

Vote 28

Labour

Adjusted budget summary

R thousand	2017/18			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	3 065 821	3 055 821	(30 351)	20 351
of which:				
Current payments	1 817 606	1 787 255	(30 351)	–
Transfers and subsidies	1 160 710	1 162 445	–	1 735
Payments for capital assets	87 505	106 121	–	18 616
Executive authority	Minister of Labour			
Accounting officer	Director-General of Labour			
Website address	www.labour.gov.za/DOL			

Vote purpose

Play a significant role in reducing unemployment, poverty and inequality by pursuing the objectives of full and productive employment, and decent work for all, including: employment creation and enterprise development; standards and rights at work, including equality of opportunities; social protection; and social dialogue.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September) ¹	Changed target for 2017/18
Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcements Services	Outcome 4: Decent employment through inclusive economic growth	217 044	108 408	–
Percentage of reported incidents investigated and finalised within 90 days	Inspection and Enforcements Services		65%	65% (280/430)	–
Number of work seekers registered on the Employment Services of South Africa database per year	Public Employment Services		500 000	437 630	–
Number of registered work seekers provided with employment counselling per year	Public Employment Services		140 000	101 814	–
Number of employment opportunities registered on the Employment Services of South Africa database per year	Public Employment Services		60 000	58 527	–
Number of registered employment opportunities filled by registered work seekers per year	Public Employment Services		8 000	11 359	–
Number of pay scales assessed per year to reduce gaps in minimum wage determination	Labour Policy and Industrial Relations		2	2	–

¹ Performance data has not been audited by the department.

Mid-year progress

437 630 work seekers and 58 527 employment opportunities were registered on the employment services of South Africa database, and employment counselling was provided to 101 814 work seekers in the first half of 2017/18. This is due to an increase in the number of advocacy campaigns and exhibitions held, and improved systems and staff capacitation.

The annual target for the number of registered employment opportunities filled by registered work seekers has been exceeded by 3 359. This is due to the increase in the number of advocacy campaigns and exhibitions held, and improved staff capacitation in preparing for interviews and finding available opportunities for work seekers. This indicator also includes employment opportunities from the fourth quarter of 2016/17, which was reported only in 2017/18.

The department has achieved its annual target for the number of pay scales assessed per year to reduce gaps in minimum wage determination. These assessments were planned to be undertaken in the first six months of the year in working towards determining the national minimum wage.

The department is on track to meet its targets by the end of the financial year.

Adjusted Estimates of National Expenditure 2017

Programme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	885 562	-	-	3 729	(1 500)	-	2 229	887 791
Inspection and Enforcement Services	532 748	-	-	-	(1 500)	-	(1 500)	531 248
Public Employment Services	561 113	-	-	(3 729)	-	-	(3 729)	557 384
Labour Policy and Industrial Relations	1 086 398	-	-	-	(7 000)	-	(7 000)	1 079 398
Total	3 065 821	-	-	-	(10 000)	-	(10 000)	3 055 821
Economic classification								
Current payments	1 817 606	-	-	(20 351)	(10 000)	-	(30 351)	1 787 255
Compensation of employees	1 224 502	-	-	(1 735)	(10 000)	-	(11 735)	1 212 767
Goods and services	593 104	-	-	(18 616)	-	-	(18 616)	574 488
Transfers and subsidies	1 160 710	-	-	1 735	-	-	1 735	1 162 445
Provinces and municipalities	490	-	-	-	-	-	-	490
Departmental agencies and accounts	962 182	-	-	-	-	-	-	962 182
Foreign governments and international organisations	23 813	-	-	-	-	-	-	23 813
Non-profit institutions	173 892	-	-	-	-	-	-	173 892
Households	333	-	-	1 735	-	-	1 735	2 068
Payments for capital assets	87 505	-	-	18 616	-	-	18 616	106 121
Buildings and other fixed structures	14 000	-	-	-	-	-	-	14 000
Machinery and equipment	73 505	-	-	18 556	-	-	18 556	92 061
Software and other intangible assets	-	-	-	60	-	-	60	60
Total	3 065 821	-	-	-	(10 000)	-	(10 000)	3 055 821

