

Vote 28

Labour

Adjusted budget summary

R thousand	2018/19			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	3 295 243	3 282 870	(61 368)	48 995
<i>of which:</i>				
Current payments	1 946 683	1 885 315	(61 368)	–
Transfers and subsidies	1 273 560	1 287 983	–	14 423
Payments for capital assets	75 000	109 572	–	34 572
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 by pursuing the objectives of decent work for all through: employment creation and enterprise development; the setting of standards and protection of rights at work, including the facilitation of equality of opportunities and social dialogue; and the provision of social protection.

Mid-year performance status

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19
Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive growth	218 732	88 719	–
Percentage of reported incidents finalised within 90 days	Inspection and Enforcement Services		65%	71.2% (309/434)	–
Number of work seekers registered on the Employment Services of South Africa database per year	Public Employment Services		650 000	451 468	–
Number of registered work-seekers provided with employment counselling per year	Public Employment Services		200 000	124 182	–
Number of employment opportunities registered on the Employment Services of South Africa database per year	Public Employment Services		85 000	109 870	–
Number of registered employment opportunities filled by registered work seekers per year	Public Employment Services		42 500	22 212	–

Mid-year progress

The annual target for the percentage of reported incidents finalised within 90 days has been exceeded by 6.2 per cent. Many of cases reported were less complex than expected and were finalised expediently, thus enabling inspectors to complete more cases.

In the first half of 2018/19, 451 468 work seekers were registered against an annual target of 650 000, and employment counselling was provided to 124 182 work seekers against an annual target of 200 000. This strong performance was due to systems and workflow process improvements and an increase in the number of advocacy campaigns and career exhibitions held that incorporated employment counselling, as

well as increased staff capacity. 109 870 employment opportunities were registered on the Employment Services of South Africa database as more employers became aware of the database through the increased number of advocacy campaigns.

The mid-year target for the number of registered employment opportunities filled by registered work seekers was exceeded by 960. This was due to improved staff capacity to assist work seekers to prepare for interviews, and the matching of candidates to registered employment opportunities.

Adjusted Estimates of National Expenditure 2018

Programme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	917 385	–	–	(8 754)	(2 000)	–	(10 754)	906 631
Inspection and Enforcement Services	598 223	–	–	(3 000)	(3 000)	–	(6 000)	592 223
Public Employment Services	582 574	–	–	–	(2 000)	–	(2 000)	580 574
Labour Policy and Industrial Relations	1 197 061	–	–	11 754	(5 373)	–	6 381	1 203 442
Total	3 295 243	–	–	–	(12 373)	–	(12 373)	3 282 870
Economic classification								
Current payments	1 946 683	–	–	(48 995)	(12 373)	–	(61 368)	1 885 315
Compensation of employees	1 317 790	–	–	(12 359)	(12 373)	–	(24 732)	1 293 058
Goods and services	628 893	–	–	(36 636)	–	–	(36 636)	592 257
Transfers and subsidies	1 273 560	–	–	14 423	–	–	14 423	1 287 983
Provinces and municipalities	604	–	–	14	–	–	14	618
Departmental agencies and accounts	1 066 114	–	–	12 302	–	–	12 302	1 078 416
Foreign governments and international organisations	25 218	–	–	–	–	–	–	25 218
Non-profit institutions	181 262	–	–	(50)	–	–	(50)	181 212
Households	362	–	–	2 157	–	–	2 157	2 519
Payments for capital assets	75 000	–	–	34 572	–	–	34 572	109 572
Buildings and other fixed structures	16 000	–	–	–	–	–	–	16 000
Machinery and equipment	59 000	–	–	34 572	–	–	34 572	93 572
Total	3 295 243	–	–	–	(12 373)	–	(12 373)	3 282 870

Programme 1: Administration

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	34 472	–	–	2 960	–	–	2 960	37 432
Management	255 034	–	–	(975)	(1 000)	–	(1 975)	253 059
Corporate Services	297 412	–	–	(4 627)	(1 000)	–	(5 627)	291 785
Office of the Chief Financial Officer	124 720	–	–	(3 012)	–	–	(3 012)	121 708
Office Accommodation	205 747	–	–	(3 100)	–	–	(3 100)	202 647
Total	917 385	–	–	(8 754)	(2 000)	–	(10 754)	906 631

Programme 1: Administration (continued)

Economic classification	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Current payments	876 908	–	–	(40 507)	(2 000)	–	(42 507)	834 401
Compensation of employees	402 874	–	–	(3 757)	(2 000)	–	(5 757)	397 117
Goods and services	474 034	–	–	(36 750)	–	–	(36 750)	437 284
Transfers and subsidies	846	–	–	772	–	–	772	1 618
Provinces and municipalities	603	–	–	15	–	–	15	618
Households	243	–	–	757	–	–	757	1 000
Payments for capital assets	39 631	–	–	30 981	–	–	30 981	70 612
Buildings and other fixed structures	16 000	–	–	–	–	–	–	16 000
Machinery and equipment	23 631	–	–	30 981	–	–	30 981	54 612
Total	917 385	–	–	(8 754)	(2 000)	–	(10 754)	906 631

