

UNEMPLOYMENT
INSURANCE FUND

STRATEGIC PLAN

2016/17 - 2020/21



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



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FOREWORD BY MINISTER

Strategic planning in the Unemployment Insurance Fund is currently guided by the Medium Term Strategic Framework (MTSF) which reflects political outcomes priorities. The resultant plan contains the Fund's response to the strategic priorities that are set by the Department of Labour for the period 2016/17 – 2020/21. The strategic objectives and outputs contained in this Strategic Plan are central to the Fund's activities and are aimed at contributing to the following service delivery outcomes:

- Creation of decent employment through inclusive economic growth; and
- An efficient, effective and development oriented public service and an empowered and inclusive citizenship; and
- An inclusive and responsive social protection system.

This Strategic Plan is aligned to the National Development Plan of government and all resources will be used to realise the objectives of the NDP.

I affirm my commitment to ensuring the implementation of this Strategic Plan and trust that all of us in the Fund, in whatever capacity we will become familiar and fulfil this Strategic Plan. I hope that during the next five years working together, we will dedicate ourselves, double our efforts and achieve more.



MN Oliphant, MP

Minister of Labour



MN Oliphant, MP

FOREWORD BY THE ACCOUNTING AUTHORITY

INTRODUCTION

The Unemployment Insurance Fund (UIF) is a public entity of the Department of Labour and is one of the key social security agencies in the country. In pursuing its mandate, the UIF's Annual Performance Plan is guided by its Strategic Plan which reflects plans for the periods 2016/17 – 2020/21.

OVERVIEW OF THE UIF STRATEGY

In the next five years UIF will pursue the following strategic objectives:

- Improve financial management;
- Improve service delivery;
- Improve compliance to the UIF acts; and
- Fund poverty alleviation schemes.

These strategic objectives were derived from the four strategic outcome targeted over the five year strategic plan period which are informed by three of the 14 government outcomes (i) decent employment through inclusive economic growth, (ii) an efficient, effective and development orientated public service and an empowered inclusive citizenship and (iii) an inclusive and responsive social protection service. UIF has targeted the following strategic objectives:

- Improve revenue collection from employers;
- Improve benefit payment to beneficiaries;
- Participate in government initiatives of creating and sustaining decent employment; and
- Effective administration of UIF operations.

The UIF recognises that to achieve its objectives it must develop performance measures for each financial year and constantly monitor and evaluate its performance. The organisation is also keenly aware that in order to achieve its strategic objectives it has to collaborate with key strategic partners such as the South African Revenue Services, employers organisations, labour unions and the community. Harnessing and improving the above relationships is a continuous effort by the UIF to improve service delivery.

The UIF's relationship with SARS, for example, continues to yield good results to the benefit of the organisation's beneficiaries and South Africans in general. Persistent engagements ensure that this relationship grows to higher levels ensuring adequate cover for qualifying UIF beneficiaries.

Signature.....
Director-General



Mr. T Lamati

COMMISSIONER'S STATEMENT

The Fund has in the last few years contributed greatly to poverty alleviation by also extending its coverage to vulnerable workers. The Fund has managed to transform the organisation by improving the internal control environment. This can be attributed to good work done by the UI Board, Management and Staff which saw the Fund receiving nine consecutive unqualified audit reports from the Auditor-General for the past nine years.

During the 2016/17 MTEF period, the Fund will continue to pursue the following strategic objectives:

- Improve financial management;
- Improve service delivery;
- Improve compliance to Unemployment Insurance Acts; and
- Fund poverty alleviation schemes.

These strategic objectives are derived from the four strategic outcomes targeted which were informed by three of the fourteen government outcomes; (i) decent employment through inclusive economic growth, (ii) an efficient, effective and development orientated public service and an empowered and inclusive citizenship (iii) an inclusive and responsive social protection system

The four strategic outcomes targeted are:

- Improve collections of revenue from employers;

- Improve payment of benefits to beneficiaries;
- Participate in government initiatives of creating and sustaining decent employment; and
- Effective administration of the Fund's operations.

During the 2009/2010 the Fund focused on the funding of initiatives or projects that are aimed at alleviating poverty and in general assisted employers during the global economic recession such as the Training Lay-off Scheme and the Training of the Unemployed. The Fund used internal capacity in cooperation with the Department of Labour and its social partners such as Productivity SA, Industrial Development Corporation (IDC), the various SETA's and the Public Investment Corporation (PIC) in selecting and funding feasible schemes. In 2011, the Unemployment Insurance Board approved an additional bond of R2 billion to the IDC. The UIF/IDC initiative continues to yield positive results with the R3 500 million already accessed by the IDC resulting in the saving and creation of jobs in excess of 44 460 to end of 2014/15 financial year.

