



ANNUAL PERFORMANCE PLAN

2023/24

THE DEPARTMENT OF EMPLOYMENT AND LABOUR : WORKING FOR YOU





THE DEPARTMENT OF EMPLOYMENT AND LABOUR: WORKING FOR YOU

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employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

ANNUAL PERFORMANCE PLAN

2023/24

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ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
5IR	Fifth Industrial Revolution
AFS	Annual Financial Statements
APP	Annual Performance Plan
ARLAC	African Regional Labour Administration Centre
AU	African Union
AUC	African Union Council
BCEA	Basic Conditions of Employment Act
BEWG	BRICS Employment Working Group
Brexit	"British exit"
BRICS	Brazil, India, China and South Africa
CCMA	Commission for Conciliation, Mediation and Arbitration
CD	Chief Director
CEE	Commission for Employment Equity
CoE	Compensation of Employees
COIDA	Compensation of Injuries and Diseases Act
COO	Chief Operations Officer
CSOs	Client Service Officers
CV	Curriculum Vitae
DEL	Department of Employment and Labour
DEXCOM	Departmental Executive Committee
DG	Director-General
DPME	Department of Planning, Monitoring and Evaluation
E4E	Education for Employability
ECC	Employment Conditions Commission
EEA	Employment Equity Act
EPWP	Extended Public Works Programme
ES	Employment Services
ESA	Employment Services Act
ESSA	Employment Services for South Africa
EXCO	Executive Committee

G&S	Goods and Services
G20	International Forum for the Governments and Central Bank Governors from 20 Major Economies
GCC	Global Compliance Certificate
GDP	Gross Domestic Product
GTAC	Government Technical Advisory Centre
ICT	Information, Communication Technology
IES	Inspection and Enforcement Services
IFS	Interim Financial Statements
ILM	International Labour Matters
ILO	International Labour Organisation
IMCME	Inter Ministerial Committee on Migration and Employment
IT	Information Technology
JOI	Job Opportunity Index
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
LAP	Labour Activation Programmes
LEMM	Labour and Employment Ministerial Meeting (LEMM)
LMIS	Labour Market Information and Statistics
LP&IR	Labour Policy and Industrial Relations
LRA	Labour Relation Act
MoU	Memorandum of Understanding
MSS	Management Support Services
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NEET	Not in Education, Employment, or Training
NMW	National Minimum Wage
NMWA	National Minimum Wage Act
NMWC	National Minimum Wage Commission

OCOO	Office of the Chief Operations Officer
OHS	Occupational Health and Safety
OHSA	Occupational Health and Safety Act
PACE	Performance Assessment for Competency Education
PCC	Presidential Climate Commission
PEA	Private Employment Agencies
PES	Public Employment Services
PMO	Project Management Office
PSA	Productivity SA
PSET	Post School Education and Training
PwDs	People with disabilities
QLFS	Quarterly Labour Force Survey
RME	Research, Monitoring and Evaluation
SADC	South African Development Council
SDG's	Sustainable Developmental Goals
SDs	Sectoral Determinations
SEE	Supported Employment Enterprises
SEIAS	Socio Economic Impact Assessment System
SETA's	Sector Education and Training Authority
SMMEs	Small, Medium and Micro-Sized Enterprises
SONA	State of the Nation Address
SOP	Standard Operating Procedures
SP	Strategic Plan
SPEEX	Situation Specific Evaluation Expert system used for Psychometric Assessments
TERS	Temporary Employee Relief Scheme
TES	Temporary Employment Services
TR	Treasury Regulations
U.S.	United States
UI	Unemployment Insurance
UIA	Unemployment Insurance Act
UICA	Unemployment Insurance Contributions Act

EXECUTIVE AUTHORITY STATEMENT

The Annual Performance Plan maps out in detail the Department's route to achieving planned targets in the financial year 2023/24, and to collectively fulfilling the mandate of Employment and Labour.

The Department remains focused on finalizing the reconfiguration of the Department, whose traditional focus was on labour market regulation, collective bargaining, social security [through the Unemployment Insurance Fund (UIF) and the Compensation Fund (CF)], health and safety, employment equity, supported employment enterprises, inspection and enforcement services. The new mandate of employment has necessitated a creation of the project management office in order to focus the job creation and coordination of employment initiatives throughout government, whilst the department is restructuring itself in order to respond meaningfully to the employment mandate.

The Department strives to achieve its mandate against a very difficult economic backdrop. The Covid-19 pandemic produced a 6.4% GDP reduction in 2020. Although this was followed by a small bounce back of 4.9% growth in 2021, the overall slow economic recovery is not sufficiently strong (1.6% GDP growth rate in the last quarter of 2022) to seriously impact the current high levels of unemployment.





The sluggish economy and persistent high rates of unemployment makes it imperative that government takes the lead both in facilitating conditions which are conducive to investment and growth, as well as intervening directly to create and preserve jobs.

This is best done through an open and transparent process of social dialoguing involving all social partners. This is exemplified in the ERRP (Economic Reconstruction and Recovery Plan) developed through NEDLAC (National Economic Development and Labour Council) to steer the country towards a more inclusive growth strategy after the shock of the pandemic.

The Social Compact the past year provided a platform for progressive engagements between government and the social partners which yielded to a better understanding of the different stakeholder interest. Comprehensive discussion is ongoing and all the parties remain committed to the process of developing agreements that are acceptable to all.

All the parties have agreed on broad principles to guide the direction going forward, as well as achieving concrete agreements on the identified priority areas in specific economic and social sectors.

The Department's contribution to job creation and retention is exemplified in the close collaboration with the Presidency to manage the Pathway Management Network system to empower the youth, and the support given to the various presidential youth and employment initiatives, drawing on the resources of the UIF and CF.

One positive outcome of the pandemic, the lockdown and the need to maintain social and physical distance was a renewed focus on the digitisation of the public service, which also strengthens the effective use of resources, and results in improved service to the public. Strengthening ICT systems and capacity therefore remains central to the plans of Programme 1: Administration, with a commitment to implement 100% of phase one of the ICT roadmap in 2023/24. Also central to Programme 1 is the programme and plans to combat fraud and corruption in the Department with a commitment to strengthening consequence management.

The APP for Programme 2: Inspection and Enforcement Services reminds us that the Department's mandate goes beyond employment in general to the promotion of decent work and safe and healthy conditions in the workplace, as well as promoting employment equity and enforcing labour law protections and minimum wages. The experience of the pandemic increased the size and reach of the health and safety inspectorate. This is reflected in the increased targets for workplace visits contained in this APP.

Programme 3: Public Employment Services provides employment services to work-seekers and maintains the massive database to enable this service. It also oversees the development of the National Employment Policy and the National Labour Migration Policy for finalization during 2023/24.

Programme 3 promotes the employment of persons with disabilities through the Supported Employment Enterprises and via subsidies to non-governmental organisations' by subsidizing the incomes of persons with disabilities that they employ. Targeted increased employment for the SEEs is planned for 2023/24 and over the MTEF.

Programme 4: Labour Policy and Industrial Relations promotes equitable and sound labour relations and social dialogue. It supports collective bargaining institutions, including the extension of collective agreements to non-parties contributing to decent employment standards, fundamental labour rights at work, the extension of adequate social safety nets to protect vulnerable workers, and sound labour relations. Programme 4 also facilitates the transfer of funds to the CCMA (Commission for Conciliation, Mediation and Arbitration) and NEDLAC.

The responsibilities of Programme 4 include publishing four Annual Labour Market trend reports, as well as the annual Employment Equity Report and the annual review of the National Minimum Wage to monitor workplace equity and to protect the most vulnerable workers.

The APP for Programme 4 includes the publishing of Regulations to implement the Employment Equity Bill amendments by 31 March 2023. These regulations will usher the implementation of the set economic subsector targets for employment equity from 1 April 2023 forward.

I believe that the Department is on track with its programme of realignment: addressing the expanded mandate of employment whilst fulfilling its labour market mandate in pursuit of decent work, equity, worker rights and sound stable labour relations.

Finally, I must thank the Deputy Minister and the Director-General and his team for their commitment and hard work which makes it all possible.



Mr TW NXESI, MP

Executive Authority of Employment and Labour

"ONE POSITIVE OUTCOME OF THE PANDEMIC, THE LOCKDOWN AND THE NEED TO MAINTAIN SOCIAL AND PHYSICAL DISTANCE WAS A RENEWED FOCUS ON THE DIGITISATION OF THE PUBLIC SERVICE, WHICH ALSO STRENGTHENS THE EFFECTIVE USE OF RESOURCES, AND RESULTS IN IMPROVED SERVICE TO THE PUBLIC. "



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ACCOUNTING OFFICER STATEMENT

The past few years have been difficult for both employers and employees, difficulty which exacted a lot of pressure on government offerings. There are several drivers globally, internationally and locally which affected the labour market. Although measures have been put in place to deal with some of these drivers; the labour market continues to show signs of vulnerability.

The number of companies closing down or downsizing resulting in job shedding is a clear indication that our labour market is still under threat. It is also notable that our labour market is not only under threat, but also still suffering the effects of some of the notable global tragedies such as the Covid-19 pandemic, the ever-rising inflation rate and the Russia-Ukraine war. There are also other drivers closer to home, which had a knock-on effect on our labour market, such as to mention a few: load shedding, public unrest and the influx of undocumented foreign nationals. The overall effect of these drivers is high unemployment rate (especially amongst young people), poverty and inequality.

The question that begs to be answered though, is how does the Department of Employment and Labour counter the effects of these global and local drivers to minimize the effects thereof. Our Annual Performance Plan for the 2023/24 financial year directly responds to this question. When we were putting together our Annual Performance Plan we did thorough introspection and considered in detail our (i) strengths, (ii) weaknesses, (iii) opportunities, and (iv) threats.

We are therefore confident that with the budget and the capable staff at our disposal we will do our best to address the challenges of unemployment, poverty and inequality and bring the much-needed stability in the labour market. However, with our current

silos approach, lack of systems interoperability's, unstable information and communication technology environment it will be difficult if not impossible to achieve all our set targets. Nevertheless, we will give it our best shot.

In order to address these weaknesses, we have identified a number of opportunities and to mention a few would be strategic public/private partnerships and intergovernmental strategic collaborations. We also invested financially and effort in our Information and Communication Technology. We have a dedicated Information and communication technology Advisory Committee that advises the Department on steps to be taken to stabilize our Information and Communication Technology environment. In addition to this Committee, we also have a dedicated Information and Communication Technology Steering Committee, which mandate is to track all Information and Communication Technology projects in the Department and ensure implementation thereof.

We will be naive to think that there are no threats presented. We therefore identified several threats, the unstable economy is our biggest threat, followed by the ever-rising inflation rate, and energy crises which make it difficult for companies to keep their doors open. Then we have the media, which through its negative publications about the government initiatives to fight unemployment discourages potential strategic private sector partners.

It is also important to mention that the Department will continue to be a lead department in several Economic Recovery Reconstruction Plan (ERRP) interventions such as (i) protecting the workers, which will be done through Inspection and Enforcement Services, and (ii) put in place tools to support the "new normal" at the workplace, also to be done through Inspection and Enforcement Services.

Despite all the challenges that we have highlighted above, our staff under difficult and trying conditions, will ensure that our people are attended to and their enquiries and complaints were resolved. Both the employment services officials and inspectors will ensure that work-seekers and workers are placed in employment opportunities and also received their hard earned wages respectively.

It is therefore my honour to present the Department of Employment and Labour 2023/24 Annual Performance Plan, which clearly details our targets for the 2023/24 financial year. We are confident that with the assistance of our oversight committees and dedicated staff we will achieve the set targets to give meaning to our Constitutional obligation and mandate. I would like to also take the opportunity to appreciate the strategic guidance provided by the Executive Authority of the Department. Appreciation also goes to the Deputy Minister for her insistence to prioritise service delivery issues brought to the Department's attention.



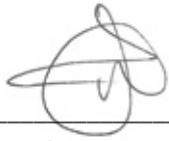
Mr T Lamati

Accounting Officer of Employment and Labour

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Employment and Labour under the guidance of the Minister of Employment and Labour
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Employment and Labour is responsible
- Accurately reflects the outcomes and outputs which the Department of Employment and Labour will endeavour to achieve over the period 2023/24.



Ms B Matebesi

Deputy Director-General: Corporate Services



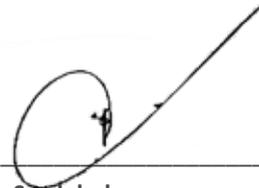
Ms M Bronkhorst

Chief Operations Officer



Ms A Moiloa

Deputy Director-General: Inspection and Enforcement Services



Mr S Ndebele

Acting Deputy Director-General: Labour Policy and Industrial Relations



Mr S Morotoba

Deputy Director-General: Public Employment Services



Mr B Maduna

Chief Financial Officer



Mr T Lamati

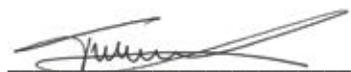
Director-General



Ms BE Moloi, MP

Deputy Minister

Approved by:



Mr TW Nxesi, MP

Minister

VISION

The Department of Employment and Labour strives for a labour market which is conducive to investment, economic growth, employment creation and decent work.

MISSION

Promote employment and regulate the South African labour market for sustainable economic growth through:

- Appropriate legislation and regulations
- Inspection and enforcement
- Protection of worker rights
- Provision of employment services
- Promoting equity
- Provision of social protection
- Promote social dialogue

VALUES

We shall at all times be exemplary in all respects:

We treat employees with care, dignity and respect

We respect and promote:

- Client centred services
- Accountability
- Integrity and ethical behaviour
- Learning and development

We live the Batho Pele Principles

We live the principles of the Department's Service Charter

We inculcate these values through our Performance Management System.

Part A: Our Mandate

1. Updates to the relevant legislative and policy mandates

The Department of Employment and Labour derives its mandate from the Constitution of the Republic of South Africa. This mandate is given effect through several acts that regulate labour matters in South Africa: The Occupational Health and Safety Act (1993), the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), the Employment Services Act (2014) and the National Minimum Wage Act (2018).

The Department of Employment and Labour's legislative framework is informed by the South African Constitution's, Chapter 2, and Bill of Rights:

- Section 9, To ensure equal access to opportunities
- Section 10, Promotion of labour standards and fundamental rights at work
- Section 18, Freedom of association
- Section 23, To ensure sound Labour relations
- Section 24, To ensure an environment that is not harmful to the health and wellbeing of those in the workplace
- Section 27, To provide adequate social security nets to protect vulnerable workers
- Section 28, To ensure that children are protected from exploitative labour practices and not required or permitted to perform work or services that are inappropriate for a person of that child's age or their well-being, education, physical or mental health or spiritual, moral or social development is placed at risk and
- Section 34, Access to courts and access to fair and speedy labour justice.

The mandate of the Department is to regulate the labour market through policies and programmes developed in consultation with social partners. These aim to:

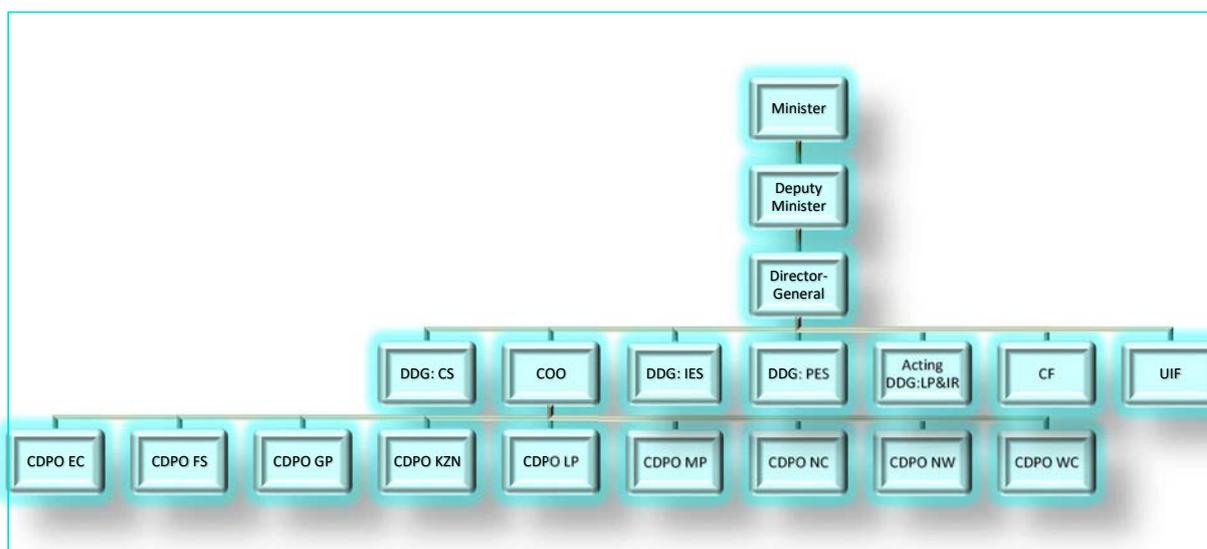
- improve economic efficiency and productivity
- facilitate decent employment creation
- promote labour standards and fundamental rights at work
- provide adequate social safety nets to protect vulnerable workers
- promote and enforce sound labour relations
- promote equity in the workplace
- eliminate inequality and unfair discrimination in the workplace
- enhance awareness of and compliance with occupational health and safety in the workplace
- give value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for the competitiveness of enterprises, balanced with the promotion of decent employment.

2. Legislative and policy mandates

The Department administers the following legislation:

Serial No	LEGISLATION	PURPOSE
1	Labour Relations Act, 66 of 1995 (LRA), as amended	The Labour Relations Act (LRA), Act 66 of 1995 aims to promote economic development, social justice, labour peace and democracy in the workplace
2	Basic Conditions of Employment Act, 75 of 1997 (BCEA), as amended	The purpose of this Act is to advance economic development and social justice by fulfilling the primary objects of this Act which are: (a) To give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution by: (i) Establishing and enforcing basic conditions of employment (ii) Regulating the variation of basic conditions of employment (b) To give effect to obligations incurred by the Republic as a member state of the International Labour Organisation
3	Employment Equity Act, 55 of 1998 (EEA), as amended	The purpose of the Act is to achieve equity in the workplace, by (a) Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination (b) Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational levels in the workforce
4	Unemployment Insurance Act, 30 of 2001, as amended (UIA)	The Act empowers the Unemployment Insurance Fund to register all employers and employees in South Africa for unemployment insurance benefits
5	Occupational Health and Safety Act, 85 of 1993 (OHSA)	The Occupational Health and Safety Act aims to provide for the health and safety of persons at work and for the health and safety of persons in connection with the activities of persons at work and to establish an advisory council for occupational health and safety
6	Compensation for Occupational Injuries and Diseases, Act 130 of 1993 (COIDA)	To provide for compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith
7	National Economic Development and Labour Council Act, 35 of 1994 (NEDLAC)	To provide for the establishment of a national economic, development and labour council; to repeal certain provisions of the Labour Relations Act, 1995; and to provide for matters connected therewith
8	Employment Services Act 4 of 2014 Skills Development Act 97 of 1998 Sections 24 – 26	To provide for public employment services, their governance and functioning, including the registration of private employment agencies To provide for transitional arrangements with regard to regulation of private employment agencies
9.	Unemployment Insurance Contributions Act, 4 of 2002	To provide for the imposition and collection of contributions for the benefit of the Unemployment Insurance Fund; and to provide for matters connected therewith
10.	National Minimum Wage Act, Act 9 of 2018	The National Minimum Wage Act 9 of 2018 aims: To provide for a national minimum wage To establish the National Minimum Wage Commission To provide for the composition and functions of the National Minimum Wage Commission To provide for the review and annual adjustment of the national minimum wage To provide for exemption from paying the national minimum wage To provide for matters connected therewith

Organogram



Service Delivery Sites of the Department

Services are rendered at nine Provincial Offices, 125 Labour Centres, 30 Satellite Offices, 41 Thusong Service Centres and 447 Visiting Points across the country. The Department uses its fleet to provide services at satellite offices and visiting points. The provincial breakdown is as follows:

- In the Eastern Cape, the Department delivers services at 16 Labour Centres, 5 Satellite Offices and 76 visiting points
- In the Free State, the Department deliver services at 11 Labour Centres, 3 Satellite Offices, 4 Thusong Service Centres and 69 visiting points
- In Gauteng, the Department delivers services at 26 Labour Centres, 1 Satellite Office and 3 visiting points
- In KwaZulu-Natal, the Department delivers services at 16 Labour Centres, 2 Satellite Offices, 11 Thusong Service Centres and 37 visiting points
- In Limpopo, the Department delivers services at 13 Labour Centres, 8 Satellite Offices, 7 Thusong Service Centres and 19 visiting points
- In Mpumalanga, the Department delivers services at 14 Labour Centres, 3 Satellite Offices, 10 Thusong Service Centres and 26 visiting points
- In the Northern Cape, the Department delivers services at 7 Labour Centres, 3 Thusong Service Centres and 89 visiting points
- In the North West Province, the Department delivers services at 10 Labour Centres, 6 Thusong Service Centres and 24 visiting points
- In the Western Cape, the Department delivers services at 12 Labour Centres, 8 Satellite Offices and 104 visiting points
- The Department is currently rolling out Kiosks to all Labour Centres, Youth Employment Centres and have other applications such as employment services available on internet and e-gov.

3. Updates to Institutional Policies and Strategies

Draft National Labour Migration Policy – Analysis & Review

The publication of the draft National Labour Migration Policy (NLMP) for South Africa, in February 2022, was followed by public consultations, whose responses are summarised as follows:

- i) Reflection on harnessing migration for development
- ii) Elaboration of the challenges posed by foreign nationals migrating to South Africa for work
- iii) The need for and context of public awareness initiatives
- iv) Sector-specific labour market needs and responses – in relation to migrant labour

- v) Discussion of the position of identified vulnerable migrant workers' categories, not currently sufficiently provided for in the draft NLMP
- vi) Further reflection on the gender-sensitive context of migration to South Africa and appropriate policy responses
- vii) Elaboration of social justice considerations
- viii) Further constitutional reflection in view of recent constitutional case law
- ix) Updated references to and ratification of international, continental and regional instruments, including consideration of new instruments guiding the conclusion and implementation of bilateral labour agreements; and the impact of reciprocal commitments under trade and foreign policy commitments
- x) Updated information on labour market and labour migration data; reconsideration of the interpretation of provided NLMP data; strengthened disaggregation of relevant data; and associated revised international labour migration conceptual framework
- xi) Institutional coordination: the role of local government and the private sector
- xii) Nuanced reflection on skills transfer arrangements
- xiii) Reflection on challenges in respect of attracting and retaining requisite skills
- xiv) Nuanced discussion on the envisaged quota regime.

STRATEGIES

For the monitoring of the impact of labour legislation, the Department will continue to conduct priority research projects guided by trends in national and global economies. With the priorities being the impact of climate change and advanced technologies on the labour market as well as promoting labour rights at work and universal access to social protection. Furthermore, the department is continuously exploring the best way of implementing the national Labour Market Information (LMI) System in the country. This strategic project is being implemented in partnership with the International Labour Organisation's Department of Statistics.

PROJECTS FOR THE YEAR AND FUTURE YEARS

- Project Diphetogo
- SAP Support and Maintenance, ICT Resource Augmentation
- Managed Information Security Services
- ICD Clean-up and Maintenance
- Cloud Hosting for SAP Roadmap Implementation
- Establishment of Mdantsane and Germiston Employment Centres and Rollout of 14 PES Mobile Units
- Roll out of VOIP and Video Conferencing at all Departmental Offices and Labour Centres
- Capacitation of the Disaster Recovery Site

New and Future projects:

- A new project is registered at the Office of the Chief Information Officer (OCIO) under the name of "National Labour Market Information (LMI) system". This is a project in partnership with the International Labour Organisation (ILO) Department of Statistics. It consists of using a single data platform for dissemination of key labour market indicators in response to Decent Work Country programme (DWCP) and Sustainable Development Goals (SDG's). It facilitates data accessibility, analysis, and dissemination of labour market information at national, regional and international levels. Thus, it is regarded as critical in the SADC region as per the ILO guidelines. Currently, the project is managed within the Labour Policy and International Relations (LP&IR) Branch. Discussion with the ILO, LP and IR and OCIO has been concluded and the project leader has been identified for the implementation of the project. It is expected to run until March 2024. The cost of the system is currently borne by the ILO and therefore the Department is not paying towards the costs at this stage.

- Focused program to enable the rendering of IES services in the Informal Sector to also give credence to R204. The R204 is the ILO's recommendation relating to transition from informal to formal economy
- Finalisation of the 2nd IES Strategy
- Piloting of Advocacy, Inspections and Enforcement with the Employment Services Act
- The Reconfiguration of the Department project which is intended to unbundle the UIF and CF as well as the employment arms (PES and SEE) of the Department to Productivity South Africa. The project should have started in August 2022 but due to the need to synchronise the project deliverables with those of the architecture review project of the UIF there are slight delays. The project is envisaged to be completed by September 2024. The Reconfiguration project is aimed at redesigning the Department to be able to respond effectively to the employment mandate and allow it to be a policy formulation wing while the service delivery aspects get handled at an entity / agency level.

4. Updates to Relevant Court Rulings

1. REGISTRAR OF LABOUR RELATIONS v CEPPWAWU J 2896/18

An Application of the Registrar of Labour Relations to place a Union, CEPPWAWU, under Administration in terms of the provisions of Section 103A of the Labour Relations Act. This matter was the first matter to be dealt with under the provisions of the amended Act and it involved one of the biggest unions in the industry. The matter was enrolled for hearing on 4 November 2022 to hear the grounds of parties who requested to join as amicus curiae ("interested parties"). The purpose of the Administration is to enable the independent Administrator to ensure that the Union's Affairs are in order so that the Union will be in a position to presume its own affairs and be compliant in its functions as a Union in terms of the LAR to the satisfaction of the Registrar of Labour Relations.

2. SAMATU v REGISTRAR OF LABOUR RELATIONS J1973/19

An Application of the Registrar of Labour Relations to place a union, SAMATU, under Administration in terms of the provisions of Section 103A of the Labour Relations Act. SAMATU is one of the biggest Unions in the industry. The Registrar of Labour Relations took this stance since it appears that the Association SAMA NPC had totally taken over the affairs of the Union contrary to the provisions of the LRA. An Administrator was appointed in order to assess whether the Union is ready to resume its responsibilities in line with provisions of the LRA. The Applicant/employee brought an application to review the ruling, which was granted in favour of the Department. An instruction to oppose the matter has been filed.

3. NEASA AND MINISTER OF EMPLOYMENT AND LABOUR

This is an Application to review against the Department's Code for Managing Exposure to Covid-19 within the Workplace and the Hazardous Biological Agent Regulations ('HBA'). In this Application, the Minister took a stance in explaining how the decision to categorize Covid-19 as a HBA was found. The Minister further explained the rationale behind the measures that are expected to be taken in the workplace in order to limit the exposure of employees to Covid-19 in the Workplace. The matter is pending before Court.

4. WERNER VAN WYK AND 2 OTHERS V MINISTER OF EMPLOYMENT AND LABOUR

The Applicants seek an order declaring sections 25 and 26 of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997) ("BCEA") unconstitutional in so far as it unfairly discriminates against fathers of new-born children by unjustifiably limiting the fathers' right to paternity leave. The Minister is concerned on how and to what extent, the Unemployment Insurance Fund Act, 2001 (Act No 63 of 2001) as amended ("UI Act") and various employers and to a wider spectrum, the Labour Market at large would be affected practically by such an amendment and implication. A Notice to Oppose has been filed and a consultation is being set up with Senior Counsel to prepare papers.

5. SANCF AND 2 OTHERS V THE PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA AND MINISTER OF EMPLOYMENT AND LABOUR AN 6 OTHERS

Application issued out of the Constitutional Court, interdicting the President and the Minister of Employment and Labour and 6 Others from declaring now and in the future the vaccination of South African citizens and/or residents against Covid-19, as unconstitutional. A Notice to Oppose has been filed and a date for a Notice of Set Down is awaited.

Part B: Our Strategic Focus

5. Updated Situation Analysis

When a pandemic occurs, the success in addressing it depends on whole-of-society preparedness to respond appropriately. With the government intentions, the lockdown measures delivered national public good by minimizing the population wide disease spread and thus delaying the catastrophic economic and labour performance in the country. This is what was observed in the past two years.

Currently, the South African government is continuously monitoring the success of the ERRP that is based on eight priority areas. These include: (i) Energy, (ii) Industrial base to create jobs, (iii) Mass public employment programme, (iv) Infrastructure development, (v) Macro-economic interventions, (vi) Green economy, (vii) Food security, and (viii) Reviving the tourism sector.

Using various data sources, our analysis paints a relatively bleak picture regarding the recent labour market trends in the South African economy, with the main concern being the economy's inability to create sustainable jobs for the most vulnerable in the country, e.g. youth, people with disabilities and African women. A recovery from GDP is not sufficient to stimulate employment for lower level workers. Without swift economic growth, the jobs required to achieve the country's various social and economic objectives are unlikely to materialise.

South Africa is ranked among the most unequal countries in the world. This is important to note that the success of the ERRP is not rapidly filtered down to the majority in the society. It appears that the rich remain richer and the poverty challenge is still roaring among the most vulnerable group. Thus, it is critical for government to improve the labour market environment that is conducive to labour absorption and entrepreneurship to achieve "full employment".

According to the recent statistics, the most obvious economic effect has been through job losses over time. More than 10% of formal and informal workers had continuously reported the loss of their livelihoods as the GDP recovery is still painfully slow. Real gross domestic product (measured by production) increased by 1.6% in the third quarter of 2022, following a decrease of 0.7% in the second quarter of 2022. This in reality is not sufficient to visibly show impact on the labour market absorption rate in the country, which is stubbornly at an average of 39% in the third quarter of 2022. The sectoral analysis shows biggest annual job gains were recorded in the community and social services that includes the public sector (with 658 000 jobs), trade (with 468 jobs) and manufacturing (with 228 000 jobs) between September 2021 and September 2022. Furthermore, the official QLFS results show a slight annual decrease in the unemployment rate by 2% from 34.9% in September 2021 to 32.9% in September 2022. However, the statistics still show the number of unemployed persons increased by 82 000 (1.1%) while the number of persons who were not economically active decreased by 988 000 (5.5%) over the same period. This implies the South African economic recovery is still fragile as the labour market shows resilience to other endogenous and exogenous factors such as load shedding, cost of inflation and high interest rates, wages demands and low international demands.

