

**Mine Health and Safety Council**

**ANNUAL PERFORMANCE PLAN AND BUDGET**

**2019/20**

**January 2019**

**FORWARD**

The year 2019 marks the 25th anniversary of a democratic South Africa and it is the year in which millions of South Africans will go to the polls and exercise their democratic rights of voting for a new administration. The implications of the new administration are that the MHSC will have to develop a new strategic plan and annual performance plan to ensure alignment with the programmes of the new administration. It is against this background that the Mine Health and Safety Council presents this annual performance plan which it hopes will demonstrate the strategic focus areas and aspiration of MHSC in ensuring that every mine worker returns from work unharmed every day.

Given the current occupational health and safety challenges on the national agenda, MHSC had reflected on its achievements and challenges and is committed to improving its performance and impact by committing to fulfilling its mandate of facilitating performance improvements through living its principles and values of “PRIDE” (Performance; Respect; Integrity; Delivery; Excellence). MHSC will continue to contribute to the National Development Plan Vision 2030, especially with respect to improving Research and Innovation, Promoting Health & Safety and contributing to Building a Capable Developmental State. The MHSC further contributes to other government imperatives and programmes such as those articulated in the State of the Nation address on an annual basis.

Providing high quality research outcomes and advice to the Minster of Mineral Resources with the aim of improving the state of Occupational Health and Safety (OHS) in the South African Mining Industry (SAMI) is at the top of MHSC priorities and in doing so facilitates the ambition of the current administration to redress inequality, deepen democracy, accelerate economic prosperity and build an inclusive society.

There has never been a more critical period to review and ensure financial sustainability than in the current economic climate and landscape. MHSC understands and appreciates the responsibility placed on it to play the role it plays in the country and as such is committed and continues to implement robust expenditure policies to ensure efficient and effective use of resources it has been provided. Therefore, MHSC plans to continue taking decisive action to maintain the integrity of expenditure and strives to ensure that the MHSC is financially sustainable.

Improved financial sustainability will be achieved through the collection of levies from the mines. MHSC will also be looking to secure other sources of revenue, which includes possible loyalties from commercialisation of research outcomes; these will be carried out through licensing agreements with various commercialisation partners and stakeholders. In addition, key focus will be an evaluation of research outcomes to assess the potential of commercialisation and licensing as a form of additional revenue for the Council.

The APP 209/20 of the Mine Health and Safety Council is compiled with the latest available information to the Council.

For more information, please contact:

Priscilla Mvana

Head of Planning

Mine Health and Safety Council

Private Bag x 11

Wendywood

2144

South Africa

Tel: +27 11 656 1797

[www.mhsc.org.za](http://www.mhsc.org.za)

RP20/2018

**OFFICIAL SIGN-OFF**

It is hereby certified that this Annual Performance Plan 2019/20:

* Was developed by the management of MHSC under the guidance of the MHSC Council and Department of Mineral Resources
* Accurately reflects the performance targets which MHSC will endeavour to achieve given the resources made available in the budget for 2019/20

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**LIST OF ABBREVIATIONS**

* **AIDS** Acquired Immune Deficiency Syndrome
* **ARC** Audit and Risk Committee
* **BBT** Brief, Budget and on Time
* **BSC** Balance Scorecard
* **CEO** Chief Executive Officer
* **CFO** Chief Financial Officer
* **CGO** Corporate Governance Officer
* **CoE** Centre of Excellence
* **CROO** Chief Research Operations Officer
* **CTAC**  Culture Transformation Advisory Committee
* **DMR**  Department of Minerals Resources
* **GRCO** Governance, Risk and Compliance Officer
* **HIV** Human Immunodeficiency Virus
* **HR** Human Resources
* **HRCO** Human Resource Capital Officer
* **HRRAC** Human Resources and Remuneration Committee
* **ICT** Information Communication Technology
* **MHSC**  Mine Health and Safety Council (Board)
* **MITHAC** Mining Industry TB, HIV and AIDS Advisory Committee
* **MINCOSA** Minerals Council of South Africa
* **MOHAC** Mining Occupational Health Advisory Committee
* **MRAC** Mining Regulations Advisory Committee
* **MQA** Mining Qualifications Authority
* **NDP**  National Development Plan
* **OHS** Occupational Health and Safety
* **SCM** Supply Chain Management
* **SIMRAC** Safety in Mines Research Advisory Committee
* **SMME** Small Medium and Micro Enterprises
* **SONA** State of the Nation Address
* **TB** Tuberculosis