In responding to our legislative mandate our role is to provide short-term relief to the unemployed. The Fund will strive towards increased compliance by employers both domestic and commercial. Supporting the improvement of the compliance levels are payroll auditors who entrench the enforcement strategy of the Fund and the department as well as online systems that the Fund has developed to assist to ease the compliance process.

COMMISSIONER'S STATEMENT

The Fund's communication and awareness plan will be coordinated to ensure that compliance levels are raised through intense education and communication to stakeholders.

The Fund has further enhanced the online declaration and payment portal (the U-filing) to be a total online service that enables online claims. This (automated) process seeks to improve compliance and improve service delivery to registered employers and employees. The enhancement is anticipated to assist in encouraging compliance by employers. The automated processes simplifies the receiving of employee remuneration information from employers directly into the Fund's systems and streamline the payment of contributions in line with the declaration information. Unemployment insurance claims are simultaneously simplified through an online claims process for employees. The Fund anticipates remarkable achievements from these systems over time in addressing the challenge of employer information gap, the increase in the number of registered employers on our database and service improvements.

In addition to contributions collected from employers, the Fund is also funded from income earned from the investments made with the surplus funds accumulated over the years.

Sustaining the financial performance and position of the Fund's investment is dependent on investment strategy chosen and the performance of the market. The Fund's investment portfolio is subject to market risks that the Fund needs to be aware of. The Fund's investment strategy is subjected to constant review to ensure that it responds positively to economic conditions and maximises investment returns.

The UIF delivers its services through Labour Centres, Satellite Offices (visiting points) and Mobile Units. As at 31 March 2015, there were 126 Labour Centres at which the public can access the UIF services. These centres further service more than 823 visiting points.

The success of any organisation is dependent largely on its people and systems, and to monitor organisational performance, the Fund will continue to focus on improving its performance management system. Capacity needs have been addressed through the new organisational structure which was approved by the Minister and is currently being implemented in a phased in approach. The new structure will ensure that controls are not compromised and service delivery is improved.

The management of performance information remains one of the key focus areas, with the Fund having achieved 67% of its performance targets that were set for the 2014/15 financial year. The target for the 2016/17 financial year is to achieve at least 80% of the set targets. In order to achieve this, the Fund is enhancing its monitoring and evaluation capability through various interventions.

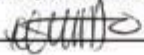
OFFICIAL SIGN-OFF

It is hereby certified that this strategic plan:

- Was developed by the management of the UIF under the guidance of the Minister of Labour, MN Oliphant and Deputy Minister SP Holomisa;
- Was prepared in line with the National Development Plan; and
- Accurately reflects the strategic outcomes oriented goals and objectives which the UIF will endeavour to achieve over the periods 2016/17 – 2020/21.

HD Mhlongo

Chief Director: Corporate Services

Signature: 

L. Briedenhann

Acting Chief Financial Officer

Signature: 

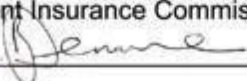
T Maruping

Chief Director: Operations

Signature: 

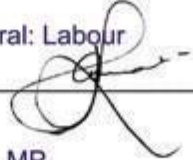
T.B Seruwe

Unemployment Insurance Commissioner

Signature: 

T Lamati

Director-General: Labour

Signature: 

S P Holomisa, MP

Deputy Minister: Labour

Signature: 

Approved by:

MN Oliphant, MP

Minister of Labour

Signature: 

PART A: STRATEGIC OVERVIEW

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

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

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

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

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

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

1. VISION

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

2. MISSION

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

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

3. VALUES

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

4. LEGISLATIVE AND OTHER MANDATES

4.1 CONSTITUTIONAL MANDATE

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

4.2 LEGISLATIVE MANDATE

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

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

4.3 POLICY MANDATES

Providing adequate social safety nets to protect vulnerable workers

4.4 RELEVANT COURT RULINGS

There are no court rulings.