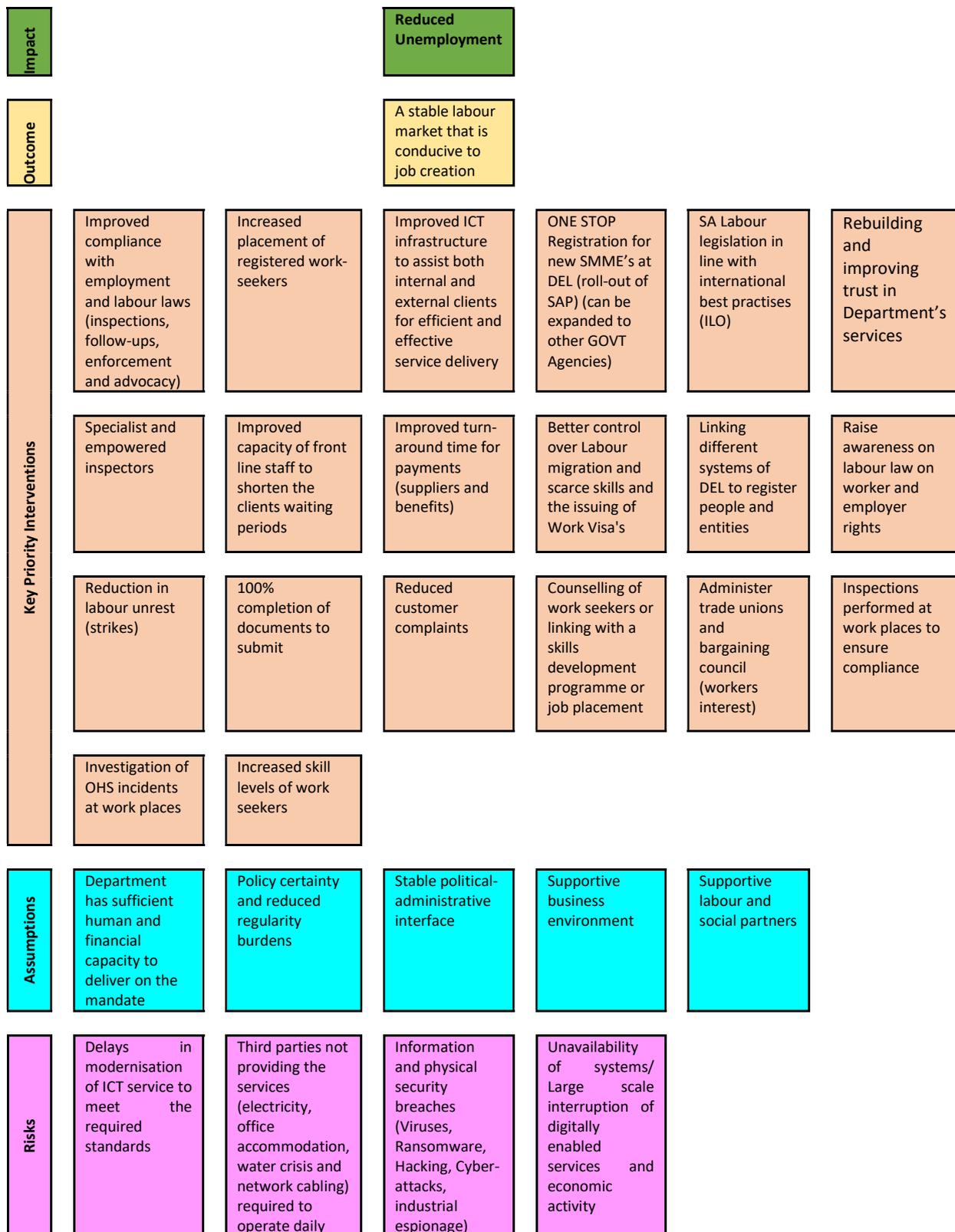
Another critical aspect from the findings is that a large number of women are still not participating in the country's economy as much as men, who are mostly employed. The results further show that women who did find work were in vulnerable employment, which could entail difficult work conditions, low productivity or inadequate earnings. The occupations that contributed the largest share of employment among women include elementary work, sales and services, clerk, domestic workers and technicians.

In conclusion, the slow economic recovery (Gross Domestic Product (GDP) rate grew by 1.6% in the third quarter of 2022) is delaying rapid labour market growth. Although annual output increased by

4.9% in 2021 after the Covid-19 pandemic induced contraction of 6.4% in 2020, the level of real GDP was still below that of 2017.

In other words, the domestic economy is not growing fast enough to cater for the large number of unemployed individuals (more than 7.7 million in Sept 2022) in the short-run.

Theory of Change



PESTLE/SWOT Analysis

Each Branch within the Department and its entities had performed an analytical exercise on the services rendered to both internal and external clients of our services. It was decided that the Department will compile a consolidated SWOT and Pestle Analysis.

	Strengths	Weaknesses	Opportunities	Threats
Political	<ul style="list-style-type: none"> Legislation, Policies, Regulations, Strategies and SOPs in place Political will strong to deal with the labour market issues Employment Services Board, UIF Board, CF Board has been established. Favourable perception of the Departmental services by Government and the ability to provide value add services to the public Zero tolerance to fraud and corruption 	<ul style="list-style-type: none"> UI Board is an Advisory Board with limited decision-making powers. Other external oversight structures such as NEDLAC can easily challenge and influence to overrule its decisions or ignore its advice Non-adherence to Law and Policies Failure of government to implement/adhere to policies Fraud and Corruption: Negative effects Taking service delivery to rural areas 	<ul style="list-style-type: none"> New Policies and Regulations: Labour Migration Policy, National Employment Policy Improved political outlook by South Africans can open opportunities for Government and Business. Specific to the Fund is the possible increase in investment opportunities in SMMEs which might translate in the creation of job opportunities Re-alignment of Departmental and Public Entities structures to enhance specialist posts and service delivery Advocacy sessions with higher learning institutions and enhance co-operative Governance with Government Departments –MOUs Transform the UIF and CF into a fully-fledged Schedule 3A Entity with an Independent Board, a clear Strategic position and a Structure to ensure implementation of that Strategy Transform SEE to a fully fledged trading entity. SEE business case study to be completed to establish the correct corporate form. Ensure the implementation of the case study after approval is granted 	<ul style="list-style-type: none"> SA strikes and other public unrest that have an impact on service delivery Conflict between East and West impacts the supply of technology components as well as the war between Russia and Ukraine Community, External stakeholders and political interference in departmental work and investments (Funds) Fragmented Government services and dual mandates resulting in growing competitiveness on resources and fiscus. It also dilutes and delay the impact for the public Litigation
Economical	<ul style="list-style-type: none"> National Minimum Wage Act of 2018 for the vulnerable resulting in better wages for public Ability to provide a value add services Financial viability through investments and ability to assess employers 	<ul style="list-style-type: none"> High unemployment especial for youth and women. Concentration of the economy into few big players Financial Resources impacted by various means: Exchange rates, budget cuts, underspending and under-collection of revenue especially at the two Funds 	<ul style="list-style-type: none"> Partnership with stakeholders, departments, PE and Institutions Reconfiguration/Review of the Structure and a Geographical footprint that is in line with district service delivery model could assist in the retention of staff 	<ul style="list-style-type: none"> The threat of Covid-19 or other diseases/pandemics like it. The war between Russia and Ukraine. The rise of inflation in world economy Energy crisis impedes on the operations of the Department as well as the labour

	Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> • UIF Revenue is almost guaranteed from Contributions. UIF has a financial ability to honour mandate • Unique social security provider in South Africa (limited competition that does exactly what the UIF does) 	<ul style="list-style-type: none"> • Poverty increases and jobless numbers growth • Inadequate ability to curb loss of jobs that resulted in increase in poverty, growth in jobless individuals and fewer opportunities for youth in the employment market 	<ul style="list-style-type: none"> • Funding available for Skills Development, Joint funding model provided for in the new Employment Service Act, 2014 and Some Stimulus funds, have been made available will provide opportunities to reduce unemployment 	<ul style="list-style-type: none"> • market as it reduces the employers' ability to grow and create jobs • Lack disability inclusive culture drive by business to optimise the integration of Persons with Disabilities • External challenges such as the potential Global recession, strikes, fuel increases due to war, fraud and corruption have an impact on the labour market and its ability to grow and create job opportunities
Social	<ul style="list-style-type: none"> • National footprint that enables us to provide services nationally, this includes 126 Labour Centres, service delivery points, visiting points, as well as online services • Established Relationships with Municipalities and Traditional Leaders • Various Schemes/Benefits for both internal and external clients such as bursary scheme, unemployment benefits, workmen's compensation benefits, LAP, etc. • Public engagements through various means such as Imbizo's, outreach programmes, advocacy sessions, radio and newspapers, etc. 	<ul style="list-style-type: none"> • Due to economic factors and budget constraints ICT cannot fully deliver on committed improvement and online services • An education system that seems not to empower the youth for their future. As a country we are surrounded by countries that are not growing economically. This create inbound migration pressures for the country • Time efficiency. Poor implementation of our own plans within the set timeframes, • Immature work from home model caused delays in project delivery, e.g. Diphetogo • Demoralised staff, mental health, skills mismatch 	<ul style="list-style-type: none"> • Enhance cooperative Governance with Government Departments –MOUs • Strengthen Partnership with Stakeholders Internal and External • International/Cross-Border Labour Migration (ICBLM) and the National Labour Migration Policy (NLMP) • Increased access to social security services by the public (i.e. Pensions) can improve living standards • Improved quality of life for people with disabilities including clients of the Compensation Fund • New and innovative ways of discharging the functions (Organisational Architectural Review) • Readiness (financial strength of the Fund) to respond (either through Vaccinations) to pandemics like Covid-19 • Training of staff to address skills mismatch 	<ul style="list-style-type: none"> • The pandemic increased the demand for online services with the supply being unplanned • The TERS, WABU and the growth of unemployment contributed to depleted reserve funds • Inability of clients to access the Fund services due to travelling distances • Breakdown in the public health sector will result in an increase of diseases which will further impact on society • Non-responsiveness of External Stakeholders impacting on core business • Increasing Poverty and Unemployment levels • Replacement of the workforce with technology to reduce production costs leads to retrenchment of workers and the obsoleting of certain skills • Reputational damage caused by Poor Customer Experience
Technology	<ul style="list-style-type: none"> • Funds financial viability enabling the deployment of best systems • Kiosks- and online services • Most PES services rendered through ESSA • Widely recognized systems in place • Use of multiple channels to provide services to Clients, e.g. introduction of USSD system free Wi-Fi at service points 	<ul style="list-style-type: none"> • Funds dependence of ICT infrastructure and governance structures that are not world-class • Network that is not world-class, it is slow and have capacity problems • No integrated system • Poor adaptation to new systems in the market. Interface of various systems 	<ul style="list-style-type: none"> • One Integrated System or programme to incorporate all the different systems into one – Diphetogo • Digitizing of the Department's applications will enable 24/7 service availability to clients • Adaptation to emerging and secure financial systems for effective and secure 	<ul style="list-style-type: none"> • Cyber-attacks, system crashes (old legacy systems) • Old infrastructure and old legacy systems with data not converted to new systems • Network capacity to ensure multiple users and customers utilising the systems at the same time without collapsing • Insufficient self-help kiosks at Labour Centres

	Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> Creation of the UIF App to reach more people 	<ul style="list-style-type: none"> within the fund including finances, Ops, etc. The un-availability of skills and funding Funding to ensure that the ICT infrastructure are in line with latest Programmes, Systems, Applications used 	<ul style="list-style-type: none"> collection of revenue and payment of benefits 	<ul style="list-style-type: none"> Unavailability of ICT networks to cover the most rural areas for clients to reach the Department and its PE's
Legal	<ul style="list-style-type: none"> Compliance and keeping abreast with the applicable amendments and developments of new laws and regulations Latest Policies and SOPs Alignment to ILO Conventions A very advanced legal system and an entrenched democracy 	<ul style="list-style-type: none"> Non-adherence to Law and policies Stretched capacity in certain specialist fields to cover the workload Weak legislation to enforce compliance; and Limited resources for ensuring compliance to UIF legislation, which leads to a loss of revenue UIF Legislation (UI contributions Act) exclusion of many people active in the labour market, such as: <ul style="list-style-type: none"> Informal workers Consultants and Self-Employed Artists in the Entertainment industry 	<ul style="list-style-type: none"> Litigation Strategy Labour Legislation amendments for the protection of South African Labour Market Awareness Campaigns Poor enforcement of existing legislation 	<ul style="list-style-type: none"> Conflict of interest for Mutuals and other organisations Unethical conduct by users of the services and officials Reliance on the state attorney – delays in finalisation of cases Need more capacity at legal to improve turnaround times Private Insurance Agencies increasingly offering Income-Protection Services, Litigation by Lawyers The cost and un-availability of systems can erode trust to the system, which can cause unrest
Environmental	<ul style="list-style-type: none"> Good coverage of labour laws Focus on Green Economy Increased awareness of renewables as an energy source Strong social dialog history Lessons learned from Covid-19 pandemic geared the Department for future pandemics 	<ul style="list-style-type: none"> Sick Building Syndrome of Laboria House and other Official buildings which results in low staff moral Potential of future pandemic waves Inability to implement quality assurance consistently No focused implementation plan. Some sections of the work are still heavily reliant on manual processes, physical service delivery points and still has a somewhat high environmental footprint compared to social security entities in countries Lack of trust between social partners and society in general Not 100% geared for future pandemics as it depends on type of pandemic/disaster 	<ul style="list-style-type: none"> Advocate Climate Change Consider revamping of the buildings or relocation to modern/new buildings Potential for new jobs as the just transition activities are undertaken. There should be an increase in use of technological systems (taking into account SA social circumstances) render UIF services 	<ul style="list-style-type: none"> Lack of professionalism when conducting audit, or in executing daily duties (Code of Ethics) Potential of future pandemics/disasters Load shedding and power failures have impact on both delivering of services by the Department and the labour market Increasing levels of unemployment and poverty and the allocation of resources to this crisis, will dilute the focus on environmental concerns Climate change is threatening the livelihoods of people and contributing to increase in unemployment

5.1. External Environment Analysis

Where are we and where could we be?

The Corporate Services is mainly governed by the PFMA, Public Service Regulations and other governance inclined legislation. The advent of Covid-19 in the recent past has left the corporate environment with good lessons and a lot to take away. The critical importance of digitisation of processes has never been more emphasized than during the lock down period where there was high reliance on technological media and solutions to enable remote working arrangements and ensuring continued provision of services. The Branch has never seen such a high demand for "tools of trade" in the form of technological equipment etc. than during the lockdown period. This situation also assisted the Branch in rethinking the allocation of these tools to officials and move away from using positions to determine the allocation of mobile devices.

The human resources resources currently within the Department need to be subjected to a skills audit to ascertain whether it is fit for purpose. The limited resources however are an impediment in carrying out this exercise. The need for the internal audit function to play a far bigger role is more urgent in this period where we need to ensure stricter controls and minimise the occurrence of fraud and corruption in the public service. However, this area is also impacted on by issues of limited resources while there is a call for stringent controls and preventative measures to build public confidence in government generally.

The alignment between the core business and support function is somewhat skew and it is envisaged that the reconfiguration project will help in the realignment in the medium term once the project has been concluded. The department should be in a position where the filling of vacant posts is no longer an issue and the turnaround times are improved and there is more awareness of the role of the department in employment creation. This is a topical issue and mainly due to the fact that this needs to be treated as a priority by all involved.

We need to be able to respond swiftly to the litigation matters to avoid complications that are brought about by delayed response to these issues. The important thing is to treat this at the source rather than a reactive approach as once it is a litigation it means the core business has not done what it had to do. The role that employment relations needs to play in ensuring that there is speedy resolution of cases cannot be over emphasized.

There should be use of lessons learnt from the employee relations experiences to avoid future occurrence of most of the instances where the department loses cases against aggrieved employees. The department should improve on its risk maturity and make use of credible external risk management assessors to determine the level at which the department is. There is acknowledgement of a better looking risk maturity level of the department compared to a few years ago and the appreciation of improved risk management practices within the department.

The current labour market is characterised by low compliance levels where vulnerable workers bear the brunt of the non-compliance. The changes in the nature of work and work from home introduces new challenges on our labour regime and its application.

There is a lack of trust between social partners and society in general. What exacerbates the situation, is the low unionisation and inefficient collective bargaining. Data from the Department's collective bargaining unit shows small percentage change increase recorded with the registration of trade unions (0.9%) and membership of trade unions (0.59%) in the financial year 2020/21. These were lower than in the previous years at an average of 5% and 4.6% respectively. On the other hand, there was no change on the number of bargaining councils between 2019/20 and 2020/21 financial years. It has remained at 46 in total over the same period. Finally, the registration of employer organisations decreased by almost 3% over the same period.

Undocumented foreign nationals both as employers and employees remain a huge challenge which impacts on high unemployment rate and non-compliance. Closure of some businesses since the global onset of Covid-19 and local unrests that affected mainly KZN and GP has had a negative effect on the local economy.

The current Quarterly Labour Force Survey (QLFS Q2,2022) demonstrates that there has been a dwindling number of workplaces and employment opportunities.

The Department has a collaborative agreement with the Presidency (through the Project Management Office – PMO), National Youth Development Agency (NYDA) and the Government Technical Advisory Centre (GTAC). This is on the establishment and operationalisation of the Pathway Management Network as a central component of the Presidential Youth Employment Intervention through the Presidential Youth Employment Fund, to facilitate and expedite youth employment creation.

Where could we be?

IES is striving towards the following:

- A state of the art and world class inspectorate
- A highly driven inspectorate espoused fully to the code of ethics
- Own labour academy where we groom and build the calibre of the labour inspectors who would render a professional service to the labour market, resulting in a conducive world of work
- Workplaces that are able to embrace self- regulation
- Informed workforce that is educated in line with the various labour legislations to be able to stand up for their own rights
- Increased compliance with all employment laws
- Strong collaboration with judicial and quasi-judicial fora to achieve compliance.

In order to achieve the abovementioned, IES set-up a five-year plan reflected below.

SHORT TERM (1-2 years)
<ul style="list-style-type: none"> • Allocation of adequate human and financial resources • Invest in people, processes and systems including ICT capabilities to enable adaption to evolving labour market • Incorporate the Compensation and Unemployment Insurance Funds' work across the streams • Develop, re-skill and build a knowledge base for the inspectors including professional certification • Co-operation and collaboration by internal and external stakeholders for policy formulation impacting on enforcement • Implementation of the Archives Act for improved record management • Ministerial assistance in exceptional circumstances Political intervention to ensure maximum investigation and enforcement of employment law cases. (The Courts/SAPS/NPA) • Improve the professional image of the labour inspectorate through the provision of cooperate uniform, fit for purpose tools of trade • Engage the DHET with respect on the development of the curriculum of the Inspectors Academy • Declaration of Labour inspectors as peace officers in terms of section 334 Criminal Procedure Act • Maintain the ILO inspector ratio whilst being mindful of internal and labour market dynamics. ILO guideline in terms of the inspector and number of employed people ratio – 1:10 000 for a country like South Africa

MEDIUM TERM (2-3 years)
<ul style="list-style-type: none"> • Develop, re-skill and build a knowledge base for the inspectors including professional affiliation • Improve the professional image of the labour inspectorate through the provision of cooperate uniform, fit for purpose tools of trade • Corporate uniform • Fit for purpose cars • Fit for purpose tools of trade • Co-operation and collaboration with internal and external stakeholders for policy formulation impacting on enforcement • Establishment of the national hygiene laboratory • Establishment of an occupational health and safety laboratory • The laboratory will be based in Laboria House using existing space that will be remodelled to accommodate it. It differs from other laboratories. The laboratory is for supporting inspectors work in the field of occupational hygiene as the inspections and investigations conducted have to evidence based. It will be funded by the Department

LONG TERM (3-5 years)

- Strive for the ILO inspector/employer ratio
- Establishment of the inspector's academy
- Establishment of the inspectorate service commission
- Establishment of a professional body through accredited SAQA to enable professional affiliation
- Accreditation as an approved training provider
- Streamlining of the IES Branch as an inspection authority in line with convention 81
- Increase activity in the informal sector
- Reviewing and updating of employment laws
- Issue of branding of the inspectors under medium to long term
- Funding for the academy will be done as per ratio proportional to the inspectorate between the Department and The Compensation Fund on annual basis. Example: The Department has around 2400 Inspectors, composed of 1600 BCEA /EEA/UIF Inspectors and 800 OHS/CF inspectors, therefore the Department will pay 66.66% and CF will fund 33.34%

5.2 Internal Environment Analysis

Corporate Services

The internal environment of the Branch is mainly the different components of the Department and the staff that it serves. There is a concern about the information technology capabilities to enable the Department to provide effective services to its clients. In response to this concern, the Department has undertaken a project that will ensure a coordinated solution in the form of SAP for HANA to modernise the ICT environment and ensure clients are given a speedy service within the labour centres. The current bottle necks experienced by the Department are squarely pointed at the universal network infrastructure provided by SITA which lately has been unreliable and a cause of delays and system down times. The other delays are within the procurement process that the Department is compelled to abide by in terms of the law, to procure services through SITA where it can provide that service. The Department has experienced protracted processes through this avenue, hence the need to request for exemption to use certain mandatory SITA services.

The support functions' current capacity in general is limited and subjects the Corporate Services staff to pressure to service the expanding core services which are the main clients. There has been no equitable growth between support and core business. The light at the end of the tunnel is the reconfiguration of the Department which might assist in re-aligning the support to core business. The Department is making strides to urgently give added attention to the filling of the vacant posts and ensure that the current standards that have been set are adhered to by all managers charged with the responsibility of ensuring that positions are filled timely. The Department has a solid governance structure within the ICT, Risk management and Internal Audit. The limited capacity within internal audit continues to be a challenge and it is envisaged that this will be a thing of the past in the medium term as there is a gradual building of capacity within internal audit. The ICT governance framework has been fully implemented and the various committees are functional as opposed to what the situation was in the previous year. This will be maintained into the future as it provides a solid base for effective information flow and decision making by top management of the Department. There is a need to enhance and improve on the human resource function to be fully client focused and sensitive to its clients' needs. The recently revised policies within human resources took into account the new regulations and requirements set by the Department of Public Service Administration.

Youth Employment Centres

PES piloted the concept of a Youth Employment Centre, starting with the one at the Cape Town Labour Centre and committed to expand these centers to six (6). A lot of work was done in the post Covid-19 pandemic era, in developing a further three Centres, in Durban, New Castle and De Aar. The four centres (Cape Town, Durban, New Castle and De Aar) have been unveiled and are fully operational. The Eastern Cape (Mdantsane) and Johannesburg employment centres were delayed because of the readiness of the two Labour Centres, but have since been launched too. PES also secured the assistance of the European Union through a joint project with the Departments of Higher Education and Basic Education, to procure and roll-out 14 Mobile Employment Centres

from an earlier estimated 24, due to budget cuts. The mobile centres are seen as another way of limiting the numbers at existing Labour Centres, to reach out to work-seekers wherever they are and in the process, reduce their costs of looking for employment and learning opportunities.

Our staff are being affected and demotivated due to the length of time it takes to finalise the current Collective Bargaining process between Government as an employer and its employees.

The back to office work environment is creating difficulty due to the unreliability of our IT System as we still engage with our stakeholders on a virtual platform.

Just Adjudication Framework

The IES Branch embarked on the following pieces of legislation initiatives in order to address issues of and relating to climate change through regulation of these prescripts:

- November 2020: promulgated the Asbestos Regulations in order to ensure that SA gradually reduces and eventually stops using asbestos material products which are both harmful to the health of people and the environment
- In April 2021: The Hazardous Chemical Agent Regulations were promulgated in order to protect persons from against exposure to hazardous chemicals and promote Global Harmonisation System for Classification and Labelling in order to understand the use of chemicals and limit environmental damage globally
- October 2022: revival of the 1987 Environmental Regulations for Workplaces in order to counter, conform or adapt to the impact of climate change. The aforesaid at workplaces to ensure adequate protection of persons at work against adverse effects of climate change
- In January 2023: promulgated the Major Hazard Installation Regulations in order to ensure the containment of hazardous chemicals so that people, animals and the environment are not affected.

5.3 Strategic Planning Process in the Department of Employment and Labour

The Corporate Services Branch held two separate sessions of strategic planning. The initial exercise was on 6 September and the second session was on 5 October, 2022. The Management, Chief Directors, Directors and Deputy Directors of the Branch were in attendance. Representatives from other Branches were invited but in attendance was the representatives of the IES Branch and the office of the Chief Operations Officer. The Branch focused on the situational analysis on the first session and reviewed the indicators and technical indicator description at the second session. The review of the targets and indicators was based on the 2022/23 mid-term performance and the available capacity. There was emphasis on the fact that disability activities must be given more attention and ensure a responsive approach to the needs of people with disabilities within the Department.

Branch PES held its Strategic Planning workshop and Performance Award Ceremony on 26- 28 October 2022. The Strategic Planning session was attended by Chief Directors from Provinces, PES Directors, PES Deputy Directors and Principal Psychologist, well performing selected Deputy Directors Labour Center Officials, Career Counsellors, Employment Services Practitioners and Client Liaison Officers. The awards were hosted by the Deputy Minister of Employment and Labour. Presenters included local and international speakers. The rest of staff were provided with a link to connect virtually as the venue could not accommodate people beyond a set number.

LP&IR Branch had a meeting with the Risk directorate on 27 July 2022 to map out the Risks affecting their operations for the 2023/24 Financial year.

The Department held two Strategic Planning sessions. The first one was a one-day session where the Department looked at the current environment and how it impacts or will impact on the

Department. Each Branch had to revisit the current Service Delivery Standards and how the Department can improve on the services rendered as it also impacts on the creation of work opportunities for unemployed or under-employed people. This session also discussed the consolidated SWOT/PESTLE analysis for the Department.

At the second workshop each Branches' inputs on the improvement of the Service Delivery Standards were discussed as well as each Branch Annual Performance Plan for 2023/24. All the information presented and discussed forms part of this Annual Performance Plan.

