

Labour

Adjusted budget summary

R thousand	2014/15			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	2 527 292	2 546 292	–	19 000
of which:				
Current payments	1 553 963	1 591 086	–	37 123
Transfers and subsidies	942 351	927 587	(14 764)	–
Payments for capital assets	30 978	27 619	(3 359)	–
Executive authority	Minister of Labour			
Accounting officer	Director-General of Labour			
Website address	www.labour.gov.za/DOL			

Aim

Play a significant role in reducing unemployment, poverty and inequality through 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.

2014 national macro organisation of the state

In accordance with the re-organisation of some national departments announced by the President in May 2014, provision has been made for a deputy ministry, for which a new sub-sub programme is being created. It will be included in the 2015 ENE and is to take effect from April 2015.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2014/15 as published in the 2014 ENE	Achieved in the first six months of 2014/15 (April to September)	Changed target for 2014/15
Number of workplaces inspected per year	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive economic growth	183 870	60 274 ¹	–
Number of work seekers registered on the Employment Services of South Africa system per year	Public Employment Services		550 000	290 599	–
Percentage (and number) of work seekers registered on the system provided with employment counselling per year	Public Employment Services		275 000 (50%)	125 973 (46%)	–
Number of work seekers placed in registered employment opportunities per year	Public Employment Services		20 000	8 102	–
Number of existing sectoral determinations reviewed	Labour Policy and Industrial Relations		4	0	–

¹ This performance data has not yet been audited by the department.

Mid-year progress

By 30 September 2014, 125 973 work seekers had been provided with employment counselling and 8 102 had been placed in registered employment opportunities. This is much lower than expected, due to insufficient capacity at labour centres and a mismatch between the skills of registered work seekers and the skills sought by registered employers. There has been no achievement to date on the number of existing sectoral determinations reviewed. This is due to the incomplete review of the sectoral determinations by the Employment Conditions Commission and the department not publishing the determinations. The public

hearings on the sectoral determinations for the contract cleaning and domestic worker sectors were held in July 2014. Delivery against this target is planned for the second half of 2014/15.

Apart from these indicators, the department is on track to meet its other performance targets.

Adjusted Estimates of National Expenditure 2014

Programme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Administration	787 694	-	4 000	(6 775)	-	-	-	(2 775)	784 919
Inspection and Enforcement Services	403 174	-	-	7 231	-	-	-	7 231	410 405
Public Employment Services	466 533	-	15 000	-	-	-	-	15 000	481 533
Labour Policy and Industrial Relations	869 891	-	-	(456)	-	-	-	(456)	869 435
Total	2 527 292	-	19 000	-	-	-	-	19 000	2 546 292
Economic classification									
Current payments	1 553 963	-	4 000	33 123	-	-	-	37 123	1 591 086
Compensation of employees	966 516	-	2 707	36 861	-	-	-	39 568	1 006 084
Goods and services	587 447	-	1 293	(3 738)	-	-	-	(2 445)	585 002
Transfers and subsidies	942 351	-	15 000	(29 764)	-	-	-	(14 764)	927 587
Provinces and municipalities	2	-	-	-	-	-	-	-	2
Departmental agencies and accounts	774 941	-	15 000	-	-	-	-	15 000	789 941
Foreign governments and international organisations	16 461	-	-	980	-	-	-	980	17 441
Non-profit institutions	150 652	-	-	(31 200)	-	-	-	(31 200)	119 452
Households	295	-	-	456	-	-	-	456	751
Payments for capital assets	30 978	-	-	(3 359)	-	-	-	(3 359)	27 619
Buildings and other fixed structures	17	-	-	285	-	-	-	285	302
Machinery and equipment	30 961	-	-	(3 644)	-	-	-	(3 644)	27 317
Total	2 527 292	-	19 000	-	-	-	-	19 000	2 546 292

