



Part B: Programme Strategic Objectives

Annual Performance Plan | Department of Labour | 2014-2015

Part B: Programme Strategic Objectives

4. Service Delivery Outcomes and Strategic Goals

In the medium-term, the Department of Labour will contribute mainly on the following outcomes:

- **Outcome 4: Decent employment through inclusive economic growth**
- **Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World**
- **Outcome 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship.**

The strategic goals are elaborated upon and translated in line with the three government service delivery outcomes assigned to the Department as follows:

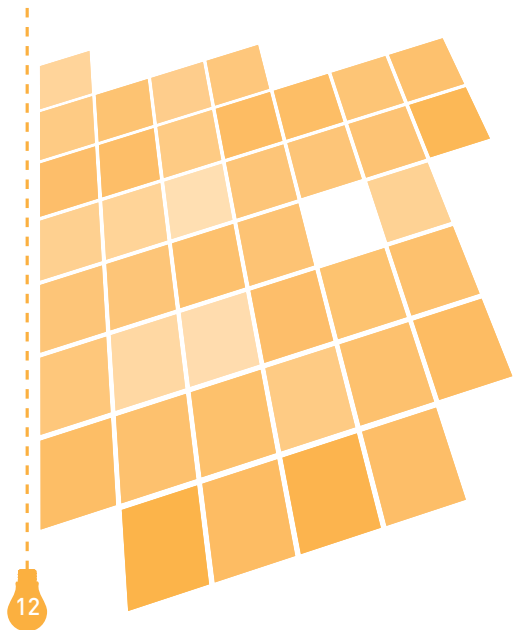
- 1: Contribute to decent employment creation (Outcome 4)
- 2: Promote equity in the labour market (Outcome 4)
- 3: Protect vulnerable workers (Outcome 4)
- 4: Strengthen multilateral and bilateral relations (Outcome 11)
- 5: Strengthen social protection (Outcome 4)
- 6: Promote sound labour relations (Outcome 4)
- 7: Monitor the impact of legislation (Outcome 4)
- 8: Strengthen the institutional capacity of the Department (Outcome 12)

Programmes

4.1 Programme 1: Administration

Purpose: Provide management, strategic and administrative support services to the Ministry and the Department.

There are no changes to the budget structure.



4.1.1 Strategic objective, programme performance indicators and medium-term targets

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium-term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
8. Strengthen the institutional capacity of the Department (Outcome 12)									
1	Provide leadership and institutional management to the Department of Labour and Entities	1.1 Strategic leadership and guidance provided through Departmental governance structures	Strategic leadership and guidance provided	Strategic leadership and guidance provided	Strategic leadership and guidance provided	Quarterly, mid-term and annual performance reviews held	Quarterly, mid-term and annual performance reviews held	Quarterly, mid-term and annual performance reviews held	Quarterly, mid-term and annual performance reviews held
2	Planning, Monitoring and evaluation of organisational performance	2.1 Strategic Plan and Annual Performance Plan approved and tabled as per prescribed timeframes	Strategic Plan and Annual Performance Plan approved and tabled in Parliament by March 2011	Strategic Plan and Annual Performance Plan approved and tabled in Parliament by March 2012	Strategic Plan and Annual Performance Plan approved and tabled in Parliament on 26 February 2013	Strategic Plan and Annual Performance Plan approved by end of January for tabling in Parliament by 31 March	Strategic Plan and Annual Performance Plan approved by end of January for tabling in Parliament by 31 March	Strategic Plan and Annual Performance Plan approved by end of January for tabling in Parliament by 31 March	Strategic Plan and Annual Performance Plan approved by end of January for tabling in Parliament by 31 March
		2.2 Percentage of organisational performance improves per year	4 QPR's 1 APR	4 QPR's 1 APR	4 QPR's 1 APR	4 QPRs and 1 Annual Performance Information Report	65% of organisational performance	67% of organisational performance	70% of organisational performance
3	Risk Management Strategy implemented	3.1 Number of strategic risk reviews and monitoring compiled and submitted for the approval by the Accounting Officer within 30 days of each quarter	n/a	n/a	4	4	4	4	4