5.4 Service Delivery Standards set to improve Service Delivery

Programme	Main Service	Current Standard	New Service Delivery Standard
Administration	Reduction of vacancy rate	New	Filling of SR 1-8 posts within 3 months from the date of post vacated on PERSAL Filling of posts 9-12 and SMS posts within 6 months from the date of post vacated on PERSAL
	Percentage of corruption/fraud cases finalised by the Department through investigations	New	75% of cases finalised within a period of 6 months from receipt of the case and the remaining within one year of receipts of the case
	Percentage of consequence management cases related to corruption cases finalised by ER through investigation	New	80% of consequence management cases related to corruption cases finalised within 90 days
	Provision of tools of trade	New	Provision of fit for purpose Tools of Trade/telephony within 6 weeks from date when request is received by ICT/CFO (cell phones)
	SCM		100% of compliant invoices paid within 30 calendar days of receipt
New			40% of goods and services procurement from women owned businesses
Inspection and Enforcement Services	Registration and resolution of labour related complaints	Resolve 80% of legitimate labour related complaints within 90 calendar days of registration	Resolve 90% of legitimate labour related complaints within 30 calendar days of registration and the remainder within 60 calendar days of registration
	Registration of incidents relating to the OHS act	Finalise 70% of reported incidents within 90 calendar days	Finalise 85% of reported incidents within 90 calendar days
	Registration of entities	Issue a letter/certificate within 60 calendar days of receipt of a valid and complete application	Issue a letter/certificate within 5 calendar days of receipt of a valid and complete application
	Exemptions on any aspect of the OHS Act	Issue a certificate of exemption within 60 calendar days of receiving a valid and complete application	Issue a certificate of exemption within 5 calendar days of receiving a valid and complete application
	Appeal on decision of an inspector	Issue a letter responding to the appeal within 60 calendar days of receiving a valid and complete appeal	Issue a letter responding to the appeal within 5 calendar days of receiving a valid and complete appeal
	Registration of GCC examinations		Issue a letter to write the GCC examination within 60 calendar days of receiving the application
Extend the validity period to write exam on re-application within 60 calendar days			Extend the validity period to write exam on re-application within 5 calendar days of

Programme	Main Service	Current Standard	New Service Delivery Standard
			receiving a valid and complete re-application
		Issue a GCC certificate within 60 calendar days of receiving the successful results from the DHET	Issue a GCC certificate within 5 calendar days of receiving the successful results from the DHET
Public Employment Services	Placement of work seekers	We shall ensure that 55 000 registered employment opportunities filled by registered work seekers per year	We shall ensure that 60 000 registered employment opportunities filled by registered work seekers per year within 5 calendar days of receipt of the opportunity
	Registration of employment opportunities	Register 105 000 employment opportunities on ESSA per year	Register 110 000 employment opportunities on ESSA per year within 12 hours of receipt
	Work seekers provided with employment counselling	Provide employment counselling to 240 000 matched work seekers per year	Provide employment counselling to 250 000 matched work seekers per year within 3 calendar days of matching
	Work visa applications	Adjudicate 70% of complete work visa applications within 30 working days of receipt and make recommendations	Adjudicate 100% of complete work visa applications within 14 calendar days of receipt and make recommendations
	Registrations of PEAs and TEAs	Finalise 70% of complete PEAs and TEAs within 60 calendar days of receipt	Finalise 100% of complete PEAs and TEAs within 14 calendar days of receipt
Labour Policy and Industrial Relations	Registration of labour organisations	100% of labour organisations registered or refused within 90 working days of receiving the application	100% of labour organisations' registered or refused within 60 working days of receiving the application
	Extension of collective agreements	100% of collective agreements extended within 180 working days of receipt	100% of collective agreements extended within 60 working days of receipt where there is no publication for comments
		100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt	120 working days of receipt where there is publication for comments before extension of collective agreement
	Deregistration of designated employers through the DG Notification process	100% of applications for deregistration from designated employers (with valid and complete information) finalised within 7 working days of receiving the application	100% of applications for deregistration from designated employers (with valid and complete information) finalised within 5 working days of receiving the application
	Annual EE reporting (manual and online services)	Accept /reject the EE reports within 24 hours of receipt	Accept /reject the EE reports within 24 hours of receipt
	National Minimum Wage	Conduct a review and adjust the NMW, based on the date the preceding years' adjustment became binding	Conduct a review and adjust the NMW, based on the date the preceding years' adjustment became binding
	NMW exemptions	Grant/reject NMW exemptions immediately on application	Grant/reject NMW exemptions immediately on application
		If selected for audit, a decision shall be finalised within 30 days of application	If selected for audit, a decision shall be finalised within 17 calendar days of receiving valid and complete supporting documents
BCEA Variations	Approve or reject BCEA variations within 90 days of receipt	Approve or reject BCEA variations within 60 calendar days of receiving a valid and complete application	
Transversal service standards	Complaints, suggestions and compliments (Transversal for ALL Programmes/ Funds/Provincial operations)	93% of all complaints, suggestions and compliments acknowledged within 24 hours of receipt	95% of all complaints, suggestions and compliments acknowledged within 24 hours of receipt and the remainder within 36 hours of receipt

Programme	Main Service	Current Standard	New Service Delivery Standard
		Resolve 93% of all complaints with complete information within 14 working days	Resolve 95% of all complaints with complete information within 7 calendar days and the remainder within 14 calendar days
	Queue management	New	Prioritise PwDs, elderly and pregnant women to front of queue upon arrival Screening of clients' service needs and directing to correct service area upon arrival

6. Departmental Resource Considerations

Table: Consolidated budget allocation

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate			
	R-thousand	2019/20	2020/21	2021/22	2022/23`	2023/24	2024/25	2025/26	
1 Administration		871 069	854 004	856 399	1 044 005	1 101 159	1 075 982	1 132 276	1 195 540
2 Inspection and Enforcement Services		560 597	499 431	546 648	657 167	614 869	650 552	679 241	709 157
3 Public Employment Services		605 630	598 398	615 872	935 396	1 014 726	1 020 826	686 515	725 628
4 Labour Policy & Industrial Relations		1 178 581	1 151 257	1 213 247	1 319 451	1 377 022	1 344 865	1 404 387	1 467 182
Total		3 215 877	3 103 090	3 232 166	3 956 019	4 107 776	4 092 225	3 902 419	4 097 507
Economic Classification									
Current Payments		1 833 326	1 738 839	1 813 761	2 147 808	2 206 165	2 129 146	2 223 364	2 321 601
Compensation of Employees		1 253 327	1 224 273	1 277 749	1 430 813	1 414 610	1 410 904	1 472 864	1 537 484
Goods and Services		579 999	514 566	536 012	716 995	791 555	718 242	750 500	784 117
Of which:									
<i>Advertising</i>		3 755	17 212	2 808	19 202	19 340	19 177	20 037	20 934
<i>Communication</i>		24 401	27 557	32 009	48 056	47 174	48 162	50 323	52 576
<i>Computer Services</i>		88 250	87 781	60 495	134 029	166 138	134 077	140 102	146 378
<i>Consultants and Professional Services: Business and advisory services</i>		5 158	11 519	12 552	17 711	18 093	18 731	19 526	20 356
<i>Fleet Services</i>		38 464	33 699	37 940	23 432	25 381	23 512	24 566	25 666
<i>Consumables: Stationery, printing and office supplies</i>		14 117	10 673	10 426	19 821	19 608	20 335	21 248	22 200
<i>Operating Leases</i>		141 411	156 804	138 116	167 960	165 525	168 256	175 810	183 685
<i>Property Payments</i>		62 056	71 062	83 616	93 650	93 797	94 151	98 380	102 788
<i>Travel and Subsistence</i>		109 728	29 390	80 827	81 454	81 804	81 730	85 405	89 226
Other Goods and Services		92 659	68 869	77 223	111 680	154 695	110 111	115 103	120 308
Interest and rent on land		-	-	-	-	-	-	-	-
Transfers and Subsidies		1 338 288	1 305 221	1 343 135	1 736 957	1 801 812	1 853 177	1 555 792	1 634 138
Provinces and municipalities		864	770	855	734	734	737	770	804

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate			
	R-thousand	2019/20	2020/21			2021/22	2022/23`	2023/24	2024/25
Departmental agencies and accounts		1 121 383	1 047 734	1 113 946	1 490 324	1 552 319	1 585 515	1 267 008	1 323 761
Foreign governments and international organisations		17 585	19 557	16 886	29 214	29 214	29 327	30 644	32 017
Non-profit institutions		190 325	231 045	204 265	216 260	216 260	237 170	256 922	277 088
Households		8 131	6 115	7 183	425	3 285	428	448	468
Payments for capital assets		43 145	58 961	75 171	71 254	99 799	109 902	123 263	141 768
Buildings and other fixed structures		10 247	17 662	14 005	37 754	44 650	54 630	65 512	81 431
Machinery and equipment		32 898	31 156	28 795	33 500	55 149	55 272	57 751	60 337
Software and other intangible assets		-	10 143	32 371	-	-	-	-	-
Payments for financial assets		1 118	69	99	-	-	-	-	-
Total		3 215 877	3 103 090	3 232 166	3 956 019	4 107 776	4 092 225	3 902 419	4 097 507

Over the medium term, the Department will focus on supporting the realisation of the National Development Plan's vision of eliminating poverty and reducing inequality by facilitating the resolution of workplace disputes, improving labour relations, enhancing occupational health and safety, and facilitating job creation. The Department will focus on providing support to work seekers, increasing safety and fairness in the workplace, and regulating the workplace to establish minimum working conditions and fair labour practices. The Department's total budget over the medium term is R12.1 billion after baseline increases of R96.9 million for cost of living adjustments, R140 million for regional office accommodation, R90 million for capital works at the Supported Employment Enterprises factories and R67.5 million to the National Economic Development and Labour Council for the operations of the Presidential Climate Commission temporarily housed at the Council.

Increasing safety and fairness in the workplace

Over the MTEF period the Department plans to conduct 894 312 employment law compliance inspections, with the aim of improving compliance with occupational health and safety standards for various sectors and as such, increase fairness in the workplace, especially for young people, disabled people and women. In addition, the implementation of the case management system in 2022/23 is expected to ensure that the Department's business processes are fully modernised, which will lead to, among other things, more focused inspections that ensure compliance and workplace safety.

Over the medium term, the Department plans to serve 95% noncompliant employers with legal notices within 14 calendar days of inspections per year. In addition, 65% of noncompliant employers who fail to comply with served notices will be referred for prosecution within 30 calendar days per year.

The Inspection and Enforcement Services programme, is allocated 16.3% (R2 billion) of the Department's budget over the medium term,

increasing at an average annual rate of 5.6%, from R602.2 million in 2022/23 to R709.2 million in 2025/26 to deliver on these activities.

Providing support to work seekers

The Public Employment Services programme is allocated of 21.3% (R2.4 billion) of the Department's budget over the medium term, decreasing at an average annual rate of 10.4%, from R1 billion in 2022/23 to R725.6 million in 2025/26, due to allocations for the presidential employment initiative in 2022/23 and 2023/24. Facilitating access to decent employment is central to the Department's work. As such, over the medium term, it plans to register 2.9 million work seekers, provide counselling to 780 000 work seekers and place 195 000 work seekers in registered employment opportunities.

In 2022/23, the Department drafted the South African National Employment Policy, in partnership with the International Labour Organisation (ILO). following the completion of phase two of the Socio-Economic Impact Assessment (SEIAS) on the draft Employment Policy, and the Department was issued with a provisional certificate by the Presidency enabling them to table the draft to the Economic Sectors, Investment, Employment and Infrastructure Development (ESIEID) Cluster for consultation with all relevant departments. Over the medium term, the Department plans to establish an Employment War-Room, comprising of government departments, business experts, labour and community organisations, to determine a sustainable approach to employment growth. The Branch will also focus on implementing an accessible framework for active labour market policies that provides work-seeker support, placement, and viable pathways. This will include amongst others: digitization of applications for vacancies and support, through the ESSA application, and private employment agencies; incentivising discouraged work-seekers under the age of 35 to undertake job search activities to overcome discouragement; incentivising employers (in both the public and the private sectors) to employ first time hires under the age of 35; creating viable pathways into the workplace for South African work-seekers, in collaboration with the Departments of Basic Education and Higher Education and Training. incentivizing employers to maintain employment in economic downturns and in moments of crisis – 'retention' in partnership with the Commission for Conciliation, Mediation and Arbitration (CCMA). Focussing on the placement of young graduates that is a new emerging unemployment statistic.

The Department successfully piloted the recruitment of 250 graduates during 2022/23, with positive results on both the participants and their ability to get a work opportunity. In 2022/23 the Department drafted the new National Migration policy and amendments to the Employment Services Act, 2014, concluded the public consultation process and amended the policy and Act. The focus over the MTEF period will be on the rapid implementation of these amendments which is also likely to provide more employment opportunities for young South Africans, particularly in the hospitality, tourism and agriculture sectors.

The PES Branch has also completed development of the new ESSA online application as part of the Department's Diphetogo Project and is expected to go live on 01 April 2023. Although the ESSA platform has been zero rated by Vodacom, access to data is still a major hindrance to job search. Therefore, the Branch plans to install Wi-Fi routers in all youth employment centres that were built in 2022/23 providing work seekers with faster internet access not only to utilize the new functionality of ESSA but to also use other tools that the Department has successfully piloted with the World Bank, such as skills craft.

The Department received R372.2 million in 2023/24 for the continuation of the pathway management network, which comprises an ecosystem manager and an innovation fund. This network will stimulate demand by creating more employment opportunities, supporting increased access to relevant education and training interventions, assisting young people in making choices in terms of access to learning and/or earning, and identifying entry barriers into the labour market. More than 1 million young people are expected to be actively involved in the network over 2 years, targeting 255 000 job opportunities in total. The innovation fund will enable the scaling up of the different components of the network through the introduction of between 12 and 15 new partners over the medium term.

Regulating the workplace

The Department will conduct an annual review of the National Minimum Wage, including the development of monitoring mechanisms to measure its impact on the economy, collective bargaining, the reduction of income differentials, and proposed adjustments. The Commission for Conciliation, Mediation and Arbitration spearheads the Department's efforts to advance such efforts towards economic development, social justice, labour peace and the democratisation of the workplace. As a result, the Commission will receive an estimated 77.7 % (R3.3 billion) of the Labour Policy and Industrial Relations programme allocation over the medium term. Cabinet approved the temporary shift of the Presidential Climate Commission from the Department of Forestry, Fisheries and Environment to the National Economic Development and Labour Council. As a result, the Council will receive an estimated R252.9 million over the medium term of which R67.5 million will be for the operations of the PCC.

BRICS Employment Working Group (BEWG) and Labour and Employment Ministerial Meeting (LEMM)

South Africa will assume the Presidency of BRICS for the period 2023. In pursuit of shaping the future of work and protecting the rights of workers in new forms of employment and its quest to continue to promote a human-centred approach in the labour market, it is envisaged that the priorities will be discussed in the technical meetings in preparation for the LEMM. The discourse of South Africa's presidency of the BRICS employment working group will be informed by the following four priorities are:

- Building sustainable enterprises, including new forms of employment, and increasing productivity
- Promoting labour rights and decreasing decent work deficits in the context of the recovery
- Universal social protection and ensuring minimum basic income and
- Promoting decent work by closing skills gaps in the informal economy.

The Department has budgeted R15 million for this.

Part C: Measuring Our Performance

7. Institutional Programme Performance Information

7.1 Programme 1: Administration

Purpose: Provide strategic leadership, management and support services to the department.

Sub-Programme and purpose: The programme consists of the following sub-programmes:

- **Ministry** provides political oversight to ensure that the Department's mandate is achieved
- **The Office of the Director-General** provides Administrative oversight for effective implementation of the Department's mandate and overall Accounting oversight.
- **Office of the Chief Operations Officer** manages and directs Medium-Term Strategic Planning processes, Performance Information Reporting, Monitoring and Evaluation of Performance Against Plan, Service Delivery Improvement Plans and Provincial Operations.
- **Corporate Services** that includes:
 - **Human Resource Management** ensures optimum and efficient utilisation and development of Human Capital and to provide an advisory service on matters pertaining to Organisational Effectiveness and Development, Transformation Management, individual Performance Management, sound Employee Relations, Employee Health and Wellness, as well as effective and efficient Recruitment, Selection and Placement services including research and development of Human Resources policies and Practices.
 - **Internal Audit** provides management and the Audit Committee with independent objective assurance with a view to improving effectiveness of Governance, Risk Management and control processes.
 - **Risk Management** pro-actively manages / addresses risks that have a negative impact on the Department's performance.
 - **Security Services** renders security support aimed at protecting the Department's information, staff and assets.
 - **Communication** disseminates and improves access to information about the Department.
 - **Legal Services** exists to provide Legal Support Services to the Department.
 - **Office of the Chief Information Officer** caters for the Information and Communications Technology (ICT) needs and requirements of the Department.
- **Office of the Chief Financial Officer** renders effective and efficient financial management and administrative support for the Department as well as office accommodation requirements.

7.1.1 Outcomes, Outputs, Performance Indicators and Targets

Department's Outcome	Outputs	Output Indicators	Annual Targets							
			Audited/Actual Performance			Estimated Performance	MTEF Period			
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
MTSF OUTCOME: Functional, efficient and integrated government										
Strengthen the institutional capacity of the Department	1. Reduction of vacancy rate	1.1 Percentage vacant funded posts maintained	12.7% ¹ (1 245 of 9 784 posts)	11.27% ² (1 126 of 9 991 posts)	12.7% ³ (1 245 of 9 784 posts)	Vacant funded posts maintained at 8% or less for every quarter	7% or less per quarter	6% or less per quarter	6% or less per quarter	
	2. Gender Responsive recruitment	2.1 % of SMS positions occupied by women per annum	New	New	49.7% of SMS positions occupied by women	45% of SMS positions occupied by women	49% of SMS positions occupied by women	50% of SMS positions occupied by women	50% of SMS positions occupied by women	
		2.2 % of positions occupied by youth per annum	New	New	New	New	25%	27%	30%	
		2.3 % of positions occupied by PwDs per annum	New	New	New	New	3%	3.5%	4%	
	3. Modern Systems and ICT services	3.1 % implementation of the roadmap to improve Information Security status of the department per annum	N/A	N/A	N/A	Cyber Security Strategy and roadmap approved	100 % Implementation of roadmap phase 1	100 % Implementation of roadmap phase 2	100 % Implementation of roadmap phase 3	
		3.2 Legacy systems transitioned to	N/A	N/A	N/A	IES and PES systems	Provisioning of LP and IR systems on an	Review of all modernised ICT platforms	N/A	

¹ This was not an indicator in the 2019/20 financial year. The percentage is from table 3.2.1 in Part D of the 2019/20 Annual Report.

² The indicator wording and target was changed from 2020/21 to 2021/22. The percentage is from table 3.2.1 in Part D of the 2020/21 Annual Report.

³ This was not an indicator in the 2019/20 financial year. The percentage is from table 3.2.1 in Part D of the 2019/20 Annual Report.

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
MTSF OUTCOME: Functional, efficient and integrated government									
		modern integrated SAP Platform per annum				replaced with SAP for HANA	integrated ICT Platform		
	4. Programme to prevent and fight corruption in the Department	4.1 Ensure functionality of ethics structures and adequate capacity per annum	New	The Ethics Strategy and Management Plan still in draft form. However, all ethics statutory/compliance obligations reflected in the draft Ethics Strategy and Management Plan have been carried through to the next financial year	Consultation on PSC verification report conducted and report consolidated	Roll out of the Ethics Management Plan for the year	Roll out of the Ethics Management Plan for the year	Roll out of the Ethics Management Plan for the year	Roll out of the Ethics Management Plan for the year
		4.2 Percentage of corruption/ fraud cases finalised by Department through investigations within 6 months of receipt	New	63% cases completed 123 cases received and 78 finalised (78/123*100= 63%) 2 cases referred to ER 14 Cases referred to SAPS	64% case completed 894 cases received and 575 investigated and finalised (575/894*100= 64%) 19 cases referred to ER 56 cases referred to SAPS	93% resolution of reported incidents by disciplinary and criminal interventions	75% ⁴ of cases finalised within 6 months of receipt	75% of cases finalised within 6 months of receipt	75% of cases finalised within 6 months of receipt
		4.3 Percentage of consequence management cases related to corruption cases finalised	New	New	New	93% percent of consequence management cases related to corruption cases	80% percent of consequence management cases related to corruption cases finalised within 90 days	80% percent of consequence management cases related to corruption cases finalised within 90 days	80% percent of consequence management cases related to corruption cases finalised within 90 days

⁴ The 2022/23 percentages were set to high, therefore the reduction in percentage. This is also in line with the current resources. This is also applicable for indicator 4.3.

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
MTSF OUTCOME: Functional, efficient and integrated government									
		by Employment Relations (ER) through investigation within 90 days				finalised within 90 days			
	5. Business Continuity Management Strategy	5.1 Business Continuity Plan evaluated annually	New	New	New	New	Development of the Business Continuity Plans	Evaluation and maintenance of the Business Continuity Plans	Evaluation and maintenance of the Business Continuity Plans
	6. Annual financial statements submitted to the National Treasury by 31 May each year and IFS reports submitted to the National Treasury on due dates as determined by National Treasury	6.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) submitted per year that comply with guidelines issued by the National Treasury	Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS by 31 July, and 3 IFS 30 days after each quarter	1 AFS by 31 May 2021 1 IFS by 16 September 2021 1 IFS by 12 November 2021 1 IFS by 31 January 2022	1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS submitted by 31 May, and 3 IFS submitted 30 days after each quarter	1 AFS submitted by 31 May, and 3 IFS submitted 30 days after each quarter	1 AFS submitted by 31 May, and 3 IFS submitted 30 days after each quarter
	7. Detection and reporting of Irregular and/or Unauthorised expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	7.1 Percentage reporting of all detected Irregular and/or Unauthorised expenditure cases per financial year, to the Accounting Officer	Irregular expenditure – R1 367 000.00 Unauthorised expenditure – None detected and reported	Irregular expenditure- R32 703 000.00 Unauthorised expenditure- None detected and reported	Irregular expenditure R306 980.32 Unauthorised expenditure – None detected and reported	100% reporting of the detected occurrences	100% reporting of the detected occurrences	100% reporting of the detected occurrences	100% reporting of the detected occurrences

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
MTSF OUTCOME: Functional, efficient and integrated government									
	8. Detection and reporting of Fruitless and Wasteful expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	8.1 Percentage reporting of all detected Fruitless and Wasteful Expenditure cases per financial year, to the Accounting Officer	Fruitless and Wasteful expenditure – R698 000.00	Fruitless and Wasteful expenditure- R727 000.00	Fruitless and Wasteful expenditure- R263 816.39	100% reporting of the detected occurrences			

7.1.2 Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
1.1 Percentage vacant funded posts maintained	7% or less per quarter	7% or less per quarter	7% or less per quarter	7% or less per quarter	7% or less per quarter
2.1 % of SMS positions occupied by women per annum	49% of SMS positions occupied by women	N/A	49% of SMS positions occupied by women	N/A	49% of SMS positions occupied by women
2.2 % of positions occupied by youth per annum	25%	n/a	23.5%	n/a	25%
2.3 % of positions occupied by PwDs per annum	3%	n/a	2.6%	n/a	3%
3.1 % implementation of the roadmap to improve Information Security status of the department per annum	100% Implementation of roadmap phase 1	25% Implementation of roadmap phase 1	50% Implementation of roadmap phase 1	75% Implementation of roadmap phase 1	100% Implementation of roadmap phase 1
3.2 Legacy systems transitioned to modern integrated SAP Platform per annum	Provisioning of LP & IR systems on an integrated ICT Platform	N/A	User acceptance testing submitted to user for sign-off	Super user training conducted	LP & IR system go life
4.1 Ensure functionality of ethics structures and adequate capacity per annum	Roll out of the Ethics Management Plan for the year	Roll Out of the Ethics Management Plan activities for Q1	Roll Out of the Ethics Management Plan activities for Q2	Roll Out of the Ethics Management Plan activities for Q3	Roll Out of the Ethics Management Plan activities for Q4

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
4.2 Percentage of corruption/fraud cases finalised by Department through investigations within 6 months of receipt	75% of cases finalised within 6 months of receipt	N/A	75% of cases finalised within 6 months of receipt	N/A	75% of cases finalised within 6 months of receipt
4.3 Percentage of consequence management cases related to corruption cases finalised by Employment Relations (ER) through investigation within 90 days	80% percent of consequence management cases related to corruption cases finalised within 90 days	80% percent of consequence management cases related to corruption cases finalised within 90 days	80% percent of consequence management cases related to corruption cases finalised within 90 days	80% percent of consequence management cases related to corruption cases finalised within 90 days	80% percent of consequence management cases related to corruption cases finalised within 90 days
5.1 Business Continuity Plan evaluated annually	Development of the Business Continuity Plans	Conduct threat and vulnerability assessment to identify and assess threats of disruptions	Consultation and gathering of all disaster management plans to develop Business Continuity Plan	Consultation and gathering of all disaster management plans to develop Business Continuity Plan	Finalise and approve the Business Continuity Plan
6.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) submitted per year that comply with guidelines issued by the National Treasury	1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS submitted by 31 May	1 IFS submitted within 30 days after quarter ending	1 IFS submitted within 30 days after quarter ending	1 IFS submitted within 30 days after quarter ending
7.1 Percentage reporting of all detected Irregular and/or Unauthorised expenditure cases per financial year, to the Accounting Officer	100% reporting of the detected occurrences				
8.1 Percentage reporting of all detected Fruitless and Wasteful Expenditure cases per financial year, to the Accounting Officer	100% reporting of the detected occurrences				

7.1.3 Explanation of planned performance over the medium-term period

The planned performance over the medium term has been reviewed at the strategic planning session of the Branch. These are based on the revised MTBPS targets which also took note of the previous overall government performance. It is worth noting that the corruption indicators were revised to allow for the lengthy period within which some of the complex cases can be resolved as opposed to the previous targets which were a bit tight. There is optimism in achieving the set targets as they were thoroughly interrogated by the team to ensure alignment of the targets to the current capacity. There will be additional capacity built into the investigations cases within risk management to ensure timely completion of the cases either by being referred to the external law enforcement agencies or simple completion within the Department.

7.1.4 Programme Resource Considerations

Table: Budget Allocation for programme and subprogrammes

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate			
	R-thousand	2019/20	2020/21	2021/22	2022/23`	R-thousand	2019/20	2020/21	
Ministry		43 547	32 176	32 312	37 609	37 609	37 231	38 876	40 589
Management		305 676	279 469	311 777	286 499	298 416	285 056	297 595	310 670
Corporate Services		231 232	222 737	211 418	338 550	359 576	337 262	352 285	367 946
Office of the Chief Financial Officer		113 261	117 852	113 567	145 931	144 293	144 356	150 796	157 513
Office Accommodation		177 353	201 770	187 325	235 416	261 265	272 077	292 724	318 822
Total		871 069	854 004	856 399	1 044 005	1 101 159	1 075 982	1 132 276	1 195 540
Economic Classification									
Current Payments		825 898	803 505	814 178	996 026	1 024 368	991 380	1 035 451	1 081 394
Compensation of Employees		408 722	393 519	416 645	467 697	465 476	461 520	481 789	502 926
Goods and Services		417 176	409 986	397 533	528 329	558 892	529 860	553 662	578 468
Of which:									
<i>Advertising</i>		386	250	1 726	10 941	10 579	10 956	11 448	11 961
<i>Communication</i>		10 786	14 043	19 496	24 596	23 958	24 644	25 750	26 904
<i>Computer Services</i>		85 372	85 546	58 312	130 165	162 848	130 335	136 192	142 293
<i>Consultants and Professional Services: Business and advisory services</i>		3 047	7 356	5 554	5 334	7 159	6 344	6 584	6 834
<i>Fleet Services</i>		23 762	25 726	27 288	11 952	13 854	11 998	12 536	13 097
<i>Consumables: Stationery, printing and office supplies</i>		4 981	5 689	4 360	9 616	9 779	9 642	10 076	10 528
<i>Operating Leases</i>		138 634	154 294	136 751	163 302	161 453	163 926	171 288	178 961
<i>Property Payments</i>		45 014	49 233	59 364	77 622	77 472	77 920	81 419	85 067
<i>Travel and Subsistence</i>		43 104	10 956	26 108	29 517	29 785	29 605	30 940	32 326
Other Goods and Services		62 090	56 893	58 574	65 284	62 005	64 490	67 429	70 497
Interest and rent on land									
Transfers and Subsidies		4 947	4 124	3 260	1 019	2 289	1 023	1 069	1 116

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate		
	2019/20	2020/21	2021/22	2022/23`		R-thousand	2019/20	2020/21
R-thousand								
Provinces and municipalities	852	769	855	734	734	737	770	804
Departmental agencies and accounts	15	121	15					
Households	4 080	3 234	2 390	285	1 555	286	299	312
Payments for capital assets	39 106	46 306	38 862	46 960	74 502	83 579	95 756	113 030
Buildings and other fixed structures	10 247	17 662	14 005	18 801	44 650	54 630	65 512	81 431
Machinery and equipment	28 859	18 501	20 060	28 159	29 852	28 949	30 244	31 599
Software and other intangible assets	-	10 143	4 797					
Payments for financial assets	1 118	69	99					
Total	871 069	854 004	856 399	1 044 005	1 101 159	1 075 982	1 132 276	1 195 540

Programme Administration will provide support services to the different Branches of the Department in order to achieve the outputs. Although the capacity is limited, there should be other innovative ways of ensuring that sufficient support is provided. The experience and lessons learnt from the Covid-19 pandemic has exposed ICT to the urgent need to be more agile in dealing with ICT needs by the clients and the need to have electronic media as the cornerstone of delivering services as well as communication within the Department. The Covid-19 pandemic has accelerated the need for digitisation of the departmental processes and ICT should be provided with resources to enable it to take the Department to greater heights.

The Administration programme allocation over MTEF has increased with baseline growth at annual average of 4.5% over the MTEF period. In order for the programme to continue providing management support services towards the core functions of the Department, reprioritisation on major line items has been effected. Over the MTEF period, the budget allocation increased from R1.075 billion in first year, R1.132 billion in second year and R1.195 billion in the outer year.

8.1.5 Key Risks

Risk management has to be applied to ensure that the Department of Employment and Labour strives and manages the attainment of its vision, mission and strategic outcome as set out in the Annual Performance Plan and measure the results through the performance information reporting, monitoring and evaluation of performance against plan.

The Risk Management Directorate facilitated the Annual Risk Assessment Workshop on the 31 October 2022.

The workshop session was the continuation of the Strategic Planning Session held on the 18-19 October 2022 to ensure that the department strives to and manages the attainment of its vision, mission and strategic objectives.

The objective of the workshop was to:

- Validate and align Strategic Risks from the Strategic Plan for 2020/2021 – 2024/2025 to the Annual Risk Profile 2023/2024.
- Confirm and validate the Annual Risks Profile 2022/2023 financial year to the Annual Risk Profile 2023/2024.
- Consider the South African Risk Profile to the Annual Risk Profile 2023/2024.

The process served as an attempt at supporting the reflective efforts by our DEXCOM and the Risk Management team in undertaking the strategic environmental scanning aimed at identifying emerging risks, if any.

In so doing, we analysed changes in the external environmental landscape as per the first draft Annual Performance Plan 2023/2024, seeking to interpret with a view to distilling any relevant messages that could inform our Departmental strategy by identifying opportunities and threats facing the achievement of the set goals.

Outcome	Key Risk	Risk Mitigation
Strengthen the institutional capacity of the Department	Delays in modernisation of ICT service to meet the required standards	<ol style="list-style-type: none"> 1. Development and implementation of ICT detailed strategic plan 2. Develop and implement the blueprint of the ICT Infrastructure assessment recommendations 3. Bandwidth increase to minimum 10 MBPS across the labour centres through the project plan
Strengthen the institutional capacity of the Department	Unavailability of systems/ Large scale interruption of digitally enabled services and economic activity	<ol style="list-style-type: none"> 1. Limited Hardware Refresh projects 2. Resource augmentation through contracting 3. Temporary deployment of equipment for network service continuity 4. Partial deployment of services to Cloud 5. Interim network continuity and 3G routers. 6. Implementation and monitoring of the Provincial Service Improvement Action plan
Strengthen the institutional capacity of the Department	Information and physical security breaches (Viruses, Ransomware, Hacking, Cyber-attacks, industrial espionage)	<ol style="list-style-type: none"> 1. Automated IT Security tools 2. Implementation of SOC 3. Implementation of a full outsourced Managed Information Security Services (MISS) 4. Implantation of ICT Security Road Map of security controls

Outcome	Key Risk	Risk Mitigation
		5. Procurement and implementation of cloud and collaboration security tools
Strengthen the institutional capacity of the Department	Structural deficiencies / Inappropriate Support Services structure to effectively service the department	1. Approved Departmental organogram 2. Conduct a work study investigation (work load analysis) to determine the ration of support to core business
Strengthen the institutional capacity of the Department	Increase in vacancy rate	1. Utilise ESSA system to receive and administer applications of vacancies at SR 1-8 which are advertised 2. Advocacy sessions twice a year 3. Training of panel members and Employment Equity representatives 4. Develop and implement Strategy on addressing vacancy rate
Strengthen the institutional capacity of the Department	Delays in disciplinary processes/ suspensions	1. Posts advertised as soon as they become vacant 2. Support to provincial offices where there is lack of capacity 3. Quarterly DBC progress reports 4. Expedite the filling of vacancies process 5. Training of presiding officers, investigators and shop stewards
Strengthen the institutional capacity of the Department	Exposure of the department to litigation	1. Collective agreement in place that regulates the process on handling of disciplinary matters 2. Pre-hearing conducted to address delays 3. Standard Operating Procedure Manual in place 4. Conduct advocacy sessions with business 5. Draff MOUs signed with business units
Functional, efficient and integrated government	Third parties not providing the services (electricity, office accommodation, water crisis and network cabling) required to operate daily	1. Business Continuity Management Policy in place 2. Disaster Recovery capability on Data, Active Directory (AD), Email and Collaboration 3. Interim connectivity including 3G 4. Remote working capability 5. Redundant data links at Laboria, UIF HQ and CF HQ 6. Develop, finance and implement business continuity plan 7. Procurement of portable uninterrupted power supply (UPS)
Effective financial management and governance	Failure by the Department to spend the allocated/voted funds	1. Budget advisory 2. Review the budget in line with prior year expenditure patterns 3. Procurement Plans in place 4. Advocacy on adhering to Government Budgeting prescripts 5. Contracting by the Accounting Officer with Programme owners to include compliance with financial regulations (budgeting prescripts)
Effective financial management and governance	Non-submission of financial statements as per stipulated timeframes	1. Imposed year planner and timetable 2. Distribute Financial circulars with dates for timely submission and compliance
Failure to detect and report irregular expenditure.	Failure to detect and report irregular expenditure	1. The HO and provinces report on the occurrences of IR and F&W

Outcome	Key Risk	Risk Mitigation
		Expenditure on monthly bases to LCC. 2. LCC investigate with a prescribed timeline in terms the PFMA and report to AC and AO monthly. 3. Upon receiving the feedback from LCC, non-recovery will be referred to ER and Legal Services. 4. SCM compiles a condonation request the office of the DG 5. Training of newly appointed finance Officials and monitoring of their performance

7.2 Programme 2: Inspection and Enforcement Services

Programme purpose: Realise decent work by regulating non-employment and employment conditions through inspection and enforcement to achieve compliance with all labour market policies.

