department entered into a Public Private Partnership (PPP) Contract with Siemens IT Solutions and Services (SIS) on 1 December 2002. The PPP supports an integrated approach to service delivery, enhances the utilisation of information as a strategic resource, integrates the Department's IT systems more effectively and ensures that the relevant information is digitalised. This forms the basis of the Department's e-government initiatives.

The key purpose of the IT PPP arrangement is to cater for the full spectrum of IT needs and requirements of the Department. Through the partnership, SIS assumes full responsibility and the risk associated with the design, build, operation and maintenance of the Department's IT systems. The Department on the other hand is responsible for identifying the business requirements and for documenting and mapping the business processes that need to be IT enabled. SIS also provides strategic direction on new information technologies in relation to labour market trends and systems worldwide.

The contractual framework of the PPP provides for the establishment of governance structures necessary for allocating risks appropriately, establishing clearly defined quality of service and value for money mechanisms. The PPP agreement also allows for change management procedures which cater for the incorporation of a changing business environment. The emphasis is on partnership and these governance structures, which are fully operational, forms the foundation for open debate and a trusting relationship.

Achievements

The following achievements are noted in terms of the respective business areas:

Governance

- The governance structures established to manage and capitalise on the benefits of the PPP arrangement continued to function optimally. The PPP Contract sets out the key roles and responsibilities of the Department and SIS necessary to manage the agreement between the two parties. The Contract provides for four committees, each with specific terms of reference, and user groups, catering for users with common needs. The Executive Committee, the highest decision making body, brings together the top echelons of both parties, facilitating the process in terms of which senior management is in a position to articulate the goals and the objectives of the partnership and to communicate how the partnership will benefit the respective organisations. The other committees are the Steering Committee, the Service Management Committee and the Change Management Committee. These committees met and discharged of their responsibilities during the reporting period in accordance with the PPP Agreement
- A set of policies were developed to cover the key areas within the IT environment, namely information systems security, network and user security, acceptable use, email and Internet and disk space allocation. The policies were communicated and enforced during the reporting period
- A risk assessment and risk exposure analysis were completed for the IT environment to enable the mitigation of risk more efficiently

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- An IT disaster recovery plan has been developed and approved. The implementation phase will be scheduled during this financial year.

Business applications

- The development of systems and automation of processes for the Compensation Fund is dependant on the Fund streamlining and optimising its processes. In November 2008, the business process mapping, optimisation and benchmarking was completed and handed over to the IT partner for automation. Additional functionality and enhancements to current legacy systems received attention throughout the reporting period
- Various enhancements and additions have been made to the Employment Equity System (EE) in support of changing business requirements during the 2008 reporting period. A project has been initiated to stabilise the system and to ensure data integrity in terms of the Management Information System (MIS) reporting facility. More than 11 000 reports have been submitted successfully during the 2008 period of which more than 4 000 reports were submitted through the online facility. An estimated 7 200 companies are currently on the Public Register
- The Employment Services System (ESSA) has been rolled out to all labour centres and provinces in collaboration with the support of key business managers. Various enhancements and maintenance activities have been done to the system to ensure stability and data integrity, especially when it comes to MIS reporting. Refresher training was conducted during the months of October and November 2008. Change management and staff capacity has been identified as the key success enablers for optimising the usage of the ESSA system country wide
- The Financial Management System Implementation for the Unemployment Insurance Fund (UIF), National Skills Fund (NSF) and Compensation Fund (CF) has been initiated during the reporting period. Blueprint phases are in progress to verify business processes and to recommend the to-be processes moving forward
- The development of an Integrated Client Database (ICD) has been registered as a priority project within the Office of the Director-General. The Deputy Director-General of Corporate Services has been appointed as the project sponsor while the Chief Information Officer (CIO) has been appointed as the project leader. Renewed focus has been placed on the importance of the ICD and what benefits it brings for a services organisation such as the Department of Labour
- An inspection and enforcement case management system is currently being developed. The system will facilitate proactive compliance interventions in line with the Department's strategic objectives to protect vulnerable workers and to ensure a safe working environment.