**PART A:**

**STRATEGIC OVERVIEW**

1. **UPDATED SITUATIONAL ANALYSIS**

The launch of the Centre of Excellence (CoE) which is a game changer on how MHSC conducts business and whose scope has been extended taking into consideration the implementation of Phase two of the CoE Implementation Plan. Phase two of the CoE deals with training and development of mineworkers on occupational health and safety aspects. The MHSC tripartite stakeholders’ arrangement continues to offer support in the delivery of the MHSC mandate. The MHSC recognises the significant role played by its stakeholders in its success and has amended its strategic objective on capacity building to ensure its stakeholders are provided with sufficient support for the purposes of executing their support and oversight responsibilities. The table below depicts the amendment in the Learning and Growth Perspective.

LG – Learning and Growth **Perspective**

CP – Customer **Perspective**

IPP – Internal Processes **Perspective**

FP – Financial **Perspective**

|  |  |
| --- | --- |
| Customer Perspective |  |
| *Internal Processes Perspective* |  |
| *Learning and Growth* |  |
| *Financial Perspective* |  |

MHSC Figure 1: MHSC APP Strategy Map

* 1. **Performance Environment**

The Centre of Excellence (CoE) was established to ensure that the MHSC conducts high quality research with outcomes that will be widely adopted by the South African Mining Industry (SAMI). This was because of MHSC Tripartite Stakeholders acknowledging that since the establishment of the MHSC in 1997, research was conducted but whether the outcomes were reaching the coalface remained unsatisfactory and unmeasured. In addressing dissemination challenges; the CoE was envisaged to be the game changer with which the research conducted is streamlined to provide evidence into OHS training initiatives, creation of new knowledge and innovative technologies to improve OHS, generation of IP and commercialisation of research outcomes in form of new technologies and knowledge made available to the mining industry.

Therefore, it became necessary for the MHSC to review its strategy and plan to align with this new development, which contributes to the National Development Plan (NDP), and will indirectly create job opportunities and improve OHS research through collaboration with existing national research institutions. This collaboration has enabled the MHSC to reach agreements with various research institutions and provided seed funding for upgrading of their laboratories for them to be research ready to service the South African Mining Industry thus have Return on Investment (ROI) in the long term.

* 1. **Organisational Environment**

There have been no significant changes to the information presented in the strategic plan because of the organisational environment.

1. **REVISIONS TO LEGISLATIVE AND OTHER MANDATES**

There have been no significant changes to the MHSCs legislative and other mandates.

**3. OVERVIEW OF 2019/20 BUDGET AND MTEF ESITAMES**

**3.1 Expenditure Estimates**

The Estimates of National Expenditure details the spending plans of the MHSC as required by National Treasury. Information in the ENE covers key policy areas, strategic objectives and service delivery targets. The budget was submitted to Treasury during the second quarter of 2018/19 according to the MTEF Guidelines. The additional two strategic objectives will only appear on the ENE subsequent to approval of the Strategic Plan, this will show alignment with the strategic objective as reflected on the 2019/20 Annual Performance Plan.



**3.2 Relating expenditure trends to strategic oriented goals**

The budget allocation below is detailed above in the Estimate of National Expenditure (ENE). The budget is proportionally allocated to strategic objectives.

|  |  |  |
| --- | --- | --- |
| **Strategic objective** | **Balance scorecard perspective** | **Associated Costs/ budget R’000** |
| **CO 01 -** Provide advice to the Minister of Mineral Resources on occupational health and safety matters in the South African Mining Industry (SAMI) and on health and safety issues affecting communities because of mining activities. | ***Customer /Stakeholder Perspective*** | **R 12 476** |
| **CO 02 –** Collaborate with identified strategic partners concerned with matters relating to health and safety. | ***Customer/Stakeholder Perspective*** | **R 10 956** |
| **CO 03** - Promote a culture of health and safety in the mining industry. | ***Customer/Stakeholder Perspective*** | **R21 041** |
| **IPP01 -** Review the state of occupational health and safety at mines. | ***Internal Process Perspective*** | **R13 659** |
| **IPP02** - Create the first port of call on all mining OHS matters within the South African mining industry through OHS knowledge hub. | ***Internal Process Perspective*** | **R 38 170** |
| **LG01 -** Ensure best HR management practices that will support the achievement of a highly skilled, motivated and capable governance arrangement and workforce, Council and all MHSC Advisory Committees. | ***Learning and Growth Perspective*** | **R 14 564** |
| **FP 01 -** Ensure financial sustainability of MHSC. | ***Financial Perspective*** | **R 6 779** |
| **FP 02 -** Ensure efficient and effective financial management. | ***Financial Perspective*** | **R 14 210** |
| **TOTAL BUDGET FOR STRATEGIC OBJECTIVES** | | **R 131 855** |

