

National Economic Development and Labour Council



Second Quarter Performance
Report
(July to September 2021)

Highlights



Area	Highlight
July 2021 unrest	A special Exco held on 14 th July 2021 to develop an urgent response to the public violence that had broken out in Gauteng and KZN. Following this meeting the social partners agreed on a comprehensive package of measures to be introduced and facilitated their introduction.
Strategic dialogues	<ul style="list-style-type: none">• Government Budget Planning• Anti-corruption• National Infrastructure Plan 2050• Revised Critical Skills List
Organisational restructuring	New Nedlac organisational structure was implemented on 01 August 2021 with two units established in the Programmes Department, namely; Labour and Development Unit and Economic Unit. A new support department Corporate Services was also established

Challenges



Area	Challenge
Finalisation of Nedlac Reports	<p>There were challenges in finalising a number of policies and legislation that social partners had been seized with:</p> <ul style="list-style-type: none">• Green Paper on Comprehensive Social Security• Companies Amendment Bill• Skills strategy to take forward the ERRP
Nedlac capacity	<p>There were capacity constraints of the secretariat due to vacancies in the organisation.</p>
Digitalisation	<p>There were consistent challenges:</p> <ul style="list-style-type: none">• For staff with poor performing laptops and connectivity which had an adverse impact on the productivity of the affected employees.• For social partners, some encountered challenges having access to data to attend and participate meaningfully in meetings.

Second quarter performance indicators



Programme	Quarterly Indicators	Targets applicable to this quarter	Targets Achieved in Q2	Not Achieved	Overall Achievement (%)
Administration	8	6	5	1	83%
Core Operations	4	2	2	0	100%
Constituency Capacity Building Funds	3	2	1	1	50%
Summary	15	10	8	2	80%

Comments on performance indicators not met



Indicator	Comments	Remedial Action
Training	The 30% of planned trainings for staff could not be achieved because the majority of performance agreements were only concluded in the second quarter.	Staff members were urged to procure or arrange training as per training plans.
Constituency Capacity Building Plans	The request by the community constituency for a training intervention was not delivered as the request came late in the quarter.	Nedlac secretariat will work with the constituencies to ensure that training requested will be delivered by the end of the financial year

Key areas of focus of Nedlac: Dialogue sessions



Economic

- Government Budget Dialogue Session (2 July 2021)
- National Infrastructure Plan 2050 (17 Sept 2021)
- Anti corruption (30 Sept 2021)

Labour and Development

- Critical Skills List

Key areas of focus of Nedlac: Processes



Economic

- One Stop Border Post Policy
- Companies Amendment Bill
- Trade issues:
 - Trade Policy for Industrial Development and Employment Growth
 - SACU – SA AfCTA tariff offer

Section 77 of LRA: Socio-economic disputes

- Cosatu issued Section 77 (1) (d) notice iro economic crisis - for protest on 7 October 2021
- Standing Committee deliberated on a revised Code of Good Practice to guide the implementation of Section 77 of LRA

Labour and Development

- Green Paper on Comprehensive Social Security (signed off 6 August)
- Draft official Identity Management Policy (concluded on 7 Jul 2021)
- Central Application Bill from Dhet
- AARTO regulations
- Skills strategy to support successful implementation of ERRP
- Revised Code of Good Practice on the Prevention and Elimination of Harassment in the workplace
- Labour law reforms (establishment of task team)
- Public Admin Management and Public Service Amendment Bills (withdrawn)
- National Health Insurance Bill

Key areas of focus: Emerging issues



Response to Covid19

- Vaccination roll out - mobilisation especially in the workplace
- Consideration of changes to the OHS direction in respect of vaccines
- Communication and behavioural change
- UI Covid19 TERS

Response to July unrest

- Urgent EXCO meeting on 14 July 2021 agreed on four pillars of a response:
 - Stabilisation
 - Securing essential supplies and infrastructure
 - Relief and support to rebuild (food parcels, extension of Covid19 social relief of distress, support for businesses not properly insured, UI support for workers not able to work)
 - Build active citizenry
- Agreed action items tracked until implementation secured.

Key areas of focus: Economic recovery



- SMME work stream:
 - Joint workshop with DSBD and Small Business Institute on strengthening the SMME eco-system
 - Localisation for SMMEs
 - Paying suppliers within 30 days
- Public transport and freight:
 - Developments at the Transnet National Ports Authority (NPA)
 - Port congestion
 - High speed rail framework from DoT
- Energy
 - Policy and legislative programme of DMRE
 - Eskom Just Transition Plan in Mpumalanga

Ongoing:

- Inputting into the ERRA App
- Economic and employment trends monthly reports

Progress on the Governance Task Team



- Governance Task Team reviewed the ILO/Mistra report and make recommendations on:
 - Mandate and role of Nedlac
 - Amending the Nedlac Founding Documents
 - Adopting the Theory of Change in the Strategic Plan to guide the development of a new model for Nedlac
 - Reviewing and updating the nature and process of representivity of all the social partners at Nedlac
 - Capacity building, knowledge management and research
 - Which Ministry should be responsible for Nedlac

The
recommendations
were approved by
Nedlac Exco in the
third quarter

Corporate services



Human resources

- The restructuring process was implemented from 1 August with the placing of staff in new posts and handovers happening between August and October

Information Technology

- Policies were updated
- Wi-Fi facilities implemented in Nedlac offices
- Cybersecurity enhanced
- Service provider to advise on digitalisation appointed

Facilities

- A facilities management consultant was appointed to support Nedlac in developing appropriate Standard Operating Procedures
- A new security service provider was appointed
- Ongoing maintenance of gas suppression system, elevator and HVAC
- Covid protocols and plans were updated
- An insurance risk assessment was conducted in relation to the building

Constituency Capacity Building



- **Business:** Secured a service provider to provide technical assistance in respect of the electricity price path
- **Community:** Three feedback provincial workshops convened in September
- **Labour:** Made plans to secure a resource to support them with research, policy development, legal advice and negotiations



Financial report



Financial Performance data	Quarter 1 Actual for 2021/22	Quarter 2 Actual for 2020/21	Quarter 2 Actual for 2021/22	Quarter 2 YTD budget for 2021/22	Variance between YTD actual and YTD budget
R'000					
Revenue					
Grants	14 773 249	31 057 000	29 546 500	29 546 500	-
Interest and other income received	336 114	691 802	668 532	438 500	230 032
Total revenue	15 109 363	31 748 802	30 215 032	29 985 000	230 032
Expenditure					
Compensation of employees	6 814 078	13 845 566	13 336 541	14 230 000	-893 459
Goods and services	1 986 515	2 908 716	5 766 774	14 800 000	-9 033 226
Depreciation and amortisation	400 569	727 426	780 774	955 000	-893 459
Total expenses	9 201 162	17 481 708	19 884 089	29 985 000	-10 100 911
Surplus / (Deficit)	5 908 201	14 267 094	10 330 943	-	10 330 943

Comments on financial report



- There is a saving on Compensation of employees due to vacancies.
- There is a significant increase in goods and services budget (from R1.9 million in Q1 to R5.7 million in Q2), but still an underspend compared to year to date. However there were plans to spend in place.
- There are no new transactions of irregular expenditure or fruitless and wasteful expenditure
- Four bids were awarded (Electricity price path, Communications service provider, Digitalisation, Energy expert and facilitator)