Operations

- Service delivery was enabled at remote sites by providing an IT service to the 20 mobile labour centres
- The bandwidth of the data lines of several departmental offices was upgraded to improve the response times of the IT business applications
- Ninety six environmental racks have been installed at departmental offices throughout the country. These racks ensure the security of the infrastructure and provide the necessary environmental facilities required in terms of air-conditioning and power supply. A maintenance and support service level agreement is currently being finalised with SITA for environmental racks
- The Department's Website was upgraded using FOSS (Free and Open Source Software) and additional features were developed to enhance the content management features as well as to improve the stability of the website. The new website that has been in operation since late 2008

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has been singled out in the UN E-Government Survey 2008 as an excellent example of a public agency website that is well tailored to the needs of its stakeholders.

Challenges

The following are the challenges for the 2009/10 financial year:

- To continue developing IT solutions in such a manner that it will ensure that the clients of the Department are able to access the services of the Department at any time, from any location and through multiple service delivery channels
- To train and recruit staff for fulfilling strategic leadership and contract management roles necessary to manage the PPP Agreement and to ensure alignment between the Department's IT systems and business processes
- To continue to emphasise the importance of business processes to be properly mapped, and if necessary re-engineered, prior to IT-enabling these processes
- To institute sound change management processes necessary to prepare users to appreciate the benefits arising from ICT as a business enabler
- To work closely with SITA and third party telecommunication suppliers to secure an improved Wide Area Network Service.

Internal Audit

Introduction

The role of Internal Audit is to provide management and the Audit Committee with independent, objective assurance and consulting services designed to add value and improve the Department's operations, and help it to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

Achievements

- A total of 57 audits were scheduled for the Department including the National Skills Fund and the Sheltered Employment Factories. A total of 42 final reports were issued. Fifteen audits could not be performed due to the lack of resources. During 2007/08 51 audits were completed
- The Audit Committee of the Department held seven meetings, assisted by Internal Audit, providing secretarial services
- Internal Audit provided consulting services, specifically to the Audit Committee, IT Audit Forum, strategic meetings, etc.
- A comprehensive list of strategic and operational risks facing the Department, the National Skills Fund and the Sheltered Employment Factories were maintained to form the basis for the annual risk assessments to be performed by management.

Challenges

- Lack of resources, to cover all risk areas within the Department, the National Skills Fund and the Sheltered Employment Factories. Currently there are eight Internal Auditor and Senior Internal Auditor posts vacant. During 2007/08, seven posts were vacant
- There is a lack of specialised skills in the areas of IT auditing and Performance auditing. The Department decided to make use of consultants to provide co-sourcing specialised skills, and in the interim to appoint contract workers to assist with the normal effectiveness/compliance audits during the 2009/10 financial year.

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Security Services

Physical security measures

1) Electronic Security Systems and Security Appraisal Implementation

- The electronic security system was implemented at the Labour Centre: Durban, which was completed in March 2009. This was as a result of the striking workers that invaded the Labour Centre and damaged assets and injured staff, also due to theft of computers and laptops. The cost of the project amounted to +-R1.7 million
- Bids have been invited for the electronic security system to be implemented at the Compensation Fund. The present system is old and costly in maintenance. A number of security breaches that occurred could not be identified on the present system. The estimated cost of the project will be in the amount of +-R6 million. Approval of the bid is awaited from the BID committee at the Compensation Fund
- Security appraisals and assessments were implemented at the Northern Cape Provincial Office, Labour Centre: Springs, Limpopo Provincial Office, Gauteng North Provincial Office, Mpumalanga Provincial Office, Gauteng South Provincial Office and INDLELA.