**PART B:**

**PROGRAMME PLANS**

**4. PERFORMANCE OBJECTIVES AND TARGETS**

* 1. **Strategic objectives and annual targets for 2019/20**

The Mine Health and Safety Council (MHSC) is a public entity that is mandated, in terms of the Mine Health and Safety Act (MHSA), to advise the Minister of Mineral Resources on research programmes, regulations, standards, Occupational Health and Safety (OHS) policies, procedures focused on minimising the occupational health and safety risk at mines. The MHSC is also tasked with promoting a culture of health and safety in the mining industry.

The MHSC office executes the operational deliverables of the Council, including the provision of secretarial support to the Council and all its committees, managing research programmes, finances, communications and promotions, and liaising with other statutory bodies on matters relating to occupational health and safety at mines. Council provides a platform for stakeholder engagements on Occupational Health and Safety matters.

This document details the Annual Performance Plan for 2019/20. In terms of guidance provided by the principal, which is the Department of Mineral Resources, MHSC is required to develop a one-year Annual Performance Plan instead of the Strategic Plan due to the forthcoming elections, which will have an impact on the strategic direction of MHSC. This Plan should be regarded as an interim strategy-awaiting mandate. This arrangement will provide the new administration with an opportunity to chart a new strategic path based on the new administration’s imperatives. The MHSC will continue with the full implementation of the Centre of Excellence Phase two, which will be a game changer in terms of conducting its business. The activities of MHSC will be funded through levies collected from mines and state funding; MHSC will also be pursuing other possible revenue streams to ensure financial sustainability.

**VISION STATEMENT**

*To be the first port of call for Occupational Health and Safety (OHS) matters within the South African Mining Industry and to be the knowledge leader and trusted advisor to the Minister of Mineral Resources and stakeholders on Occupational Health and Safety matters.*

**MISSION STATEMENT**

T*o promote a culture of occupational health and safety in the mining industry by providing advice to the Minister of Mineral Resources as per the mandate, and creating and disseminating information on leading practices to the mining industry.*

**VALUES**

The MHSC prides itself on a set of shared values that inform and guide the interaction between employees, stakeholders and the mining industry at large. The acronym “**PRIDE**” represent MHSC core values.

**P**rofessionalism – Professional approach in all our business dealings and interpersonal relationships.

**R**espect – Respect each other and value diversity in ideas, work style, background and skills.

**I**ntegrity – Integrity, honesty and ethical approach in everything we do.

**D**elivery – Delivery and results-driven culture through constructive feedback and continuous improvement.

**E**xcellence – Excellence and efficiency in the way we deliver on the mandate.

**GOALS**

MHSC is pursuing the following goals and all the strategic objectives will be linked to achievement of these goals:

1. *To facilitate* ***Zero Harm*** *to communities and mine workers because of mining activities.*
2. *To provide knowledge leadership in Occupational Health and Safety in the South African Mining Industry*

**SLOGAN**

*Every mine worker returning from work unharmed every day. Striving for Zero Harm*

**STRATEGY MAP**

In terms of guidance provided by the principal, which is the Department of Mineral Resources, MHSC is required to develop a one-year Annual Performance Plan (“Plan”) instead of the Strategic Plan due to the forthcoming elections that will have an impact on the strategic direction of MHSC. Management developed the plan in line with the Draft Strategy Plan 2019/20 that had been presented during the second quarter of 2018/19. The Plan address focus areas that management deems necessary for the achievement of the MHSC mandate regardless of the approval of a Strategic Plan.

The proposed Annual Performance Plan was assessed for alignment to the current National Development Plan (NDP) goals and objectives. Chapter 9, 10 and 13 of the NDP were found to be the most relevant chapters for the Mine Health and Safety Council in terms of its contribution to the national initiatives, as outlined by the National Development Plan including the Nine-Point plan as delivered in the State of the Nation Address was considered.