Programme 1: Administration

Subprogramme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Ministry	14 299	-	4 000	-	-	-	-	4 000	18 299
Management	395 191	-	-	10 025	-	-	-	10 025	405 216
Corporate Services	62 993	-	-	-	-	-	-	-	62 993
Office of the Chief Financial Officer	136 043	-	-	(17 085)	-	-	-	(17 085)	118 958
Office Accommodation	179 168	-	-	285	-	-	-	285	179 453
Total	787 694	-	4 000	(6 775)	-	-	-	(2 775)	784 919
Economic classification									
Current payments	756 538	-	4 000	(667)	-	-	-	3 333	759 871
Compensation of employees	332 814	-	2 707	(633)	-	-	-	2 074	334 888
Goods and services	423 724	-	1 293	(34)	-	-	-	1 259	424 983
Transfers and subsidies	199	-	-	-	-	-	-	-	199
Households	199	-	-	-	-	-	-	-	199
Payments for capital assets	30 957	-	-	(6 108)	-	-	-	(6 108)	24 849
Buildings and other fixed structures	17	-	-	285	-	-	-	285	302
Machinery and equipment	30 940	-	-	(6 393)	-	-	-	(6 393)	24 547
Total	787 694	-	4 000	(6 775)	-	-	-	(2 775)	784 919

Programme 2: Inspection and Enforcement Services

Subprogramme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Management and Support Services: Inspection and Enforcement Services	15 281	-	-	(10 679)	-	-	-	(10 679)	4 602
Occupational Health and Safety Registration: Inspection and Enforcement Services	22 650	-	-	3 231	-	-	-	3 231	25 881
Compliance, Monitoring and Enforcement	61 659	-	-	(5 778)	-	-	-	(5 778)	55 881
Training of Staff: Inspection and Enforcement Services	293 947	-	-	15 181	-	-	-	15 181	309 128
Statutory and Advocacy Services	4 926	-	-	1 201	-	-	-	1 201	6 127
Statutory and Advocacy Services	4 711	-	-	4 075	-	-	-	4 075	8 786
Total	403 174	-	-	7 231	-	-	-	7 231	410 405
Economic classification									
Current payments	403 115	-	-	5 144	-	-	-	5 144	408 259
Compensation of employees	317 431	-	-	7 231	-	-	-	7 231	324 662
Goods and services	85 684	-	-	(2 087)	-	-	-	(2 087)	83 597
Transfers and subsidies	59	-	-	103	-	-	-	103	162
Households	59	-	-	103	-	-	-	103	162
Payments for capital assets	-	-	-	1 984	-	-	-	1 984	1 984
Machinery and equipment	-	-	-	1 984	-	-	-	1 984	1 984
Total	403 174	-	-	7 231	-	-	-	7 231	410 405

Programme 3: Public Employment Services

Subprogramme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Management and Support Services: Public Employment Services	32 952	-	-	300	-	-	-	300	33 252
Employer Services	116 968	-	-	(300)	-	-	-	(300)	116 668
Work Seeker Services	114 179	-	-	-	-	-	-	-	114 179
Designated Groups Special Services	850	-	-	-	-	-	-	-	850
Sheltered Employment Factories and Subsidies to Designated Workshops	139 164	-	-	-	-	-	-	-	139 164
Productivity South Africa	43 119	-	-	-	-	-	-	-	43 119
Unemployment Insurance Fund	1	-	-	-	-	-	-	-	1
Compensation Fund	17 278	-	15 000	-	-	-	-	15 000	32 278
Training of Staff: Public Employment Services	2 022	-	-	-	-	-	-	-	2 022
Total	466 533	-	15 000	-	-	-	-	15 000	481 533
Economic classification									
Current payments	272 764	-	-	30 650	-	-	-	30 650	303 414
Compensation of employees	237 378	-	-	30 000	-	-	-	30 000	267 378
Goods and services	35 386	-	-	650	-	-	-	650	36 036
Transfers and subsidies	193 769	-	15 000	(31 200)	-	-	-	(16 200)	177 569
Departmental agencies and accounts	60 398	-	15 000	-	-	-	-	15 000	75 398
Non-profit institutions	133 334	-	-	(31 200)	-	-	-	(31 200)	102 134
Households	37	-	-	-	-	-	-	-	37
Payments for capital assets	-	-	-	550	-	-	-	550	550
Machinery and equipment	-	-	-	550	-	-	-	550	550
Total	466 533	-	15 000	-	-	-	-	15 000	481 533

