

Vote 18

Labour

Adjusted budget summary

R thousand	2011/12			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 981 458	2 017 383	–	35 925
of which:				
Current payments	1 349 907	1 273 052	(76 855)	–
Transfers and subsidies	599 402	626 267	–	26 865
Payments for capital assets	32 149	118 064	–	85 915
Executive authority	Minister of Labour			
Accounting officer	Director-General of Labour			
Website address	www.labour.gov.za			

Aim

Regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at: improved economic efficiency and productivity; employment creation; sound labour relations; eliminating inequality and discrimination in the workplace; alleviating poverty in employment enhancing occupational health and safety awareness and compliance in the workplace; and nurturing the culture of acceptance that worker rights are human rights.

Changes to programme purposes, objectives and measures

Programme 3: Public Employment Services

Changed purpose to align with strategic plan: Provide assistance to companies and workers to adjust to changing labour market conditions and to regulate private employment agencies.

Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September)	Changed estimate for 2011/12
As published in the 2011 ENE	Programme linked to the indicator			
Number of reported occupational health and safety incidents investigated per year	Inspection and Enforcement Services	2 000	2 119	
Number of registered job seekers on the Employment Services for South Africa system per year	Public Employment Services	600 000	129 251	
Number of registered job seekers placed in employment opportunities per year	Public Employment Services	450 000	14 286	
Number of employers on Employment Services for South Africa system that registers vacancies on the database per year	Public Employment Services	2 000	550	
Number of private placement agencies registered and licensed per year	Public Employment Services	1 500	645	
Number of youth placed in training and income generating opportunities per year	Public Employment Services	100 000	12 014	
Number of JSE Securities Exchange listed companies assessed for employment equity per year	Labour Policy and Industrial Relations	30	30	

Mid-year progress

The number of jobseekers registered and placed on the Employment Services for South Africa system is currently lower than expected due to poor economic conditions. These conditions also contributed to the low number of youth placed in training and income generating opportunities. An additional constraint to performance is that registered work seekers often do not meet job requirements and employers then recruit externally. The targets will therefore be considered for revision in the 2012 ENE process. Registering jobs and workers on the system's database facilitates access to employment for the unemployed and the under employed, thus contributing to economic growth and improved livelihoods.

Investigating reported occupational health and safety incidents contributes to decent work by improving the quality of employment. The number of incidents investigated depends on the number of incidents reported. Some incidents could be and are prevented by ensuring workplace safety, which is enhanced by regular workplace inspections. Assessing JSE listed companies for employment equity contributes to transforming the economy and creating decent employment for all by promoting equal employment opportunities.

Adjusted Estimates of National Expenditure 2011

Programme		2011/12					
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Administration	697 228	–	–	–	1 227	1 227	698 455
Inspection and Enforcement Services	386 726	–	–	–	2 564	2 564	389 290
Public Employment Services	296 146	–	26 500	–	2 163	28 663	324 809
Labour Policy and Industrial Relations	601 358	2 943	–	–	528	3 471	604 829
Total	1 981 458	2 943	26 500	–	6 482	35 925	2 017 383
Economic classification							
Current payments	1 349 907	2 943	–	(86 280)	6 482	(76 855)	1 273 052
Compensation of employees	786 294	–	–	(6 464)	6 482	18	786 312
Goods and services	563 613	2 943	–	(79 816)	–	(76 873)	486 740
Transfers and subsidies	599 402	–	26 500	365	–	26 865	626 267
Provinces and municipalities	–	–	–	12	–	12	12
Departmental agencies and accounts	515 684	–	26 500	–	–	26 500	542 184
Foreign governments and international organisations	10 211	–	–	–	–	–	10 211
Non-profit institutions	73 258	–	–	–	–	–	73 258
Households	249	–	–	353	–	353	602
Payments for capital assets	32 149	–	–	85 915	–	85 915	118 064
Buildings and other fixed structures	3 996	–	–	–	–	–	3 996
Machinery and equipment	28 153	–	–	85 915	–	85 915	114 068
Total	1 981 458	2 943	26 500	–	6 482	35 925	2 017 383

