

Vote 28

Labour

Adjusted budget summary

R thousand	2015/16			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	2 686 867	2 704 234	-	17 367
<i>of which:</i>				
Current payments	1 683 794	1 642 777	(41 017)	-
Transfers and subsidies	956 216	1 009 217	-	53 001
Payments for capital assets	46 857	52 240	-	5 383
Executive authority	Minister of Labour			
Accounting officer	Director-General of Labour			
Website address	www.labour.gov.za			

Vote purpose

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

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2015/16 as published in the 2015 ENE	Achieved in the first six months of 2015/16 (April to September) ¹	Changed target for 2015/16
Number of workplaces/employers inspected and reviewed per year to determine compliance with various labour legislation	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive economic growth	186 631	99 853	-
Number of complaints resolved within 14 days at registration services per year	Inspection and Enforcement Services		0	-	-
Number of work seekers registered on the Employment Services of South Africa system per year	Public Employment Services		600 000	312 000	-
Number of work seekers registered on the system provided with employment counselling per year	Public Employment Services		250 000	104 621	-
Number of work seekers placed in registered employment opportunities per year	Public Employment Services		25 000	4 650	-
Number of pay scales assessed per year to reduce gaps in minimum wage determinations	Labour Policy and Industrial Relations		4	1	-

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

Changes to indicators and targets published in the 2015 ENE

The indicator 'number of complaints resolved within 14 days at registration services per year' is no longer included in the 2015 annual performance plan. Information for this indicator is thus not available.

Mid-year progress

By 30 September 2015, 104 622 work-seekers had been provided with employment counselling and 4 650 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.

The pay scale of the private security sector was assessed and a review published in the Government Gazette on 31 August 2015. The department concluded public hearings in the wholesale and retail, farm worker and forestry sectors, and is on track to assess and publish reviews of these sectoral determinations by the fourth quarter.

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

Adjusted Estimates of National Expenditure 2015

Programme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	845 111	-	-	(30 000)	-	-	(30 000)	815 111
Inspection and Enforcement Services	430 778	-	-	32 685	-	8 367	41 052	471 830
Public Employment Services	488 297	-	-	-	-	9 000	9 000	497 297
Labour Policy and Industrial Relations	922 681	-	-	(2 685)	-	-	(2 685)	919 996
Total	2 686 867	-	-	-	-	17 367	17 367	2 704 234
Economic classification								
Current payments	1 683 794	-	-	(58 384)	-	17 367	(41 017)	1 642 777
Compensation of employees	1 079 555	-	-	(44 029)	-	17 367	(26 662)	1 052 893
Goods and services	604 239	-	-	(14 355)	-	-	(14 355)	589 884
Transfers and subsidies	956 216	-	-	53 001	-	-	53 001	1 009 217
Provinces and municipalities	2	-	-	500	-	-	500	502
Departmental agencies and accounts	824 195	-	-	-	-	-	-	824 195
Foreign governments and international organisations	17 344	-	-	1 956	-	-	1 956	19 300
Non-profit institutions	114 366	-	-	50 121	-	-	50 121	164 487
Households	309	-	-	424	-	-	424	733
Payments for capital assets	46 857	-	-	5 383	-	-	5 383	52 240
Buildings and other fixed structures	-	-	-	2 000	-	-	2 000	2 000
Machinery and equipment	46 857	-	-	3 383	-	-	3 383	50 240
Total	2 686 867	-	-	-	-	17 367	17 367	2 704 234

Programme 1: Administration

Subprogramme	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	22 122	-	-	5 970	-	-	5 970	28 092
Management	429 108	-	-	(24 800)	-	-	(24 800)	404 308
Corporate Services	68 365	-	-	(970)	-	-	(970)	67 395
Office of the Chief Financial Officer	138 125	-	-	1 800	-	-	1 800	139 925
Office Accommodation	187 391	-	-	(12 000)	-	-	(12 000)	175 391
Total	845 111	-	-	(30 000)	-	-	(30 000)	815 111
Economic classification								
Current payments	798 368	-	-	(35 515)	-	-	(35 515)	762 853
Compensation of employees	365 165	-	-	(30 000)	-	-	(30 000)	335 165
Goods and services	433 203	-	-	(5 515)	-	-	(5 515)	427 688
Transfers and subsidies	208	-	-	500	-	-	500	708
Provinces and municipalities	-	-	-	500	-	-	500	500
Households	208	-	-	-	-	-	-	208
Payments for capital assets	46 535	-	-	5 015	-	-	5 015	51 550
Buildings and other fixed structures	-	-	-	2 000	-	-	2 000	2 000
Machinery and equipment	46 535	-	-	3 015	-	-	3 015	49 550
Total	845 111	-	-	(30 000)	-	-	(30 000)	815 111