Programme 4: Labour Policy and Industrial Relations

Subprogramme	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Management and Support Services: Labour Policy and Industrial Relations	13 585	-	-	(906)	-	-	-	(906)	12 679
Strengthen Civil Society	17 318	-	-	-	-	-	-	-	17 318
Collective Bargaining	14 504	-	-	69	-	-	-	69	14 573
Employment Equity	14 484	-	-	71	-	-	-	71	14 555
Employment Standards	12 706	-	-	(74)	-	-	-	(74)	12 632
Commission for Conciliation, Mediation and Arbitration	687 096	-	-	-	-	-	-	-	687 096
Research, Policy and Planning	11 736	-	-	(1 957)	-	-	-	(1 957)	9 779
Labour Market Information and Statistics	36 466	-	-	1 175	-	-	-	1 175	37 641
International Labour Matters	33 907	-	-	1 433	-	-	-	1 433	35 340
National Economic Development and Labour Council	28 089	-	-	(267)	-	-	-	(267)	27 822
Total	869 891	-	-	(456)	-	-	-	(456)	869 435
Economic classification									
Current payments	121 546	-	-	(2 004)	-	-	-	(2 004)	119 542
Compensation of employees	78 893	-	-	263	-	-	-	263	79 156
Goods and services	42 653	-	-	(2 267)	-	-	-	(2 267)	40 386
Transfers and subsidies	748 324	-	-	1 333	-	-	-	1 333	749 657
Provinces and municipalities	2	-	-	-	-	-	-	-	2
Departmental agencies and accounts	714 543	-	-	-	-	-	-	-	714 543
Foreign governments and international organisations	16 461	-	-	980	-	-	-	980	17 441
Non-profit institutions	17 318	-	-	-	-	-	-	-	17 318
Households	-	-	-	353	-	-	-	353	353
Payments for capital assets	21	-	-	215	-	-	-	215	236
Machinery and equipment	21	-	-	215	-	-	-	215	236
Total	869 891	-	-	(456)	-	-	-	(456)	869 435

Details of adjustments to the Estimates of National Expenditure 2014

Unforeseeable and unavoidable expenditure – R19 million

Programme 1: Administration

An additional R4 million has been allocated for the new deputy ministry.

Programme 3: Public Employment Services

An additional R15 million has been allocated for the administration costs of public servants' claims for injury 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		(31 123)	Programme 1		8 892
Goods and services	Cost containment measures effected on various items	(100)	Machinery and equipment	Furniture and equipment for the department's head office and the Vryheid labour centre ¹	100
	Cost containment measures effected on various items	(390)	Machinery and equipment	Furniture and equipment for the department's head office and the Vryheid labour centre ¹	390