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium-term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
4	Fraud Prevention & Security Strategy implemented	4.1 Percentage of fraud cases received or detected finalized per year.	92% (12)	86% (13)	57% (27)	90%	95%	95%	95%
		4.2 Number of fraud prevention awareness campaigns conducted				New	4	4	4
		4.3 Percentage reduction in security breaches/incidents				New	65%	75%	80%
5	Departmental interventions and initiatives communicated	5.1 Number of exhibitions held to profile the services of the Department per annum	-	-	New	8	10	12	12
		5.2 Number of service delivery points branded and signage displayed per selected province	-	-	New	New	Ten labour centres in two provinces	Ten labour centres in two provinces	Ten labour centres in two provinces
		5.3 Turnaround time to respond to media queries				Media queries responded to within 24 hours	Media queries responded to within 24 hours	Media queries responded to within 24 hours	Media queries responded to within 24 hours

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium-term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
6	Integrated human resource strategy implemented	6.1 Percentage of (a) women in SMS, (b) youth and (c) people with disability (PWD) employed in line with the EE Plan by 31 March each year	(a) 34.6% (b) 42.8% (c) 2.7%	(a) 38.5% (32 of 83 SMS) (b) 40% (2830 of 7057 posts) (c) 2.6% (184 of 7057)	a) 39% b) 35.3% c) 2.5%	a) 45% b) 43% c) 3%	a) 45% b) 36% c) 3%	a) 50% b) 38% c) 3%	a) 50% b) 40% c) 3%
		6.2 Percentage of vacancy rate reduced by 31 March	8.59%	7.28% (554 posts)	7 % (567 posts)	6%	10%	8%	6%
		6.3 Percentage of staff trained in line with Workplace Skills Plan (WSP) by 31 March	91.3% (5 984 of 6 551)	85.1% (5927 of 6957)	82.47% (5 402 of the 6 550)	85%	87%	90%	90%
		6.4 Percentage of misconduct cases finalised in line with applicable prescripts by 31 March	n/a	79% (216)	78% (234 of 300)	77%	80%	80%	80%
		6.5 Percentage of employees (a) SMS and (b) MMS and lower entered into performance agreement and assessed within the time frames				95% for SR12 downwards. 95% for SMS	95%	95%	95%
7	Effective litigation support services	7.1 Percentage of Court Papers to resolve Litigation filed with the Court within 10 working days of receipt		New	77% (51 of 66)	80%	90%	90%	90%

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium-term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
8	Effective information communication technology services	8.1 ICT services rendered as per ICT strategy and governance framework		New	50 % of strategic plan components implemented	75 %	Implementation of the government wide corporate governance ICT policy framework	Enhancement of priority business applications	Upgrade of organisational infrastructure
9	Effective financial management and governance	9.1 Number of financial statements compiled per year that comply with guidelines issued by the National Treasury	4	5	5	One Annual report by 31 May, and four interim reports 30 days after each quarter	One Annual report by 31 May, and four interim reports 30 days after each quarter	One Annual report by 31 May, and four interim reports 30 days after each quarter	One Annual report by 31 May, and four interim reports 30 days after each quarter
		9.2 Medium Term Expenditure Framework (MTEF) and Estimates of National Expenditure (ENE) prepared according to National Treasury (NT) prescripts				Departmental budget compiled and published	Departmental budget compiled and published	Departmental budget compiled and published	Departmental budget compiled and published
		9.3 Percentage reduction of audit findings	Unqualified report	Unqualified report	Unqualified audit report	New	50%	40%	30%
10	Effective supply chain management	10.1 Percentage of compliant invoices paid within 30 days of receipt	Achieved	All compliant invoices paid within 30 days of receipt	93% (3 051)	100%	100%	100%	100%
		10.2 Percentage reduction of transgression in irregular expenditure compared to previous year				40%	60%	70%	80%