Background

- The Annual Performance Plan (APP) is a detailed account of the operational areas for the Inspections & Enforcement Branch.
- Establishment of the IES Branch around 2006/7
- Development of the IES Strategy in 2009; anchored around professionalization and a client centred service

Introduction of the following:

- Case Management System.
- Statutory Services Section
- Standard Operating Procedures (SOP) for standardization of the operations

The professionalization of the Labour Inspectorate is an ongoing process. The following are some of the change drivers:

- Evolution of the Labour Market
- Technological Advancements
- Changes in the Economic landscape
- Effects of global warming and climate change
- Dwindling unionisation and its effect on strengthening worker human rights
- Non-standard forms of employment
- Teleworking, working from home and the hybridisation of workplaces

Objectives

- The Branch is still aligning its targets to achieve a decent work agenda for the country and to deal with inequalities and protection of vulnerable workers.
- The targets set aim to address the problematic and high risks sectors.
- These inspections will also address the issue of undocumented foreign nationals in collaboration with the DHA & SAPS and also unregistered private agencies.
- The same targets will increase compliance in terms of COIDA & UIA and transformation of the labour market.
- Emphasis will continue to be placed on quality-oriented inspections

Protect vulnerable workers through the inspection and enforcement of labour legislation by ensuring that employers adhere to decent work principles by the end of 2023/24 by:

- conducting 298 332 compliance inspections
- serving 95% of noncompliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
- referring for prosecution 65% of employers who fail to comply with a served notice within 30 working days
- increasing awareness of employment law through formal advocacy sessions at 4 seminars and 2 conferences.

The enforcement of the Employment Services Act will be undertaken as a pilot project in 23/24 FY. The project plan is in the process of being finalised.

Subprogrammes

Management and Support Services: Inspection and Enforcement Services manages the delegated administrative and financial responsibilities of the office of the Deputy Director General, and provides corporate support to line function subprogrammes within the programme.

Occupational Health and Safety promotes health and safety in the workplace by conducting inspections on compliance with the Occupational Health and Safety Act (1993), and regulating dangerous activities and the use of plant and machinery.

Registration: Inspection and Enforcement Services registers incidents relating to employment laws, as reported by members of the public, and communicates these to the relevant structures within the *Compliance, Monitoring and Enforcement Services* sub programme for investigation.

Compliance, Monitoring and Enforcement Services ensures that employers and employees comply with labour legislation by conducting regular inspections and following up on reported incidents.

Training of Staff: Inspection and Enforcement Services defrays all expenditure relating to staff training in the programme.

Statutory and Advocacy Services gives effect to the legislative enforcement requirement and educates stakeholders on labour legislation.

7.2.1 Outcomes, Outputs, Performance Indicators and Targets

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
MTSF OUTCOMES:									
<ul style="list-style-type: none"> Investing for accelerated inclusive growth Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities Safe and healthy work environment 									
<ul style="list-style-type: none"> Promote Occupational health services Contribute to decent employment creation Protect vulnerable workers Strengthen occupational safety protection Promote sound labour relations Development of the Occupational Health and Safety policies 	1. Workers protected through inspection and enforcement of employment law	1.1 Number of employers / workplaces /users inspected per year to determine compliance with employment law	227 990	178 489	252 242	298 104	298 332	298 332	298 332
		1.2 Percentage of non-compliant employers/ workplaces/users of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection	99.7% (42 249 of 42 378)	99% (34 908 of 35 097)	99% (59 743 of the 60 478)	95%	95%	95%	95%
		1.3 Percentage of non-compliant employers/workplaces/users received by Statutory Services settled out of Court or CCMA / referred for prosecution within 30 working days	Of the 42 249 employers served with notices, 9 939 failed to comply with the served notice and 72% (4 475) were referred for prosecution	75% (2 910 of 3 882)	64% (3 752 of 5 869)	65%	65%	65%	65%
		1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law	N/A	3 x Hospitality Sector Seminars:	7 X Seminars	4 x Seminars and 2 conferences to be held	4 x Seminars and 2 conferences to be held	4 x Seminars and 2 conferences to be held	4 x Seminars and 2 conferences to be held

7.2.2 Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4																																																																																																																								
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1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law	4 x Seminars and 2 conferences to be held	1 Seminar Q1 - Occupational Health and Safety	1 seminar Q2 - Employment Standards and Occupational Health and Safety 1 Conference	1 seminar Q3 - Occupational Health and Safety and Employment Standards	1 seminar Q4 - Employment Standards 1 Conference																																																																																																																								

7.2.3 Programme 2: Inspection and Enforcement Services Annual Targets for 2023/2024 per Legislation

ANNUAL TARGET	EE	BCEA	OHS	EAS	COID	TOTAL
Eastern Cape	300	20 148	8 808	1 624	1 172	32 052
Free State	216	13 584	10 752	1 624	812	26 988
Gauteng	924	36 612	18 708	3 064	1 400	60 708
Kwa-Zulu Natal	636	34 508	24 832	2 344	1 400	63 720
Limpopo	216	16 284	8 592	1 624	812	27 528
Mpumalanga	300	12 900	5 568	1 624	812	21 204
Northern Cape	216	6 360	3 840	1 624	812	12 852
North West	216	11 148	6 648	1 444	812	20 268
Western Cape	216	17 268	11 724	2 344	1 172	32 724
HO			288			288
TOTAL	3 240	168 812	99 760	17 316	9 204	298 332

7.2.4 EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM TERM PERIOD

The Inspection and Enforcement Services Branch derives its mandate from the following relevant legislation:

- Basic Conditions of Employment Act, Act 75 of 1997, as amended (BCEA)
- Employment Equity Act, Act 55 of 1998, as amended (EEA)
- Unemployment Insurance Act, Act 30 of 2001, as amended (UIA)
- Occupational Health and Safety Act, Act 85 of 1993, as amended (OHSA)
- Compensation for Occupational Injuries and Diseases Act, Act 130 of 1993, as amended (COIDA)
- Employment Services Act, Act 4 of 2014, as amended (ESA)
- Unemployment Insurance Contributions Act, Act 4 of 2002, as amended (UIC)
- National Minimum Wage Act, Act 9 of 2018 (NMWA)

IES contributes to the overall Departmental mandate by providing advocacy, inspections and enforcement services on the relevant labour market laws administered to employers, employees and the general public. The main purpose being the compliance of employers/users to labour market laws thereby creating decent work. Women, Persons with Disabilities are covered by the Employment Equity Act and children are covered in terms of the Occupational Health and Safety Act and the Basic Conditions of Employment Act.

Increased compliance and therefore improved conditions of employment (decent work) will be achieved through the achievement of the following outcome indicators:

- Conducting **298 332** compliance inspections by March 2024
- Serving **95%** of noncompliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
- **65%** of non-compliant employers/workplaces/users received by Statutory Services settled out of Court or CCMA / referred for prosecution within 30 working days
- **4** seminars and **2** Conferences conducted per year to increase awareness of employment law.

The allocated budget for the Branch to implement its Programmes, is R650.552m, R679.241m and R709.157m respectively, over the medium-term.

The outputs that have been selected are expected to provide the greatest improvement in workplace compliance in line with the IES business model and strategy. Decent work is a right and not a 'nice-to-have whenever I feel like it' matter. Employees, including the most vulnerable, will enjoy the protection of the employment laws as was intended in the Bill of Rights.

The indicators are based on the IES business model as the vehicle most relevant and appropriate for maximum impact.

Key to the achievement of the five-year targets will be:

- Adequate budget in goods and services to ensure inspectors are mobilised
- Adequate tools of trade
- Sufficiently capacitated inspectors
- Strong partnerships.

Any compromise in any of the afore-mentioned will have a broad impact on achievements.

The achievement of the outcome indicators will have the impact of improved compliance in workplaces and increased protection of the most vulnerable in all sectors. The intended impact is as follows:

- Employers are registered with UIF and CF and pay what is required of them
- Workers are paid what is due to them
- Workers work in healthy and safe workplaces
- Labour market is transformed.

7.2.6 Programme Resource Considerations

Table: Budget Allocation for programme and subprogrammes

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate			
	R-thousand	2019/20	2020/21	2021/22	2022/23`	R-thousand	2019/20	2020/21	
Management and Support Services: IES		6 224	4 473	17 477	7 177	7 177	7 120	7 437	7 766
Occupational Health and Safety		31 535	22 798	10 632	35 378	35 378	35 117	36 667	38 282
Registration: IES		66 527	73 479	89 998	73 924	86 626	88 277	91 470	94 800
Compliance, Monitoring and Enforcement Services		440 945	391 272	413 638	524 120	469 120	503 532	526 426	550 302
Training of Staff: IES		6 947	1 459	6 919	6 151	6 151	6 175	6 452	6 740
Statutory and Advocacy		8 419	5 950	7 984	10 417	10 417	10 331	10 789	11 267
Total		560 597	499 431	546 648	657 167	614 869	650 552	679 241	709 157
Economic Classification									
Current Payments		555 131	490 336	524 261	638 130	595 054	630 679	658 474	687 460
Compensation of Employees		463 834	445 349	444 633	541 127	498 051	533 360	556 783	581 213
Goods and Services		91 297	44 987	79 628	97 003	97 003	97 319	101 691	106 247
Of which:									
<i>Advertising</i>		1 089	42	75	1 376	1 376	1 379	1 441	1 506
<i>Communication</i>		7 852	7 495	7 306	18 266	18 266	18 315	19 137	19 995
<i>Computer Services</i>		-	-	150	-	-	-	-	-
<i>Consultants and Professional Services: Business and advisory services</i>		386	272	497	375	375	377	393	411
<i>Fleet Services</i>		12 163	6 429	8 201	9 857	9 857	9 877	10 320	10 782
<i>Consumables: Stationery, printing and office supplies</i>		4 068	2 054	2 416	2 993	2 993	3 609	3 770	3 939
<i>Operating Leases</i>		436	277	110	967	967	968	1 012	1 057
<i>Property Payments</i>		7 549	10 007	11 408	7 075	7 575	7 089	7 407	7 739
<i>Travel and Subsistence</i>		41 579	11 935	39 367	30 169	30 169	30 272	31 632	33 049
Other Goods and Services		16 175	6 476	10 098	25 925	25 425	25 433	26 579	27 769

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate		
	2019/20	2020/21	2021/22	2022/23`		R-thousand	2019/20	2020/21
Interest and rent on land								
Transfers and Subsidies	2 794	1 970	2 943	84	862	85	89	93
Provinces and municipalities	12	1						
Departmental agencies and accounts		16	1					
Households	2 782	1 953	2 942	84	862	85	89	93
Payments for capital assets	2 672	7 125	19 444	18 953	18 953	19 788	20 678	21 604
Buildings and other fixed structures								
Machinery and equipment	2 672	7 125	6 237	18 953	18 953	19 788	20 678	21 604
Software and other intangible assets			13 207					
Payments for financial assets								
Total	560 597	499 431	546 648	657 167	614 869	650 552	679 241	709 157

BREAKDOWN OF RESOURCES

Funding for the items listed below must be sourced:

- In order to increase Enforcement, the Department has approved an increase in IES (Statutory Service's SS) human resources by adding a Deputy Director position in the structure at a Provincial Level.

The allocated budget for the Branch to implement its Programmes, is R650.552 million, R679.241 million and R709.157 million respectively over the medium-term.

The outputs that have been selected are expected to provide the greatest improvement in workplace compliance in line with the IES business model and strategy. Decent work is a right and not a 'nice-to-have whenever I feel like it' matter. Employees, including the most vulnerable will enjoy the protection of the employment laws as was intended in the Bill of Rights. The rationale for the choice of the outcome indicators relevant to the respective outcomes. The indicators are based on the IES business model as the vehicle most relevant and appropriate for maximum delivery impact.

Composition of spending

The current allocation of Goods and Services places a stranglehold on Inspections and Enforcement Services (IES) in that while Compensation of Employees may be funded ensuring that there are warm bodies, Goods and Services has been reduced extensively to a level where Inspection and Enforcement Services finds it difficult to conduct its operations and business. This will result in more warm bodies spending more time in their offices, waiting for access to motor vehicles, resulting in less inspections being done and thus not meeting the targets set. Inspectors are sharing motor vehicles with each other and with other staff from the Department. OHS does not have equipment to do its work, which results in inspectors not being able to do the types of inspections required of them. This is having an adverse effect on performance resulting in inspector's decisions being challenged. This will result in greater expenditure for especially SMMEs. Already policy has been changed to place costs on employers, which goes against the policy of government of reducing costs for small businesses (SMMEs).

Inspection and Enforcement Services is looking to increase the enforcement component by ensuring that workplaces that do not comply with notices are referred to prosecution authorities. In effect, it means there is a need to increase the Statutory Services component. Currently, there is only one person per province in such a position that has proved to be a challenge up until now due to the volume of cases that are passing through their offices for all the employment laws administered by the Department of Employment and Labour. In order to be effective, this critical aspect requires an intervention as a matter of urgency.

Strategic reallocations

The programme tried to reprioritise within but no funds could be released between the sub-programmes.

- ✓ **Strategic identification of funds under compliance in the MTEF period**
- Communication R1.5m
- ✓ **Strategic reallocation of funds: -**
- Legal cost R1.5m

Human Resources

Compensation of Employees is the highest driving cost within the Department mainly because the Department is a service rendering organisation. 80% of IES total budget is spent on Compensation of Employees.

Explanation of the contribution of resources towards achievement of objectives

IES will continue to provide the services (advocacy, inspections, enforcement and registrations) it has offered to date while at the same time exploring other innovative practices to ensure improved services to employers, users and employees. IES has tremendously improved on its vacancy rates over the past 12 months, which stood at 18 % in October 2020, after employment of some of the 500 new OHS inspectors. Based on the Establishment report at the end of December 2022 only 32 (6.5%) of these posts were vacant. The continued vacancies however have contributed to the challenges of meeting targets in certain provinces due to high vacancy rates in these provinces, this in addition to capacitating inspectors and a reduced budget. The Branch is monitoring the filling of vacant posts to ensure that they get filled. Increasing petrol prices and the rising inflation will impact directly on Goods and Services over the financial year. Limited training for inspectors is taking place due to the limited funding for this activity; this however is having a direct impact on performance.

On a positive note, more than 90% of the 500 OHS inspectors have entered employment within the inspectorate at the end of January 2021. This development will provide a much-needed visibility of our inspectors. The business of IES is human resources and the ability to access employers – motor vehicles, fuel, and other tools of trade, all of which requires money to be available for inspectors to be out on the road and to ensure the maximum footprint across the length and breadth of the Republic to all citizens.

It is important that the IES Branch capitalizes on its strengths and opportunities while employing resources that will allow it to deal with its weaknesses. The Branch is driven by innovation and has spent substantially on resources to promote innovation as a source of improvement in services. IES staff have been encouraged to make use of what the 4IR has to offer in improving services to stakeholders and clients.

The advocacy and educational sessions to be conducted per year once restrictions of Covid-19 are reduced drastically over the MTEF period in the identified sectors: -

4 x Seminars and 2x conferences conducted in the following disciplines:

- Q1 - Occupational Health and Safety
- Q2 - Employment Standards and Occupational Health and Safety
- Q3 - Occupational Health and Safety and Employment Standards
- Q4 - Employment Standards

7.2.7 Key Risks

Risk Description	Possible Root Cause	Mitigation
Safe and Healthy work environment.	Non-compliance by employers and users with labour legislation	<ol style="list-style-type: none"> 1. Monitor and maintain current controls 2. Leveraging on existing internal and external partnerships to ensure improvement in advocacy, inspection and enforcement programmes 3. Capacity development of inspectors conducted 4. Effective mentoring and coaching of new inspectors 5. Advocacy programs targeting problematic and high risk sectors 6. Targeted Inspection programmes conducted at National and Provincial level 7. Refer non-compliant employers to the law enforcement institutions (CCMA and the courts) 8. Monitor compliance levels through the development of periodic analysis reports 9. Enhance the structure of the Branch to be able to respond to the labour market demands 10. Effective implementation of the IES SOP - Current controls
Protect vulnerable workers	Unreliable IES performance information	<ol style="list-style-type: none"> 1. Continue to effectively participate in the ICT structures, i.e. Management Committee (MANCO), Steering Committee (Steerco) 2. Maintain and monitor current controls 3. Quality assurance structures at the national and provincial level convened periodically to evaluate the quality of performance information 4. Monthly reports are submitted by provinces and quality assured and returned when necessary 5. Effective implementation of the SOP 6. Full utilisation of the case management system. 7. Training of super users and end users concerning the operations in the case management system 8. Timely provisioning of tools of trade; i.e. laptops, cell phones - Current controls

INTERNAL STAKEHOLDER MATRIX

Stakeholder	Roles
Communications	Assist in communicating IES mandate.
Unemployment Insurance Fund	Partner with IES in terms of ensuring maximum compliance to legislation in the Labour Market.
Compensation Fund	Partner with IES in terms of ensuring maximum compliance to legislation in the Labour Market.
Public Employment Services	Assist in providing inputs into IES operations.
Labour Policy and Industrial Relations	Assist in providing inputs into IES operations.
HRM	Assist in providing inputs into IES operations.
Legal Services	Assist in providing inputs into IES operations.

EXTERNAL STAKEHOLDER MATRIX

Stakeholder	Roles
Employees/ Trade Unions/ Federations	Provides support in advocacy initiatives
Employers/Employer Organisation	Provides support in advocacy initiatives
Courts (Labour and Magistrate Courts)	To ensure that there are effective convictions
Commission for Conciliation, Mediation and Arbitration	To ensure effected adjudication of non-compliance cases
Bargaining Councils	To ensure that effective and efficient partnerships are fostered in a specific labour sector To share appliance reports
NPA	To ensure that there are effective prosecutions
SAPS	To ensure that there are effective investigations
Sheriffs	To ensure that there are effective procedural processes
Sister Departments i.e. Department of Home Affairs, Trade and Industry etc.	To foster sound intergovernmental relations
Approved Inspection Authority	To obtain insight into labour issues in the private sector
Labour consultants	To obtain insight into labour issues in the private sector
Rand Mutual Assurance	To share appliance report
Federated Employer's Mutual Assurance	To share appliance report
ILO	To provide support and guidance on international labour frameworks and instruments
Productivity SA	To assist in providing inputs in the IES strategies and operations.
NEDLAC	To assist in providing inputs in the IES strategies and operations.

LINKAGES WITH THE FUNDS AND PES

UIF & CF (COIDA):

- In line with the specialisation model the Employer Audit services (EAS) was established with COID & UI Auditors to enforce compliance. The EAS officials are placed in the Provincial

office only. This led to absence of EAS strategic capacity at Head Office and the absence of footprint at regional level.

- There is a need to strengthen capacity at Head Office in order to provide strategic direction and technical support.
- There is a further need to establish capacity at regional level for UI & COID Auditors to enforce compliance with UIA, UICA & COIDA. To deepen specialization, the establishment of COID Specialist is desirable. The aim is to deepen the quality of audits/inspections and contribute to the financial viability of the Funds.
- The UI and COID Tribunals should be revived with an extended mandate to offer a platform for enforcement regarding noncompliance and there should be a dedicated staff from the Funds.
- Penalties regarding non-compliance should be reviewed to be sufficiently dissuasive and act as a deterrent

PES

Collaboration at a policy level is possible through the following:

- Proposed Amendment of Employment Services Act Section 49 of Act 4 of 2014

The Labour Court may, on application by the Director-General, impose a fine not exceeding [R50 000] R100 000 on a person [an employer] that contravenes any of the provisions listed in Schedule 3.":

- The Minister may authorise a labour inspector in accordance with the provisions of section 63 of the Basic Conditions of Employment Act to monitor and enforce the provisions of this Act
- The Ministers of Employment and Labour and of Home Affairs may conclude an agreement in terms of which labour inspectors, who are designated in terms of section 63 of the Basic Conditions of Employment Act shall enforce Chapter 3A of the Employment Standards Act, may enforce the provisions of section 38 of the Immigration Act and, for that purpose, exercise such powers in terms of the Immigration Act as are identified in that agreement."
- In the above-mentioned regard, formal collaboration and interactions must be fostered between the Department of Home Affairs, the Department's PES and IES Branches
- Joint Inspections pertaining to foreign nationals in workplaces must be strengthened
- Internal collaboration with PES Branch must be strengthened.

CONCLUSION

Labour Inspectorates must have a rudimentary and fundamental knowledge of policy as well as technical competency issues in an international context, while examining how the major, foreseeable developments in economics, the labour market, technology, as well as national, sectoral, and enterprise social structures, affect labour inspections.

Labour Inspectors must focus on pivotal trends which are having a profound impact on labour inspection practices such as the: sum effects of globalization; growth of more and more small, independent units, often difficult to supervise; continuing trend of enterprises existing for a short time, changing ownership and becoming more mobile, remote work and hybrid models (working from home).

7.3 Programme 3: Public Employment Services

Purpose: Assist companies and workers to adjust to changing labour market conditions.

Objectives

- Provide public employment services and collaborate with the Presidency's Program Management Office, the UIF, other departments to support work seekers. PES will contribute through:
 - Registering **900 000** work seekers on ESSA by 31 March 2024
 - Registering **110 000** work opportunities on the employment services of South Africa database system by 31 March 2024
 - Providing employment counselling to **250 000** work seekers by 31 March 2024
 - Filling **60 000** registered employment opportunities by 31 March 2024
 - Conclude **24** partnership agreements with various stake holders, by 31 March 2024
 - Make recommendations on the proposed National Employment Policy and priority sub-theme on National Labour Migration and related amendments to the Employment Services Act 2014 by 31 March 2024.
- Develop frameworks for the provision of interventions, funding transfers and monitoring use of allocated funds to promote employment in:
 - Supported Employment Factories to increase employment levels of Persons with Disabilities
 - Non-governmental organisations through subsidising incomes of Persons with Disabilities that they employ
 - The Public Sector through re-imburements to the Compensation Fund for administration services for public sector medical claims
 - The private and public sector through productivity promotion and Turn Around Solutions initiated by Productivity South Africa
 - The public sector through re-imburement of UIF Claims that were payable to the public servants
 - In the Public sector through providing employment for young people and Pathway management across participating departments as part of Departmental contribution towards Presidential Youth Employment initiative.

Sub-programmes

Management and Support Services: Public Employment Services manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes.

Employer Services registers work opportunities, facilitates the employment of foreign nationals where such skills do not exist in South Africa, oversees placements, responds to companies in distress, provides a social plan and regulates private employment agencies.

Work Seeker Services registers work seekers, retrenched workers, work and learning opportunities, training and income-generating opportunities on the Employment Services of South Africa system, and facilitates access to employment and income-generating opportunities for the unemployed and underemployed.

Designated Groups Special Services facilitates the transfer of subsidies to national organisations to promote the employment of Persons with Disabilities.

Supported Employment Enterprises transfers promote supported employment for persons with long-term physical, mental or sensory impairment disabilities

Productivity South Africa transfers funds to Productivity South Africa, which promotes workplace productivity, competitiveness and social plan interventions.

Unemployment Insurance Fund provides for the possible future funding of the Unemployment Insurance Fund.

Compensation Fund provides for costs incurred through claims from civil servants for injuries sustained on duty or occupation- related illnesses and diseases, and provides for the funding of claims from the Compensation Fund.

Training of Staff: Public Employment Services defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes.

7.3.1 Outcomes, Outputs, Performance Indicators and Targets

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
MTSF OUTCOME: More decent jobs created and sustained, with youth, women and persons with disabilities prioritised									
Contribute to decent employment creation	1. Work seekers registered	1.1 Number of work-seekers registered on Employment Services of South Africa per year	929 770	938 505	936 621	850 000	900 000	950 000	1 000 000
	2. Work and learning opportunities registered	2.1 Number of employment opportunities registered on the Employment Services South Africa per year	153 973	83 782	131 522	105 000	110 000	115 000	120 000
	3. Employment counselling provided	3.1 Number of registered work-seekers provided with employment counselling per year	264 044	246 454	281 801	240 000	250 000	260 000	270 000
	4. Work seekers placed in work and learning opportunities	4.1 Number of registered employment opportunities filled by registered work seekers per year	62 213	37 193	67 058	55 000	60 000	65 000	70 000
	5. Partnerships agreements concluded	5.1 Number of Partnership Agreements concluded with various stakeholders by the DDG: PES per year	New	15	20	22	24	26	28
	6. National Employment Policy developed and approved	6.1 Number of policies developed and approved per year	New	0	0	1	1	1	1
						The draft policy has been developed and not yet approved	National Employment Policy developed and submitted to the Minister for approval		

7.3.2 Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
1.1 Number of work-seekers registered on Employment Services of South Africa per year	900 000	207 000	432 000	639 000	900 000
2.1 Number of employment opportunities registered on the Employment Services South Africa per year	110 000	27 500	55 000	82 500	110 000
3.1 Number of registered work-seekers provided with employment counselling per year	250 000	60 000	130 000	185 000	250 000
4.1 Number of registered employment opportunities filled by registered work seekers per year	60 000	15 000	30 000	45 000	60 000
5.1 Number of Partnership Agreements concluded with various stakeholders by the DDG: PES per year	24				24
6.1 Number of policies developed and approved per year.	1 National Employment Policy developed and submitted to the Minister for approval				1 National Employment Policy developed and submitted to the Minister for approval

7.3.3 Programme 3: Public Employment Services Annual Targets for 2023/2024 per Province

Output Indicator	Annual Target		Q1		Q2		Q3		Q4	
1.1 Number of work-seekers registered on Employment Services of South Africa per year	EC	108 000	EC	24 840	EC	51 840	EC	76 680	EC	108000
	FS	63 000	FS	14 490	FS	30 240	FS	44 730	FS	63000
	GP	234 000	GP	53 820	GP	112 320	GP	166 140	GP	234000
	KZN	153 000	KZN	35 190	KZN	73 440	KZN	108 630	KZN	153000
	LP	63 000	LP	14 490	LP	30 240	LP	44 730	LP	63000
	MP	72 000	MP	16 560	MP	34 560	MP	51 120	MP	72000
	NC	36 000	NC	8 280	NC	17 280	NC	25 560	NC	36000
	NW	54 000	NW	12 420	NW	25 920	NW	38 340	NW	54000
	WC	117 000	WC	26 910	WC	56 160	WC	83 070	WC	117000
	TOTAL	900 000	TOTAL	207 000	TOTAL	432 000	TOTAL	639 000	TOTAL	900 000
2.1 Number of employment opportunities registered on the Employment Services South Africa per year	EC	15 050	EC	3 763	EC	7 525	EC	11 288	EC	15 050
	FS	8 686	FS	2 172	FS	4 343	FS	6 515	FS	8 686
	GP	21 074	GP	5 270	GP	10 537	GP	15 806	GP	21 074
	KZN	17 370	KZN	4 340	KZN	8 685	KZN	13 025	KZN	17 370
	LP	11 578	LP	2 895	LP	5 789	LP	8 684	LP	11 578
	MP	9 264	MP	2 316	MP	4 632	MP	6 948	MP	9 264

Output Indicator	Annual Target		Q1		Q2		Q3		Q4	
	NC	6 716	NC	1 680	NC	3 358	NC	5 037	NC	6 716
	NW	7 526	NW	1 880	NW	3 763	NW	5 645	NW	7 526
	WC	12736	WC	3 184	WC	6 368	WC	9 552	WC	12 736
	TOTAL	110 000	TOTAL	27 500	TOTAL	55 000	TOTAL	82 500	TOTAL	110 000
3.1 Number of registered work-seekers provided with employment counselling per year	EC	31 750	EC	7 620	EC	16 510	EC	23 495	EC	31 750
	FS	21 750	FS	5 220	FS	11 310	FS	16 095	FS	21 750
	GP	51 500	GP	12 360	GP	26 780	GP	38 110	GP	51 500
	KZN	31 750	KZN	7 620	KZN	16 510	KZN	23 495	KZN	31 750
	LP	25 750	LP	6 180	LP	13 390	LP	19 055	LP	25 750
	MP	30 000	MP	7 200	MP	15 600	MP	22 200	MP	30 000
	NC	14 000	NC	3 360	NC	7 280	NC	10 360	NC	14 000
	NW	19 750	NW	4 740	NW	10 270	NW	14 615	NW	19 750
	WC	23 750	WC	5 700	WC	12 350	WC	17 575	WC	23 750
	TOTAL	250 000	TOTAL	60 000	TOTAL	130 000	TOTAL	185 000	TOTAL	250 000
4.1 Number of registered employment opportunities filled by registered work seekers per year	EC	8 210	EC	2 052	EC	4 105	EC	6 157	EC	8 210
	FS	4 738	FS	1 185	FS	2 369	FS	3 554	FS	4 738
	GP	11 495	GP	2 874	GP	5 748	GP	8 621	GP	11 495
	KZN	9 474	KZN	2 368	KZN	4 735	KZN	7 106	KZN	9 474
	LP	6 315	LP	1 579	LP	3 158	LP	4 736	LP	6 315
	MP	5 053	MP	1 263	MP	2 527	MP	3 790	MP	5 053
	NC	3 663	NC	916	NC	1 832	NC	2 747	NC	3 663
	NW	4 105	NW	1 026	NW	2 052	NW	3 079	NW	4 105
	WC	6 947	WC	1 737	WC	3 474	WC	5210	WC	6 947
	TOTAL	60 000	TOTAL	15 000	TOTAL	30 000	TOTAL	45 000	TOTAL	60 000
5.1 Number of Partnership Agreements concluded with various stakeholders by the DDG: PES per year	EC	3	-	-	-	-	-	-	EC	3
	FS	2							FS	2
	GP	3							GP	3
	KZN	3							KZN	3
	LP	2							LP	2
	MP	2							MP	2
	NC	2							NC	2
	NW	2							NW	2
	WC	3							WC	3
	HQ	2							HQ	2
	TOTAL	24							TOTAL	24

7.3.4 Explanation of planned performance over the medium term period

Public Employment Services derives its mandate from:

- Employment Services Act 4 of 2014
- Applicable provisions that remain in the Skills Development Act 14 of 1998 and
- Applicable provisions of the Immigration Act 2002

PES contributes to the department's mandate by providing assistance to companies and workers to adjust to changing labour market conditions, and to regulate private employment agencies.

