

# PART A: STRATEGIC OVERVIEW

The UIF's Strategic Plan is derived from the Minister of Labour's service delivery agreement and policy directives from the Department of Labour.

The Strategic Plan sets out the broad strategic goals and objectives that the Fund pursues over the medium term. The Fund is on a continuous journey to meet the needs of its clients, align its work with international best practice, understands that the pursuit and search for relevance remains its critical responsibility. Our strategy is the key business driver for all areas in the organisation and aims to align all activities and people to a common purpose.

This document includes the key aspects of the Fund's strategic plan for the periods 2016/17 – 2020/21. It is informed by the strengths, weaknesses, threats and opportunities identified. A series of fundamental statements relating to UIF's vision, mission, values and objectives sets out the Fund's proposed strategies, goals and action programs. This Strategic Plan is also informed by the National Development Plan as well as the Medium Term Strategic Framework.

It is a fact that the total South African workforce is not protected by UIF. This poses a challenge which needs a comprehensive strategy which will ensure that all qualifying workers are protected as legislated by the act.

The services of UIF are carried out through the Department of Labour's 126 centres spread throughout the nine provinces. The service delivery model of the department is decentralised and integrated and requires undivided attention; as such the Fund will focus on this area to improve service delivery.

The Unemployment Insurance Board recommends to both the Minister (Executive Authority) and the Director-General Labour (Accounting Authority) the approval of the Fund's Medium Term Expenditure Framework. The Unemployment Insurance Board oversees the processes of planning and budget preparations. The Board will continue to ensure that the Fund's mandate is taken to the next level of improved service delivery.

## 1. VISION

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.

## 2. MISSION

The central purpose and role of the UIF is defined as:

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

## 3. VALUES

UIF subscribes to the Department of Labour values and fully supports and adheres to the “Batho Pele” principles.

## 4. LEGISLATIVE AND OTHER MANDATES

### 4.1 CONSTITUTIONAL MANDATE

The Department of Labour’s Legislative framework is informed by the South African Constitution, Chapter 2, and Bill of Rights: Section 27, to provide adequate social security nets to protect vulnerable workers

### 4.2 LEGISLATIVE MANDATE

The mandate of the UIF is stated in the Unemployment Insurance Act. The UIF was established in terms of section 4(1) of the Unemployment Insurance Act, 2001 (Act 63 of 2001) as amended. The Act empowers the UIF to register all employers and employees in South Africa.

The Unemployment Contributions Act, 2002 (Act 4 of 2002) empowers the SARS Commissioner and the Unemployment Insurance Commissioner to collect monthly contributions from both employers and employees. Section 9 of the Unemployment Contributions Act, empowers the Unemployment Insurance Commissioner to collect contributions from all those employers who are not required to register as employers in terms of the fourth schedule to the Income Tax Act and who are not liable for the payment of the skills development levy in terms of the Skills Development Act, 1999 (Act 9 of 1999). These contributions are used to pay benefits and any other expenditure reasonably incurred relating to the application of this Act.

### **4.3 POLICY MANDATES**

Providing adequate social safety nets to protect vulnerable workers

### **4.4 RELEVANT COURT RULINGS**

There are no court rulings.

### **4.5 PLANNED POLICY INITIATIVES**

Amendment of the Unemployment Insurance Act No. 63 of 2001. The changes relate to improvements of benefits and administrative changes regarding the submission of information by employers to the organisation.

## **5. SITUATIONAL ANALYSIS**

South Africa is experiencing a rise in unemployment in the aftermath of the global economic crisis. This is evidenced by the high number of claims approved by UIF that have stayed above the seven hundred thousand mark in the past five years. In order to deal with rising unemployment, the new administration introduced the National Development Plan (NDP) and prioritised its implementation. The NDP proposes that social security reforms should be undertaken to ensure, among others, the following:

- Public employment should be expanded to provide work for the unemployed, with a specific focus on the youth and women;
- The retirement savings and risk benefit gap should be closed through reforms, including mandatory contributions, with consideration given to government subsidising these contributions for low income or periodic workers; and

- The integration of databases in the social security environment to enable communities to conduct social audits of government services, leading to better and more effective targeting of government's social and employment programmes.

In this regard, UIF has established a Labour Activation Programme as one of the active labour market interventions.

The programme seeks to engage and promote activities that preserve and create jobs. This programme focuses on:

- Targeted training of the unemployed;
- Partnership with companies in distress;
- Partnership with other government departments as well as with some public entities; and
- Support employment creation initiatives.