4.5 PLANNED POLICY INITIATIVES

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

5. SITUATIONAL ANALYSIS

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

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

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

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

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

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

5.1 Performance environment

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

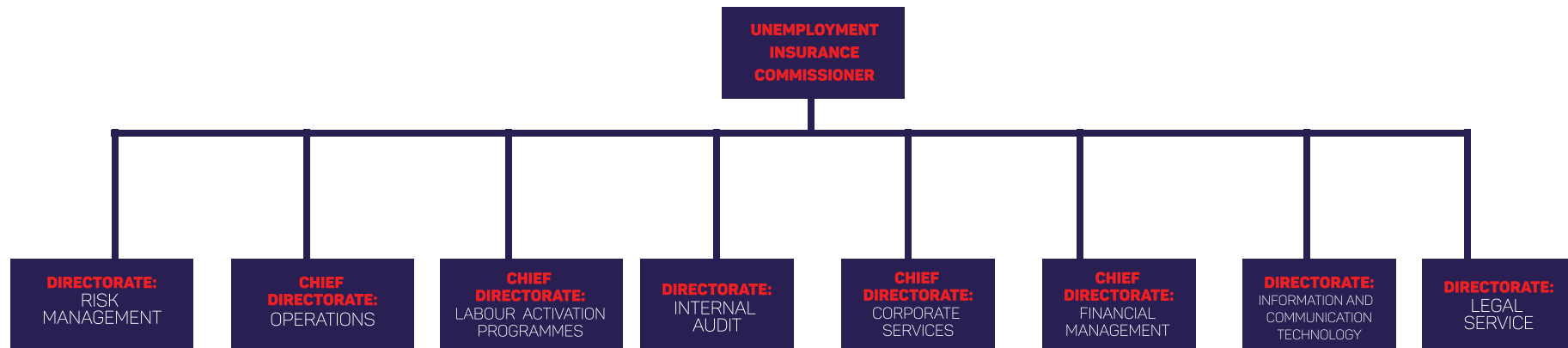
Revenue collection increased by 11.8% compared to the previous year (2014/2015). There was also an increase of 3.4% in the number of registered employers. A self-service claim's portal was developed and piloted resulting in 16 799 beneficiaries applying for their benefits online.

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

5.2 Organisational environment

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

The current organisational structure of UIF is as follows:



5.3 Description of the strategic planning process

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

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

5.3 Description of the strategic planning process

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

STRATEGIC PLAN ANNUAL PERFORMANCE PLANS	August 2015			
	<ul style="list-style-type: none">• 6-7 August 2015 Planning session Fund's Management Committee (MC)• 14 August 2015, Draft Strategic plan (SP) presented to UI Board• 31 August 2015 Draft Strategic Plan (SP) submitted to National Treasury (NT)			

6. STRATEGIC OUTCOME ORIENTED GOALS OF THE FUND

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

PART B: STRATEGIC OBJECTIVES

7. PROGRAMME STRATEGIC OBJECTIVES

7.1. Programme 1: Administration

Office of the Commissioner

The focus of the office is to provide strategic leadership and overall management regarding the administration and overall operations of the Fund.

The office is complemented by the following programmes:

Programme purpose: To provide management, strategic and administrative support to the UIF

The programme consists of the following sub-programmes:

Internal Audit

- Independently focuses on reviewing the internal controls of the UIF;
- Reviewing risk management and programs of UIF; and
- Reviewing UIF governance processes.

Risk Management

- Enterprise wide risk management; and
- Fraud investigations.

Chief Directorate: Corporate Services

The purpose of the Human Resource function is to enable the Fund to meet its human resource needs in line with the Strategic Plan and to ensure that there are right people, at the right time and at the right place to achieve the strategic objectives of UIF.

The office is complemented by the following sub-divisions namely:

Human Resource Management

- Training and development of staff;
- Maintaining sound labour relations;
- Promoting equality in the organisation;
- Performance management;
- Recruitment and selection; and
- Provision of service condition and benefits.

Organisational Effectiveness

- Job design and evaluation;
- Change management; and
- Business process development and mapping.

Board Services

- Enhance good governance of the organisation;
- Board support and administration;
- Compliance management and governance;
- Policy management; and
- Security management services.

Strategic Planning, Monitoring and Evaluation

- Strategic planning; and
- Monitoring and evaluation.

Communications and Marketing

- Provision of communication services;
- Provision of marketing services; and
- Advertising, branding and publications.

Information and Communication Technology

The focus of the office is to provide strategic Information and Communication Technology to the Fund and the purpose is to:

- Manage the Fund's projects; and
- Develop and implement the ICT governance model.