2) Contract Security

- The Mpumalanga Province, Northern Cape Province, Limpopo Province and Eastern Cape Province were assisted with the procedures of private security tenders. Assistance was also given in empowering these offices with the evaluation and awarding of private security tenders. Most of the labour centres in those provinces therefore have security to protect State property, assets, information and equipment.

3) Izimbizo

- The National Skills Conference was held at Gallagher Estate in Midrand, during October 2008. The Directorate of Security Services coordinated all security arrangements for the Department and the Minister
- The Department hosted the World Day for Safety and Health at Work event in May 2008 in Port Elizabeth, Eastern Cape Province. The Directorate of Security Services co-ordinated the security arrangements and access control with the various security and emergency services for the Minister, VIP's, Mayor and the public. There were about 5 000 people that attended the event which was a success
- Security arrangements were also coordinated for the Ministerial Izimbizo in Ntabankulu, Eastern Cape Province; Thohoyandou, Limpopo Province; Richards Bay, KZN Province (twice) and Keiskammahoek, Eastern Cape for the 2008/09 year. Security arrangements were coordinated for the Minister at workshops at UIF, Boksburg and Kopanong in Benoni.

4) Contingency Planning Compliance

- The evacuation drill exercise was conducted at Head Office in March 2008. Disaster Management from the Tshwane Metro and Fire Department assisted in making the drill a success. All contingency officers were trained in fire fighting and First Aid before the evacuation drill
- Contingency plans were implemented at Mpumalanga Provincial Office, Gauteng South Provincial Office, Limpopo Provincial Office and Northern Cape Provincial Office.

Information security measures

Security Awareness programme

- The Security Awareness Programme and the Security Roll-out strategy was presented at the

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following offices, Limpopo; Gauteng South; Free State; DG's Office; Ministry and NSF. The purpose of the awareness programme and security strategy was to ensure that all staff members understand their roles and responsibilities as far as security measures and prescripts are concerned. Stake holders like NIA; SAPS; ER Signs and Disaster Management also presented on matters related to their fields.

Personnel Security

- The Directorate issued a circular to inform officials on Personnel Suitability Checks which should be conducted by the Department and other Organs of State which is a pre-requisite before employing personnel. In line with the approved Vetting Strategy, the Minister of Public Service and Administration has issued a directive that the verification prescribed in Public Service Regulation 2001, Chapter 1, part VII D. 8(a) must with effect from 1 January 2008 cover the following areas-: Criminal record checks, citizenships verification, financial record checks, qualifications verifications, and references. The process is being conducted in all departmental offices. Identified officials who will be responsible for the PSC from all departmental offices were trained by NIA on the PSC and Head Office is rolling out to the Provinces.

Investigations

- Since the Department embarked on conducting investigations on the security breaches and theft of IT equipment, the cases on the loss of IT equipment has drastically reduced by 75% and where it was found to be negligence, the officials had to pay back the Department the rand value of that equipment. The theft of plasma screens has gone down by 80%
- A Compliance check list was compiled and circulated to all Provinces to be completed whenever a loss has occurred due to theft, robbery or any unknown reason, or where the Department suffered damages as a result of motor vehicle accidents, or other incidents involving motor vehicles or any other security breach.

Establishment of the vetting unit

- The request for the establishment of the vetting unit was re-submitted to the CFO for funding of the posts. The backlog for Screening/Vetting is so serious and NIA cannot cope with the workload. The vetting strategy was approved by Cabinet in December 2006 and the Department was not part of the priority list for the funding of the establishment of the unit hence the request to National Treasury for funding. In terms of the departmental priority vetting list compiled by the Security Directorate, 4 500 posts were identified for vetting. A total of 455 officials have already been vetted. The delay by NIA in vetting all government officials resulted in a huge backlog in terms of vetting. NIA embarked on a programme to decentralise the vetting field work to government departments.

Training

The following courses were attended by officials in the Directorate as part of their PDP'S

- NIA-Security Managers Course
- UNISA- Security Risk Management Course
- Disaster Recovery Course.