Programme 1: Administration

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Ministry	31 053	-	-	100	-	-	100	31 153
Management	251 361	-	-	4 796	(1 500)	-	3 296	254 657
Corporate Services	276 204	-	-	(847)	-	-	(847)	275 357
Office of the Chief Financial Officer	135 439	-	-	(320)	-	-	(320)	135 119
Office Accommodation	191 505	-	-	-	-	-	-	191 505
Total	885 562	-	-	3 729	(1 500)	-	2 229	887 791
Economic classification								
Current payments	831 520	-	-	(14 814)	(1 500)	-	(16 314)	815 206
Compensation of employees	384 564	-	-	(743)	(1 500)	-	(2 243)	382 321
Goods and services	446 956	-	-	(14 071)	-	-	(14 071)	432 885
Transfers and subsidies	710	-	-	743	-	-	743	1 453
Provinces and municipalities	489	-	-	-	-	-	-	489
Households	221	-	-	743	-	-	743	964
Payments for capital assets	53 332	-	-	17 800	-	-	17 800	71 132
Buildings and other fixed structures	14 000	-	-	-	-	-	-	14 000
Machinery and equipment	39 332	-	-	17 800	-	-	17 800	57 132
Total	885 562	-	-	3 729	(1 500)	-	2 229	887 791

Programme 2: Inspection and Enforcement Services

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management and Support Services: Inspection and Enforcement Services	5 301	-	-	-	-	-	-	5 301
Occupational Health and Safety	29 714	-	-	-	-	-	-	29 714
Registration: Inspection and Enforcement Services	62 404	-	-	116	-	-	116	62 520
Compliance, Monitoring and Enforcement Services	421 356	-	-	(116)	(1 500)	-	(1 616)	419 740
Training of Staff: Inspection and Enforcement Services	5 387	-	-	-	-	-	-	5 387
Statutory and Advocacy Services	8 586	-	-	-	-	-	-	8 586
Total	532 748	-	-	-	(1 500)	-	(1 500)	531 248
Economic classification								
Current payments	498 752	-	-	(493)	(1 500)	-	(1 993)	496 759
Compensation of employees	433 177	-	-	(493)	(1 500)	-	(1 993)	431 184
Goods and services	65 575	-	-	-	-	-	-	65 575
Transfers and subsidies	68	-	-	493	-	-	493	561
Households	68	-	-	493	-	-	493	561
Payments for capital assets	33 928	-	-	-	-	-	-	33 928
Machinery and equipment	33 928	-	-	-	-	-	-	33 928
Total	532 748	-	-	-	(1 500)	-	(1 500)	531 248

Programme 3: Public Employment Services

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management and Support Services: Public Employment Services	44 282	-	-	(230)	-	-	(230)	44 052
Employer Services	105 721	-	-	(1 484)	-	-	(1 484)	104 237
Work Seeker Services	183 450	-	-	(2 245)	-	-	(2 245)	181 205
Designated Groups Special Services	12 722	-	-	-	-	-	-	12 722
Supported Employment Enterprises	147 497	-	-	-	-	-	-	147 497
Productivity South Africa	50 341	-	-	-	-	-	-	50 341
Unemployment Insurance Fund	1	-	-	-	-	-	-	1
Compensation Fund	15 917	-	-	-	-	-	-	15 917
Training of Staff: Public Employment Services	1 182	-	-	230	-	-	230	1 412
Total	561 113	-	-	(3 729)	-	-	(3 729)	557 384
Economic classification								
Current payments	340 731	-	-	(4 233)	-	-	(4 233)	336 498
Compensation of employees	304 941	-	-	(14)	-	-	(14)	304 927
Goods and services	35 790	-	-	(4 219)	-	-	(4 219)	31 571
Transfers and subsidies	220 332	-	-	14	-	-	14	220 346
Departmental agencies and accounts	66 259	-	-	-	-	-	-	66 259
Non-profit institutions	154 029	-	-	-	-	-	-	154 029
Households	44	-	-	14	-	-	14	58
Payments for capital assets	50	-	-	490	-	-	490	540
Machinery and equipment	50	-	-	430	-	-	430	480
Software and other intangible assets	-	-	-	60	-	-	60	60
Total	561 113	-	-	(3 729)	-	-	(3 729)	557 384