Branch activities and outputs are focused on increased placement of work seekers to work and learning opportunities.

Increased placement of work seekers to work and learning opportunities will be achieved through the outcome indicators outlined below:

- (i) Number of work seekers registered on Employment Services of South Africa per year
- (ii) Number of work and learning opportunities registered
- (iii) Number of work seekers provided with employment counselling
- (iv) Number of work seekers placed in work and learning opportunities
- (v) Number of partnership agreements concluded with various stakeholders
- (vi) Number of policies developed and approved.

The Department receives R372.2 million in 2023/24 to continue the Pathway Management Network, which is a presidential employment initiative. The network is expected to create opportunities for employment, support increased access to relevant education and training interventions, assist young people in making choices about learning and/or earning, and identify barriers to entry in the labour market. More than 1 million young people are expected to be actively involved in the network over the next 2 years, with the aim of creating 255 000 job opportunities by 2024/25. Different components of the network will be scaled up over the medium term, such as the Innovation Fund, with the introduction of new partners.

Spending for these activities is within the *Public Employment Services* programme, which is allocated 21.3 per cent (R2.4 billion) of the department's budget over the medium term. Spending in the programme is set to decrease at an average annual rate of 10.4 per cent, from R1 020.826 million in 2023/24 to R725.628 million in 2025/26, as a result of allocations for the presidential employment initiative not continuing over the MTEF period.

All outputs identified by the Branch contribute to improvement of work-seekers' work readiness and placement.

The outcomes will assist many work-seekers, to register themselves as work-seekers on the national register of the employed, and receive job preparation support, including counselling, psychometric assessment and job preparation.

Sufficient budget to enable the establishment of employment centres and provision of equipment is required.

The achievement of the outcome indicators will have the impact of improved placement of work-seekers into learning opportunities and permanent jobs.

7.3.5 Programme Resource Considerations

Table: Budget Allocation for programme and subprogrammes

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate			
	R-thousand	2019/20	2020/21	2021/22	2022/23`	2023/24	2024/25	2025/26	
Management and Support Services: PES		49 645	47 507	62 442	358 990	412 989	427 385	57 559	60 027
Employer Services		102 425	97 926	104 315	115 726	115 726	106 397	113 479	118 739
Work-Seeker Services		174 778	174 298	204 384	187 516	212 847	191 766	197 837	206 336
Designated Groups Special Services		19 255	21 996	20 954	25 014	25 014	25 156	26 286	27 464
Supported Employment Enterprises and Subsidies to Designated Workshops		154 028	199 272	162 266	166 486	166 486	187 160	204 666	222 491
Productivity South Africa		63 710	56 309	59 853	61 698	61 698	62 921	65 747	68 692
Unemployment Insurance Fund		-	-	0	1	1	1	1	1
Compensation Fund		40 107	-	0	18 514	18 514	18 586	19 421	20 291
Training of Staff: PES		1 682	1 090	1 658	1 451	1 451	1 454	1 519	1 587
Total		605 630	598 398	615 872	935 396	1 014 726	1 020 826	686 515	725 628
Economic Classification									
Current Payments		331 257	318 192	356 080	353 488	380 218	348 755	364 110	380 124
Compensation of Employees		283 857	289 216	314 912	312 267	338 997	307 877	321 397	335 496
Goods and Services		47 400	28 976	41 168	41 221	41 221	40 878	42 713	44 628
Of which:									
<i>Advertising</i>		1 673	1 191	1 005	772	772	771	805	841
<i>Communication</i>		4 755	4 170	4 406	3 826	3 826	3 831	4 002	4 182
<i>Computer Services</i>		2 700	2 025	2 033	2 718	2 718	2 587	2 703	2 824
<i>Consultants and Professional Services: Business and advisory services</i>		176	723	1 594	2 379	2 379	2 264	2 366	2 472
<i>Fleet Services</i>		2 252	1 397	2 180	1 400	1 400	1 405	1 468	1 534
<i>Consumables: Stationery, printing and office supplies</i>		1 998	725	1 137	1 989	1 989	1 986	2 075	2 168
<i>Operating Leases</i>		305	118	44	1 126	1 126	871	908	949
<i>Property Payments</i>		8 406	10 625	11 587	7 340	7 340	7 615	7 958	8 315

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate		
	2019/20	2020/21	2021/22	2022/23`		2023/24	2024/25	2025/26
R-thousand								
<i>Travel and Subsistence</i>	15 448	4 272	11 142	9 080	9 080	9 043	9 449	9 872
Other Goods and Services	9 687	3 730	6 040	10 591	10 591	10 505	10 979	11 471
Interest and rent on land								
Transfers and Subsidies	273 041	274 704	244 327	576 703	629 303	666 115	316 181	339 002
Provinces and municipalities	-	-						
Departmental agencies and accounts	103 817	56 309	59 853	385 147	437 147	453 742	85 169	88 984
Non-profit institutions	168 178	217 545	183 220	191 500	191 500	212 316	230 952	249 955
Households	1 046	850	1 254	56	656	57	60	63
Payments for capital assets	1 332	5 502	15 465	5 205	5 205	5 956	6 224	6 502
Buildings and other fixed structures								
Machinery and equipment	1 332	5 502	2 094	5 205	5 205	5 956	6 224	6 502
Software and other intangible assets			13 371					
Payments for financial assets								
Total	605 630	598 398	615 872	935 396	1014 726	1020 826	686 515	725 628

The Public Employment Services programme is allocated R2.4 billion over the MTEF period including transfers to Public Entities, in order to implement Employment Services Programmes towards achieving set targets and support the departmental commitment to create decent working conditions. The spending focus over medium term expenditure framework period for Public Employment Services is contributing to employment creation mainly, youth employment.

The expenditure on Public Employment Services programme has increased by an annual average of 0,6% from 2019/20 financial year to 2021/22 financial year. The annual average increase on Compensation of Employees is 3,5% during the mention period. Although the overall average increase on the expenditure is 0,6, the goods and services spending has declined by annual average of 4,6%. The spending on transfer and subsidies has also declined by annual average of 3,6%.

Over the MTEF period the estimated spending will decrease from R1.02 billion in 2023/24 financial year to R725.628 million in 2025/26 financial year. The goods and services allocation over the MTEF period grows with an annual average of 2,7% from R40.878 million in 2023/24 financial year to R44.628 million in 2025/26 financial year.

Transfers and subsidies budget decreased from R666.115 million in 2023/24 financial year to R339.002 million in 2025/26 financial year. Although the overall allocation over the MTEF period decreased, the allocation to non-profit institutions increased from R212.316 million in 2023/24 financial year to R249.955 million in 2025/26. Included in the allocation over the MTEF is R90 million allocated to Supported Employment Services (SEE).

The composition of spending by Programme 3 over the medium term comprises of 39,7% allocated to Compensation of employees; 5,3% to goods and services; 54,3% to Transfers and Subsidies and; 0,8% to Payment for Capital Assets.

The main cost drivers in Public Employment Services are Transfer and Subsidies to Public Entities and Compensation of Employees due to human capital intensive. Over the historic period the baseline of this programme grew at an average annual rate of 0,6% and decreases to an average annual rate of 10,6% over the medium term.

The current approved establishment for the programme is 554 posts. As at 31 May 2022, the Branch appointed 125 Employment Counsellors and 170 Employment Services Practitioners, 6 Principal Psychologist, and 6 Directors. Additional 159 Client service officer posts have been established, dedicated to executing PES functions in all of the 126 labour centres. 121 Client service officers would be transferred from Division Registration Services while 38 were newly created to enhance service delivery. To date this programme has 37 vacant and 517 filled posts. The vacancy rate is 6,7%.

The subsidy scheme that has been provided to establish workshops to support persons with disabilities, has performed extremely well, and has brought relief to almost 1000 workers with disability per year. During 2022, 9 new institutions were appointed for a period of three years, to continue this work creation scheme. The table below illustrates the utilisation of the subsidy. 1041 workers are benefiting. 90% of the funding goes in the form of direct support to the workers.

The scheme currently does not support workers in all 9 provinces due to limited funds. In the 2023, year the programme will like to extend this scheme to cover more workers and to cover more provinces, as indicated in the table below.

The Programme has finalised the drafting of the national labour migration policy, and public comments on the proposed policy and on the proposed amendment act, has also been done. The successful implementation of the policy will depend on the amount of resources that are made available for effective implementation. The process of issuing work visa's is new to the Department, and the core pillars of the policy is proper governance and data systems to ensure that effective implementation.

The Programme has successfully implemented the internship scheme for graduates. The appointment of 213 (the of 250) graduate interns which was funded by the Presidential Employment Stimulus (Phase 2), has created a successful pathway for many graduates that would otherwise not have been able to get workplace experience. A number of lessons on work stimulation interventions arose from the implementation of this pilot, and the programme requests that the funding be allocated to the programme, on a regular basis through the MTEF allocations for the continuation of work experienced programs of this nature. The programme will use these allocations to support stakeholders that have a proven track record of creating sustainable jobs.

To facilitate the successful transition from school to the work place, and to alleviate the plight of thousands of matriculants that are unable to access the labour market, the programme proposes, the establishment of “labour market bridging program,” that will focus specifically on the Future of work and technology related skills, they are driving future employment. This program will nudge youth into technology related jobs that are demanded by employers.

7.3.6 KEY Risks

Outcome	Key Risk	Risk Mitigation
Contribute to decent employment creation	Insufficient placement of registered work-seekers in registered opportunities.	<ol style="list-style-type: none"> 1. Department to participate in the Pathway Management Network announced by the President, UIF, other departments and entities, the private sector and NGOs in providing a range of work seeker services 2. Further developments on ESSA Online Services, and the launch of the new ESSA functionality 3. Rollout of at least 10 Mobile units, to extend services to work seekers, as part of the E4E project 4. Conclusion of strategic partnerships agreements with employers and institutions to use ESSA for recruitment 5. Consultation on the National Employment Policy, sub-theme on National Labour Migration and amendments to Employment Services Act 6. Provision of funding to entities assisting PES in employment promotion (GTAC, SEE, Productivity SA, CF, NGOs, and UIF)

7.4 Programme 4: Labour Policy and Industrial Relations

Purpose: Facilitate the establishment of an equitable and sound labour relations environment, support institutions that promote social dialogue; promote South Africa's interests in international labour matters, conduct research, analysis and evaluation of labour policy and provide statistical data on the labour market.

Objectives

- Improve employment equity implementation and compliance monitoring mechanisms in the labour market by:
 - publishing the 2022/2023 employment equity annual report and public register by 30 June 2023; and
 - developing the 2023/2024 employment equity annual report and public register by 31 March 2024.
- Extend protection to vulnerable workers by publishing national minimum wages for all sectors
- Promote sound labour relations and centralised collective bargaining through the extension of collective agreements and registration of qualifying labour organisations by 31 March 2024
- Monitor and evaluate the impact of labour legislation to promote an evidence-based labour policy framework through the production of research and labour market trend reports by 31 March 2024.

Subprogrammes

- *Management and Support Services: Labour Policy and Industrial Relations* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes.
- *Strengthen Civil Society* transfers funds to various civil society organisations that protect vulnerable workers by providing resources, support and expertise to improve the independence and self-reliance of workers, to contribute to a stable and well-functioning labour market.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) through policies and practices that promote sound labour relations by registering labour organisations and deregistering those that are not compliant; publishing and extending collective agreements; supporting and advancing participation in collective bargaining structures; and participating in relevant National Economic Development and Labour Council activities
- *Employment Equity* promotes equity in the labour market by developing and promoting employment equity policy instruments – as mandated by the amended Employment Equity Act (1998) – to eliminate discrimination and promote equitable representation in the workplace.
- *Employment Standards* protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997) and publishing national minimum wages for all sectors, as mandated by the National Minimum Wage Act (2018).
- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes social justice and fairness in the workplace by providing dispute-prevention and resolution services.
- *Research, Policy and Planning* monitors and evaluates the impact of labour legislation and policies that affect the South African labour market.
- *Labour Market Information and Statistics* collects, collates, analyses and disseminates internal and external labour market statistics regarding changes in the South African labour market as a result of the implementation of labour legislation.
- *International Labour Matters* contributes to national and global policy formulation and facilitates compliance with international obligations through multilateral and bilateral relations.
- *National Economic Development and Labour Council* transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision-making and social equity through social dialogue and for the operations of the Presidential Climate Commission.

7.4.1 Outcomes, Outputs, Performance Indicators and Targets

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
MTSF OUTCOME: Equal opportunities, inclusion and redress									
Promote Equity in the Labour Market	Amend the Employment Equity Act to enable the regulation of Sector EE Targets by 2023	1.1 Amendments to the Employment Equity Act promulgated and implemented per annum	New	EE Amendment Bill, 2020 tabled and published by Parliament on 20 July 2020	The Select Committee of the National Council of Provinces (NCOP) published the Bill for public comments in December 2021, and hosted public hearings on the EE Amendment Bill on 22 February 2022. The Select Committee of the NCOP voted on all the clauses of the EE Amendments Bill on 15 March 2022. Bill still to be voted by the whole NCOP and the National Assembly before being assented to by the President	EE Regulations published to implement the EE amendments by 31 March 2023	N/A	N/A	N/A
	A number of policy instruments developed and promoted to enhance the implementation	2.1 Annual EE Report and Public Register published per annum	2018-2019 Annual Employment Equity Report and Public Register published	2019-2020 Annual EE report and Public Register published on 21 August 2020 and 17	2020-2021 Annual EE Report published and launched on 25 June 2021; and Public Register published in Government Gazette No.	2021-2022 Annual EE Report published and launched on 23 June 2022; and Public Register published in Government Gazette	2022-2023 Annual EE Report published by 30 June 2023	2023-2024 Annual EE Report published by 30 June 2024	2024-2025 Annual EE Report published by 30 June 2025

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	on of EEA per annum		by 30 June 2019	July 2020 respectively	44636 dated 28 May 2021	No.46322 dated 6 May 2022			
	2.2 Annual EE report and Public Register developed per annum	2019-2020 Annual Employment Equity Report and Public Register developed by 26 March 2020	2020-2021 Annual EE Report (21st CEE Annual Report) and Public Register developed on 29 March 2021 and 17 March 2021 respectively	2021-2022 Annual EE Report (22nd CEE Annual Report) developed and CEE Advisory to the Minister submitted through Ministerial submission on 24 March 2022 and Public Register developed and submitted through Ministerial Submission on 9 March 2022 (Minster approved Public Register for publication on 31 March 2022)	2022-2023 Annual EE report and Public Register developed by 31 March 2023	2023-2024 Annual EE report and Public Register developed by 31 March 2024	2024-2025 Annual EE report and Public Register developed by 31 March 2025	2025-2026 Annual EE report and Public Register developed by 31 March 2026	
	2.3 Income differential data collection tool (EEA4 form) for designated employers developed per annum	EEA4 form published on 8 August 2019	N/A	N/A	N/A	N/A	N/A	N/A	
	2.4 Law and policy interventions developed	N/a	Draft Code of Good Practice on the prevention	Code of Good Practice on the Prevention and Elimination of Harassment in	N/a	N/A	Draft Revised Code of Good Practice on the Integration of EE into HR Policies	Final Revised Code of Good Practice on the Integration of EE into HR Policies	

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		to protect specific groups of workers who are particularly vulnerable to specific forms of gender-based violence per annum		and elimination of violence and harassment published for public comment on 20 August 2020	the world of work developed and published in Government Gazette No.46056 dated 18 March 2022			and Practices published for public comment by 31 March 2025	and Practices published by 31 March 2026
Annually review the national minimum wage level	3.1 National minimum wage reviewed and approved by the Minister of Employment and Labour by 31 March each year	Review of the national minimum wage not achieved by 1 st January 2020. Only reviewed on the 1 st March 2020	The National Minimum Wage level reviewed and amended on the 1 March 2021 on government gazette number 44136 published on the 8 th February 2021	National Minimum Wage amendments was published on 7 February 2022 in the Government Gazette no 45882	Review of the National Minimum Wage level by 31 March 2023	Review of the National Minimum Wage level by 31 March 2024	Review of the National Minimum Wage level by 31 March 2025	Review of the National Minimum Wage level by 31 March 2026	
Collective agreements assessed and verified by 31 March each year	4.1 Percentage of collective agreements where parties are not representative assessed and verified within 120	88% of collective agreements extended within 90 calendar days of receipt : 34 were received: 30	31 collective agreements were received within the financial year. All 100% (31) collective agreements were assessed and	Twenty-Six (26) collective agreement received. Twenty-Six (26) assessed and verified within 180 working days of receipt = 100%	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 March 2023	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 March 2024	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 March 2025	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 March 2026	

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		working days of receipt per annum 4.2 Percentage of collective agreements assessed and verified within 60 working days of receipt per annum	extended within 90 days and 4 outside 90 days	verified within 180 working days of receipt		100% of collective agreements where parties are representative assessed and verified within 60 working days of receipt by 31 March 2023	100% of collective agreements where parties are representative assessed and verified within 60 working days of receipt by 31 March 2024	100% of collective agreements where parties are representative assessed and verified within 60 working days of receipt by 31 March 2025	100% of collective agreements where parties are representative assessed and verified within 60 working days of receipt by 31 March 2026
	Labour organisations' applications for registration approved or refused within 90 working days of receipt per annum	5.1 Percentage of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum	99% of labour organisations' applications for registration approved or refused within 90 calendar days of receipt. 145 (One hundred and forty-five) applications received	122 applications for registration of labour organisations were received with the financial years. 1 was approved and 121 refused. All 100% (1 was approved and 121 refused) were approved or refused within 90 calendar	One Hundred and Thirty-Four (134) applications were received • One Hundred and Twenty-Seven (127) – Refused within 90 working days of receipt • Seven (07) – Approved within 90 working days of receipt = 100%	100% of labour organisations' applications for registration approved or refused within 90 working days of receipt by 31 March 2023	100% of labour organisations' applications for registration approved or refused within 90 working days of receipt by 31 March 2024	100% of labour organisations' applications for registration approved or refused within 90 working days of receipt by 31 March 2025	100% of labour organisations' applications for registration approved or refused within 90 working days of receipt by 31 March 2026

Department's Outcome	Outputs	Output Indicators	Annual Targets							
			Audited/Actual Performance			Estimated Performance	MTEF Period			
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
			days of receipt • 14 (Fourteen) approved within 90 calendar days of receipt • 1 (One) approved outside 90 calendar days of receipt	working days of receipt						
MTSF OUTCOME: A Better South Africa										
Strengthen multilateral and bilateral relations	Progress reports on bilateral cooperation and multilateral obligations submitted to the minister annually	6.1 Number of progress reports on bilateral cooperation and multilateral obligations submitted to the minister annually	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister	1 Annual implementation report was submitted to the Minister for sign-off by 30 April 2020 1 Mid-term implementation report was submitted to the Minister by 31 October 2020 for sign-off	1 Annual implementation report submitted to the Minister for sign off by 30 April 2021 The Mid-term report was produced and submitted to the Minister for signoff however didn't meet the agreed deadline	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually: • Annual implementation report submitted to the Minister for sign-off by 30 April 2022 • 1 Mid-term implementation report submitted to the Minister by 31 October	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually: • 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2023 • 1 Mid-term implementation report submitted to the Minister by 31 October	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually: • 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2024 • 1 Mid-term implementation report submitted to the Minister by 31 October	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually: • 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2025 • 1 Mid-term implementation report submitted to the Minister by 31 October	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually: • 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2025 • 1 Mid-term implementation report submitted to the Minister by 31 October

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
						2022 for sign-off	2023 for sign-off	2024 for sign-off	2025 for sign-off
MTSF OUTCOME: More decent jobs created and sustained, with youth, women and persons with disabilities prioritised									
Monitor the impact of legislation	Analyse and report on the labour market trends annually	7.1 Number of labour market trend reports produced per annum	All (4) four annual labour market trend reports were produced: (2) Two Annual Labour Market trend reports were produced and submitted to the CD: LMP. These reports include Annual Labour Market Bulletin and Job Opportunity and Unemployment in the South African labour market for 2018/19 (2) Two Annual	Only 1 out of 4 annual labour market trend report was not produced by end of March 2021. This refers to AAS 2020 Report which was three weeks after the due date	The consolidated Annual Labour Market Bulletin 2021 report was completed and submitted to the CD-LMP on the 28 June 2021 towards the Minister's approval The annual Job Opportunity and Unemployment in the SA labour market was produced and submitted on 15 July 2021, two weeks later after the agreed deadline of 30 June 2021. Two annual labour market trend reports: Annual Industrial Action (2021) and Annual Administrative Statistics (2021) were produced and submitted to CD-LMP by 31 March 2022 towards the	4 annual labour market trend reports produced by end of the financial year 2022/23	4 Annual Labour market trend reports produced by 31 March 2024 These annual reports include: 1. Annual Labour Market Bulletin 2021/22 2. Job Opportunity and Unemployment in the SA 2021/22 3. Annual Labour Market Bulletin 2022 4. Annual Administrative Statistics report 2022	4 Annual Labour market trend reports produced by 31 March 2025	4 Annual Labour market trend reports produced by 31 March 2026

Department's Outcome	Outputs	Output Indicators	Annual Targets							
			Audited/Actual Performance			Estimated Performance	MTEF Period			
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
			Labour Market trend reports were produced and submitted before 30 March 2020 to the CD: LMP. These reports include Annual Administrative report 2019 and Annual Industrial Action report 2019		Minister's approval					
	Research reports developed on the impact of labour legislation to the labour market	8.1 Number of Research reports on the impact of labour legislation to the labour market produced per annum	Only 4 evaluation packs out of 5 were finalized and submitted to SCM in preparation for panel meeting that is aimed at taking decision for recommendation of	Research service provider recommended to DBAC Draft literature review submitted	Two Final research reports completed for the following research studies: 1. Youth employment retention and return on investment schemes: Final report completed and submitted. 2. New forms of work	4 research reports completed by 31 March 2023	2 research reports completed by 31 March 2024	4 research reports completed by 31 March 2025	2 literature review reports completed by 31 March 2026	

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		<p>two service providers to DBAC</p> <p>Data collection tool developed and submitted electronically via email to DD Forum members on 23 March 2020. This was because the DD Forum meeting was cancelled</p>			<p>Two data collection instruments completed for the following research studies:</p> <ol style="list-style-type: none"> 1. Policy intervention on Youth Employment creation interventions 2. Gender stereotype and Sexism within the Department of Employment and Labour 3. Ethics in the Department of Employment and Labour 4. Silicosis-Benchmark study 5. Youth employment retention and return on investment schemes 				

7.4.2 Indicators, Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
1.1 Amendments to the Employment Equity Act promulgated and implemented per annum	N/A	N/A	N/A	N/A	N/A
2.1 Annual EE Report and Public Register published per annum	2022-2023 Annual EE Report published by 30 June 2023	2022-2023 Annual EE Report published by 30 June 2023	N/A	N/A	N/A
2.2 Annual EE report and Public Register developed per annum	2023-2024 Annual EE Report and Public Register developed by 31 March 2024	N/A	N/A	N/A	2023-2024 Annual EE Report and Public Register developed by 31 March 2024
2.3 Income differential data collection tool (EEA4 form) for designated employers developed per annum	N/A	N/A	N/A	N/A	N/A
2.4 Law and policy interventions developed to protect specific groups of workers who are particularly vulnerable to specific forms of gender-based violence per annum	N/A	N/A	N/A	N/A	N/A
3.1 National minimum wage reviewed and approved by the Minister of Employment and Labour by 31 March each year	Review of the National Minimum Wage level by 31 March 2024	N/A	N/A	NMW investigation report published by 31 December 2023.	NMW reviewed and published to reflect new minimum wage rates by 31 March 2024
4.1 Percentage of collective agreements where parties are not representative assessed and verified within 120 working days of receipt per annum	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 March 2024	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 30 June 2023	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 30 September 2023	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 December 2023	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt by 31 March 2024
4.2 Percentage of collective agreements assessed and verified within 60 working days of receipt per annum	100% of collective agreements where parties are representative assessed and verified within 60 working days of receipt by 31 March 2024	100% of collective agreements assessed and verified within 60 working days of receipt by 30 June 2023	100% of collective agreements assessed and verified within 60 working days of receipt by 30 September 2023	100% of collective agreements assessed and verified within 60 working days of receipt by 31 December 2023	100% of collective agreements assessed and verified within 60 working days of receipt by 31 March 2024
5.1 Percentage of labour organisations' applications for registration approved or	100% of labour organisations' applications for	100% of labour organisations' applications for registration approved	100% of labour organisations' applications for	100% of labour organisations' applications for	100% of labour organisations' applications for registration approved

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
refused within 90 working days of receipt per annum	registration approved or refused within 90 working days of receipt by 31 March 2024	or refused within 90 working days of receipt by 30 June 2023	registration approved or refused within 90 working days of receipt by 30 September 2023	registration approved or refused within 90 working days of receipt by 31 December 2023	or refused within 90 working days of receipt by 31 March 2024
6.1 Number of progress reports on bilateral cooperation and multilateral obligations submitted to the minister annually	<p>2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister annually:</p> <ul style="list-style-type: none"> • Annual implementation report submitted to the Minister for sign-off by 30 April 2023 • 1 Mid-term implementation report submitted to the Minister by 31 October 2023 for sign-off 	1 Annual implementation report submitted by 30 April 2023		1 Mid-term implementation report submitted by 31 October 2023	
7.1 Number of labour market trend reports produced per annum	<p>4 Annual Labour market trend reports produced by 31 March 2024</p> <p>These annual reports include:</p> <ol style="list-style-type: none"> 1. Annual Labour Market Bulletin 2021/22 2. Job Opportunity and Unemployment in the SA 2021/22 3. Annual Labour Market Bulletin 2022 4. Annual Administrative Statistics report 2022 		<p>2 Annual Labour market trend reports produced. These annual reports include:</p> <ol style="list-style-type: none"> 1. Annual Labour Market Bulletin 2021/22 2. Job Opportunity and Unemployment in the SA 2021/22 		<p>2 Annual Labour market trend reports produced. These annual reports include:</p> <ol style="list-style-type: none"> 1. Annual Labour Market Bulletin 2022 2. Annual Administrative Statistics report 2022
8.1 Number of Research reports on the impact of labour legislation to the labour market produced per annum	2 research reports completed by 31 March 2024	1 Final report completed			1 Final report completed

7.4.3 Explanation of planned performance over the medium term period

The Employment Equity directorate promotes equity in the labour market through the elimination of unfair discrimination and the promotion of equitable representation in the workplace through the development and promotion of employment equity policy instruments as mandated by the Employment Equity Act, 1998 as amended.

Over the medium term period, employment equity implementation and compliance monitoring mechanisms in the labour market will be improved by developing and publishing the employment equity annual reports and public registers reflecting on the EE status and the progress of transformation in the various workplaces. In addition, EE policy instruments will be developed to provide guidelines on the elimination of unfair discriminatory employment policies and practices to protect the right of employees to equality, fair treatment and access to equal employment opportunities in the labour market.

Access to equal opportunities, social cohesion and redress of the imbalances of the past created by discriminatory employment policies and practices will be enhanced through the promotion of equity in the workplace. The achievement of the outcome indicators on the development and publication of the annual EE reports and EE policy instruments are critical for economic transformation and the creation of diversified and inclusive workplaces that respect the fundamental human right to equality.

Employment equity is a critical transformation instrument to achieve substantive equality in the workplace by protecting employees against any form of unfair discrimination employment policies and practices, including promoting equal opportunities and fair treatment of employees.

Development and publication of EE policy instruments will enhance the implementation and compliance mechanisms of the Employment Equity Act to promote equity, equal opportunities, social cohesion and redress of the imbalances of the past, in order to affirm and protect the right to equality of the previously disadvantaged groups, i.e. black people, women and persons with disabilities.

Allocation of adequate financial and other operational resources is essential to enable the Commission for Employment Equity to develop and publish the EE policy instruments that provide implementation guidelines required to promote equity in the labour market.

The achievement of the EE indicators and targets serve as catalysts to access equal opportunities, social cohesion, redress of the imbalances of the past and inequalities, which still persist in the labour market.

The mandate of the Collective Bargaining Directorate emanates from the Labour Relations Act of 1995 (Act 66). The responsibility of the Directorate during the MTF period is to extend collective bargaining to non-parties and register labour organisations.

The Directorate contributes to the mandate of the Department by extending collective bargaining to non-parties, which is critical for fighting poverty and inequality in the labour market. This allows employees who will normally be excluded from improved wages, labour standards and social security benefits to benefit thus improving their standard of living and relieving the State the burden of looking after these employees when reaching their retirement age.

The registration of labour organisations allows proper functioning and governance of the labour market and promotes sound labour relations for a stable and peaceful labour market.

The allocation of the budget during the MTF period will allow the Minister to extend collective bargaining to non-parties, the Department to register labour organisations which is critical for sound labour relations and a stable labour market. These are the elements necessary for attracting investment badly needed to fight high levels of unemployment, poverty and inequalities and further benefit the most vulnerable groups in our society.

Extension of collective agreements and registration of labour organisations are important for attaining decent employment creation; labour standards and fundamental rights at work; adequate social safety nets to protect vulnerable workers; and sound labour relations.

Given the mandate of the Directorate emanates from the Labour Relations Act, the rational choice of the outcome indicators is dictated by the Labour Relations Act.

An adequate budget will ensure continuity in extending collective agreements and registering labour organisations thus improve the labour market's efficiency and governance for sound labour relations.

The impact will be to improve the livelihood of workers by fighting poverty, and inequalities as well as extending the coverage of social security benefits to vulnerable workers.