MHSC follows the balance scorecard approach to measure performance against strategic objectives. The balance scorecard comprises of a set of perspectives namely, the customer perspective, Internal perspective, learning & growth perspective and financial perspective

Each balance scorecard perspective reflects the strategic objective, the method of measuring the achievement of that objective, related to the target that MHSC is aiming for in each reporting period. Tracking performance indicators are also provided for, to meet a wide variety of reporting requirements and more importantly so that interim performance can be managed by the business. The measurement of targets and indicators is also indicted in the Technical Descriptive Measure document.

Finally, a set of Strategic Initiatives or actions are outlined towards the achievement of the Strategic Objective. Each component of the Strategy is assigned to a responsible employee and dates upon which results should be delivered and performance measured

**Customer Perspective:** There is increasing realisation of the importance of customer focus and customer satisfaction in any organisation. These are leading indicators: MHSC will endeavour to ensure to monitor on a continuous basis through customer (stakeholder) feedback on services and products provided by the organisation to the mining industry

**Internal process perspective:** This perspective focuses on the internal business processes that are core to the organisation and improving these will result to achievement of operational efficiency and excellence. A fully functional and capacitated Centre of Excellence and other MHSC support business units will ensure Council and its Committees are provided with necessary support that will ensure efficiency and effectiveness of MHSC and change how business is conducted for the better.

**Learning and growth perspective:** There are three key areas of focus when developing objectives and measures for the Learning and Growth perspective and they are *human capital*, *information capital* and *organisational capital*. These components will ensure that employees and MHSC stakeholders (Council and Advisory Committee members) possess necessary skills that match the organisational strategy, tools that the MHSC needs to execute its strategy and the ability to grow and learn for continuous improvement.

**Financial perspective:** This perspective will address financial sustainability and expenditure management. In the case of MHSC, the focus is on collecting all revenue (levies), looking at alternative sources of revenue, budgeting appropriately and managing expenditure and financial risks.

**4.1.1 Objective 1: Customer perspective (CP01) (20**%)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the objective:**  Provide advice to the Minister of Mineral Resources on occupational health and safety matters in the South African Mining Industry and on health and safety issues affecting communities because of mining activities. | | | | | | | | |
| **Definition of the objective:**  Delivery against MHSC Mandate and Mine Health and Safety Tripartite including implementation of the Summit Action Plan | | | | | | | | |
| Measures to enable tracking of progress: | | | Formula for calculation: | Measure unit: | | Frequency of reporting date | |
| Primary measure | | Percentage of initiatives implemented | (Actual initiatives implemented/planned initiatives) x 100 | Percentage | | Quarterly | |
| Yearly target 2019/20 | | Quarter 1 2019/20 | Quarter 2 2019/20 | Quarter 3 2019/20 | Quarter 4 2019/20 | Due Date | Budget |
| 100% | | 100% | 100% | 100% | 100% |
| Initiatives to enable achievement of the objective: | | | | | Responsible |
|  | Develop and submit four (4) Legislative Advisory Notes to the Minister. | | | | CROO | 31 March 2020 | R 12 476 |
|  | Develop and submit a Legislative Advise Programme of the following financial year to the Minister | | | | CROO | 31 March 2020 |
|  | Develop and submit four (4) Advisory Notes on OHS from COE to the Minister. | | | | CROO | 31 March 2020 |
|  | Develop and submit four (4) OHS policies to the Minister. | | | | CROO | 31 March 2020 |
|  | Develop and submit OHS Research Programme of the following financial year to the Minister. | | | | CROO | 31 March 2020 |
|  | Develop an implementation programme for Advisory Notes approved by the Minister. | | | | CROO | 31 March 2020 |
|  | Develop a guidelines with minimum standards to address health and safety implications on mining rehabilitation. | | | | CROO | 31 March 2020 |
|  | Implement the communication and engagement Framework with the Minister. | | | | CROO | 31 March 2020 |

**4.1.2 Objective 2: Customer perspective (CP02) (10**%)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the objective:**  Collaborate with identified strategic partners concerned with matters relating to health and safety. | | | | | | | | |
| **Definition of the objective:**  Foster collaboration and establish strategic partnerships where MHSC can leverage on expertise, resources and infrastructure as part of discharging of MHSC mandate relating to OHS. | | | | | | | | |
| Measures to enable tracking of progress: | | | Formula for calculation: | Measure unit: | | Frequency of reporting date | |
| Primary measure | | Percentage of initiatives implemented | (Actual initiatives implemented/planned initiatives) x 100 | Percentage | | Quarterly | |
| Yearly target 2019/20 | | Quarter 1 2019/20 | Quarter 2 2019/20 | Quarter 3 2019/20 | Quarter 4 2019/20 | Due Date | Budget |
| 90% | | 90% | 90% | 90% | 90% |
| Initiatives to enable achievement of the objective: | | | | | Responsible |
|  | Develop an Implementation Plan on collaborations with strategic partners. | | | | CROO | 30 April 2019 | R 10 956 |
|  | Implement the collaboration plan with strategic partners. | | | | CROO | 31 March 2020 |