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Compensation of employees	Vacant posts	(8 117)	Machinery and equipment	Security scanners and furniture and equipment at head office ¹	8 117
	Vacant posts	(285)	Buildings and other fixed structures	Security scanners and closed circuit television cameras at the Vryheid labour centre	285
	Vacant posts	(7 231)	Programme 2	Office accommodation ¹	7 231
			Compensation of employees	Inspector posts ¹	7 231
			Programme 1		15 000
Machinery and equipment	Reallocation of funds from transport equipment ¹	(15 000)	Compensation of employees	IT staff ¹	15 000
Shifts within the programme as a percentage of the programme budget		3.0%			
Virements to other programmes as a percentage of the programme budget		0.9%			
Programme 2		(2 087)	Programme 2		2 087
Goods and services	Reallocation of funds from bursaries, catering, consultants, and contractors	(103)	Households	Leave gratuities ¹	103
	Reallocation of funds from consultants, and travel	(1 932)	Machinery and equipment	Furniture and equipment for the department's head office ¹	1 932
	Reallocation of funds from advertising, entertainment, and inventory	(52)	Machinery and equipment	Office equipment ¹	52
Shifts within the programme as a percentage of the programme budget		0.5%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(31 750)	Programme 3		31 750
Goods and services	Cost containment measures effected on various items	(550)	Machinery and equipment	Machinery and equipment at the department's head office and labour centres ¹	550
Non-profit institutions	Reallocation in transfers to provide an agency service on behalf of supported employment enterprises ¹	(30 000)	Compensation of employees	Agency service for the supported employment enterprises ¹	30 000
	Reallocation in transfers to provide an agency service on behalf of supported employment enterprises ¹	(1 200)	Goods and services	Agency service for the supported employment enterprises ¹	1 200
Shifts within the programme as a percentage of the programme budget		6.8%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(2 620)	Programme 1		456
Goods and services	Reallocation of funds from legal costs, contractors, outsourced services, and entertainment	(456)	Goods and services	Communication costs	456
	Reallocation of funds from communication, catering, and operating leases	(616)	Programme 4		2 164
	Reallocation of funds from outsourced services, entertainment, and inventory	(215)	Compensation of employees	Upgrading of salary levels 9 and 11 to 10 and 12; pay progression and inflation adjustments	616
	Reallocation of funds from advertising, catering, communication, and entertainment	(980)	Machinery and equipment	Filing system, office furniture and equipment at the department's head office ¹	215
Compensation of employees	Vacant posts	(353)	Foreign governments and international organisations	Increased membership fee to the International Labour Organisation due to depreciation of the Rand ¹	980
			Households	Leave gratuities ¹	353
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		0.1%			
Total		(67 580)			67 580

1. National Treasury approval has been obtained.

Expenditure outcome for 2013/14 and actual expenditure for 2014/15

Programme	2013/14					2014/15			
	Audited outcome					Actual expenditure			
R thousand	Adjusted appropriation	Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted appropriation	Apr 13 - Mar 14	Apr 13 - Mar 14 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted appropriation
Administration	840 449	326 979	38.9	795 870	94.7	784 919	30.8	302 036	38.5
Inspection and Enforcement Services	440 190	197 258	44.8	412 213	93.6	410 405	16.1	216 116	52.7
Public Employment Services	400 117	206 508	51.6	413 495	103.3	481 533	18.9	271 070	56.3
Labour Policy and Industrial Relations	764 491	364 694	47.7	749 866	98.1	869 435	34.1	412 967	47.5
Total	2 445 247	1 095 439	44.8	2 371 444	97.0	2 546 292	100.0	1 202 189	47.2
Economic classification									
Current payments	1 560 525	666 919	42.7	1 469 628	94.2	1 591 086	62.5	686 953	43.2
Compensation of employees	881 956	423 285	48.0	866 137	98.2	1 006 084	39.5	501 206	49.8
Goods and services	678 569	243 634	35.9	603 491	88.9	585 002	23.0	185 747	31.8
Transfers and subsidies	824 164	408 920	49.6	823 379	99.9	927 587	36.4	491 132	52.9
Provinces and municipalities	239	141	59.0	446	186.6	2	0.0	252	12600.0
Departmental agencies and accounts	676 207	346 507	51.2	676 182	100.0	789 941	31.0	401 067	50.8
Foreign governments and international organisations	15 594	21	0.1	15 914	102.1	17 441	0.7	-	0.0
Non-profit institutions	130 970	60 341	46.1	127 702	97.5	119 452	4.7	87 576	73.3
Households	1 154	1 910	165.5	3 135	271.7	751	0.0	2 237	297.9
Payments for capital assets	60 558	19 600	32.4	60 300	99.6	27 619	1.1	24 097	87.2
Buildings and other fixed structures	5 486	89	1.6	1 549	28.2	302	0.0	286	94.7
Machinery and equipment	55 072	19 511	35.4	58 751	106.7	27 317	1.1	23 811	87.2
Payments for financial assets	-	-	0.0	18 137	0.0	-	0.0	7	0.0
Total	2 445 247	1 095 439	44.8	2 371 444	97.0	2 546 292	100.0	1 202 189	47.2