The Employment Standards directorate derives its mandate from the following relevant legislation:

- National Minimum Wage Act, Act 9 of 2018 (NMWA)
- Basic Conditions of Employment Act, Act 75 of 1997, as amended (BCEA)

Employment Standards contributes to the department's mandate by improving the wages of the lowest paid workers, closing the wage gap between genders, promoting collective bargaining, supporting economic policy and making a provision for the regulation of basic conditions of employment respectively. Employment Standards further contributes to the achievement of priorities of children by making regulations to prohibit work by children (below 15 years) and placing conditions on the work that may be performed by children workers who are at least 15 years of age and no longer subjected to compulsory schooling.

Increased protection of vulnerable workers will be achieved through the achievement of the following outcome indicator:

- National minimum wage reviewed and approved by the Minister of Employment and Labour by 31 March each year.

The allocated budget to implement its Programmes, is R1 344.865m, R1 404.387m and R1 467.182m respectively, over the medium-term period.

The national minimum wage is a positive tool to remedy the situation of poverty and wage inequality of millions of vulnerable workers in South Africa. Reviewing and adjusting the minimum wage level will ensure that the real value of the national minimum wage does not decline over time.

Reviewing the national minimum wage will assist in evaluating the impact of the national minimum wage on the economy, collective bargaining and the reduction of income differentials in order to adjust the national minimum wage at an appropriate level that will act as a meaningful wage in reducing poverty and inequality.

Sufficient budget to enable the National Minimum Wage Commission to annually review the national minimum wage and to recommend adjustments to the Minister.

The achievement of the outcome indicator will have the impact of improved minimum wages for all workers thereby reducing poverty and inequality in South Africa.

The Labour Market Information and Statistics directorate monitors the impact of labour legislation in the South African labour market. This is as per the Department's strategic objective: Monitoring the impact of legislation. It collects, collates, provides analysis and disseminates the quarterly and annual labour market reports to enhance knowledge and improve policy decisions.

The LMIS directorate will produce 4 annual labour market trend reports during the MTEF period. These annual reports are expected to be approved by the Minister of Employment and Labour and disseminated to all stakeholders for information sharing and advancement of labour market knowledge. The allocated budget over the medium-term period are as follows: R50.713 million (2023/24), R52.948 million (2024/25) and R55.276 million (2025/26).

The annual labour market trend reports produced has one single objective to inform policy makers towards the development of evidence based decision in the labour market. The information contains in the annual reports is also critical for the labour dynamics that relate to labour supply and demand equilibrium where high unemployment, inequality and poverty remain the bigger challenge.

The number of annual labour market trend reports produced is based on the current capacity in the directorate and strategic key priorities of the Department.

Successful accessibility to data producers and sufficient budget in the dissemination of annual reports through seminars/ international courses etc. remain the biggest enabler in LMIS directorate. In addition, the need to have advanced tools of trade and statistical software can able to achieve targets with minimal efforts.

The achievement of the outcome indicator will have the impact of improved policy decision in the labour market and better inform all unemployed on options to consider for "full-employment" in South Africa.

Research Policy and Planning Directorate:

The mandate of this Directorate is to conduct research aimed at assessing the impact of all labour legislation and programmes.

The Directorate is required to provide evidence for the Department to make informed policy decision on the labour market. Research reports and Socio Economic Impact (SEIAS) are conducted for the Department to develop new legislation and policies and to amend existing ones. All policies and legislation that research conducted on are aligned to government priorities such as research on eliminating silicosis death, research on assessing existing employment creation initiatives for youth etc.

In the MTEF period research will be conducted on priority themes such as impact of climate change and technology advancement on the labour market, as well as research on Labour Migration utilising allocated funds for research. The budget for the MTEF period is specifically going to benefit the Department by providing research findings as well as conducting seminars aimed at sharing those findings and learnings from other countries as BRICS seminar will be conducted in the period.

The research reports and seminars conducted are aimed at enabling the country to have a conducive labour market environment for job creation, job retention as well as the ultimate outcome of reducing unemployment.

The number of research reports to be produced and focus areas of seminars to be conducted during the MTEF period will be guided by strategic priorities of the Department.

Thus contributing to employment creation through evidence based policies generated along the lines of jobs creation and skills development, in measures to reduce the impact of climate change, in skills related to new forms of work as well as research aimed at addressing labour migrating in and out of the country.

The biggest enabler is successful procurement to source good service providers and access to data, be it secondary data seating in different institutions or access to research respondents selected to participate in different research projects identified.

The reduction of unemployment and poverty are most relevant outcomes that research on the impact of labour legislation would have when fewer people are found to be unemployed.

7.4.4 Programme Resource Considerations

Table: Budget Allocation for programme and subprogrammes

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate			
	R-thousand	2019/20	2020/21	2021/22	2022/23`	2023/24	2024/25	2025/26	
Management and Support Services: LP&IR		16 171	13 035	14 170	17 956	16 815	17 591	18 368	19 176
Strengthen Civil Society		22 147	13 500	21 045	24 760	24 760	24 854	25 970	27 133
Collective Bargaining		16 137	15 853	16 071	17 854	18 279	17 738	18 519	19 333
Employment Equity		11 803	8 218	10 061	14 943	15 516	14 799	15 453	16 137
Employment Standards		6 826	21 963	8 784	23 555	13 389	22 921	23 939	25 001
Commission for Conciliation, Mediation and Arbitration		976 810	935 810	994 984	1 046 293	1 046 293	1 051 163	1 097 574	1 146 745
Research, Policy and Planning		6 478	7 874	8 861	12 760	12 744	12 650	13 212	13 798
Labour Market Information and Statistics		43 494	41 476	43 822	50 323	50 940	50 713	52 948	55 276
International Labour Matters		37 974	38 050	36 356	52 123	109 407	51 826	54 139	56 551
National Economic Development and Labour Council		40 741	55 478	59 093	58 884	68 879	80 610	84 265	88 032
Total		1 178 581	1 151 257	1 213 247	1 319 451	1 377 022	1 344 865	1 404 387	1 467 182
Economic Classification									
Current Payments		121 040	126 806	119 242	160 164	206 525	158 332	165 329	172 623
Compensation of Employees		96 914	96 189	101 559	109 722	112 086	108 147	112 895	117 849
Goods and Services		24 126	30 617	17 683	50 442	94 439	50 185	52 434	54 774
Of which:									
<i>Advertising</i>		607	15 729	2	6 113	6 613	6 071	6 343	6 626
<i>Communication</i>		1 008	1 849	801	1 368	1 124	1 372	1 434	1 495
<i>Computer Services</i>		178	210	-	1 146	572	1 155	1 207	1 261
<i>Consultants and Professional Services: Business and advisory services</i>		1 549	3 168	4 907	9 623	8 180	9 746	10 183	10 639
<i>Fleet Services</i>		287	147	271	223	270	232	242	253
<i>Consumables: Stationery, printing and office supplies</i>		3 070	2 205	2 513	5 223	4 847	5 098	5 327	5 565
<i>Operating Leases</i>		2 036	2 115	1 211	2 565	1 979	2 491	2 602	2 718

Programme	Audited outcomes			Voted (Main Appropriation)	Revised Estimate	Medium Term Expenditure Estimate		
	2019/20	2020/21	2021/22	2022/23`		2023/24	2024/25	2025/26
R-thousand								
Property Payments	1 087	1 197	1 257	1 613	1 410	1 527	1 596	1 667
Travel and Subsistence	9 597	2 227	4 210	12 688	12 770	12 810	13 384	13 979
Other Goods and Services	4 707	1 770	2 511	9 880	56 674	9 683	10 116	10 571
Interest and rent on land								
Transfers and Subsidies	1 057 506	1 024 423	1 092 605	1 159 151	1 169 358	1 185 954	1 238 453	1 293 927
Provinces and municipalities	-	-						
Departmental agencies and accounts	1 017 551	991 288	1 054 077	1 105 177	1 115 172	1 131 773	1 181 839	1 234 777
Foreign governments and international organisations	17 585	19 557	16 886	29 214	29 214	29 327	30 644	32 017
Non-profit institutions	22 147	13 500	21 045	24 760	24 760	24 854	25 970	27 133
Households	223	78	597		212			
Payments for capital assets	35	28	1 400	136	1 139	579	605	632
Buildings and other fixed structures								
Machinery and equipment	35	28	404	136	1 139	579	605	632
Software and other intangible assets			996					
Payments for financial assets								
Total	1 178 581	1 151 257	1 213 247	1 319 451	1377 022	1344 865	1404 387	1467 182

The *Collective Bargaining* sub-programme's budget remains contestant on goods and services. The reason why the previous years' budget was not exhausted was due to system failure at Government Printers which impacted the sub-programme's budget.

The **Employment Equity** sub-programme maintained its Compensation of Employees spending consistent over the seven-year period as no additional staff were recruited to EE sub-programme.

The reduction in spending on Goods and Services in the previous three years is due to the impact of Covid-19 pandemic and lock-down, which resulted in the shifting of physical meetings and workshops to virtual platforms.

The sub-programme maintained its Capital expenditure consistent over the seven-year period as no additional staff were recruited. However, due to Covid-19 changes in working arrangements had to be made to allow staff to work from home. As a result, a number of laptops and 3Gs were procured to cater for remote work.

The **Employment Standards** sub-programme maintained its Compensation of Employees spending consistently over the seven-year period as no additional staff were recruited. The promulgation of the NMWA in 2019 however led to the re-structuring of the sub-programme to introduce posts to engage in the research function of the NMW. The sub-programmes' staff component was therefore absorbed into the new structure to reflect a staff component of 13 posts. During the 2019-2022 period, only 5 out of 7 vacant posts have been filled and this caused a reduction in spending on Compensation of Employees

The reduction in spending on Goods and Services in the previous three years is as a result of delays in receiving invoices from GCIS, for the NMW marketing campaign conducted in 2019-2020, as well as the Covid-19 lockdown and subsequent restrictions which impacted on the budget not being utilised for travel and subsistence, catering, venues and facilities and training and development of the staff.

The sub-programme maintained its capital expenditure consistently over the seven-year period as no additional staff were recruited but a number of laptops were procured over the last two years (Covid-19 lockdown) to enable officials to work from home.

The **Research, Policy & Planning** sub-programme had operated with 8 staff members for more than a decade. The capacity had been disabling and still is given expectations the department have on this unit. The amount of work delivered is contrary to the capacity and that results in over stretching the people who are there to do work including work that is supposed to be done by staff that is not there. Staff morale affected, recently this resulted in resignation from the unit citing overburden and focusing on so many things.

The unit had been able to produce a maximum of 3 research reports per year. Two were commissioned to external service providers and one conducted by staff internal to the department. Specifically, one outsourced research costs on average R2.5 million and minimum of two and maximum of 3 per year had been seen in the past 7 years even though outliers are seen when a research is found to cost R4 and R5.5 million. The unit also introduced a strategy in the past 2 years of identifying research that are less extensive and commission those for a less timeframe and less costs at about R500 000.

The **Labour Market Information & Statistics** sub-programme has no changes within its structure, therefore no reduction in the budget in the last 7 years.

Strategic reallocations

With the relaxing of Covid-rules, the **Collective Bargaining** sub-programme is worried about the impact of previous budget cuts on the operations of the sub-programme, as it is anticipated that the work will go back to pre Covid-time.

The **Employment Standards** sub-programme is currently finalising the recruitment and selection for the outstanding vacancies which will be finalised before end of the current financial year.

Depending on the status of Covid-19 going forward, it is expected that during the remainder of the MTEF period, the composition of spending for Goods and Services might return to its trend.

During the remainder of the MTEF period, the composition of spending for this economic classification will go towards the procurement of furniture for the newly appointed officials which had been put on hold as a result of the Constitutional Court Judgement on the Preferential Procurement regulations of 2017.

No reallocation should be considered on **Research, Policy & Planning** sub-programme's CoE given that the unit is already pulling a heavy load of work with a very limited number of employees.

The budget for Goods and Services for this unit will enable it to continue to produce at least 2 reports per annum. The situation will be difficult if the budget gets reduced as the allocated funds could only pay for one research as inflation shows that research quotes are getting higher in line with escalating costs of goods and services in the economy.

Human Resources including Public Institutions

The **Labour Policy & Industrial Relations Programme** does not envisage any changes in its employees' composition as all posts are funded. Reductions will have an adverse effect as it will restrict the department in the carrying out of required activities, meet set objectives, and achieve MTSF targets. The current approved establishment for this programme is 169 posts.

Over the medium-term period, the **Employment Standards** sub-programme has to finalise the recruitment and selection for the outstanding two vacancies in order to ensure that it functions optimally and that the sub-programme's goal is realised. Any reductions will have an adverse effect on ensuring that the sub-programme meets its set objectives.

The **Research, Policy & Planning** sub-programme unit is able to conduct at least one research per annum internally. The unit is already pulling hardly with conducting research and managing outsourced research projects over and above all other work such as BRICS research, SEAS, administrative work expected from 8 staff members.

No posts are to be abolished in the **Labour Market Information & Statistics** sub-programme since the unit has had been able to have a stable discharge in activities with the minimum staff. Once additional budget for Compensation of Employees has allocated it will be considered for additional activities and personnel.

7.4.5 Key Risks

Outcome	Key Risk	Risk Mitigation
Promote sound labour relations	Inability to extend collective agreements to non-parties within 120 working days where parties are not representative; and within 60 working days where parties are representative.	<ol style="list-style-type: none"> 1. Collective bargaining standard operating procedures in place. 2. MOU concluded with non-parties 3. Escalate to and sensitise Senior Management, DM and Minister on delays when necessary. 4. Amendments to the Labour Relations Act.

8. Public Entities

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R thousand)
Unemployment Insurance Fund (UIF)	The Unemployment Insurance Fund contributes to the alleviation of poverty in South Africa by providing short-term unemployment insurance to all workers who qualify for unemployment related benefits. The Fund is financed by a dedicated tax on the wage bill	<p>More decent jobs created and sustained, with youth, women and persons with disabilities prioritised</p> <p>Expanded access to PSET opportunities</p> <p>Comprehensive social security system</p>	R1
Compensation Fund (CF)	The Compensation Fund's main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases	More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	R18 586

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R thousand)
		Comprehensive social security system	
Productivity South Africa (Productivity SA)	Productivity SA is mandated by government, organised labour and organised business to improve the productive capacity of the economy and thus contribute to South Africa's socio-economic development and competitiveness	More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	R62 921
Commission for Conciliation, Mediation and Arbitration	The Commission for Conciliation, Mediation and Arbitration (CCMA) was established in terms of the Labour Relations Act, 1995 as amended. It is mandated to promote social justice and fairness in the workplace by delivering ethical, qualitative, innovative and cost effective dispute management and resolution services, institution building services, education, training and development, and efficient administration	More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	R1 051 163
National Economic Development and Labour Council (NEDLAC)	The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act, 1994. The Act requires organised labour, organised business, community based organisations and government, as a collective, to promote the goals of economic growth; participate in economic decision making and social equity; seek to reach consensus and conclude agreements on matters pertaining to social and economic policy; consider all proposed labour legislation relating to labour market policy and all significant changes to social and economic policy before these are introduced in Parliament; and encourage and promote the formulation of coordinated policy on social and economic matters. The Presidential Climate Commission (PCC) is temporarily housed at the NEDLAC to continue its work in relation to the changes in climate.	More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	R59 110 - NEDLAC R21 500 – PCC

PUBLIC INSTITUTIONS

Name of Public Institution	Mandate	Outcomes	Current Annual Budget (R thousand)
Supported Employment Enterprises (SEE)	The SEE is established in terms of the Employment Services Act to provide employment for people with special disabilities in the various factories across provinces that manufacture wood, linen and steel products	More decent jobs created and sustained, with youth, women and persons with disabilities prioritised	R187 160

PUBLIC ENTITIES

COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION (CCMA)

The Commission for Conciliation, Mediation and Arbitration derives its legislative mandate primarily from the Labour Relations Act (1995), as amended. The provisions of the act mandate the commission to advance and foster, among other things, economic development, social justice, labour peace and the democratisation of the workplace.

Over the medium term, the Commission will focus on implementing its 5-year strategy, which prioritises, among other things, an improved dispute resolution and enforcement model complemented by the implementation of a dispute prevention and management strategy in response to an anticipated increase in cases, and an ICT modernisation programme to support its priority areas.

The Commission anticipates an increase in its caseload from 185 929 in 2022/23 to 213 513 in 2025/26, mostly as a result of slow economic growth. To accommodate this projected increase, it has allocated an estimated 72.7 per cent (R2.4 billion) of its budget over the MTEF period to dispute prevention, resolution and enforcement; and mediation to support collective bargaining and capacity building processes to ensure fairness in the workplace.

An estimated 9.1 per cent (R303.8 million) of total expenditure is allocated to ICT initiatives such as enhancing the case management system, upgrading hardware and consolidating systems to provide business intelligence and improve ICT connectivity and compliance with legislative imperatives.

Expenditure is expected to increase at an average annual rate of 3 per cent, from R1.1 billion in 2022/23 to R1.2 billion in 2025/26. Spending on compensation of employees accounts for an estimated 58.7 per cent (R1.9 billion) of the commission's budget over the MTEF period, increasing at an average annual rate of 2.9 per cent, from R608.9 million in 2022/23 to R664.2 million in 2025/26. Revenue is almost entirely derived from transfers from the department. The commission is set to derive 98.8 per cent (R3.3 billion) of its revenue over the period ahead through transfers from the department.

NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL (NEDLAC)

The National Economic Development and Labour Council is a statutory body established by the National Economic Development and Labour Council Act (1994). It is mandated to promote economic growth, participation in economic decision-making and social equity, and seeks to create impact by enabling its social partners to contribute meaningfully to these processes by seeking consensus and concluding agreements on matters pertaining to social and economic policy.

Over the medium term, the Council will focus on addressing the high cost of living, particularly the prices of fuel and food; engaging in social dialogue on key socioeconomic issues; providing input on labour legislation and policy, including as they pertain to migration; resolving disputes; extending labour protection to non-standard forms of work; improving public procurement, including engaging on regulations to support the proposed new Public Procurement Bill; providing support to the Presidential Climate Commission; and implementing a revised constitution and protocols to contribute to making the council more effective, efficient and representative.

Following Cabinet's decision in 2022, the Presidential Climate Commission and its budget were shifted from the Department of Forestry, Fisheries and the Environment to the Department of Employment and Labour to be temporarily housed at the Council. As a result, the Council is set to receive an estimated R252.9 million over the medium term, of which R67.5 million is earmarked for the operations of the Climate Commission. This arrangement will cease once the Climate Change Bill is passed and the Commission is established as a standalone public entity.

Expenditure is expected to increase at an average annual rate of 10.9 per cent, from R72.3 million in 2022/23 to R98.8 million in 2025/26, mainly driven by the shift of the Presidential Climate Commission to the Council. The Council expects to derive 98.8 per cent (R276.8 million) of its revenue over the MTEF period through transfers from the Department.

PRODUCTIVITY SOUTH AFRICA

Productivity South Africa was established in terms of section 31 of the Employment Services Act (2014) as a juristic person and entity of the Department of Employment and Labour. In terms of the act, it is mandated to promote employment growth and productivity, and thereby contribute to South Africa's socioeconomic development and competitiveness.

Over the medium term, the entity will support the improvement of South Africa's competitiveness and the sustainability of its enterprises – specifically small, medium and micro enterprises – through its competitiveness improvement services, and business turnaround and recovery programme.

Expenditure is expected to decrease at an average annual rate of 2.5 per cent, from R173.4 million in 2022/23 to R160.7 million in 2025/26 due to the medium-term funding for the business turnaround and solutions programme being aligned with the previous 3 years' actual performance. Costs for the turnaround programme are covered by the Unemployment Insurance Fund. Over the past 3 years, the actual costs have been much less than what was agreed on due to Productivity SA not meeting some of the requirements, as well as due to its capacity constraints. As a result, the agreed funding has been reduced to what the fund has actually paid in the past. However, these funds do not affect Productivity South Africa's performance as the turnaround programme is run on behalf of the Unemployment Insurance Fund.

The entity expects to derive 86.9 per cent (R396.9 million) of its revenue over the period ahead through transfers from the Department of Employment and Labour; the Department of Trade, Industry and Competition; and the Unemployment Insurance Fund. The balance of revenue is expected to be generated mainly through services rendered to companies in economic distress. Revenue is expected to decrease in line with expenditure.

COMPENSATION FUND

The mandate of the Compensation Fund is to administer the Compensation for Occupational Injuries and Diseases Act (1993), which makes provision for the compensation of employees who are disabled because of occupational injuries and diseases sustained or contracted at work, and the compensation of the nominated beneficiaries of employees who die from such injuries or diseases.

Over the medium term, the Fund will focus on improving the services it provides to its beneficiaries and other stakeholders. It plans to achieve this through its new CompEasy system, which, over the medium term, is expected to improve turnaround times for adjudicating and processing all accepted and approved claims from 85 per cent within 10 working days in 2022/23 to 95 per cent within the same period in 2025/26.

Expenditure is expected to increase at an average annual rate of 4.1 per cent, from R9.4 billion in 2022/23 to R10.7 billion in 2025/26, mainly driven by the payment of claims and pension benefits, which comprise an estimated 70.9 per cent (R15.5 billion) of total projected spending over the period ahead. The Fund derives 62.1 per cent (R33.2 billion) of its revenue over the MTEF period through assessment levies on active registered employers. Total revenue is expected to decrease at an average annual rate of 4.7 per cent, from R20.2 billion in 2022/23 to R17.5 billion in 2025/26, due to accounting for fair value adjustments in 2022/23.

UNEMPLOYMENT INSURANCE FUND (UIF)

The Unemployment Insurance Fund is mandated to alleviate poverty by providing effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits, as legislated in the Unemployment Insurance Act (2001). Over the medium

term, the Fund will focus on providing social insurance benefits and improving coverage to vulnerable groups and contributors.

Through its flagship labour activation programme, the Fund assists the Department to realise its expanded mandate of coordinating job creation. It intends to enhance the employability of 240 000 programme participants by placing them in training and/or job opportunities, with 75 000 of these planned to be recruited in 2023/24. Funding agreements have also been concluded with 48 institutions to provide training, ranging from specialised short-term skills programmes to 3-year artisan training programmes, to a targeted 36 198 learners. The Fund will review the training interventions offered by these partners over the MTEF period to ensure that their exit strategies result in gainful employment for beneficiaries who can then become contributors to the fund. The Fund has budgeted R10.6 billion over the medium term to carry out these activities.

In ensuring that contributors remain employed, the Fund, through its temporary employer/employee relief scheme, provides support to distressed businesses seeking to retain their employees. The Commission for Conciliation, Mediation and Arbitration administers this scheme on behalf of the Fund and considers applications. Under the scheme, 75 per cent of an employee's basic salary is funded up to a maximum amount of R17 119.44 per month for a maximum of 12 months. The Fund has budgeted R4.3 billion over the next 3 years for this programme.

The Fund's 126 labour centres have traditionally been a key channel through which clients access its services. To respond to the widespread use of digital platforms and technologies, the Fund plans to build on its existing technological capabilities to enhance functionality and alleviate queues at labour centres. The Fund has budgeted R18 million of the medium term for this purpose. To augment the capability of labour centres, the Fund plans to deploy kiosks in strategic places and deploy at least 1 mobile bus in each province for outreach initiatives in remote and densely populated areas. The Fund has budgeted R94 million for the deployment of 21 buses, 11 in 2023/24 and 10 in 2024/25.

Total expenditure over the medium term is expected to amount to R102.4 billion, increasing at an average annual rate of 4.4 per cent, from R31.2 billion in 2022/23 to R35.5 billion in 2025/26. The Fund expects to derive 67.4 per cent (R74.6 billion) of its revenue over the period ahead through contributions from employees and employers, as legislated by the Unemployment Contributions Act (2002). Remaining income is received through interest earned on investments. Total revenue is expected to increase at an average annual rate of 3.4 per cent, from R34.3 billion in 2021/22 to R37.9 billion in 2024/25.

9. Infrastructure Projects

CONSTRUCTION, REFURBISHMENT, REHABILITATION AND REPAIR AND RENOVATIONS PROJECTS IN PROGRESS 2023/24								
No.	Project Name	Programme	Project Description	Outputs	Project Start Date	Project Completion Date	Total Estimated Cost	Current Year Expenditure
	Refurbishment	Administration	Refurbishment of Labour Centre: Upington	Refurbishment	March 2023	June 2024	R14 355 463 Contractor + R2 750 467 consultants	R813 785 (Consultants)
	Construction	Administration	Construction of Labour Centre: Ermelo	New infrastructure	Not on tender yet due to funds not available	18 months construction	R73 322 759 + 18.5% consultant fees	R1 135 547 (Consultants)
	Construction	Administration	Construct under-cover parking bays: Labour Centre Mdantsane	New infrastructure	In site clearance. PEP to be provided	To be confirmed	R678 343	R0
	Rehabilitation	Administration	Rehabilitation: Labour Centre Greytown	Rehabilitation	Still in planning	To be confirmed	R3 800 000 + 18.5% consultant fees	Not on Department's budget. DPWI funding.
	Construction	Administration	Construction of Labour Centre: Standerton	New Infrastructure	September 2021	May 2023 - 19.25 months with EOTs	R34 718 065 + 18.5% consultant fees	R22 071 384 (Contractor and consultants)
	Rehabilitation and additional construction	Administration	Rehabilitation and additional construction of Labour Centre: Ulundi	Rehabilitation and construction of additional infrastructure	Tender Aug 23	Des 26 - 36 months	R65 943 783 + 18.5% consultant fees	R971 714 (Consultants)
	Refurbishment and additional accommodation	Administration	Refurbishment and construct additional accommodation Prospecton Labour Centre	Refurbishment and additional accommodation	Tender Aug 23	Oct 26 - 24 months	R17 301 114 + 18.5% consultant fees (Guestimate as no request for final project cost approval)	R0
	Repair and Renovations	Administration	Repair and Renovations: Phuthaditjaba Labour Centre	Repair and Renovations	Still in planning	To be confirmed	R6 187 315 + 18.5% consultant fees	Not on Department's budget - DPWI funding.
	Construction	Administration	Construction of Labour Centre: Taung	New Infrastructure	December 2019	Estimated June 2023	R 25 135 463 + 35.17% consultant fees	R6 744 250 (Contractor and consultants)
	Construction	Administration	Construction of Satellite Office: Swellendam	New Infrastructure	Tender still to be awarded - delay die to site registration	To be confirmed - 18 month contract	R 18 million + 18.5% consultant fees	R229 918 (Consultants)
	Construction	Administration	Construction of Labour Centre: Carolina	New infrastructure	Project to be advertised as soon as funds confirmation was done.	Depend on start date: 18 month project	R31 598 161 (Contractor) + R8 684 980 (Consultants)	R0

PROVISION OF WATER TANKS IN LABOUR CENTRES IN 2023/24 PROJECT

No.	Project Name	Programme	Project Description	Outputs	Project Start Date	Project Completion Date	Total Estimated Cost	Current Year Expenditure
	Water tank supply for emergencies	Administration	Installation of Water tanks: Satellite Office: Hoedspruit	Water Tank installation	In planning, site cleared	To be confirmed. Planning to start March 2023 thus August 2023	To be confirmed	R0
	Water tank supply for emergencies	Administration	Installation of Water tanks: Visiting Points: Belfast	Water Tank installation	In planning, site cleared	Oct 2023	To be confirmed	R0
	Water tank supply for emergencies	Administration	Installation of Water tanks: Visiting Points: Hendrina	Water Tank installation	In planning, site cleared	Oct 2023	To be confirmed	R0
	Water tank supply for emergencies	Administration	Installation of Water tanks: Labour Centre: Mdantsane	Water Tank installation	In planning, site cleared	To be confirmed	To be confirmed	R0
	Water tank supply for emergencies	Administration	Installation of Water tanks: Labour Centre: East London PO	Water Tank installation	In planning, site cleared	To be confirmed	To be confirmed	R0
	Water tank supply for emergencies	Administration	Installation of Water tank and Generator: Labour Centre Phuthaditjaba	Water Tank and Generator installation	In planning, site clearance	To run concurrent with R&R of Labour Centre - See above	R1 727 686	R0
	Water tank supply for emergencies	Administration	Installation of additional Water tank: Provincial Office: Mpumalanga PO	Water Tank installation	In planning, site clearance - challenge with registration of site	To be confirmed	To be confirmed	R0
	Water tank supply for emergencies	Administration	Installation of water tanks in Gauteng: Roodepoort, Krugersdorp and Carletonville	Water Tank installation	Design stage	To be confirmed	To be confirmed	R0

PROGRESS TO DATE 2022/23

TOTAL NO BUILDINGS WITH WATER TANKS	33
TOTAL NO OF LEASE BUILDINGS WITH STANDBY GENERATORS	28

10. Public Private Partnerships

PPP	Purpose	Outputs	Current Value of Agreement	End Date of Agreement
None				

11. District Development Model

The Department of Employment and Labour coordinates the service delivery visits to rural areas where the Department does not have a fixed structure, with the Department of Home Affairs and SASSA. This function is managed per province and district. When the Department compiles the service delivery dates at rural areas which include Thusong Service Centres, it is coordinated with the Department of Home Affairs and SASSA visits to the same places where possible. The number of clients served at a visiting point will determine the frequency of the visits and also whether the visiting point should be upgraded or cancelled. When new Thusong Service Centres are opened the Department participates in the development stage and the delivery of services at the centre. This depends on the proximity to the nearest labour centre and if it is cost effective for the department to open a fix office or to continue as a visiting point.

The IES Branch participates in the DDM through Provincial Offices, since the DDM is driven from the offices of the Premier. The Provincial Offices of the Department ensure that there is representation in the stakeholder forums as well as actively taking place in programs that require interventions such as inspections and advocacy sessions. These happen on a continuous basis.