Programme 4: Labour Policy and Industrial Relations

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Management and Support Services: Labour Policy and Industrial Relations	15 981	-	-	(348)	-	-	(348)	15 633
Strengthen Civil Society	19 823	-	-	-	-	-	-	19 823
Collective Bargaining	15 521	-	-	270	-	-	270	15 791
Employment Equity	16 361	-	-	84	-	-	84	16 445
Employment Standards Commission for Conciliation, Mediation and Arbitration	24 591	-	-	(1 783)	(7 000)	-	(8 783)	15 808
Research, Policy and Planning	864 090	-	-	-	-	-	-	864 090
Labour Market Information and Statistics	10 413	-	-	(40)	-	-	(40)	10 373
International Labour Matters	42 436	-	-	(883)	-	-	(883)	41 553
National Economic Development and Labour Council	45 349	-	-	2 700	-	-	2 700	48 049
	31 833	-	-	-	-	-	-	31 833
Total	1 086 398	-	-	-	(7 000)	-	(7 000)	1 079 398
Economic classification								
Current payments	146 603	-	-	(811)	(7 000)	-	(7 811)	138 792
Compensation of employees	101 820	-	-	(485)	(7 000)	-	(7 485)	94 335
Goods and services	44 783	-	-	(326)	-	-	(326)	44 457
Transfers and subsidies	939 600	-	-	485	-	-	485	940 085
Provinces and municipalities	1	-	-	-	-	-	-	1
Departmental agencies and accounts	895 923	-	-	-	-	-	-	895 923
Foreign governments and international organisations	23 813	-	-	-	-	-	-	23 813
Non-profit institutions	19 863	-	-	-	-	-	-	19 863
Households	-	-	-	485	-	-	485	485
Payments for capital assets	195	-	-	326	-	-	326	521
Machinery and equipment	195	-	-	326	-	-	326	521
Total	1 086 398	-	-	-	(7 000)	-	(7 000)	1 079 398

Details of adjustments to Estimates of National Expenditure 2017

Virements and shifts within votes

Programmes					
1. Administration					
2. Inspection and Enforcement Services					
3. Public Employment Services					
4. Labour Policy and Industrial Relations					
FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(18 543)	Programme 1		18 543
Compensation of employees	Vacant posts ¹	(743)	Households	Leave gratuities	743
Goods and services	Cost containment measures effected on computer services	(17 800)	Machinery and equipment	Desktops and laptops	17 800
Shifts within the programme as a percentage of the programme budget		2.2%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 2		(493)	Programme 2		493
Compensation of employees	Vacant posts ¹	(493)	Households	Leave gratuities	493
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(4 233)	Programme 1		3 729
Goods and services	Centralisation of payments for cleaning, communication and security services	(3 729)	Goods and services	Cleaning, communication and security services	3 729
	Cost containment measures effected on venues and facilities	(490)	Programme 3		504
			Machinery and equipment	IT hardware	430
			Software and other intangible assets	Upgrade and maintenance psychometric assessment test	60
Compensation of employees	Vacant posts ¹	(14)	Households	Leave gratuities	14
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.7%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(811)	Programme 4		811
Compensation of employees	Vacant posts ¹	(485)	Households	Leave gratuities	485
Goods and services	Cost containment measures effected on consultants	(326)	Machinery and equipment	Office furniture	326
Shifts within the programme as a percentage of the programme budget		0.3%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(24 080)			24 080

1. National Treasury approval has been obtained.

Declared unspent funds – R10 million

R10 million in unspent funds has been declared on compensation of employees due to vacant posts that could not be filled.

Programme 1: Administration

R1.5 million

Programme 2: Inspection and Enforcement Services

R1.5 million

Programme 4: Labour Policy and Industrial Relations

R7 million

Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	2016/17					2017/18				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 16 - Sep 16	% of adjusted appropriation	Apr 16 - Mar 17	% of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	% of adjusted appropriation	
Administration	856 614	341 473	39.9	819 070	95.6	887 791	29.1	363 513	40.9	
Inspection and Enforcement Services	509 341	227 089	44.6	464 269	91.2	531 248	17.4	229 519	43.2	
Public Employment Services	507 203	226 172	44.6	524 879	103.5	557 384	18.2	222 771	40.0	
Labour Policy and Industrial Relations	969 719	611 359	63.0	953 367	98.3	1 079 398	35.3	514 400	47.7	
Total	2 842 877	1 406 093	49.5	2 761 585	97.1	3 055 821	100.0	1 330 203	43.5	
Economic classification										
Current payments	1 675 880	714 828	42.7	1 545 323	92.2	1 787 255	58.5	743 678	41.6	
Compensation of employees	1 107 970	502 286	45.3	1 064 694	96.1	1 212 767	39.7	515 978	42.5	
Goods and services	567 910	212 542	37.4	480 629	84.6	574 488	18.8	227 700	39.6	
Transfers and subsidies	1 063 403	665 388	62.6	1 073 153	100.9	1 162 445	38.0	569 337	49.0	
Provinces and municipalities	701	320	45.6	586	83.6	490	0.0	314	64.1	
Departmental agencies and accounts	868 294	582 108	67.0	879 423	101.3	962 182	31.5	484 038	50.3	
Higher education institutions	–	–	–	19 719	–	–	0.0	–	–	
Foreign governments and international organisations	21 957	1	0.0	–	0.0	23 813	0.8	–	0.0	
Non-profit institutions	169 644	80 430	47.4	168 787	99.5	173 892	5.7	82 931	47.7	
Households	2 807	2 529	90.1	4 638	165.2	2 068	0.1	2 054	99.3	
Payments for capital assets	103 594	25 876	25.0	140 541	135.7	106 121	3.5	17 188	16.2	
Buildings and other fixed structures	28 000	774	2.8	29 198	104.3	14 000	0.5	336	2.4	
Machinery and equipment	75 594	25 102	33.2	64 977	86.0	92 121	3.0	16 852	18.3	
Software and other intangible assets	–	–	–	46 366	–	–	0.0	–	–	
Payments for financial assets	–	1	–	2 568	–	–	0.0	–	–	
Total	2 842 877	1 406 093	49.5	2 761 585	97.1	3 055 821	100.0	1 330 203	43.5	