**4.1.3 Objective 3: Customer perspective (CP03) (20**%)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the objective:**  Promote a culture of health and safety in the mining industry. | | | | | | | | |
| **Definition of the objective:**  Promote the culture of health and safety at mines through implementation of CTF pillars. | | | | | | | | |
| Measures to enable tracking of progress: | | | Formula for calculation: | Measure unit: | | Frequency of reporting date | |
| Primary measure | | Percentage of initiatives implemented | (Actual initiatives implemented/planned initiatives) x 100 | Percentage | | Quarterly | |
| Yearly target 2019/20 | | Quarter 1 2019/20 | Quarter 2 2019/20 | Quarter 3 2019/20 | Quarter 4 2019/20 | Due Date | Budget |
| 100% | | 100% | 100% | 100% | 100% |
| Initiatives to enable achievement of the objective: | | | | | Responsible |
|  | Review Communication and Stakeholder Management Strategy for approval by Council. | | | | CHCO | 31 March 2020 | R 21 041 |
|  | Implement the approved Communication and Stakeholder Management Strategy | | | | CHCO | 31 March 2020 |
|  | Develop a Promotion and Dissemination Strategy and Plan in line with the Culture Transformation Framework. | | | | CROO | 31 March 2020 |
|  | Implement the approved Promotion and Dissemination Strategy and Plan | | | | CROO | 31 March 2020 |
|  | Conduct a customer satisfaction survey. | | | | CHCO | 31 March 2020 |
|  | Conduct an impact assessment of the role of the MHSC within the South African Mining Industry. | | | | CHCO | 31 March 2020 |  |

**4.1.4 Objective 4: Internal process perspective (IP01) (10%)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the objective:**  Review the state of health and safety at mines. | | | | | | | | |
| **Definition of the objective:**  Assess OHS trends, disasters and review the status of milestones implementation. | | | | | | | | |
| Measures to enable tracking of progress: | | | Formula for calculation: | Measure unit: | | Frequency of reporting date | |
| Primary measure | | Percentage of initiatives implemented | (Actual initiatives implemented/planned initiatives) x 100 | Percentage | | Quarterly | |
| Yearly target 2019/20 | | Quarter 1 2019/20 | Quarter 2 2019/20 | Quarter 3 2019/20 | Quarter 4 2019/20 | Due Date | Budget |
| 100% | | 100% | 100% | 100% | 100% |
| Initiatives to enable achievement of the objective: | | | | | Responsible |
|  | Conduct quarterly reviews of health and safety performance (including the leading and lagging indicators). | | | | CROO | 31 March 2020 | R 13 659 |
|  | Provide quarterly Advisory Notes on relevant interventions to improve OHS in the mining industry. | | | | CROO | 31 March 2020 |
|  | Implement Summit Milestones | | | | CROO | 31 March 2020 |
|  | Review quarterly progress of the Summit Milestones implementation and advise the Minister. | | | | CROO | 31 March 2020 |

**4.1.5 Objective 5: Internal process perspective (IP02) (10%)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the objective:**  Create the first port of call on all mining OHS matters within the South African mining industry through OHS knowledge hub. | | | | | | | | |
| **Definition of the objective:**  Create a mining OHS knowledge hub and implementation of Centre of Excellence Strategic Objectives. | | | | | | | | |
| Measures to enable tracking of progress: | | | Formula for calculation: | Measure unit: | | Frequency of reporting date | |
| Primary measure | | Percentage of initiatives implemented | (Actual initiatives implemented/planned initiatives) x 100 | Percentage | | Quarterly | |
| Yearly target 2019/20 | | Quarter 1 2019/20 | Quarter 2 2019/20 | Quarter 3 2019/20 | Quarter 4 2019/20 | Due Date | Budget |
| 90% | | 90% | 90% | 90% | 90% |
| Initiatives to enable achievement of the objective: | | | | | Responsible |
|  | Facilitate the elimination of exposure to high occupational health and safety risk to mine employees and communities affected by mining activitiesby conducting high impact research. | | | | CROO | 31 March 2020 | R 38 170 |
|  | Facilitate improvement of the utilisation and sustainability of MHSC and MHSC funded national research assets and facilities. | | | | CFO | 31 March 2020 |
|  | Review and implement the IT Master Plan to support the CoE. | | | | IT | 31 March 2020 |
|  | Dissemination and utilisation of MHSC intellectual Property as part of contribution to technological innovation. | | | | CROO | 31 March 2020 |
|  | Implementation of CoE Phase 2 Business Plan. | | | | CROO | 31 MARCH 2020 |