Programme 2: Inspection and Enforcement Services

Subprogramme	2015/16							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	4 682	–	–	(258)	–	63	(195)	4 487
Occupational Health and Safety	27 625	–	–	(3 328)	–	413	(2 915)	24 710
Registration: Inspection and Enforcement Services	63 471	–	–	(8 626)	–	72	(8 554)	54 917
Compliance, Monitoring and Enforcement	320 963	–	–	44 606	–	7 708	52 314	373 277
Training of Staff: Inspection and Enforcement Services	5 153	–	–	466	–	–	466	5 619
Statutory and Advocacy Services	8 884	–	–	(175)	–	111	(64)	8 820
Total	430 778	–	–	32 685	–	8 367	41 052	471 830
Economic classification								
Current payments	430 716	–	–	32 258	–	8 367	40 625	471 341
Compensation of employees	343 406	–	–	32 685	–	8 367	41 052	384 458
Goods and services	87 310	–	–	(427)	–	–	(427)	86 883
Transfers and subsidies	62	–	–	384	–	–	384	446
Households	62	–	–	384	–	–	384	446
Payments for capital assets	–	–	–	43	–	–	43	43
Machinery and equipment	–	–	–	43	–	–	43	43
Total	430 778	–	–	32 685	–	8 367	41 052	471 830

Programme 3: Public Employment Services

Subprogramme	2015/16							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	34 432	–	–	–	–	4 025	4 025	38 457
Employer Services	116 949	–	–	–	–	4 619	4 619	121 568
Work Seeker Services	125 684	–	–	–	–	356	356	126 040
Designated Groups Special Services	889	–	–	10 619	–	–	10 619	11 508
Supported Employment Enterprises	145 669	–	–	(10 619)	–	–	(10 619)	135 050
Productivity South Africa	45 531	–	–	–	–	–	–	45 531
Unemployment Insurance Fund	1	–	–	–	–	–	–	1
Compensation Fund	18 073	–	–	–	–	–	–	18 073
Training of Staff: Public Employment Services	1 069	–	–	–	–	–	–	1 069
Total	488 297	–	–	–	–	9 000	9 000	497 297
Economic classification								
Current payments	327 916	–	–	(50 121)	–	9 000	(41 121)	286 795
Compensation of employees	287 343	–	–	(43 611)	–	9 000	(34 611)	252 732
Goods and services	40 573	–	–	(6 510)	–	–	(6 510)	34 063
Transfers and subsidies	160 081	–	–	50 121	–	–	50 121	210 202
Departmental agencies and accounts	63 605	–	–	–	–	–	–	63 605
Non-profit institutions	96 437	–	–	50 121	–	–	50 121	146 558
Households	39	–	–	–	–	–	–	39
Payments for capital assets	300	–	–	–	–	–	–	300
Machinery and equipment	300	–	–	–	–	–	–	300
Total	488 297	–	–	–	–	9 000	9 000	497 297

Programme 4: Labour Policy and Industrial Relations

Subprogramme	2015/16								
	R thousand	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Management and Support Services: Labour Policy and Industrial Relations	13 209	–	–	1 130	–	–	1 130	14 339	
Strengthen Civil Society	17 929	–	–	–	–	–	–	17 929	
Collective Bargaining	14 152	–	–	(901)	–	–	(901)	13 251	
Employment Equity	15 165	–	–	(459)	–	–	(459)	14 706	
Employment Standards	14 774	–	–	(1 987)	–	–	(1 987)	12 787	
Commission for Conciliation, Mediation and Arbitration	731 799	–	–	–	–	–	–	731 799	
Research, Policy and Planning	12 678	–	–	(638)	–	–	(638)	12 040	
Labour Market Information and Statistics	38 408	–	–	339	–	–	339	38 747	
International Labour Matters	35 137	–	–	257	–	–	257	35 394	
National Economic Development and Labour Council	29 430	–	–	(426)	–	–	(426)	29 004	
Total	922 681	–	–	(2 685)	–	–	(2 685)	919 996	
Economic classification									
Current payments	126 794	–	–	(5 006)	–	–	(5 006)	121 788	
Compensation of employees	83 641	–	–	(3 103)	–	–	(3 103)	80 538	
Goods and services	43 153	–	–	(1 903)	–	–	(1 903)	41 250	
Transfers and subsidies	795 865	–	–	1 996	–	–	1 996	797 861	
Provinces and municipalities	2	–	–	–	–	–	–	2	
Departmental agencies and accounts	760 590	–	–	–	–	–	–	760 590	
Foreign governments and international organisations	17 344	–	–	1 956	–	–	1 956	19 300	
Non-profit institutions	17 929	–	–	–	–	–	–	17 929	
Households	–	–	–	40	–	–	40	40	
Payments for capital assets	22	–	–	325	–	–	325	347	
Machinery and equipment	22	–	–	325	–	–	325	347	
Total	922 681	–	–	(2 685)	–	–	(2 685)	919 996	