Legal Services

- Provision of legal services

Chief Directorate: Financial Management

The focus of the office is to provide financial governance, financial management and accounting services to the organisation. The CFO's office is complemented by five sub-divisions namely:

Financial Reporting

- Management of financial reporting; and
- Provision of financial systems support.

Investment and Actuarial Services

- Investment management and treasury services.

Expenditure, Budgets and Bank Reconciliations

- Creditor and expenditure management;
- Claims payments;
- Reconciliation of bank accounts; and
- Integrated budget planning and management.

Supply Chain Management and Auxiliary Services

- Provision of integrated financial administration and supply chain management services;
- Records management; and
- Asset and facilities management.

Strategic outcome oriented goal: Effective administration of the Fund's operations

STRATEGIC OBJECTIVE 4	IMPROVE FINANCIAL MANAGEMENT
Objective Statement	To establish, improve and maintain effective, efficient and transparent systems of financial management and internal control
Baseline	Clean audit opinion from Auditor-General
Justification	Ensure financial management function provides services to its stakeholders to enable them to achieve their mandates
Links	National Treasury Regulations and the Public Finance Management Act of 1999

RISK REGISTER FOR PROGRAMME 1

STRATEGIC RISK REGISTER			
RISK NO.	RISK TITLE	RESIDUAL RANKING	PLANNED RESPONSE ACTION (MITIGATING FACTORS)
1.	Inadequate skills and capacity	Medium	Prioritisation of the filling of the approved 54 critical skills positions - Full implementation of the approved organisational structure - Training and development of officials
2.	Fraud and corruption	High	- Improve internal controls around the UI19 and verification process - Profile/vetting of officials processing UI claims - Improve the implementation of the Fraud Detection and Prevention Strategies
3.	Inadequate IT systems, structure and infrastructure.	Medium	-Development and implementation of ICT strategy for UIF - Improve ICT governance
4.	Inadequate stakeholder engagement (internal and external)	Medium	-Development and implementation of a Communication Strategy -Strengthen the working relations with IES during communication campaigns
5.	Under spending	Medium	Alignment of the budget to strategic objectives Monthly monitoring of budget utilisation
6.	Volatile economic environment investments	Medium	-Continuous monitoring of investment performance and market trends - Investment strategy and mandate to be reviewed yearly

7.2. PROGRAMME 2: BUSINESS OPERATIONS

Programme purpose: To collect contributions and pay benefits

The programme consists of the following sub-programmes:

Chief Directorate: Operations

Operations includes declarations, call centre and provincial UIF operations. The focus of the office is to support UIF operations

Operations

- Management and administration of benefits payments;
- Management and administration of declaration processes;
- Monitoring of provincial office performance;
- Provision of Call Centre services; and
- Registration of employers.

Income Management

- Management of revenue and debt collection processes; and
- Management of payroll audits and enforcement.

Strategic objectives

STRATEGIC OBJECTIVE 5 IMPROVE FINANCIAL MANAGEMENT	
Objective Statement	Improve service delivery to beneficiaries and employers by introducing technology to ease the burden of compliance and increase revenue collection; increase processing centers and improve the claim turnaround times
Baseline	Information (on processing centers, virtual office(U-filing for claims) implementation, U-filing statistics, revenue collected, overpayment closing balances) as reported in the audited Annual Performance Report on the 2014/15 fiscal year performance
Justification	Ensure efficient and effective UIF services
Links	Government Outcome 4: Decent employment through inclusive economic growth. DoL Strategic Objective (KRA 3): Protecting vulnerable workers, (KRA 5): Strengthening social protection

STRATEGIC OBJECTIVE 6 IMPROVE COMPLIANCE TO UNEMPLOYMENT INSURANCE ACT	
Objective Statement	To increase the number of employers who are declaring their employees and paying correct contributions
Baseline	New
Justification	Lack of employer/employee information on the database delays the processing of claims and increases the risk of fraud
Links	Government Outcome 4: Decent employment through inclusive economic growth. DoL Strategic Objective (KRA 3): Protecting vulnerable workers, (KRA 5): Strengthening social protection