Programme 1: Administration

Subprogramme		2011/12					
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Ministry	12 737	–	–	59	–	59	12 796
Management	391 216	–	–	1 271	693	1 964	393 180
Corporate Services	49 328	–	–	–	300	300	49 628
Office of the Chief Financial Officer	69 378	–	–	(1 330)	234	(1 096)	68 282
Office Accommodation	174 569	–	–	–	–	–	174 569
Total	697 228	–	–	–	1 227	1 227	698 455

Programme 1: Administration (continued)

2011/12							
R thousand	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
Economic classification							
Current payments	665 416	–	–	(85 900)	1 227	(84 673)	580 743
Compensation of employees	258 803	–	–	(989)	1 305	316	259 119
Goods and services	406 613	–	–	(84 911)	(78)	(84 989)	321 624
Transfers and subsidies	168	–	–	87	–	87	255
Provinces and municipalities	–	–	–	12	–	12	12
Households	168	–	–	75	–	75	243
Payments for capital assets	31 644	–	–	85 813	–	85 813	117 457
Buildings and other fixed structures	3 996	–	–	–	–	–	3 996
Machinery and equipment	27 648	–	–	85 813	–	85 813	113 461
Total	697 228	–	–	–	1 227	1 227	698 455

Programme 2: Inspection and Enforcement Services

2011/12							
R thousand	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
Subprogramme							
Management Support Services:	13 313	–	–	(1 825)	564	(1 261)	12 052
Inspection and Enforcement Services							
Occupational Health and Safety	13 519	–	–	1 427	2 000	3 427	16 946
Registration: Inspection and Enforcement Services	88 002	–	–	(5 476)	–	(5 476)	82 526
Compliance, Monitoring and Enforcement	267 349	–	–	7 251	–	7 251	274 600
Training of Staff: Inspection and Enforcement Services	4 543	–	–	(1 377)	–	(1 377)	3 166
Total	386 726	–	–	–	2 564	2 564	389 290
Economic classification							
Current payments	386 676	–	–	(149)	2 564	2 415	389 091
Compensation of employees	311 070	–	–	(5 216)	2 564	(2 652)	308 418
Goods and services	75 606	–	–	5 067	–	5 067	80 673
Transfers and subsidies	50	–	–	149	–	149	199
Households	50	–	–	149	–	149	199
Total	386 726	–	–	–	2 564	2 564	389 290

Programme 3: Public Employment Services

2011/12							
R thousand	Main appropriation	Adjustments appropriation					Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	
Subprogramme							
Management and Support Services:	19 785	–	–	3 088	2 163	5 251	25 036
Public Employment Services							
Employer Services	143 880	–	–	(2 362)	–	(2 362)	141 518
Registration and Placement Services:	26 998	–	–	(790)	–	(790)	26 208
Public Employment Services							
Designated Groups Special Services	722	–	–	–	–	–	722
Sheltered Employment Factories and Subsidies to Designated Workshops	59 766	–	–	–	–	–	59 766
Productivity South Africa	34 059	–	–	–	–	–	34 059
Unemployment Insurance Fund	1	–	–	–	–	–	1
Compensation Fund	9 605	–	26 500	–	–	26 500	36 105
Training of Staff: Public Employment Services	1 330	–	–	64	–	64	1 394
Total	296 146	–	26 500	–	2 163	28 663	324 809

Programme 3: Public Employment Services (continued)