**4.1.6 Objective 6: Learning and growth perspective (LG01) (10%)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the objective:**  Ensure best HR management practices that will support the achievement of a highly skilled, motivated and capable governance arrangement and workforce, Council and all MHSC Advisory Committees. | | | | | | | | |
| **Definition of the objective:**  Ensuring that HRM within MHSC implements best HR practices to support the achievement of highly skilled, motivated, capable workforce including Council and all MHSC Advisory Committees. | | | | | | | | |
| Measures to enable tracking of progress: | | | Formula for calculation: | Measure unit: | | Frequency of reporting date | |
| Primary measure | | Percentage of initiatives implemented | (Actual initiatives implemented/planned initiatives) x 100 | Percentage | | Quarterly | |
| Yearly target 2019/20 | | Quarter 1 2019/20 | Quarter 2 2019/20 | Quarter 3 2019/20 | Quarter 4 2019/20 | Due Date | Budget |
| 100% | | 100% | 100% | 100% | 100% |
| Initiatives to enable achievement of the objective: | | | | | Responsible |
|  | Review the Human Resources strategy. | | | | CHCO | 30 April 2019 | R 14 564 |
|  | Implement the Human Resources strategy. | | | | CHCO | 31 March 2020 |

**4.1.7 Objective 7: Financial perspective (FP01) (10%)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the objective:**  Ensure financial sustainability of MHSC. | | | | | | | | |
| **Definition of the objective:**  Diversify revenue sources to ensure financial sustainability of MHSC. | | | | | | | | |
| Measures to enable tracking of progress: | | | Formula for calculation: | Measure unit: | | Frequency of reporting date | |
| Primary measure | | Proportion of income collected from levies | (Rand value of income collected/total levied for the year) x 100 | Percentage | | Quarterly | |
| Yearly target 2019/20 | | Quarter 1 2019/20 | Quarter 2 2019/20 | Quarter 3 2019/20 | Quarter 4 2019/20 | Due Date | Budget |
| 90% | | 90% | 90% | 90% | 90% |
| Initiatives to enable achievement of the objective: | | | | | Responsible |
|  | Develop a revenue generation strategy and Plan | | | | CFO | 30 April 2019 | R6 779 |
|  | Implement revenue generation strategy and Plan | | | | CFO | 30 March 2020 |
|  | Implement the revised levy model. | | | | CFO | 31 March 2020 |

**4.1.8 Objective 8: Financial perspective (FP02) (10%)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the objective:**  Ensure efficient and effective financial management | | | | | | | | |
| **Definition of the objective:**  Ensuring value for money through zero budgeting, strategic sourcing and spending | | | | | | | | |
| Measures to enable tracking of progress: | | | Formula for calculation: | Measure unit: | | Frequency of reporting date | |
| Primary measure | | Budget variance of not more than 5% | (Budget-Actual/budget) x 100 | Percentage | | Quarterly | |
| Yearly target 2019/20 | | Quarter 1 2019/20 | Quarter 2 2019/20 | Quarter 3 2019/20 | Quarter 4 2019/20 | Due Date | Budget |
| 5% | | 5% | 5% | 5% | 5% |
| Initiatives to enable achievement of the objective: | | | | | Responsible |
|  | Develop a sourcing strategy. | | | | CFO | 30 April 2019 | R14 210 |
|  | Implement the approved sourcing strategy. | | | | CFO | 31 March 2020 |
|  | Develop a zero-based budget. | | | | CFO | 31 January 2020 |
|  | Monitor the spending plans in terms of the approved budget. | | | | CFO | 31 March 2020 |

**PART C:**

**LINKS TO OTHER PLANS**

1. **LINKS TO LONG TERM INFRASTRUCTURE AND OTHER CAPITAL ASSETS**

MHSC has requested approval from the Minister to procure its own office building during the 2019/20 financial year. The budgeted cost for the building is R40 Million.

**ANNEXURE A:**

**TECHNICAL INDICATOR DESCRIPTIONS AND EXAMPLES**