## 5.1 Performance environment

The UIF continues to deliver its services through the Labour centres of the Department of Labour. More than seven hundred and fifty thousand claims were handled by the Labour centres in the past financial year and efficiencies were recorded because 90% of claims were finalised within five weeks. Furthermore, to improve claims turnaround times, UIF has successfully piloted a web-based claim system that allows clients to submit their applications online.

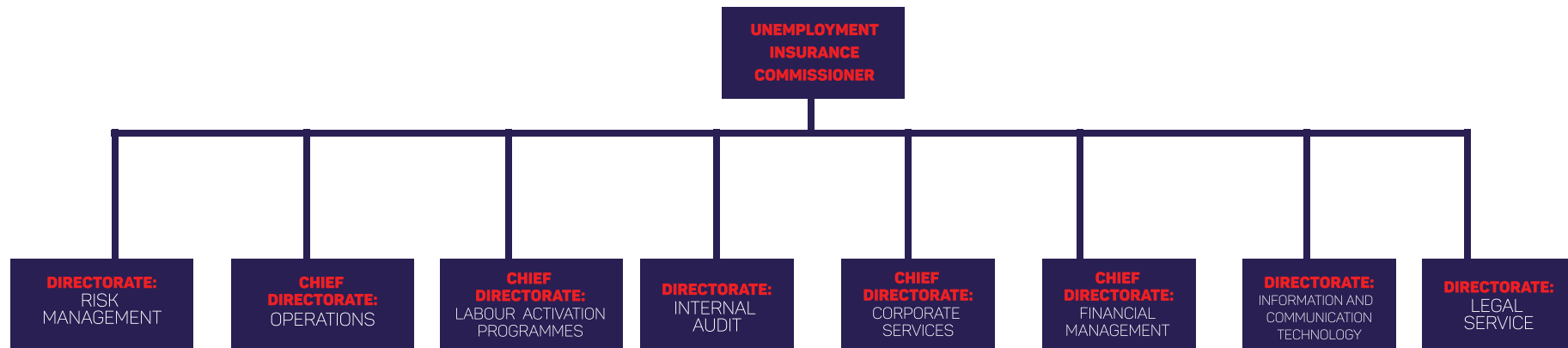
Revenue collection increased by 11.8% compared to the previous year (2014/2015). There was also an increase of 3.4% in the number of registered employers. A self-service claim's portal was developed and piloted resulting in 16 799 beneficiaries applying for their benefits online.

There are challenges in the Taxi industry with regard to how the industry operates. This results in employers in the industry being reluctant to register for UIF purposes. This deprives their employees of UIF benefits. In addition to sending Inspectors to the industry to enforce compliance, the organisation is in discussions with the Department of Transport to access the database of registered taxis. Enforcing compliance will be easy in the event that UIF obtains the Taxi industry database from the Department of Transport which will contain details of owners and their business addresses.

## 5.2 Organisational environment

The UIF has reviewed its organisational structure which was approved by the Executive Authority with the concurrence of the Minister of Public Service Administration. Fifty-four (54) of the newly created posts, which were identified as critical are being filled.

The current organisational structure of UIF is as follows:



### 5.3 Description of the strategic planning process

The following timetable indicates the events and processes that were involved in developing the new Strategic Plan:

STRATEGIC PLAN (SP)	August 2015			
	<ul style="list-style-type: none"><li>• 6-7 August 2015 Planning Session Fund's Management Committee (MC)</li><li>• 14 August 2015, Draft Strategic Plan (SP) presented to UI Board</li><li>• 31 August 2015 Draft Strategic Plan(SP) submitted to National Treasury (NT)</li></ul>	<ul style="list-style-type: none"><li>• 9-10 November 2015 (Management Committee)</li></ul>		

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## 6. STRATEGIC OUTCOME ORIENTED GOALS OF THE FUND

<b>STRATEGIC OUTCOME ORIENTED GOAL 1</b>	<b>Improve collection of revenue from employers</b>
Goal Statement	Increase contributions collected by at least a rate equal to the prevailing Consumer Price Index (CPI) plus 2.5%
<b>STRATEGIC OUTCOME ORIENTED GOAL 2</b>	<b>Improve payment of benefits to beneficiaries of the Fund</b>
Goal Statement	Increase the rate of processing claims in order to pay within the targeted service levels and turnaround times
<b>STRATEGIC OUTCOME ORIENTED GOAL 3</b>	<b>Participate in government initiatives of creating and sustaining decent employment</b>
Goal Statement	Contribute in the various schemes designed to alleviate the harmful effects of unemployment which includes investing mandated funds in Social Responsible Investments
<b>STRATEGIC OUTCOME ORIENTED GOAL 4</b>	<b>Effective administration of the Fund's operations</b>
Goal Statement	Maintain effective systems of internal control as required by the Public Finance Management Act of 1999 (An unqualified audit opinion)