Programme of Public Employment Services (continued)							
2011/12							
R thousand	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Economic classification							
Current payments	194 255	–	–	(250)	2 163	1 913	196 168
Compensation of employees	152 312	–	–	–	2 085	2 085	154 397
Goods and services	41 943	–	–	(250)	78	(172)	41 771
Transfers and subsidies	101 891	–	26 500	–	–	26 500	128 391
Departmental agencies and accounts	43 665	–	26 500	–	–	26 500	70 165
Non-profit institutions	58 195	–	–	–	–	–	58 195
Households	31	–	–	–	–	–	31
Payments for capital assets	–	–	–	250	–	250	250
Machinery and equipment	–	–	–	250	–	250	250
Total	296 146	–	26 500	–	2 163	28 663	324 809

Programme 4: Labour Policy and Industrial Relations
Subprogramme

Subprogramme		2011/12					
		Adjustments appropriation					
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand							
Management and Support Services:	10 599	—	—	(306)	—	(306)	10 293
Labour Policy and Industrial Relations							
Strengthen Civil Society	15 063	—	—	—	—	—	15 063
Collective Bargaining	11 152	—	—	(100)	—	(100)	11 052
Employment Equity and Standards	24 703	—	—	(565)	—	(565)	24 138
Commission for Conciliation, Mediation and Arbitration	448 104	—	—	—	—	—	448 104
Research, Policy and Planning	15 661	2 943	—	(3 420)	—	(477)	15 184
Labour Market Information and Statistics	31 759	—	—	(616)	—	(616)	31 143
International Labour Matters	19 873	—	—	4 932	528	5 460	25 333
National Economic Development and Labour Council	24 444	—	—	75	—	75	24 519
Total	601 358	2 943	—	—	528	3 471	604 829
Economic classification							
Current payments	103 560	2 943	—	19	528	3 490	107 050
Compensation of employees	64 109	—	—	(259)	528	269	64 378
Goods and services	39 451	2 943	—	278	—	3 221	42 672
Transfers and subsidies	497 293	—	—	129	—	129	497 422
Departmental agencies and accounts	472 019	—	—	—	—	—	472 019
Foreign governments and international organisations	10 211	—	—	—	—	—	10 211
Non-profit institutions	15 063	—	—	—	—	—	15 063
Households	—	—	—	129	—	129	129
Payments for capital assets	505	—	—	(148)	—	(148)	357
Machinery and equipment	505	—	—	(148)	—	(148)	357
Total	601 358	2 943	—	—	528	3 471	604 829

Details of adjustments to Estimates of National Expenditure 2011

Roll-overs – R2.943 million

Programme 4: Labour Policy and Industrial Relations

R2.943 million has been rolled over for the evaluation study for the national skills development strategy 2.

Unforeseeable and unavoidable expenditure – R26.500 million

Approval from Cabinet has been sought for an increase to the main appropriation relating to the provision made for transfer payments to the Compensation Fund. This is due to claims from the Compensation Fund for expenses it incurred in administering claims made by public servants relating to injuries they sustained or occupational illnesses/diseases they contracted while on duty.