Part D: Technical Indicator Description (TID)

Indicator Title	Title of the indicator verbatim from the Programme plan
Definition	<ul style="list-style-type: none"> The meaning of the indicator The explanation of technical terms used in the indicator
Source of data	<ul style="list-style-type: none"> Where the information is collected from
Method of Calculation /Assessment	<ul style="list-style-type: none"> How the performance is calculated (quantitative)? How the performance is assessed (qualitative)
Means of verification	<ul style="list-style-type: none"> The portfolio of evidence required to verify the validity of data
Assumptions	Factors that are accepted as true and certain to happen without proof
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for Women Target for Youth Target for Persons with Disabilities
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> Contribution to spatial transformation priorities Description of spatial impact
Calculation Type	<ul style="list-style-type: none"> Cumulative (Year- End) Cumulative (Year-to-Date) Non-Cumulative
Reporting Cycle	<ul style="list-style-type: none"> Quarterly Bi-Annual or Annual
Desired performance	<ul style="list-style-type: none"> Information about whether actual performance that is higher or lower than the targeted performance is desirable
Indicator Responsibility	Who is responsible for managing or reporting on the indicator

Programme 1: Administration

Indicator Title	1.1 Percentage vacant funded posts maintained
Definition	Vacancy rate maintained at 7% or below on the approved establishment of the Department's voted funds
Source of data	Establishment report and vacancy report from Head Office, Provinces, and Funds for consolidation at the Department's Head Office
Method of Calculation /Assessment	<ul style="list-style-type: none"> Count the number of vacant funded posts against the total establishment Number of funded vacancies divided by Total Department's establishment multiplied by 100 to get the percentage of funded vacant posts
Means of verification	Establishment report from PERSAL and vacancy report from the Provinces, Funds and HO consolidation by the HO
Assumptions	<ul style="list-style-type: none"> All vacant posts are funded Adherence to the Standard Operating Procedure on Recruitment and Selection Availability of required skills in the labour market
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Women Youth Persons with Disabilities <p>These groups will benefit and statistics will be reported</p>
Spatial Transformation (where applicable)	Throughout South Africa
Calculation Type	Cumulative (year to date)
Reporting Cycle	Quarterly and annually
Desired performance	All vacant funded posts to be filled and maintain vacancy rate at 7% or less
Indicator Responsibility	Deputy Director-General: Corporate Services

Indicator Title	2.1 % of SMS positions occupied by Women per annum
Definition	The percentage of women against percentage of men employed on SMS positions
Source of data	The PERSAL system report on gender statistics
Method of Calculation /Assessment	Total number of women on SMS positions divide by the total SMS positions expressed in percentage (Number of women on SMS /Total SMS positions) * 100
Means of verification	The EE Report from PERSAL
Assumptions	Availability of PERSAL reports
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Women
Spatial Transformation (where applicable)	Throughout the geographical spread of the department
Calculation Type	Quantitative
Reporting Cycle	<ul style="list-style-type: none"> Bi-Annual
Desired performance	<ul style="list-style-type: none"> To have 49% of SMS positions occupied by Women
Indicator Responsibility	Deputy Director General: Corporate Services

Indicator Title	2.2 % of positions occupied by Youth per annum
Definition	The percentage of youth on the establishment of the Department
Source of data	The PERSAL system report on youth statistics
Method of Calculation /Assessment	Total number of youth divide by the total number of filled positions on the establishment expressed in percentage (Number of youth /Total filled positions on the establishment) * 100
Means of verification	The PERSAL Report
Assumptions	Availability of PERSAL reports
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Youth
Spatial Transformation (where applicable)	Throughout the geographical spread of the department
Calculation Type	Quantitative
Reporting Cycle	<ul style="list-style-type: none"> Bi-Annual
Desired performance	<ul style="list-style-type: none"> To have 25 % of positions occupied by youth
Indicator Responsibility	Deputy Director General: Corporate Services

Indicator Title	2.3 % of positions occupied by PwDs per annum
Definition	The percentage of PwDs on the establishment of the Department
Source of data	The PERSAL system report
Method of Calculation /Assessment	Total number of PWD divided by the total number of filled post on the establishment expressed in percentage (Number of PwDs /Total number of filled positions) * 100
Means of verification	The EE Report from PERSAL
Assumptions	Availability of PERSAL reports
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> PwDs
Spatial Transformation (where applicable)	Throughout the geographical spread of the department
Calculation Type	Quantitative
Reporting Cycle	<ul style="list-style-type: none"> Bi-Annual
Desired performance	<ul style="list-style-type: none"> To have 3% of positions occupied by PwDs
Indicator Responsibility	Deputy Director General: Corporate Services

Indicator Title	3.1 % implementation of the roadmap to improve Information Security status of the department per annum
Definition	Safeguarding the department systems from cyber-attacks and data losses as well as implementation of improved IT security controls
Source of data	Monthly (Managed Information Security Service) MISS service delivery approved reports as per implementation schedule
Method of Calculation /Assessment	Signed monthly and quarterly reports as per the MISS project roadmap phase 1 schedule
Means of verification	<p>Quarter 1- three monthly Roadmap implementation reports adding towards 25% quarterly target as per the Roadmap schedule.</p> <p>Quarter 2-three monthly Roadmap implementation reports adding towards 50% quarterly target as per the Roadmap schedule.</p> <p>Quarter 3- three monthly Roadmap implementation reports adding towards 75% quarterly target as per the Roadmap schedule.</p> <p>Quarter 4- three monthly Roadmap implementation reports adding towards 100% quarterly target as per the Roadmap schedule.</p> <p>Monthly reports will be based on the roadmap Project Implementation timelines agreed upon and Project Management Committee governance structure is in place to track and monitor the project activities.</p>
Assumptions	Upgrade of the required ICT infrastructure, operating systems and software to allow and optimise the security updates
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial Transformation (where applicable)	Throughout the geographical spread of the department
Calculation Type	Cumulative
Reporting Cycle	<ul style="list-style-type: none"> Monthly Quarterly and annually
Desired performance	Cyber Security Strategy Phase1 roadmap implemented and improved Information Security posture of the department
Indicator Responsibility	Deputy Director General: Corporate Services

Indicator Title	3.2 Legacy systems transitioned to modern integrated SAP Platform per annum
Definition	Standardisation to the latest Technology and provide integrated applications across the department Training is for all available officials from LP&IR on the scheduled training dates All active and trained officials from LP&IR will utilise the Modernised Integrated Platform Licences.
Source of data	Quarter 2- User acceptance testing submitted to user for sign-off <ul style="list-style-type: none"> Minutes of meetings Monthly project reporting Quarter 3- Super user training conducted <ul style="list-style-type: none"> Minutes of meetings Monthly project reporting Quarter 4- LP & IR go live <ul style="list-style-type: none"> Minutes of meetings Monthly project reporting
Method of Calculation /Assessment	Provision of information in report/documents format
Means of verification	Quarter 2- User acceptance testing submitted to user for sign-off <ul style="list-style-type: none"> UAT milestone Certificate Updated BBPs signed off. Quarter 3- Super user training conducted <ul style="list-style-type: none"> Approved Training plan Approved training manuals Completed training assessment report Training attendance registers Quarter 4- LP & IR go live <ul style="list-style-type: none"> Deploy Milestone stage gate Certificate. Client acceptance certificate
Assumptions	No unexpected project delivery delays, good adaptation by the users to the systems, No resistance to system implementation
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial Transformation (where applicable)	Throughout the geographical spread of the department
Calculation Type	Non-Cumulative
Reporting Cycle	<ul style="list-style-type: none"> Quarterly and annually
Desired performance	<ul style="list-style-type: none"> LP&IR modernised onto the Integrated ICT Platform
Indicator Responsibility	Deputy Director General: Corporate Services

Indicator Title	4.1 Ensure functionality of ethics structures and adequate capacity per annum
Definition	Ethics programme with rules that define moral conduct in public administration in accordance with the Public Service regulations, 2016
Source of data	Approved Ethics Strategy Approved Ethics Management Plan
Method of Calculation /Assessment	Compare progress reports vs the approved plan
Means of verification	Ethics plans and progress reports
Assumptions	Officials have knowledge of the Public Service Regulations, 2016 Every official committed to ethical behaviour
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Women Youth Persons with Disabilities All though the identified groups would benefit, we would not be able to disaggregate at this stage
Spatial Transformation (where applicable)	N/a
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly and Annual
Desired performance	Roll-out of the Ethics Management Plan for the year
Indicator Responsibility	Director: Office of the Director-General

Indicator Title	4.2 Percentage of corruption/fraud cases finalised by Department through investigations within 6 months of receipt
Definition	All corruption cases related to dishonesty/ unethical behaviour or fraudulent conduct Corruption erodes trust, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and the environmental crisis. Finalisation by the department means either the risk management unit

	finalises the case or the case is referred to the external parties (outside the department) to finalise it.
Source of data	Anti-Fraud/Corruption Case register per provincial and head office
Method of Calculation /Assessment	Total number of cases investigated and signed off divided by total number of cases received multiply by 100 to determine the percentage of cases investigated. (Only cases linked to voted funds are included – excluding cases from UIF, and CF)
Means of verification	Case register – signed off by D: Risk Case file – signed-off by D: Risk
Assumptions	Valid cases reported
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Women • Youth • Persons with Disabilities Final statistic information will be available in the annual report
Spatial Transformation (where applicable)	Throughout South Africa
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly and Annual
Desired performance	75% of cases finalised within 6 months of receipt
Indicator Responsibility	Deputy Director General: Corporative Services; Director: Risk

Indicator Title	4.3 Percentage of consequence management cases related to corruption cases finalised by Employment Relations (ER) through investigation within 90 days
Definition	<p>Misconduct is instances of unacceptable or improper behaviour by employees Resolution means that the disciplinary hearing and appeals process are finalised Corruption in relation to misconduct can be defined as the abuse of entrusted power for private gain. Corruption erodes trust, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and the environmental crisis.</p> <p>Criminal cases referred to external authorities are deemed to be finalised/resolved once referred and have an allocated case/reference number</p>
Source of data	Misconduct and Anti-Fraud/Corruption Case register per provincial and head office
Method of Calculation /Assessment	Cases resolved divided by number reported multiply by 100 to determine the percentage resolved. The cases handled by Risk and referred to ER will be counted within the 90 days' resolution time frame since this would still be within the department (Only cases linked to voted funds are included – excluding cases from UIF, CF and SEE)
Means of verification	Statistical audits – signed-off by D: ER Case file audits – signed-off by D: ER Case register – signed off by D: Risk All the above will be signed off
Assumptions	Valid cases reported
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Women • Youth • Persons with Disabilities Final statistic information will be available in the annual report
Spatial Transformation (where applicable)	Throughout South Africa
Calculation Type	Non-cumulative, Quantitative
Reporting Cycle	bi-annual
Desired performance	80% percent of consequence management cases related to corruption cases finalised within 90 days
Indicator Responsibility	Deputy Director General: Corporative Services

Indicator Title	5.1 Business Continuity Plan evaluated annually
Definition	<p>Capability of the Department to continue delivery of products or services within acceptable timeframes at predefined capacity during a disruption.</p> <p>Business Continuity Plan documented information that guide the Department to respond to a disruption and resume, recover and restore the delivery of products and services consistent with its business continuity.</p>
Source of data	<p>Quarter 1 Business Impact Analysis questionnaire Threat assessment Register</p> <p>Quarter 2 Consultation and gathering of all disaster management plans to develop Business Continuity Plan – Consultation meetings minutes</p> <p>Quarter 3</p>

	Consultation and gathering of all disaster management plans to develop Business Continuity Plan – Consultation meetings minutes Quarter 4 Signed and approved Business Continuity Plan
Method of Calculation /Assessment	Simple count
Means of verification	Quarter 1 Completed Business Impact Analysis questionnaires Threat assessment Register Quarter 2 Disaster Management Plan <ul style="list-style-type: none"> Emergency Management Plan Incident Management Plan Quarter 3 <ul style="list-style-type: none"> ICT Disaster Recovery Plan Quarter 4 Signed and approved Business Continuity Plan
Assumptions	Management support the co-ordination and the development of the Departmental Business Continuity Plan
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not available at this stage
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly and Annual
Desired performance	Approved Business Continuity Plan
Indicator Responsibility	Deputy Director General: Corporative Services; Chief Information Officer; Director: Risk Management

Indicator Title	6.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) submitted per year that comply with guidelines issued by the National Treasury
Definition	Compilation and submission of the Interim and Annual Financial Statements to National Treasury (NT) and Auditor-General as well as the publication of the AFS in the Annual Report in order to achieve a unqualified audit
Source of data	Interim Financial Statements – Q1 in July, Q2 in October and Q3 in January Final Financial Report - May Templates from NT Letters to NT
Method of Calculation /Assessment	Due dates determined by National Treasury and compiled according to National Treasury prescripts (AFS guidelines and template)
Means of verification	<ul style="list-style-type: none"> Inputs received from stakeholders are verified using system generated reports and relevant source documents Primary and secondary Financial Statements together with Notes to the Financial Statements are verified against the Trial Balance, inputs and relevant supporting documents To verify the accuracy of the Trial balance, exceptions on IFS and AFS templates are checked and cleared to ensure that the Statement of Financial Position balances
Assumptions	<ul style="list-style-type: none"> The accounting month is timely and accurately closed on BAS Required inputs for preparation of IFS and AFS are timely and accurately received from stakeholders The IFS and AFS templates provided by National Treasury are accurate and free of errors
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Not applicable
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> Throughout South Africa
Calculation Type	Performance is cumulative – due to NT introducing new reporting requirements both quarterly and annually.
Reporting Cycle	Quarterly and Annually as prescribed by NT
Desired performance	1 AFS submitted by 31 May and 3 IFS submitted within 30 days after each quarter
Indicator Responsibility	Chief Financial Officer

7	7.1 Percentage reporting of all detected Irregular and/or Unauthorised expenditure cases per financial year, to the Accounting Officer
Definition	Reporting of all detected Irregular and/or Unauthorised expenditure cases
Source of data	Payments processed on transversal systems

	Register for irregular expenditure and actual payment documents Reports to the Accounting Officer
Method of Calculation /Assessment	Cases recorded in the register reported monthly to the Accounting Officer 15 days after the month-end Count all the cases reported to the Accounting Officer Count all cases detected and reported in the register Formula for percentage= Cases reported/cases detected*100 Reporting will be the percentage with the case numbers and R-value in brackets for example: 90% (9 of 10 cases to the value of R999)
Means of verification	<ul style="list-style-type: none"> Identifying irregular expenditure (i.e. payments for unapproved goods/ services) that was captured on BAS for each month. Verifying the payment documentation to ascertain such expenditure. Identifying irregular expenditure incurred i.e. in respect of accidents and no shows, the invoices received from service providers. Cases identified by the Auditor-General.
Assumptions	<ul style="list-style-type: none"> Identified Irregular Expenditure (IE) cases per month are registered in the IE Registers for each month. All IE cases are reported on a monthly basis to the Director-General. Non-Compliance letters are issued to responsible officials for their response in order to be referred to Employment Relations for an investigation. All investigated IE cases, in respect of Supply Chain Management expenditure, are submitted for condonation to National Treasury
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Not applicable
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> Throughout South Africa
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	100% reported to Accounting Officer
Indicator Responsibility	Chief Financial Officer

Indicator Title	8.1 Percentage reporting of all detected Fruitless and Wasteful Expenditure cases per financial year, to the Accounting Officer
Definition	Reporting of Fruitless and Wasteful Expenditure cases year-on-year.
Source of data	Payments processed on transversal systems Register for Fruitless and Wasteful expenditure and actual payment documents Reports to the Accounting Officer
Method of Calculation /Assessment	Cases recorded in the register reported monthly to the Accounting Officer 15 days after the month-end Count all the cases reported to the Accounting Officer Count all cases detected and reported in the register Formula for percentage= Cases reported/cases detected*100 Reporting will be the percentage with the case numbers and R-value in brackets for example: 90% (9 of 10 cases to the value of R999)
Means of verification	<ul style="list-style-type: none"> Identifying fruitless and wasteful expenditure (i.e. payments for unapproved goods/ services) that were captured on BAS for each month. Verifying the payment documentation to ascertain such expenditure. Identifying fruitless and wasteful expenditure incurred i.e. in respect of accidents and no shows, the invoices received from service providers. Cases identified by the Auditor-General.
Assumptions	<ul style="list-style-type: none"> Identified Fruitless & Wasteful Expenditure (FWE) cases per month are registered in the IE Registers for each month All FWE cases are reported on a monthly basis to the Director-General. Non-Compliance letters are issued to responsible officials for their response in order to be referred to Employment Relations for an investigation
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Not applicable
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> Throughout South Africa
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	100% reported to Accounting Officer
Indicator Responsibility	Chief Financial Officer

Programme 2: Inspection and Enforcement Services

Indicator Title	1.1 Number of employers/workplaces/ users inspected per year to determine compliance with employment law.
Definition	<p>Subject number of employers/users subjected to inspection to establish whether they comply with employment law</p> <p>Number – the target number states how many employers/ workplaces/users will be inspected in a given financial year (1 April until 31 March)</p> <p>Employers –means the workplace, a person (s) who employs one or more employees, a designated employer, a plant or machinery and user as defined in the respective Acts:</p> <ul style="list-style-type: none"> • Employment Equity Act • Basic Conditions of Employment Act • National Minimum Wage Act • Occupational Health and Safety Act <p>-"user", in relation to plant or machinery, means the person who uses plant or machinery for his own benefit or who has the right of control over the use of plant or machinery, but does not include a lessor of, or any person employed in connection with, that plant or machinery.</p> <ul style="list-style-type: none"> • Unemployment Insurance Act • Compensation for Occupational Injuries and Diseases Act • Employment Services Act <p>Inspections – is a process undertaken by the Inspector to determine employer's compliance with employment law and includes audits.</p> <p>Compliance – is a state of employer or user after inspection is conducted and the employer/user is found to be obedient with employment law</p> <p>Per Year – financial year (1 April until 31 March)</p> <p>Employment law - means all labour legislation administered by the Minister of Employment and Labour (BCEA, EEA, UIA, COIDA, ESA, OHSA) including legislation administered through the Minister of Finance (UICA)</p> <p>Counting of inspections</p> <ul style="list-style-type: none"> • An employer shall be inspected once in 12 months notwithstanding the above the 12 months' period shall be dispensed with where there is a complaint from the same employer, or where the employers are subjected to employment equity inspections, in the case of National Blitz Inspections or Projects, follow up or payroll audit or where there are Legislative changes. In case of a complaint the Supervisor shall ensure that the re-active inspection is conducted by a different inspector. • In cases of re-active inspections, the Inspector conducting inspection should not only restrict themselves to a complaint/incident, the inspector must conduct a full inspection unless the inspection was conducted in 60 days. In cases where there is a request to conduct inspection by PES/SCM, the supervisor must provide the inspection report as long as it is still within (12 months). • OHS follow up inspections are counted as new inspections because of the nature of work done • If there is a complaint against an employer and the inspector follows up on that complaint after expiry of the 14 days from Registration Service, the inspector must conduct a re-active inspection. If another complaint, for example UI 19 is received in the same month, a different inspector will have to go and conduct that reactive inspection. Therefore 2 inspections or more could be conducted at the same employer within a short period of time and each would count as an inspection.
Source of data	<p>Source:</p> <p>Number – APP, Branch Work Plan, Provincial Work Plan, Labour Centre Work Plan (Targets must be aligned to APP)</p> <p>Employers/Users – as per complaints/ request received and targeted randomly as per APP (notice of inspection)</p> <p>Inspections – Signed Inspection Reports/ recommendations/assessment reports/audit reports signed-off by Inspector and Supervisor.</p> <p>Compliance – Signed off Inspection report and Inspection register</p> <p>Per Year – financial year (1 April 2021 until 31 March 2022)</p> <p>Employment law - means all labour legislation administered by the Minister of Employment and Labour (BCEA, EEA, UIA, COIDA, ESA, OHSA) including legislation administered through the Minister of Finance (UICA)</p>
Method of Calculation /Assessment	<p>Signed off weekly inspection plan per inspector</p> <p>Completed and Signed-off Inspection reports at finalisation of inspections and signed-off IES registers</p> <p>Number of inspections on employers/ workplaces/users across Labour Centres, Provincial Offices and Head Office to be consolidated</p> <p>Information collected at labour centres collated and submitted to provincial offices</p>

	Information collected at Provincial Office submitted to Head Office (IES Branch) Information collected at Head office included in Branch Report
Means of verification	IES Registers, Inspection reports Process set out in the IES Standard Operating Procedures
Assumptions	The target will be met with a full complement of staff in IES and budget as allocated for the reporting period. It will also be assumed that employers and users grant their full cooperation during the inspection performed
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Throughout South Africa
Calculation Type	Cumulative (year to date)
Reporting Cycle	Quarterly and Annually
Desired performance	298 332 employers to be inspected
Indicator Responsibility	Inspector, Team Leaders, Deputy Director Labour Centre Operations, Principal Inspectors, Specialist Inspectors, Provincial Chief Inspectors, Chief Director Provincial Operations, Directors and Chief Directors IES in HO, Inspector General (DDG:IES)

Indicator Title	1.2 Percentage of non-compliant employer/workplaces/users of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection
Definition	<p>95% of non-compliant employers/ workplaces/users of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection (5% can be served after 14 days, the service of notices depends on the availability of employers/users during inspections)</p> <p>Percentage – Divide the number of notices issued within 14 calendar days by the number of all non-compliant employers/workplaces/users found in ref to 1.1 multiply by 100 to determine the percentage</p> <p>Non-compliant employer/workplaces/users – employer that failed to comply with employment law after inspection was conducted Notice- legal instrument issued in terms of relevant employment law. Legal instruments could be any of the following:</p> <ul style="list-style-type: none"> • Undertaking (signed by employer and inspector) as applicable to BCEA, UIA, EEA • Compliance order (if hand delivered signed by inspector and employer, if posted proof of registered mail, if faxed or emailed proof of transmission) as applicable to BCEA, UIA and EEA <p>Recommendations (received by the employer/user proof of delivery to employer/user either by fax/ or email transmission/ registered mail or in person by the inspector) as applicable to EEA (DG Reviews) or the OHSA (including incorporated Standards) Contravention Notices or Improvement Notice or Direction Notice or Prohibition Notice as applicable to OHSA (all signed by the inspector and the employer). The 14 days referred to, do not apply to OHS notices as these are expected to be served on the employer/workplace/users immediately after the inspection. Recommendations (OHSA) by the employer/user - proof of delivery to employer/user either by fax/ or email transmission/ registered mail or in person by the inspector) as applicable by the OHSA (including incorporated Standards) Subpoena- applicable to all legislation (signed by inspector and any person at the workplace) OHS Follow ups, Re-assessment and Monitoring a confirmatory notice and proof of referral to Statutory services Served – when signed notice by inspector is delivered (personal, via post office per registered mail, fax or e-mail) to the employer/workplace/users 14 Calendar days – counting from the date inspection was conducted</p>
Source of data	<p>Source</p> <p>Information as collected in indicator 1.1 Signed Inspection reports/recommendations/ assessment report/ audit reports Notices served Registers of labour centres, Provincial Office as well Head Office on inspection conducted From IES Manual Registers From IES electronic registers, through the Case Management System, where enabled</p>

Method of Calculation /Assessment	<p>Percentage – Divide the number of notices issued within 14 calendar days by the number of all non-compliant employers found in ref to 1.1 multiply by 100 to determine the percentage</p> <p>$A=B \times 100$ A= Number of notices issued within 14 days (14 days not applicable in the case of OHS notices) B= Number of inspected employers found non-compliant with reference to 1.1. 100= to determine percentage</p> <p>OHS notices should be given on the spot</p>
Means of verification	<p>IES Registers, Inspection reports, notices for non-compliance Process set out in the IES Standard Operating Procedures Number of inspections conducted in 1.1 Number of employers found to be non-compliant in terms of 1.1</p>
Assumptions	<p>The target will be met with a full complement of staff in IES and budget as allocated for the reporting period. It will also be assumed that employers and users grant their full cooperation during the inspection performed.</p>
Disaggregation of Beneficiaries (where applicable)	<p>Not applicable</p>
Spatial Transformation (where applicable)	<p>Throughout South Africa</p>
Calculation Type	<p>Cumulative (year to date)</p>
Reporting Cycle	<p>Quarterly and annually</p>
Desired performance	<p>95% non –compliant employer/workplaces/users must be issued with a notice as provided for in the legislation within 14 calendar days (5% can be served after 14 days; the service of notices depends on the availability of employers during inspections). In the case of OHS, all notices are expected to be served on the employer/user before the inspector leaves the premises.</p>
Indicator Responsibility	<p>Inspector, Team Leaders, Deputy Director Labour Centre Operations, Principal Inspectors, Specialist Inspectors, Provincial Chief Inspectors, Chief Director Provincial Operations, Directors and Chief Directors IES in HO, Inspector General (DDG:IES)</p>

Indicator Title	<p>1.3 Percentage of non-compliant employers/workplaces/users received by Statutory Services settled out of Court or CCMA / referred for prosecution within 30 working days.</p>
Definition	<p>65% non-compliant employers/ workplaces/users:</p> <ol style="list-style-type: none"> i. settled out of court or CCMA within 30 working days; and/or ii. referred for prosecution within 30 working days <p>Percentage – the number of files settled out of Court or CCMA / referred for prosecution within 30 working days divided by the number of competent files received by Statutory Services multiply by 100 to determine the percentage Non-compliant employers/ workplaces/users - employers that failed to comply with employment law after the expiry of the notice period (notice period will depend on each employment law and SOP). Received - Competent inspection file for non-compliant employers/ workplaces/ users after the expiry of the notice from Labour Centre to Provincial Office. Competent inspection files for non-compliant employers / workplaces/ users after the expiry of the notice from Provincial office to Statutory Services at Provincial Office. Competent inspection files for non-compliant employers after the expiry of the notice from Statutory Services at Provincial Office referred to Statutory Services at Head Office. Competent inspection files for non-compliant employers after the expiry of the notice from Head Office (Occupational Health and Safety) referred to Statutory Services at Head Office. Prosecution- file for purposes of initiating legal enforcement proceedings against non-compliant employers at Court/ CCMA Referred – Statutory Services quality checks the inspection for non-compliant employers file for completeness and competency – Statutory Services drafts court documents –Statutory Services delivers and serves court papers to the NPA and non-compliant employers– files court document at the Court / CCMA. Settled – inspection file for non-compliant employers / workplaces / users finalised at Statutory Services prior to referral for prosecution. 30 working days – from the date Statutory Services receives the inspection file to the date of settlement (settlement agreement signed by the employer and Statutory Services) / the date of filing at the court/ CCMA/NPA.</p>
Source of data	<p>Competent inspection File received by Statutory Services Registers</p>

	Proof of compliance, Signed settlement agreement, stamped notice of motion file filed at Labour court, stamped referral letter to the NPA and referral form to Commission for Conciliation Mediation and Arbitration (CCMA) with proof of delivery. Settlement agreement signed by Statutory Services and the employer.
Method of Calculation /Assessment	Percentage – Divide the number of files referred for prosecution/settled within 30 working days by the number of competent files received by Statutory Services multiply by 100 to determine the percentage $(A \div B) \times 100$ A= Number of files settled/ referred for prosecution within 30 working days B= Number of competent files received by Statutory Services. 100= to determine percentage
Means of verification	Inspection File received by Statutory Services Registers Proof of compliance, Signed settlement agreement, stamped notice of motion file filed at Labour court, stamped referral letter to the NPA and referral form to Commission for Conciliation Mediation and Arbitration (CCMA) with proof of delivery.
Assumptions	The target will be met with a full complement of Statutory Services staff in IES and budget as allocated for the reporting period. It will also be assumed that the National Prosecuting Authority, Labour Court and the CCMA deal expeditiously with cases presented to them.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Throughout South Africa
Calculation Type	Cumulative (year to date)
Reporting Cycle	Quarterly and annually
Desired performance	65% Non –compliant employers / workplaces/ users received by Statutory Services referred to court for prosecution within 30 working days (35% can be referred after 30 days, due to capacity challenges in the Branch)
Indicator Responsibility	Inspector, Team Leaders, Deputy Director Labour Centre Operations, Principal Inspectors, Specialist Inspectors, Assistant Director: Statutory Services at Provincial Office, Provincial Chief Inspectors, Deputy Director: Statutory Services at Head Office, Director: Statutory Service in Head Office, Chief Director Provincial Operations, Directors and Chief Directors IES in HO, Inspector General (DDG:IES)

Indicator Title	1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law.
Definition	There must be four seminars and two conferences conducted Number – the target number states how many conferences and seminars will be conducted in the given financial year (1 April 2022 until 31 March 2023) Advocacy - An action or activity aimed at promoting awareness of Employment Law to internal and external stakeholders in order to improve compliance in the Labour market Conducted - Planning and implementing a conference /seminar and drafting a close out report thereafter. Conference - A formal event conducted for staff and/or external stakeholders internally or externally with the purpose of sharing information; educating staff or employees, sharing information, raising awareness. Seminar - Seminar has a similar meaning Per Year – Financial year (1 April 2022 until 31 March 2023) Employment law - means all labour legislation administered by the Minister of Employment and Labour (BCEA, NMWA, EEA, UIA, COIDA, ESA, OHSA) including legislation administered through the Minister of Finance (UICA)
Source of data	Conference or seminar report Attendance register
Method of Calculation /Assessment	Number of conferences and seminars held will be counted on a cumulative basis
Means of verification	Attendance Registers
Assumptions	Stakeholders and clients will in fact attend the event that has been organised.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Throughout South Africa
Calculation Type	Cumulative
Reporting Cycle	Quarterly and annually

Desired performance	No less than 4 seminars and 2 conferences conducted per year.
Indicator Responsibility	Inspector, Team Leaders, Deputy Director Labour Centre Operations, Principal Inspectors, Specialist Inspectors, Assistant Director: Statutory Services at Provincial Office, Provincial Chief Inspectors, Deputy Director: Statutory Services at Head Office, Director: Statutory Service in Head Office, Chief Director Provincial Operations, Directors and Chief Directors IES in HO, Inspector General (DDG:IES)

Programme 3: Public Employment Services

Indicator Title	1.1 Number of work-seekers registered on Employment Services of South Africa per year
Definition	900 000 Unemployed or under-employed work seekers are registered on the Department of Labour database (ESSA)
Source of data	Labour Centre Productivity Report from ESSA, requested for reporting period
Method of Calculation /Assessment	The total number of work seekers registered in labour centres, provincial offices, head office, online, UIF
Means of verification	Labour Centre Productivity Report from ESSA, requested for reporting period
Assumptions	Required resources will be provided and other enablers processed to provide the needed enabling environment.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Youth Women Persons with Disabilities Statistic information will be available in the quarterly performance analysis reports/presentations
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly and Annually
Desired performance	900 000 registered work seekers on the Department of Labour database (ESSA) per year
Indicator Responsibility	Client Service Officers at Labour Centres, PES Managers at Provincial Offices, Chief Directorate - Work Seeker services at Head Office, DDG: PES