STRATEGIC RISKS

RISK REGISTER PROGRAMME 2

STRATEGIC RISK REGISTER			
RISK NO.	RISK TITLE	RESIDUAL RANKING	PLANNED RESPONSE ACTION (MITIGATING FACTORS)
7.	Non-compliance with legislation by employers	High	<ul style="list-style-type: none">- Cleansing of the employer master data- Improve working relations between the Fund and DoL (IES) to enforce compliance to UI Act- Improve current working relations with SARS, to enforce compliance to the UI Contributions Act
8.	Inadequate governance structures	Medium	<ul style="list-style-type: none">- Improve reporting lines between the Fund, Provinces and Labour centres with regard to UI operations
9.	Low recovery rate on overpayments	Medium	<ul style="list-style-type: none">- Improve compliance by employers with the Unemployment Insurance Act- Follow-ups and recovery of debt

7.3 PROGRAMME 3: LABOUR ACTIVATION PROGRAMMES

Programme purpose: Management of special projects and active labour market programmes

The programme consists of Labour Activation Programmes.

Strategic objectives:

STRATEGIC OBJECTIVE 7	FUND POVERTY ALLEVIATION SCHEMES
Objective Statement	To increase the Fund's participation in the poverty alleviation schemes by adding four poverty alleviation schemes annually, provide funding for Productivity South Africa's Social Plan and invest 10% of the Fund's total investment portfolio in Social Responsible Investments
Baseline	Schemes operational and approved by the Executive Authority as at the end of 31 March 2015.
Justification	To assist those who have lost their jobs to get skills in order to participate fully in the labour market
Links	Government Outcome 4: Decent employment through inclusive economic growth. DoL Strategic Objective (KRA 3): Protecting vulnerable workers, (KRA 5): Strengthening social protection. (KRA 1) Contribute to employment creation

STRATEGIC RISKS

RISK REGISTER PROGRAMME 3

STRATEGIC RISK REGISTER			
RISK NO.	RISK TITLE	RESIDUAL RANKING	PLANNED RESPONSE ACTION (MITIGATING FACTORS)
10.	Inadequate utilisation of Training Lay-Off Schemes (TLS) funding	Medium	-Improve collaboration between CCMA, PSA and the Fund -Review the current TLS process
11.	Delays in signing funding agreements with SETAs.	High	-Development and implementation of Labour Activation Strategy

1. OVERVIEW OF THE 2016/17 BUDGET AND MTEF ESTIMATES

2.1 Expenditure Estimates

Administrative budget of the Unemployment Insurance Fund per programme

TOTAL ADMINISTRATION BUDGET PER PROGRAMME				
PROGRAM 1: ADMINISTRATION				
Budget	2015/16 (Revised Estimate)	2016/17	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
	1,042,633	1,013,396	957,881	1,013,438
PROGRAMME 2: BUSINESS OPERATIONS				
Budget	2015/16 (Revised Estimate)	2016/17	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
	1,207,162	1,434,329	1,537,809	1,626,992
PROGRAMME 3: LABOUR ACTIVATION PROGRAMMES				
Budget	2015/16 (Revised Estimate)	2016/17	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
	3,758	5,319	5,628	5,954
Total Budget	2015/16 (Revised Estimate)	2016/17	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
	2,253,553	2,453,045	2,501,318	2,646,384

1. OVERVIEW OF THE 2016/17 BUDGET AND MTEF ESTIMATES

Programmes	2015/16 R'000	2016/17 R'000	2017/2018 R'000	2018/2019 R'000
PROGRAMME 1: ADMINISTRATION	1,042,633	1,013,396	957,881	1,013,438
Strategic Objective: - Improve financial management	1,042,633	1,013,396	957,881	1,013,438
PROGRAMME 2: BUSINESS OPERATIONS	1,207,162	1,434,329	1,537,809	1,626,992
Strategic Objective: - Improve service delivery	353,671	381,868	407,842	431,492
- Improve compliance to Unemployment Insurance Acts	853,491	1,052,461	1,129,967	1,195,500
PROGRAMME 3: LABOUR ACTIVATION PROGRAMMES	3,758	5,319	5,628	5,954
Strategic Objective: Fund Poverty Alleviation Schemes	3,758	5,319	5,628	5,954
Grand total Programmes	2,253,553	2,453,045	2,501,318	2,646,384

ANNEXURE A

STRATEGIC OBJECTIVES AND ANNUAL PERFORMANCE INDICATORS FOR THE FIVE YEAR PLANNING PERIOD 2015/16 TO 2019/20

The management of UIF will pursue the following strategic objective for the planning period 2016/2017 to 2020/2021:
The strategic objectives have been aligned to the National Treasury guidelines on Performance Information.