Virements and shifts

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		(89 054)	Programme 1		89 054
Compensation of employees	Recalculation of establishment costs due to posts being filled at entry level especially in middle management services	(1 438)	Goods and services	To cater for telephone costs of special projects personnel	1 351
			Households	To augment leave gratuity of deceased officials	87
Goods and services	Cost cutting measures to conduct workshops in-house	(449)	Compensation of employees	For filled posts	449
	Finance lease budget of IT-public-private partnership unitary fee reclassified to capital payments as per practice note 5 of 2006/07	(86 484)	Machinery and equipment	Correction of classification of IT-public-private partnership unitary fee	86 484
Machinery and equipment	Correction of classification of assets less than R5 000	(671)	Goods and services	To provide for resettlement costs for new employees at the provincial offices	671
Households	Provision for leave gratuities of staff going on retirement or early pension was higher than required	(12)	Provinces and municipalities	To provide for vehicle licensing for green cars at provincial offices	12
Percentage of programme budget		12.8%			
Programme 2		(5 216)	Programme 2		5 216
Compensation of employees	Recalculation of establishment costs due to posts being filled at entry level especially in middle management services	(5 216)	Goods and services	Travel and subsistence of labour inspectors due to increased inspections	5 067
			Households	For the payment of leave gratuities for employees leaving the public service	149
Percentage of programme budget		1.3%			
Programme 3		(250)	Programme 3		250
Goods and services	Reduction on publications for marketing the programme's activities across the country due to delays in development of material	(250)	Machinery and equipment	For scanners for the programme in the provinces	250
Percentage of programme budget		0.1%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(559)	Programme 4		559
Compensation of employees	Recalculation of establishment costs due to posts being filled at entry level especially in middle management services. Termination of contract by 3 of the 5 contract staff members (all at SR10 level)	(407)	Goods and services	For the International Labour Organisation's 12th African Regional Meeting to be hosted by the Department of Labour in October 2011	278
			Households	For payment of leave gratuities for personnel going on pension or on early retirement as well as the payment of capped leave	129
Machinery and equipment	Reduction on procurement of office furniture	(148)	Compensation of employees	For the foreign allowance for the labour attaché in Geneva. Correction of staff member's salary notches from 3 previous financial years and the current financial year	144
			Goods and services	For the International Labour Organisation's 12th African Regional Meeting to be hosted by the Department of Labour in October	4
Percentage of programme budget		0.1%			
Total		(95 079)			95 079

Other adjustments – R6.482 million

Adjustments due to significant and unforeseeable economic and financial events

An additional R6.482 million has been allocated for higher personnel remuneration increases than the main budget provided for, as follows:

Programme 1: Administration

R2.134 million

Programme 2: Inspection and Enforcement Services

R2.564 million

Programme 3: Public Employment Services

R1.256 million

Programme 4: Labour Policy and Industrial Relations

R528 000

Expenditure for 2010/11 and preliminary expenditure for 2011/12

Programme	2010/11					2011/12		
	Expenditure outcome					Preliminary expenditure		
		Apr 10 - Sep 10	% of adjusted appropriation	Apr 10 - Mar 11	% of adjusted appropriation		Apr 11 - Sep 11	% of adjusted appropriation
R thousand	Adjusted appropriation	Apr 10 - Sep 10		Apr 10 - Mar 11		Adjusted appropriation	Apr 11 - Sep 11	
Administration	656 320	320 739	48.9	682 480	104.0	698 455	291 342	41.7
Inspection and Enforcement Services	366 642	147 440	40.2	329 373	89.8	389 290	179 486	46.1
Public Employment Services	277 902	134 795	48.5	289 258	104.1	324 809	151 923	46.8
Labour Policy and Industrial Relations	534 959	247 930	46.3	525 199	98.2	604 829	288 262	47.7
Total	1 835 823	850 904	46.4	1 826 310	99.5	2 017 383	911 013	45.2

R thousand	2010/11 Expenditure outcome					2011/12 Preliminary expenditure		
	Adjusted appropriation	Apr 10 - Sep 10		Apr 10 - Mar 11		Adjusted appropriation	Apr 11 - Sep 11	
		Apr 10 - Sep 10	% of adjusted appropriation	Apr 10 - Mar 11	% of adjusted appropriation		Apr 11 - Sep 11	% of adjusted appropriation
Economic classification								
Current payments	1 285 402	584 737	45.5	1 185 040	92.2	1 273 052	601 967	47.3
Compensation of employees	744 808	315 033	42.3	681 530	91.5	786 312	368 799	46.9
Goods and services	540 594	269 704	49.9	503 439	93.1	486 740	233 152	47.9
Interest and rent on land	–	–	0.0	71	0.0	–	16	0.0
Transfers and subsidies	537 299	263 173	49.0	561 038	104.4	626 267	304 882	48.7
Provinces and municipalities	39	39	100.0	54	138.5	12	25	208.3
Departmental agencies and accounts	457 990	215 803	47.1	457 948	100.0	542 184	267 986	49.4
Foreign governments and international organisations	9 633	–	0.0	10 703	111.1	10 211	–	0.0
Non-profit institutions	69 280	45 950	66.3	89 196	128.7	73 258	36 414	49.7
Households	357	1 381	386.8	3 137	878.7	602	457	75.9
Payments for capital assets	13 122	2 977	22.7	80 213	611.3	118 064	3 491	3.0
Buildings and other fixed structures	3 771	1 459	38.7	3 117	82.7	3 996	1 996	49.9
Machinery and equipment	9 351	1 518	16.2	77 086	824.4	114 068	1 495	1.3
Software and other intangible assets	–	–	0.0	10	0.0	–	–	0.0
Payments for financial assets	–	17	–	19	–	–	673	–
Total	1 835 823	850 904	46.4	1 826 310	99.5	2 017 383	911 013	45.2