Expenditure trends for the first half of 2014/15

Total expenditure in 2013/14 was 97 per cent of the 2013/14 adjusted appropriation. Expenditure in the first six months of 2014/15 was R1.202 billion, or 47.2 per cent of the adjusted appropriation of R2.546 billion for the year. In comparison, mid-year expenditure in 2013/14 was R1.095 billion, or 44.8 per cent of the 2013/14 adjusted appropriation. Compared to the first six months of 2013/14, expenditure over the same period in 2014/15 increased by R106.750 million, or 9.7 per cent. This was mainly due to higher transfers to the supported employment enterprises and the Commission for Conciliation Mediation and Arbitration, procurement of departmental vehicles as well as the establishment of the new deputy ministry, the appointment of IT staff and the agency agreement for the payment on PERSAL for the salaries of staff from supported employment enterprises.

Departmental receipts

R thousand	2013/14					2014/15				
	Adjusted Estimate	Audited outcome		Actual receipts		Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted estimate
		Apr 13 - Sep 13	Apr 13 - Sep 13 % of adjusted estimate	Apr 13 - Mar 14	Apr 13 - Mar 14 % of adjusted estimate					
Departmental receipts	15 158	6 178	40.8	22 601	149.1	10 092	10 092	100.0	5 363	53.1
Sales of goods and services produced by department	3 626	2 309	63.7	4 179	115.3	3 265	3 596	35.6	2 060	57.3
Sales of scrap, waste, arms and other used current goods	25	13	52.0	30	120.0	12	30	0.3	17	56.7
Fines, penalties and forfeits	600	10	1.7	44	7.3	60	40	0.4	-	0.0
Interest, dividends and rent on land	997	517	51.9	6 317	633.6	1 417	1 317	13.1	433	32.9
Sales of capital assets	-	-	0.0	-	0.0	-	100	1.0	50	50.0
Transactions in financial assets and liabilities	9 910	3 329	33.6	12 031	121.4	5 338	5 009	49.6	2 803	56.0
Total	15 158	6 178	40.8	22 601	149.1	10 092	10 092	100.0	5 363	53.1

Revenue trends for the first half of 2014/15

Revenue in the first six months of 2014/15 was R5.363 million, or 53.1 per cent of the adjusted revenue estimate of R10.092 million for the year. In comparison, mid-year revenue in 2013/14 was R6.178 million, or 40.8 per cent of the 2013/14 adjusted estimate. Compared to the first six months of 2013/14, revenue over the same period in 2014/15 decreased by R815 000, or 13.2 per cent. This was mainly due to a decrease in recoveries from previous financial years.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2014/15								Adjusted appropriation
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Function shifts	Declared unspent funds	Other adjustments		
Inspection and Enforcement Services									
Households									
Social benefits									
Current	59	-	-	103	-	-	-	103	162
Employee social benefits	59	-	-	103	-	-	-	103	162
Public Employment Services									
Departmental agencies and accounts									
Social security funds									
Current	17 278	-	15 000	-	-	-	-	15 000	32 278
Compensation Fund	17 278	-	15 000	-	-	-	-	15 000	32 278
Non-profit institutions									
Current	122 332	-	-	(31 200)	-	-	-	(31 200)	91 132
Work-centres for the disabled	122 332	-	-	(31 200)	-	-	-	(31 200)	91 132
Labour Policy and Industrial Relations									
Foreign governments and international organisations									
Current	15 716	-	-	980	-	-	-	980	16 696
International Labour Organisation	15 716	-	-	980	-	-	-	980	16 696
Households									
Social benefits									
Current	-	-	-	353	-	-	-	353	353
Employee social benefits	-	-	-	353	-	-	-	353	353