STRATEGIC OBJECTIVES AND ANNUAL PERFORMANCE INDICATORS FOR THE FIVE YEAR PLANNING PERIOD 2016/17 TO 2020/21

PROGRAMME 1: ADMINISTRATION

1.1 STRATEGIC OBJECTIVE: IMPROVE FINANCIAL MANAGEMENT

OUTPUTS/ DELIVERABLES	PERFORMANCE INDICATOR	TARGETS				
		2016/17	2017/18	2018/19	2019/20	2020/21
Sound financial management	Percentage return on investment	CPI + 2.5% Return on investment by end March 2017	CPI + 2.5% Return on investment by end March 2018	CPI + 2.5% Return on investment by end March 2019	CPI + 2.5% Return on investment by end March 2020	CPI + 2.5% Return on investment by end March 2021
	Administrative expenditure (excluding capex) as a percentage of revenue	Administrative expenditure ≤ 15% by March 2017	Administrative expenditure ≤ 15% by March 2018	Administrative expenditure ≤ 15% by March 2019	Administrative expenditure ≤ 15% by March 2020	Administrative expenditure ≤ 15% by March 2021
Social responsible investment	Percentage of total mandated social responsible investment committed	80% by March 2017 (total investment as at beginning of financial year)	80% by March 2018 (total investment as at beginning of financial year)	80% by March 2019 (total investment as at beginning of financial year)	80 % by March 2020 (total investment as at beginning of financial year)	80 % by March 2021 (total investments as at beginning of financial year)

PROGRAMME 2: BUSINESS OPERATIONS

2.1 STRATEGIC OBJECTIVE: IMPROVE SERVICE DELIVERY

OUTPUTS/ DELIVERABLES	PERFORMANCE INDICATOR	TARGETS				
		2016/17	2017/18	2018/19	2019/20	2020/21
Improved client service	Percentage of valid claims with complete information approved or rejected. (as per the Fund's operational system SIYAYA) per year	90% within 5 weeks by March 2017	90% within 4 weeks by March 2018	90% within 3 weeks by March 2019	90% within 3 weeks by March 2020	95% within 2 weeks by March 2021
Technology to improve service delivery implemented	Number of claims submitted through U-filing claims portal per year	20 000 by March 2017	30 000 by March 2018	40 000 by March 2019	40 000 by March 2020	40 000 by March 2021

2.2 STRATEGIC OBJECTIVE: IMPROVE COMPLIANCE TO UNEMPLOYMENT INSURANCE ACTS

OUTPUTS/ DELIVERABLES	PERFORMANCE INDICATOR	TARGETS				
		2016/17	2017/18	2018/19	2019/20	2020/21
Improved client	Increase in number of newly registered employers per year	55 000 by March 2017	60 000 by March 2018	65 000 by March 2019	70 000 by March 2020	75 000 by March 2021
	Percentage increase in revenue per year	7.5% by March 2017	7.2% by March 2018	6.9% by March 2019	6% by March 2020	6% by March 2021
	Percentage reduction in overpayment balance (Opening Balance plus new overpayments noted less write offs and cancellations)	20% by March 2017	20% by March 2018	20% by March 2019	25% by March 2020	25% by March 2021
	Increase in number of employers using U-filing system per year	17 000 by March 2017	18 000 by March 2018	20 000 by March 2019	25 000 by March 2020	30 000 by March 2021

PROGRAMME 3: LABOUR ACTIVATION PROGRAMMES

3.1 STRATEGIC OBJECTIVE: FUND POVERTY ALLEVIATION SCHEMES

OUTPUTS/ DELIVERABLES	PERFORMANCE INDICATOR	TARGETS				
		2016/17	2017/18	2018/19	2019/20	2020/21
Social plan funded	Percentage of budgeted funds transferred for turnaround solutions implementation by PSA per year	80% by March 2017	80% by March 2018	85% by March 2019	90% by March 2020	85% by March 2021
	Turnaround time to approve or reject complete Training Lay-Off Scheme application received from the SETA per year	30 days by March 2017	30 days by March 2018	30 days by March 2019	30 days by March 2020	30 days by March 2021
	Turnaround time to transfer funds to a SETA after the approval of a Training Lay-Off Scheme application	30 days by March 2017	30 days by March 2018	30 days by March 2019	30 days by March 2020	30 days by March 2021