Indicator Title	2.1 Number of employment opportunities registered on the Employment Services South Africa per year.
Definition	110 000 employment opportunities registered on ESSA for placement of work-seekers
Source of data	Opportunity and placement report from ESSA requested from April up to each end of quarterly period
Method of Calculation /Assessment	Number of employment opportunities registered as generated by ESSA excluding the work permit /visa opportunity type
Means of verification	Opportunity and placement report from ESSA requested from April up to each end of quarterly period
Assumptions	Required resources will be provided and other enablers processed to provide the needed enabling environment
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly and Annually
Desired performance	110 000 employment opportunities registered on ESSA per year
Indicator Responsibility	Employment Services Practitioners at Labour centres, Employer Service co-ordinators and PES Managers at Provincial Offices, Chief Directorate – Employer Services at Head Office, DDG: PES

Indicator Title	3.1. Number of registered work-seekers provided with employment counselling per year
Definition	250 000 of registered work seekers provided with employment counselling services that includes life skills programmes, careers information and guidance, psychometric assessments, automated career and employment assessments and any other intervention as defined in the ES Act
Source of data	Employment Counselling Report from ESSA, requested from April up to each end of quarterly period
Method of Calculation /Assessment	Number of registered work seekers that received Employment Counselling interventions as reflected on ESSA BW Report for employment counselling
Means of verification	Employment Counselling Report from ESSA, requested from April up to each end of quarterly period

Assumptions	Required resources will be provided and other enablers processed to provide the needed enabling environment
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Youth Women Persons with Disabilities Statistic information will be available in the quarterly performance analysis reports/presentations
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly and Annually
Desired performance	250 000 registered work –seekers provided with employment counselling per year
Indicator Responsibility	Employment Counsellors at Labour Centres, Principal Psychologist at Provincial Offices, Chief Directorate – Work seeker Services at Head Office, DDG: PES

Indicator Title	4.1 Number of registered employment opportunities filled by registered work seekers per year
Definition	Registered work seekers placed into 60 000 of registered employment opportunities through the process identified in Recruitment, Selection and Placement SOP and ES Act. Placement against opportunities registered before end of March will be reported in the first semester of the new financial year. Placement against opportunities for Work visa opportunity type is excluded
Source of data	Opportunity and Placement report from ESSA, requested from April up to each end of each quarterly period. The updated placements for a previous financial year, which have not yet been reported, will be calculated using the BW reports, and reported only in the specific quarter.
Method of Calculation /Assessment	The number of registered work seekers that were placed against the employment opportunities registered on ESSA as reflected in the Opportunity and Placement report of ESSA This report exclude the work permit /visa opportunity type
Means of verification	Opportunity and Placement report from ESSA, requested from April up to each end of each quarterly period. The updated placements for a previous financial year, which have not yet been reported, will be calculated using the BW reports, and reported only in the specific quarter.
Assumptions	Required resources will be provided and other enablers processed to provide the needed enabling environment
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Youth Women Persons with Disabilities Statistic information will be available in the quarterly performance analysis reports/presentations
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly and Annually
Desired performance	60 000 registered employment opportunities filled by registered work seekers per year
Indicator Responsibility	Employment Services Practitioners and Counsellors at Labour Centres, PES Managers at Provincial Offices, Chief Directors Work seeker and Employer Services at Head Office, DDG: PES

Indicator Title	5.1 Number of Partnership Agreements concluded with various stakeholders by the DDG: PES per year
Definition	Partnership Agreements concluded with various stakeholders to facilitate implementation of the objects of the Employment Services Act, 2014
Source of data	Register of Partnership Agreements.
Method of Calculation /Assessment	Number of Partnership Agreements concluded and Implementation in Progress
Means of verification	Number of Partnership Agreements signed off by DDG – PES as delegated by the Director General.
Assumptions	The stipulations will be honoured by all Agreement signatories
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Annually
Desired performance	24 Partnership agreement concluded with various stakeholders
Indicator Responsibility	

	CDs – Employer Services & Work seeker services
Indicator Title	6.1 Number of Policies developed and approved per year
Definition	Draft policies in relation to Employment Services (& sub-themes) developed & amendment of the ES Act 2014, consulted and approved by the Minister for submission to Cabinet.
Source of data	Submissions to the Minister on Employment Policy review and update draft documents.
Method of Calculation /Assessment	Draft Zero NEP by Quarter 4. (Draft Zero will cover sub-theme on migration policy and draft Employment Services Act legislative amendments)
Means of verification	Submission to the Minister.
Assumptions	Policy endorsement by the ES Board, SEIAS certification by the Presidency, support by Government Clusters
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	N/A
Reporting Cycle	Annually
Desired performance	1 National Employment Policy developed and submitted to the Minister for approval
Indicator Responsibility	CD Employer Services & DDG: PES

Programme 4: Labour Policy and Industrial Relations

TID for indicator 1.1 was removed. There is no target for this year

Indicator Title	2.1 Annual EE Report and Public Register published per annum
Definition	2022-2023 Annual Employment Equity Report and Public Register published by 30 June 2023
Source of data	Information gathered through Employment Equity reports submitted by designated employers annually through manual submissions or EE Online Reporting facility
Method of Calculation /Assessment	Copy of the 2022-2023 Employment Equity (EE) Annual Report
Means of verification	Copy of the Government Gazette of the EE Public Register
Assumptions	EE Annual Report and EE Public Register published by 30 June 2023
Disaggregation of Beneficiaries (where applicable)	Published Annual EE report and EE Public Register
Spatial Transformation (where applicable)	Transformed and inclusive workplaces
Calculation Type	All workers, i.e. men, women, youth and Persons with Disabilities
Reporting Cycle	Annual
Desired performance	2022-2023 Annual Employment Equity Report and Public Register published by 30 June 2023
Indicator Responsibility	DDG: LP&IR, CD: LR and Director: Employment Equity

Indicator Title	2.2 Annual EE report and Public Register developed per annum
Definition	2023-2024 Annual Employment Equity Report and Public Register developed by 31 March 2024
Source of data	Information gathered through Employment Equity reports submitted by designated employers annually through manual submissions or EE Online Reporting facility <ul style="list-style-type: none"> • Copy of CEE Advisory to Minister of Employment and Labour • Copy of 2023-2024 Employment Equity (EE) Annual Report developed • Copy of EE Public Register developed
Method of Calculation /Assessment	<ul style="list-style-type: none"> • Copy of CEE Advisory to Minister of Employment and Labour • Copy of 2023-2024 Employment Equity (EE) Annual Report developed • Copy of EE Public Register developed in the Ministerial submission.
Means of verification	Developed Annual EE report and EE Public Register
Assumptions	Transformed and inclusive workplace
Disaggregation of Beneficiaries (where applicable)	All workers, i.e. men, women, youth and Persons with Disabilities
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	2023-2024 Annual Employment Equity Report and Public Register developed by 31 March 2024

Indicator Responsibility	DDG: LP&IR, CD: LR and Director: Employment Equity
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TID for indicator 2.3 was removed. There is no target for this year

TID for indicator 2.4 was removed. There is no target for this year

Indicator Title	3.1 National minimum wage reviewed and approved by the Minister of Employment and Labour by 31 March each year
Definition	NMW reviewed and adjusted by the Minister to an appropriate level
Source of data	Published NMW Commission's Investigation report
Method of Calculation /Assessment	Government Gazettes on the NMWC's investigation report and the amendment notice to reflect the reviewed NMW level
Means of verification	NMWC's Investigation report and the Government notice to reflect the reviewed NMW level
Assumptions	Required resources will be available to provide the needed enabling environment
Disaggregation of Beneficiaries (where applicable)	All workers, i.e. men, women, youth and Persons with Disabilities
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	National minimum wage reviewed and approved by the Minister of Employment and Labour by 31 March each year
Indicator Responsibility	DDG: LP and IR, CD: LR and Director: Employment Standards

Indicator Title	4.1 Percentage of collective agreements where parties are not representative assessed and verified within 120 working days of receipt per annum
Definition	Registration of new labour organisations: <ul style="list-style-type: none"> • Association of employers or employees come together to form a trade union or employers' organisation (labour organisations) • Unregistered trade unions or employers' organisations cannot fully participate in collective bargaining system as provided in the LRA • To become a registered trade union or employers' organisation, such organisations will apply for registration to the Registrar of Labour Relations • Upon registration, the trade union or employers' organisation become a body corporate with full rights to participate in the collective bargaining system as provided for in the LRA
Source of data	<ul style="list-style-type: none"> • Collective agreements register • Submission to the Registrar for determination
Method of Calculation /Assessment	Calculate the percentage of assessed and verified collective agreements within 120 working days of receipt. $A = \text{number of collective agreements received from Bargaining Councils}$ $B = \text{total of collective agreements assessed and verified}$ $A/B * 100/1 = \%$
Means of verification	Collective agreement register
Assumptions	Improved working conditions, including wages and benefits for all workers in sectors
Disaggregation of Beneficiaries (where applicable)	All workers, i.e. men, women, youth and Persons with Disabilities
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of collective agreements where parties are not representative assessed and verified within 120 working days of receipt per annum
Indicator Responsibility	DDG: LP&IR, CD: LR and Director: Collective Bargaining

Indicator Title	4.2 Percentage of collective agreements assessed and verified within 60 working days of receipt per annum
Definition	Registration of new labour organisations: <ul style="list-style-type: none"> • Association of employers or employees come together to form a trade union or employers' organisation (labour organisations) • Unregistered trade unions or employers' organisations cannot fully participate in collective bargaining system as provided in the LRA • To become a registered trade union or employers' organisation, such organisations will apply for registration to the Registrar of Labour Relations • Upon registration, the trade union or employers' organisation become a body corporate with full rights to participate in the collective bargaining system as provided for in the LRA

Source of data	<ul style="list-style-type: none"> Collective agreements register Submission to the Registrar for determination
Method of Calculation /Assessment	<p>Calculate the percentage of assessed and verified collective agreements within 60 working days of receipt.</p> <p>A = number of collective agreements received from Bargaining Councils B = total of collective agreements assessed and verified $A/B*100/1 = \%$</p>
Means of verification	Collective agreement register
Assumptions	Improved working conditions, including wages and benefits for all workers in sectors
Disaggregation of Beneficiaries (where applicable)	All workers, i.e. men, women, youth and Persons with Disabilities
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of collective agreements assessed and verified within 60 working days of receipt per annum
Indicator Responsibility	DDG: LP&IR, CD: LR and Director: Collective Bargaining

Indicator Title	5.1 Percentage of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum
Definition	<p>Registration of new labour organisations:</p> <ul style="list-style-type: none"> Association of employers or employees come together to form a trade union or employers' organisation (labour organisations) Unregistered trade unions or employers' organisations cannot fully participate in collective bargaining system as provided in the LRA To become a registered trade union or employers' organisation, such organisations will apply for registration to the Registrar of Labour Relations Upon registration, the trade union or employers' organisation become a body corporate with full rights to participate in the collective bargaining system as provided for in the LRA
Source of data	<ul style="list-style-type: none"> Application forms (date stamped on receipt) Applications register Record of all decisions made by the Registrar pertaining to the applications of trade unions and employers' organisations
Method of Calculation /Assessment	<p>Deduct the number of applications refused/approved from the total number of applications received</p> <p>Calculate the percentage of applications for registration of labour organisations from date of receipt to date of decision to approve or refuse</p> <p>A = Applications for registration approved/refused B = All applications received $A/B*100/1 = \%$</p> <p>Days exclude weekend and holidays</p>
Means of verification	Labour Organisation Register
Assumptions	Strengthened collective bargaining in sectors
Disaggregation of Beneficiaries (where applicable)	All workers, i.e. men, women, youth and Persons with Disabilities
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly
Desired performance	100% of labour organisation applications for registration approved or refused within 90 working days of receipt per annum
Indicator Responsibility	DDG: LP&IR, CD: LR and Director: Collective Bargaining

Indicator Title	6.1 Number of progress reports on bilateral cooperation and multilateral obligations submitted to the minister annually
Definition	<p>Monitor and report on multilateral obligations</p> <p>What is meant by multilateral obligations:</p> <ul style="list-style-type: none"> Obligatory reports submitted to multilateral organisation such as: International Labour Organisation (ILO), G20, Brazil, Russia, India, China and South Africa (BRICS), Southern African Development Community (SADC), African Regional Labour Administration Centre (ARLAC), African Union Commission (AUC) and South Africa European Social Dialogue Forum (SA/EU)

	<ul style="list-style-type: none"> National priorities/ interest – A country's goals and ambitions (labour market) informed by self-interest derived from domestic priorities. South Africa thus makes strategic interventions based on the application of law and practice with the view to improve our domestic laws based on international best practice <p>What is meant by bilateral cooperation</p> <ul style="list-style-type: none"> Bilateral cooperation is contained within the different Memoranda of Understanding that the country enters into with different strategic governments National priorities/ interest – A country's goals and ambitions (labour market) informed by self-interest derived from domestic priorities. South Africa thus makes strategic interventions based on the application of law and practice with the view to improve our domestic laws based on international best practice
Source of data	The mid-term implementation report as well as the annual implementation report submission signed off by Minister
Method of Calculation /Assessment	Count the number of (a) mid-term implementation reports and (b) annual implementation reports submitted to Minister annually
Means of verification	Mid-term implementation reports and annual implementation reports
Assumptions	Contribute to a sound Labour Market
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annually and Mid-term
	Q1 – Annual implementation report submitted by 30 April 2023 Q3- Mid-term implementation report submitted by 31 October 2023
Desired performance	2 Reports on the implementation of bilateral cooperation and multilateral obligations submitted to the Minister annually
Indicator Responsibility	DDG: LP and IR, CD: International Relations

Indicator Title	7.1 Number of labour market trend reports produced per annum
Definition	To conduct an analysis and report on the trends observed through monitoring the Department's implementation of labour legislation and its impacts in the South African labour market in line with THE Economic Reconstruction Plan strategy and National Development Plan (NDP) targets, Vision 2030
Source of data	<p>To use the Department's internal administrative and other relevant external data in the production of 4 annual labour market trend reports. Data will include amongst others the UIF, PES, CF and Quarterly Labour Force Survey, South African Reserve Bank, Productivity SA, Research reports, Internet (vacancies) Social media etc.</p> <p>Explanation: By end of September 2023, two annual labour market reports will be produced by the LMIS directorate: Annual Labour Market Bulletin and Job Opportunity and Unemployment in the South African labour market for the financial year 2022/23.</p> <p>By end of March 2024, two other annual labour market reports will be produced by the LMIS directorate: Annual Industrial Action and Annual Administrative Statistics for the calendar 2023.</p> <p>*Processes and Verification of data sources and reports production:</p> <p>a. Annual Industrial Action:</p> <ul style="list-style-type: none"> Identification of strike through media, e.g., newspapers, radio, TV, etc. LRA Form 9.2 sent to affected employers Forms received and captured on strike database Data verification and analysis conducted Annual report is written and submitted to the senior management by March where approval for dissemination is also requested from the Minister Approval received, from the Minister and submit to the Chief Directorate of Communication to do edit, design and layout then disseminate the report <p>b. Annual Administrative Statistics:</p> <ul style="list-style-type: none"> Internal data requested from provincial offices, e.g. LMIS units; extracted from Employment Services (ESSA), requested from UI (Siyaya database) Data captured on Excel spread sheets and captured on LMIS snapshots format

	<ul style="list-style-type: none"> • LMS snapshots format consolidated for key internal indicators and forwarded to all through the Exchange Postmaster • Four LMS snapshots are consolidated into one year for analysis • Annual report is written and submitted to the senior management by March where approval for dissemination is also requested from the Minister • Approval received from the Minister and submit to the Chief Directorate: Communication to do edit, design and layout then disseminate the report <p>c. Job Opportunity and Unemployment in the SA labour market:</p> <ul style="list-style-type: none"> • Vacancies data sourced from national and provincial vacancy data sources such as DPSA and Internet – Info-desk • Data captured on internal JOI database (Excel spread sheets) on daily/monthly basis • Vacancy data consolidated, analysed and disaggregated by key indicators such as occupation, industry and province • Annual report is written and submitted to the senior management by September where approval for dissemination is also requested from the Minister <p>Approval received from the Minister and submit to the Chief Directorate of Communication to do edit, design and layout then disseminate the report</p> <p>d. Annual Labour Market Bulletin:</p> <ul style="list-style-type: none"> • External statistical information extracted from national publication, e.g., Reserve Bank, Stats SA, labour market academic and CCMA reports • Report structure outlined and information consolidated and analysed • Annual report is written and submitted to the senior management by September where approval for dissemination is also requested from the Minister • Approval received from the Minister and submit to the Chief Directorate of Communication to do edit, design and layout then disseminate the report
Method of Calculation /Assessment	Count the number of reports produced
Means of verification	Annual Labour market trend reports
Assumptions	<ul style="list-style-type: none"> • Limited coverage in particular with most of data sources used (internal and external) • Delay in the implementation of a single integrated database (Data warehouse)in the Department
Disaggregation of Beneficiaries (where applicable)	Report to be disseminated to all stakeholders in the country to improve statistical trend information knowledge for better understanding of the situation and develop evidence based decision, if needed.
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Quarterly and Annual
Desired performance	4 Annual Labour market trend reports produced by 31 March 2024
	<p>These annual reports include:</p> <ol style="list-style-type: none"> 1. Annual Labour Market Bulletin 2021/22 2. Job Opportunity and Unemployment in the SA 2021/22 3. Annual Labour Market Bulletin 2022 4. Annual Administrative Statistics report 2022
Indicator Responsibility	DDG: LP&IR, CD: LMP and Director: Labour Market Information and Statistics

Indicator Title	8.1 Number of Research reports on the impact of labour legislation to the labour market produced per annum
Definition	Reports produced from the research process in which research methods are used to develop those reports
Source of data	Data collection instruments, draft report and final reports
Method of Calculation /Assessment	Quantitative Count of number of research reports produced and submitted to the DDG per annum
Means of verification	Data collection instruments, draft report and final reports
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Reducing unemployment through evidence based policy interventions
Calculation Type	Cumulative – Annual
Reporting Cycle	Annual
Desired performance	2 research reports completed by 31 March 2024
Indicator Responsibility	DDG:LP&IR.CD:LMP and Director- RPP



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

SUPPORTED EMPLOYMENT ENTERPRISES APP 2023/24



Supported Employment Enterprises

1. Performance Information

Purpose:

- facilitates supported employment
- provides work opportunities for persons with disabilities
- develops and implement programmes that promote the employability of persons with disabilities, including persons with permanent disablement as defined in the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993), in the light of their evolving needs in a changing economy, and
- performs any other function as may be prescribed by the Minister.

Production Facilities:

The SEE has a factory network across 8 of the 9 provinces in the country (SEE Website: <https://see.labour.gov.za>) , and the factories footprint and production portfolio is as follows:

Province	Factory Location	Products Portfolio
(i) Gauteng	Pretoria	School furniture, Office Furniture, Work ware, Hospital PPE and Hospital linen
	Springfield	Office Furniture, Home Furniture and Upholstery
	Rand	Work ware, Hospital PPE and Hospital linen
(ii) Western Cape	Ndabeni	School furniture, Work ware, Hospital PPE and Hospital linen
	Epping	School Furniture, Office Furniture and Upholstery
(iii) Kwa Zulu Natal	Pietermaritzburg	School Furniture, Office Furniture and Hospital Linen
	Durban	School furniture, Office Furniture, Work ware, Hospital PPE and Hospital linen
(iv) Eastern Cape	East London	School furniture, Hospital PPE and Hospital linen
	Port Elizabeth	Hospital PPE and Hospital linen
(v) Northern Cape	Kimberley	School furniture, Hospital PPE and Hospital linen
(vi) Free State	Bloemfontein	School furniture, Hospital PPE and Hospital linen
(vii) North West	Potchefstroom	School Furniture, Hospital Linen, Metal Safes and Trailers
(viii) Limpopo	Seshego	Hospital Linen and Hospital PPE

SEE reports to Priority 2: Economic transformation and job creation

The outcome of this priority is for more decent jobs created and sustained, with youth, women and persons with disabilities prioritized. SEE has to create additional 400 work opportunities for people with disabilities by end of March 2024. This is part of the overall target of the Department of Employment and Labour of 256 050 jobs expected across different entities within the Department of Employment and Labour.

Organisational Environment:

The factories are supported by 159 staff members that are employed by the Department of Employment and Labour. Each factory is led by a factory manager who reports through their Directorate Operations to the SEE EXCO. All sales of products from the factories are centrally coordinated through the Directorate Business Development (seeclientservices@labour.gov.za). Products are marketed through the new SEE website (<https://see.labour.gov.za>). Printed catalogues are widely distributed to entities and the entity also conducts direct marketing to national and provincial departments. The Chief Executive Officer (CEO) of SEE has been appointed in the 3rd quarter of the 2021/22 financial year as well as the Chief Financial Officer (CFO), this should bring much needed stability in the entity.

Legal entity

The Draft Employment Services Amendment Bill of 2021 will amend Section 41 (1) which established the Supported Employment Enterprises (SEE) as a government component. This will clarify SEE's legal status and then National Treasury can approve SEE to perform any of the functions of a trading entity as contemplated by the Public Finance Management Act.

Covid-19 Impact:

SEE's operations continue to be adversely affected by the impact of Covid-19, this is demonstrated by the low sales figures that have been reported in the last financial year. The full recovery is expected during 2022/23 financial year and it can already be seen in our quarter 1 and 2 sales figures that have been consistently increasing even though the trading conditions still present challenges as the country is still not yet in full economic recovery.

The Entity continued to pay all factory workers their full salaries and did not suspend or reduce salaries like in many industries across the country during the period of 2020/21 financial year as this would have resulted in serious hardships given their current earning levels. The working from home concept could not be implemented during shift work as it was not practical to supply factory workers with machinery to work from home.

With the introduction of lockdown regulations and the clarity on how essential work and manufacturing would be conducted, the factories experienced a sharp increase in the demand for reusable hospital PPE predominantly from the Western Cape Provincial Health Department. The entity has redoubled its efforts in driving customer acquisition and retention across all provinces to ensure the sustainability of the entity through customer growth so as to increase financial liquidity in the operations of SEE.

Establishment of Mpumalanga Factory:

The entity has temporarily paused plans to establish a new factory in Mpumalanga due to the slowdown in sales across the country. Consultations have however been ongoing with stakeholders from the Disability Sector, The Departments of Social Development, Health, Education and SEDA in the province. A provisional site for the factory has been identified in the Bushbuckridge area which is an unutilised site that belongs to the municipality and was

established for the benefit of persons with disabilities in the area. The fundamental challenge in the current budget there are no allocated funds for the establishment of the new factory therefore SEE has to drive sales revenue up to augment the current grant, hence the concerted efforts to build and maximize SEE's customer base.

Durban factory

Durban factory site was handed over to the Department of Public Works and Infrastructure for repairs and revamp project. The project is now at an advanced stage and the Department of Public Works and Infrastructure together with facilities department at the Department of Employment and Labour have estimated that the Durban factory will be fully renovated by end of June 2023.

Key initiatives that SEE will embark on to improve on its operations

SYSPRO Enhancement Project began in earnest from 26 September 2022 and will optimise the entity's value chain and align the entity with industry's best practice. This will streamline SEE operations through an automated integrated value chain between Business Development, Operations as well as Supply Chain and is expected to speed up service delivery to SEE clients and ultimately improve customer experience. The system enhancement will also provide SEE with ease of financial reporting as some of the Auditor General's findings were as a result of the entity's obsolete Information and Communication Technology (ICT).

Continuous participation through Memorandum of Understanding (MOUs)/Sales Agreements signed with the provincial departments and other stakeholders are starting to be converted into sales orders which will drive revenue on a sustainable basis for the entity. Business Development will be embarking on the market penetration exercise to expand SEE's footprint beyond government in an effort to drive customer acquisition in the corporate sector.

SEE has worked closely with the Department of Social Development (SEE participated in the YOLO program for DSD as well as Independent or Supported Living for People with Disabilities Forum) and Productivity SA, Supported Employment Enterprises is in the process of collaborating with both stakeholders. The value that can be derived from Productivity SA regarding the optimization of SEE's operational environment is immense while the access to social workers from the DSD can assist in boosting the morale of SEE's factory workers.

1.1 Outcomes, Outputs, Performance indicators and Targets

Department's Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Provide additional job opportunities for People with Disabilities	Employment Services Act and recruitment and selection strategy for PWDs implemented	Number of additional persons with disabilities employed in the SEE factories by the end of March	Not achieved 64 additional PWDs provided with work opportunities by end of March 2020	Achieved 25 additional persons with disabilities employed in the SEE factories by the end of March 2021	Achieved 25 additional persons with disabilities employed in the SEE factories by the end of March 2022	Additional 50 PWD provided with work opportunities	150	150	150
Increase sales revenue	Financial viability increased and sustained	% annual increase of sales revenue from goods and services by the end of March	Achieved 67%	Not achieved -67% Actual sales R41 865 234 against last year's sales of R128 122 846	Not achieved -33% Actual sales of R28 487 358 against last year's sales of R41 744 234	10% annual increase of sales revenue from goods and services	10%	10%	10%
Increase SEE's market share	SEE's market share increased and sustained	Number of customer agreements entered into annually	N/A	Not achieved 2 customer agreements entered into by the end of March 2021	Achieved 6 customer agreements entered into by the end of March 2022	7 customer agreements entered into	10	5	5

1.2 Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of additional persons with disabilities employed in the SEE factories by the end of March	150 additional persons with disabilities employed in the SEE factories by the end of March 2024	25	50	100	150
% annual increase of sales revenue from goods and services by the end of March	10% annual increase of sales revenue from goods and services by the end of March 2024	-	-	-	10%
Number of customer agreements entered into annually	10 customer agreements entered into by the end of March 2024	2	4	8	10

2. Explanation of planned performance over the medium term period

Resource consideration is based on the transfer allocation to fund for the entity's mandate and achievement of APP targets. The MTEF was based on the three APP targets as per revised APP and estimates for targets was based on historical cost with NT's transfer allocation adjustments used for cost adjustments.

3. Resource Considerations

National Treasury allocation

The entity receives National Treasury Grant Allocation through the Branch Public Employment Services in the Department of Employment and Labour. The resource is allocated conservatively to cater for mandatory expenditure and commitment first to the running operations of the entity administratively. Although the entity is expected to augment its revenue stream through manufacturing and selling of goods and/or services, the entity must be in a position to demonstrate sustainable gross profit margins to consider sales/turnover as a positive revenue stream for resource consideration to achieve the objectives, indicators and targets in the APP.

Description	Audited outcomes			Adjusted Appropriation	Revised Estimate	Medium Term Expenditure Estimate		
	R'000			R'000	R'000	R'000		
	2019/20	2020/21	2021/22	2022/23		2023/24	2024/25	2025/26
Transfers/Grant Allocation	148 923	195 893	162 451	166 837	166 486	167 864	174 112	182 817
Factory Employees' Salaries	-100 472	-91 348	-93 070	-120 183	-103 411	-126 192	-132 502	-139 127
Promotional And Marketing Cost	0	0	0	-991	-1 200	-1 260	-1 323	-1 389
Market Research Cost	-3 847	-264	-10	0	0	-300	-350	-400
Administration Salaries	-39 767	-58 481	-63 821	-64 224	-61 462	-64 535	-67 762	-71 150
Administration Cost	-12 293	-27 054	-90 497	-36 668	-82 233	-86 345	-90662	-95195
Operating Surplus/(Deficit)	-7 456	18 746	-84 947	-55 229	-81 820	-110 768	-118 487	-124 444

The primary driver of SEE operating deficit is the cost of goods sold (COGS). This is largely because, unlike any other government department that procures to consume, SEE procures raw materials for the purpose of manufacturing finished goods in order to sell them at a competitive price in the market place.

The current procurement process that SEE is subjected to, which by and large is meant to create consistency, transparency and equitable process across government departments, is however constraining for SEE's agility as a business component in that it completely constrains SEE to access raw materials at competitive prices from manufacturers as opposed to procuring from the 'middle man'.

This adversely impacts the entity's ability to manage revenue in a more efficient and effective manner as it limits management's ability for enterprise, ingenuity, sound judgment and effectiveness.

The proposed solution to address SEE's operating deficit is to ask the Procurement General to exempt SEE to enable the entity to address cost of sales which will effectively reduce the concerning operating deficit.

Key Risks and Mitigation Strategies

Outcome	Key Risk	Risk Mitigation
Provide additional job opportunities for People with Disabilities	Inability to generate work opportunities	<ul style="list-style-type: none"> Improved marketing Develop new innovative products Secure 10 new customer agreements Increase sales by 10%

Technical Indicator Description (TID)

Indicator Title	Number of additional persons with disabilities employed in the SEE factories by the end of March
Definition	The indicator measures the number of new additional persons with disabilities provided with work opportunities or entered into programmes that promote their employability on a contract/permanent basis
Source of data	Employee HR file VIP
Method of Calculation /Assessment	A count of the number of additional persons with disabilities provided with work opportunities, either permanent, contract and project work opportunities
Means of verification	<ul style="list-style-type: none"> Employee appointment letters Proof of Disability report
Assumptions	The target will be met with full complement of HR staff and support from management
Disaggregation of Beneficiaries (where applicable)	150 Additional persons with disabilities employed by end of March 2024 to include youth and women
Spatial Transformation (where applicable)	Throughout Provinces that have SEE factories as per demand
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	To increase the current 1071 persons with disabilities employed in the SEE factories by the end of March 2024 by an additional 150
Indicator Responsibility	13 Factory Managers , Director : SEE HR

Indicator Title	% annual increase of sales revenue from goods and services by the end of March
Definition	The percentage increase in sales from the 2022/23 financial year
Source of data	Syspro system
Method of Calculation /Assessment	Calculation of the percentage difference of achieved sales against prior year sales Formula: $\text{Sales Increase} = \frac{\text{Current Year Sales} - \text{Prior Year Sales}}{\text{Prior Year Sales}} \times 100$
Means of verification	Signed Trial balance
Assumptions	Assumed that the data generated from the system will be accurate and correct
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Year end
Desired performance	Sales increase of 10% by 2024 from previous year's generated sales
Indicator Responsibility	Business Development

Indicator Title	Number of customer sales agreements entered into annually
Definition	The number of sales contracts entered into with customers
Source of data	Signed customer sales agreements
Method of Calculation /Assessment	A count of the number of signed contracts entered into with customers for the sale of goods and services from the SEE
Means of verification	Signed customer sales agreements
Assumptions	Assumed that all sales agreements will be entered into by way of a signed contract
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	10 customer agreements entered into by the end of March 2024
Indicator Responsibility	Business Development