Main expenditure trends for the first half of 2011/12

Total expenditure for 2010/11 was 99.5 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 was R911.013 million, or 45.2 per cent of the adjusted appropriation of R2.017 billion for the year as a whole. In comparison, mid-year expenditure in 2010/11 was R850.904 million, or 46.4 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 increased by R60.109 million or 7.1 per cent, compared to expenditure in the first six months of 2010/11.

The main expenditure increase compared to 2010/11 is due to an increase in the transfers and subsidies paid to the Commission for Conciliation, Mediation and Arbitration and the National Economic Development Labour Council in the first half of 2011/12. Increased claims were also received from the Compensation Fund for injuries sustained or illnesses and diseases contracted on duty by public servants up to 30 September, compared to the same period in 2010/11.

Departmental receipts

	2010/11					2011/12			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
R thousand									
Departmental receipts	16 113	6 120	38.0	9 036	56.1	22 419	10 801	6 735	62.4
Sales of goods and services produced by department	9 150	1 316	14.4	2 539	27.7	9 699	2 523	1 273	50.5
Sales of scrap, waste, arms and other used current goods	100	7	7.0	12	12.0	106	12	4	33.3
Fines, penalties and forfeits	558	306	54.8	601	107.7	954	585	363	62.1
Interest, dividends and rent on land	2 701	266	9.8	549	20.3	4 240	488	545	111.7
Transactions in financial assets and liabilities	3 604	4 225	117.2	5 335	148.0	7 420	7 193	4 550	63.3
Total	16 113	6 120	38.0	9 036	56.1	22 419	10 801	6 735	62.4

Main departmental revenue trends for the first half of 2011/12

Departmental revenue collection in the first six months of 2011/12 was R6.735 million, or 62.4 per cent of the adjusted revenue estimate of R10.801 million for the year as a whole. In comparison, mid-year revenue collection in 2010/11 was R6.120 million, or 38 per cent of the 2010/11 adjusted estimate. Departmental revenue collection in the first six months of 2011/12 increased by R615 000 or 10 per cent, compared to revenue in the first six months of 2010/11.

The main revenue increase compared to 2010/11 is due to increased debt recovery and income from interest earned.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

2011/12							
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Administration							
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	–	–	–	12	–	12	12
Municipalities	–	–	–	12	–	12	12
Households							
Social benefits							
Current	168	–	–	75	–	75	243
Employee social benefits	168	–	–	75	–	75	243
Inspection and Enforcement							
Services							
Households							
Other transfers to households							
Current	50	–	–	149	–	149	199
Employee social benefits	50	–	–	149	–	149	199
Public Employment Services							
Departmental agencies and accounts							
Social security funds							
Current	9 605	–	26 500	–	–	26 500	36 105
Compensation Fund	9 605	–	26 500	–	–	26 500	36 105
Labour Policy and Industrial Relations							
Households							
Other transfers to households							
Current	–	–	–	129	–	129	129
Employee social benefits	–	–	–	129	–	129	129