4.1.2 Programme Performance indicators and quarterly targets for 2014-2015

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R'000
1.1	Strategic leadership and guidance provided through departmental governance structures	Q	Quarterly, mid-term and annual performance reviews held	DEXCOM	Annual review	Mid-term review	DEXCOM	
2.1	Strategic Plan and Annual Performance Plan approved and tabled as per prescribed timeframes	Q	Strategic Plan and Annual Performance Plan approved by end of January for tabling in Parliament by 31 March		First draft of Strategic Plan and first draft Annual Performance Plan approved by end August 2014	Second draft of Strategic Plan and Second draft Annual Performance Plan approved by end November 2014	Final Strategic Plan and final Annual Performance Plan approved by end of March 2015	18 962
2.2	Percentage of organisational performance improves per year	A	65% improvement of the organisational performance				65% improvement of the organisational performance	63 039
3.1	Number of strategic risk reviews and monitoring compiled and submitted for the approval by the Accounting Officer within 30 days of each quarter	Q	4	2013/14 Q4- 30 April 2014	Q1 – 31 July 2014	Q2 – 31 October 2014	Q3 – 31 January 2015	14 362
4.1	Percentage of fraud cases received or detected finalised per year	Q	95%	95%	95%	95%	95%	6 975
4.2	Number of fraud prevention awareness campaigns conducted	Q	4	1	1	1	1	

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R'000
4.3	Percentage reduction in security breaches or incidents per year	A	100%	100%	100%	100%	100%	9 318
5.1	Number of exhibitions held to profile the services of the Department per annum	Q	10	3	3	3	1	7 462
5.2	Number of service delivery points branded and signage displayed per selected province	Q	Ten labour centres in two provinces	2	3	3	2	
5.3	Turnaround time to respond to media queries	Q	Media queries responded to within 24 hours	24 hours	24 hours	24 hours	24 hours	7 462

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R'000
6.1	Percentage of (a) women in SMS, (b) youth and (c) people with disability (PWD) employed in line with the EE Plan by 31 March each year	Q	a) 45% b) 36% c) 3%	a) 45% b) 36% c) 3%	a) 45% b) 36% c) 3%	a) 45% b) 36% c) 3%	a) 45% b) 36% c) 3%	36 919
6.2	Percentage of vacancy rate reduced by 31 March	Q	10%	10%	10%	10%	10%	36 919
6.3	Percentage of staff trained in line with Workplace Skills Plan (WSP) by 31 March	Q	87%	87%	87%	87%	87%	24 607
6.4	Percentage of misconduct cases finalised in line with applicable prescripts by 31 March	Q	80%	80%	80%	80%	80%	22 145
6.5	Percentage of employees (a) SMS and (b) MMS and lower entered into performance agreement and assessed within the time frames	Q	95%	95%	95%	95%	95%	22 145

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R'000
7.1	Percentage of Court Papers to resolve Litigation filed with the Court within 10 working days of receipt	Q	90%	90%	90%	90%	90%	1 176
8.1	ICT services rendered as per ICT strategy and governance framework	Q	Implementation of the government wide corporate governance ICT policy framework	ICT Operational Plan finalised	ICT Charter finalised	ICT Policy finalised	The governance model fully implemented	119 182
9.1	Number of financial statements compiled per year that comply with guidelines issued by the National Treasury.	A & Q	One Annual report by 31 May, and four Interim reports 30 days after each quarter	Q4 - 30 April 2014 Annual report – 31 May 2014	Q1 -31 July 2014	Q2 - 31 October 2014	Q3 - 31 January 2015	290 342
9.2	MTEF and ENE compiled as per NT prescripts	Q	Departmental budget compiled and published	Roll over submission	MTEF submitted AENE	Draft ENE	Final ENE	
9.3	Percentage reduction of audit findings	A	50%	50%	50%	50%	50%	
10.1	Percentage of compliant invoices paid within 30 days of receipt	Q	100%	100%	100%	100%	100%	83 965
10.2	Percentage reduction in irregular expenditure compared to previous year	Q	60%	60%	60%	60%	60%	