Details of adjustments to the Estimates of National Expenditure 2015

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		(36 215)	Programme 2		30 000
Compensation of employees	Vacant posts	(30 000)	Compensation of employees	Inspector posts ¹	30 000
			Programme 1		6 215
Goods and services	Reclassification of funds incorrectly classified as contractors in the 2015 ENE	(4 000)	Machinery and equipment	Laptops, computers, printers and servers ¹	3 000
			Buildings and other fixed structures	Maintenance and repairs of provincial office buildings	2 000
	Cost containment measures effected on audit costs	(1 615)	Machinery and equipment	Office furniture and equipment	615
Machinery and equipment	Cost containment measures effected on office furniture ¹	(100)	Goods and services	World Aids Day hosted by the minister	100
	Reclassification of funds incorrectly classified as transport equipment in the 2015 ENE ¹	(500)	Provinces and municipalities	Vehicle licence fees for departmental fleet	500
Shifts within the programme as a percentage of the programme budget		0.7%			
Virements to other programmes as a percentage of the programme budget		3.5%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(427)	Programme 2		427
Goods and services	Cost containment measures effected on advertising, consultants and agency and support services	(427)	Households	Leave gratuities	384
			Machinery and equipment	Tools of trade for inspectors	43
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		(50 121)	Programme 3		50 121
Compensation of employees	Reclassification of funds due to revised institutional arrangements ¹	(43 611)	Non-profit institutions	Reclassification of funds due to revised institutional arrangements	43 611
				Increase in personnel remuneration	
Goods and services	Reclassification of funds due to revised institutional arrangements ¹	(6 510)	Non-profit institutions	Reclassification of funds due to revised institutional arrangements	6 510
Shifts within the programme as a percentage of the programme budget		10.3%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(5 006)	Programme 2		2 685
Compensation of employees	Vacant posts	(3 103)	Compensation of employees	Inspector posts ¹	2 685
			Programme 4		2 321
			Households	Staff arbitration award	11
			Households	Leave gratuities	8
			Machinery and equipment	Computer equipment for labour attaché in Geneva	69
			Foreign governments and international organisations	Increased membership fee to the International Labour Organisation and the African Regional Labour Administration Centre due to the depreciation of the Rand ¹	207
				Increased membership fee to the African Regional Labour Administration Centre due to the depreciation of the Rand ¹	123
Goods and services	Cost containment measures effected on catering and advertising	(21)	Households	Staff arbitration award	21
	Cost containment measures effected on operating leases and advertising	(256)	Machinery and equipment	Office furniture, computer equipment for visually impaired staff	256
	Cost containment measures effected on travel and subsistence	(1 626)	Foreign governments and international organisations	Increased membership fee to the International Labour Organisation due to the depreciation of the Rand ¹	1 626
Shifts within the programme as a percentage of the programme budget		0.3%			
Virements to other programmes as a percentage of the programme budget		0.3%			
Total		(91 769)	91 769		

1. National Treasury approval has been obtained.

Other adjustments – R17.367 million

Adjustments due to significant and unforeseeable economic and financial events – R17.367 million

An additional R17.367 million has been allocated to the department to cover the costs of increases in personnel remuneration that were higher than provided for in the main Budget, as follows:

Programme 2: Inspection and Enforcement Services

R8.367 million

Programme 3: Public Employment Services

R9 million

Expenditure outcome for 2014/15 and actual expenditure for 2015/16

Programme	2014/15					2015/16			
	Adjusted appropriation	Audited outcome		Apr 14 - Mar 15		Adjusted appropriation	Adjusted appropriation/Total (%)	Actual expenditure	
Apr 14 - Sep 14		Apr 14 - Sep 14 % of adjusted appropriation	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted appropriation	Apr 15 - Sep 15			Apr 15 - Sep 15 % of adjusted appropriation	
R thousand									
Administration	784 919	302 036	38.5	675 957	86.1	815 111	30.1	318 234	39.0
Inspection and Enforcement Services	410 405	216 116	52.7	430 878	105.0	471 830	17.4	231 822	49.1
Public Employment Services	481 533	271 070	56.3	465 264	96.6	497 297	18.4	226 477	45.5
Labour Policy and Industrial Relations	869 435	412 967	47.5	847 837	97.5	919 996	34.0	441 610	48.0
Total	2 546 292	1 202 189	47.2	2 419 936	95.0	2 704 234	100.0	1 218 143	45.0
Economic classification									
Current payments	1 591 086	686 953	43.2	1 458 326	91.7	1 642 777	60.7	750 362	45.7
Compensation of employees	1 006 084	501 206	49.8	997 751	99.2	1 052 893	38.9	533 469	50.7
Goods and services	585 002	185 747	31.8	460 575	78.7	589 884	21.8	216 893	36.8
Transfers and subsidies	927 587	491 132	52.9	924 613	99.7	1 009 217	37.3	466 719	46.2
Provinces and municipalities	2	252	12600.0	473	23650.0	502	-	223	44.4
Departmental agencies and accounts	789 941	401 067	50.8	785 813	99.5	824 195	30.5	412 606	50.1
Foreign governments and international organisations	17 441	-	-	17 019	97.6	19 300	0.7	-	-
Non-profit institutions	119 452	87 576	73.3	116 584	97.6	164 487	6.1	52 342	31.8
Households	751	2 237	297.9	4 724	629.0	733	-	1 548	211.2
Payments for capital assets	27 619	24 097	87.2	36 102	130.7	52 240	1.9	954	1.8
Buildings and other fixed structures	302	286	94.7	1 867	618.2	2 000	0.1	190	9.5
Machinery and equipment	27 317	23 811	87.2	34 235	125.3	50 240	1.9	764	1.5
Payments for financial assets	-	7	-	895	-	-	-	108	-
Total	2 546 292	1 202 189	47.2	2 419 936	95.0	2 704 234	100.0	1 218 143	45.0

Expenditure trends for the first half of 2015/16

Total expenditure in 2014/15 was 95 per cent of the 2014/15 adjusted appropriation. Expenditure in the first six months of 2015/16 was R1.2 billion, or 45 per cent of the adjusted appropriation of R2.7 billion for the year. In comparison, mid-year expenditure in 2014/15 was R1.2 billion, or 47.2 per cent of the 2014/15 adjusted appropriation. Compared to the first six months of 2014/15, expenditure over the same period in 2015/16 increased by R16 million, or 1.3 per cent. This was mainly due to the increase in personnel remuneration emanating from the 2015 public sector wage agreement; as well as higher transfers to the supported employment enterprises and the Commission for Conciliation, Mediation and Arbitration.

Departmental receipts

R thousand	2014/15					2015/16				
	Audited outcome					Actual receipts				
	Adjusted estimate	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted estimate	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate
Departmental receipts	10 092	5 363	53.1	11 155	110.5	10 903	12 813	100.0	5 081	39.7
Sales of goods and services produced by department	3 265	2 060	63.1	3 928	120.3	4 106	4 493	35.1	1 980	44.1
Sales of scrap, waste, arms and other used current goods	12	17	141.7	28	233.3	12	18	0.1	7	38.9
Fines, penalties and forfeits	60	-	-	4	6.7	50	1 506	12	501	33.3
Interest, dividends and rent on land	1 417	433	30.6	1 318	93.0	1 380	1 380	10.8	635	46.0
Sales of capital assets	-	50	-	1 108	-	-	300	2.3	105	35.0
Transactions in financial assets and liabilities	5 338	2 803	52.5	4 769	89.3	5 355	5 116	39.9	1 853	36.2
Total	10 092	5 363	53.1	11 155	110.5	10 903	12 813	100.0	5 081	39.7

Revenue trends for the first half of 2015/16

Revenue in the first six months of 2015/16 was R5.1 million, or 39.7 per cent of the adjusted revenue estimate of R12.8 million for the year. In comparison, mid-year revenue in 2014/15 was R5.4 million, or 53.1 per cent of the 2014/15 adjusted estimate. Compared to the first six months of 2014/15, revenue over the same period in 2015/16 decreased by R282 000, or 5.3 per cent. This was mainly due to a decrease in rental for parking and for staff dwellings, as well as a decrease in occupational health and safety licence fees and in the sale of waste paper.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	-	-	-	500	-	-	500	500
Vehicle licences	-	-	-	500	-	-	500	500
Inspection and Enforcement Services								
Households								
Social benefits								
Current	62	-	-	384	-	-	384	446
Employee social benefits	62	-	-	384	-	-	384	446
Public Employment Services								
Non-profit institutions								
Current	84 929	-	-	50 121	-	-	50 121	135 050
Work-centres for the disabled	84 929	-	-	50 121	-	-	50 121	135 050
Labour Policy and Industrial Relations								
Foreign governments and international organisations								
Current	17 344	-	-	1 956	-	-	1 956	19 300
International Labour Organisation	16 565	-	-	1 833	-	-	1 833	18 398
African Regional Labour Administration Centre	779	-	-	123	-	-	123	902
Households								
Social benefits								
Current	-	-	-	40	-	-	40	40
Employee social benefits	-	-	-	40	-	-	40	40