Expenditure trends for the first six months of 2017/18

Total expenditure in 2016/17 was R2.8 billion, or 97.1 per cent of the 2016/17 adjusted appropriation. Expenditure in the first six months of 2017/18 was R1.3 billion, or 43.5 per cent of the adjusted appropriation of R3.1 billion for the year. In comparison, mid-year expenditure in 2016/17 was R1.4 billion, or 49.5 per cent of the 2016/17 adjusted appropriation. Compared to the first six months of 2016/17, expenditure over the same period in 2017/18 decreased by R75.9 million, or 5.4 per cent. The first tranche payment to departmental agencies and accounts was higher in 2016/17. Spending on buildings and other fixed structures has also been slow because of delays in receiving invoices, as has spending on machinery and equipment, because of a pending review on the procurement of vehicles for the department's fleet.

Departmental receipts

R thousand	2016/17					2017/18				
	Adjusted estimate	Audited outcome				Budget estimate	Actual receipts			
		Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate		Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts	12 866	6 433	50.0	11 702	91.0	11 606	17 168	100.0	9 998	58.2
Sales of goods and services produced by department	4 808	2 404	50.0	4 530	94.2	4 501	4 441	25.9	2 243	50.5
Sales of scrap, waste, arms and other used current goods	44	22	50.0	25	56.8	25	37	0.2	18	48.6
Transfers received	–	–	–	–	–	–	244	1.4	–	–
Fines, penalties and forfeits	1 040	520	50.0	1 011	97.2	60	1 020	5.9	510	50.0
Interest, dividends and rent on land	1 252	626	50.0	1 377	110.0	1 460	1 460	8.5	718	49.2
Sales of capital assets	32	16	50.0	29	90.6	500	300	1.7	–	–
Transactions in financial assets and liabilities	5 690	2 845	50.0	4 730	83.1	5 060	9 666	56.3	6 509	67.3
Total	12 866	6 433	50.0	11 702	91.0	11 606	17 168	100.0	9 998	58.2

Revenue trends for the first six months of 2017/18

Revenue in the first six months of 2017/18 was R10 million, or 58.2 per cent of the adjusted revenue estimate of R17.2 million for the year. In comparison, mid-year revenue in 2016/17 was R6.4 million, or 50 per cent of the 2016/17 adjusted estimate. Compared to the first six months of 2016/17, revenue over the same period in 2017/18 increased by R3.6 million, or 55.4 per cent. This is mainly due to expenditure recovered from the department's travel agent, and the preceding financial year's agency services for the Unemployment Insurance Fund and the Compensation Fund.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2017/18						Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	221	–	–	466	–	–	466	687
Employee social benefits	221	–	–	466	–	–	466	687
Households								
Other transfers to households								
Current	–	–	–	277	–	–	277	277
Employee social benefits	–	–	–	277	–	–	277	277

Summary of changes to transfers and subsidies per programme (continued)

R thousand	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Inspection and Enforcement Services								
Households								
Social benefits								
Current	68	-	-	479	-	-	479	547
Employee social benefits	68	-	-	479	-	-	479	547
Households								
Other transfers to households								
Current	-	-	-	14	-	-	14	14
Employee social benefits	-	-	-	14	-	-	14	14
Public Employment Services								
Households								
Social benefits								
Current	44	-	-	14	-	-	14	58
Employee social benefits	44	-	-	14	-	-	14	58
Labour Policy and Industrial Relations								
Households								
Social benefits								
Current	-	-	-	485	-	-	485	485
Employee social benefits	-	-	-	485	-	-	485	485