4.1.3 Reconciling performance targets with the budget and MTEF

Expenditure estimates

Programme Administration R-thousand	Audited outcomes			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Ministry	13 871	17 116	16 798	15 150	15 150	14 299	16 033	16 883
Management	383 813	409 019	450 746	427 925	427 925	395 191	415 258	520 479
Corporate Services	40 109	54 142	47 439	62 074	62 074	62 993	66 202	66 241
Office of the Chief Financial Officer	63 213	62 881	101 656	138 482	138 482	136 043	145 004	155 838
Office Accommodation	181 474	161 112	71 056	196 818	196 818	179 168	187 391	197 323
Total	682 480	704 270	687 695	840 449	840 449	787 694	829 888	956 764
Economic classification								
Current payments	600 146	589 977	587 672	779 311	779 311	756 538	797 366	922 519
Compensation of employees	239 465	267 115	284 618	272 100	272 100	332 814	356 221	457 654
Goods and services	360 610	322 832	303 031	507 211	507 211	423 724	441 145	464 865
Of which:								
Advertising	7 398	16 192	7 877	14 633	14 633	13 492	13 982	14 713
Communication	23 635	16 904	10 936	20 169	20 311	17 830	20 867	22 200
Computer services	33 088	39 568	68 503	107 918	108 531	81 880	93 814	98 887
Consultants and professional services: business and advisory services	3 015	5 607	43 541	60 405	59 405	10 970	11 456	12 064
Fleet Services	87	78	5 469	5 736	5 700	1 063	1 289	1 358
Inventory: Stationery and printing	10 014	8 841	3 904	10 714	10 714	11 260	11 662	12 574
Lease payments	142 717	113 479	46 306	157 169	157 973	132 972	139 251	146 633
Property payments	58 175	34 012	37 587	41 885	41 602	46 701	49 357	51 973
Travel and subsistence	36 327	42 765	36 228	28 894	29 866	39 254	30 855	31 883
Other goods and services	46 154	45 524	45 846	59 688	58 476	68 302	68 612	72 580
Interest and rent on land	71	30	23					

Programme Administration R-thousand	Audited outcomes			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Transfers and subsidies	2 684	770	1 435	1 173	1 173	199	208	219
Provinces and municipalities	54	50	213	239	239			
Departmental agencies and accounts			28	35	35			
Households	2 630	720	1 194	899	899	199	208	219
Payments for capital assets	79 631	112 850	92 352	59 965	59 965	30 957	32 314	34 026
Buildings and other fixed structures	3 117	4 557	8 637	5 486	5 486	17	-	-
Machinery and equipment	76 504	108 293	83 715	54 479	54 479	30 940	32 314	34 026
Software and other intangible assets	10							
Payments for financial assets	19	673	6 236					
Total	682 480	704 270	687 695	840 449	840 449	787 694	829 888	956 764

Performance and expenditure trends

The spending focus over the medium term will be on building capacity in the office of the chief information officer in order to establish and enhance the IT operating model. This is funded in part by an additional allocation for IT personnel of R35.5 million in 2016/17, which allows for an increase in the total number of filled posts to 1 305 in that year. The significant growth in spending on computer services between 2010/11 and 2013/14 was driven by the department taking over the provision of IT services at the end of the public private partnership contract in 2012/13. Spending on consultants was equivalent to 22.9 per cent of total spending on compensation of employees in 2013/14, and is projected to constitute 3.4 per cent of spending on compensation of employees over the medium term. Consultants funded through this allocation will be used mainly for specific technical tasks such as the implementation of the new IT operating model, the organisational review and redesign project, and business advisory services to the Chief Financial Officer.

However, the total number of filled posts is expected to remain unchanged in 2014/15 and 2015/16 as the department reduces spending on compensation of employees by R77.4 million over this period. This is to give effect to part of the Cabinet approved reductions to the department's budget. The reductions are not expected to have an impact on service

delivery as they are effected on vacant funded posts in 2014/15 and 2015/16. The posts will be reinstated and filled in 2016/17.

The spending focus will also be on implementing the organisational review and redesign project, which aims to improve service delivery by ensuring that all strategic positions are filled, overlaps and duplication of functions are minimised, and reliance on consultants is reduced. The organisational review project aims to ensure that the department works as a single efficient unit optimally positioned for enhanced service delivery. Expenditure on the organisational review and design is reflected in spending on consultants and professional services in the Management subprogramme.

The R215 million available for reprioritisation comes from the revision to the cost sharing arrangements for services delivered by the department, the Unemployment Insurance Fund and the Compensation Fund. The revised arrangement sees the department's share being reduced as the two funds are expanding their services at provincial offices, with fewer staff now required for these functions in the department. The reprioritised amount was thus taken from compensation of employees, and earmarked for spending in