Programme 2: Inspection and Enforcement Services

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management and Support Services: Inspection and Enforcement Services	6 428	–	–	(684)	–	–	(684)	5 744
Occupational Health and Safety Registration: Inspection and Enforcement Services	32 405	–	–	557	–	–	557	32 962
Compliance, Monitoring and Enforcement Services	67 324	–	–	(4)	–	–	(4)	67 320
Training of Staff: Inspection and Enforcement Services	477 259	–	–	(3 019)	(3 000)	–	(6 019)	471 240
Statutory and Advocacy Services	5 571	–	–	–	–	–	–	5 571
	9 236	–	–	150	–	–	150	9 386
Total	598 223	–	–	(3 000)	(3 000)	–	(6 000)	592 223
Economic classification								
Current payments	564 223	–	–	(3 700)	(3 000)	–	(6 700)	557 523
Compensation of employees	492 277	–	–	(3 700)	(3 000)	–	(6 700)	485 577
Goods and services	71 946	–	–	–	–	–	–	71 946
Transfers and subsidies	72	–	–	700	–	–	700	772
Households	72	–	–	700	–	–	700	772
Payments for capital assets	33 928	–	–	–	–	–	–	33 928
Machinery and equipment	33 928	–	–	–	–	–	–	33 928
Total	598 223	–	–	(3 000)	(3 000)	–	(6 000)	592 223

Programme 3: Public Employment Services

Subprogramme	2018/19							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Management and Support Services: Public Employment Services	47 586	–	–	3 400	–	–	3 400	50 986
Employer Services	117 656	–	–	(2 932)	(2 000)	–	(4 932)	112 724
Work Seeker Services	179 985	–	–	(468)	–	–	(468)	179 517
Designated Groups Special Services	13 460	–	–	–	–	–	–	13 460
Supported Employment Enterprises	153 269	–	–	–	–	–	–	153 269
Productivity South Africa	53 261	–	–	–	–	–	–	53 261
Unemployment Insurance Fund	1	–	–	–	–	–	–	1
Compensation Fund	16 107	–	–	–	–	–	–	16 107
Training of Staff: Public Employment Services	1 249	–	–	–	–	–	–	1 249
Total	582 574	–	–	–	(2 000)	–	(2 000)	580 574

Programme 3: Public Employment Services (continued)

Economic classification	2018/19							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Current payments	351 566	–	–	(3 610)	(2 000)	–	(5 610)	345 956
Compensation of employees	311 967	–	–	(3 100)	(2 000)	–	(5 100)	306 867
Goods and services	39 599	–	–	(510)	–	–	(510)	39 089
Transfers and subsidies	229 655	–	–	100	–	–	100	229 755
Departmental agencies and accounts	69 369	–	–	–	–	–	–	69 369
Non-profit institutions	160 239	–	–	–	–	–	–	160 239
Households	47	–	–	100	–	–	100	147
Payments for capital assets	1 353	–	–	3 510	–	–	3 510	4 863
Machinery and equipment	1 353	–	–	3 510	–	–	3 510	4 863
Total	582 574	–	–	–	(2 000)	–	(2 000)	580 574

Programme 4: Labour Policy and Industrial Relations

Subprogramme	2018/19							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	16 519	–	–	(207)	(205)	–	(412)	16 107
Strengthen Civil Society	20 973	–	–	–	–	–	–	20 973
Collective Bargaining	16 080	–	–	(68)	(530)	–	(598)	15 482
Employment Equity	14 378	–	–	(547)	(11)	–	(558)	13 820
Employment Standards	29 235	–	–	(1 252)	(4 064)	–	(5 316)	23 919
Commission for Conciliation, Mediation and Arbitration	963 066	–	–	–	–	–	–	963 066
Research, Policy and Planning	9 801	–	–	(813)	(9)	–	(822)	8 979
Labour Market Information and Statistics	44 992	–	–	246	(554)	–	(308)	44 684
International Labour Matters	48 338	–	–	2 093	–	–	2 093	50 431
National Economic Development and Labour Council	33 679	–	–	12 302	–	–	12 302	45 981
Total	1 197 061	–	–	11 754	(5 373)	–	6 381	1 203 442
Economic classification								
Current payments	153 986	–	–	(1 178)	(5 373)	–	(6 551)	147 435
Compensation of employees	110 672	–	–	(1 802)	(5 373)	–	(7 175)	103 497
Goods and services	43 314	–	–	624	–	–	624	43 938
Transfers and subsidies	1 042 987	–	–	12 851	–	–	12 851	1 055 838
Provinces and municipalities	1	–	–	(1)	–	–	(1)	–
Departmental agencies and accounts	996 745	–	–	12 302	–	–	12 302	1 009 047
Foreign governments and international organisations	25 218	–	–	–	–	–	–	25 218
Non-profit institutions	21 023	–	–	(50)	–	–	(50)	20 973
Households	–	–	–	600	–	–	600	600
Payments for capital assets	88	–	–	81	–	–	81	169
Machinery and equipment	88	–	–	81	–	–	81	169
Total	1 197 061	–	–	11 754	(5 373)	–	6 381	1 203 442

Details of adjustments to Estimates of National Expenditure 2018

Virements and shifts within the vote

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		(40 507)	Programme 1		757
Compensation of employees	Vacant posts ¹	(3 757)	Households	Leave payouts	757
			Programme 4		3 000
			Departmental agencies and accounts	Presidential Job Summit ²	3 000
			Programme 1		30 996
Goods and services	Computer services, communications, and travel and subsistence	(30 996)	Machinery and equipment	Computers, office furniture and vehicle refurbishment	30 981
			Provinces and municipalities	Vehicle licences	15
			Programme 3		3 000
	Cleaning, communications and security services	(3 000)	Goods and services	Cleaning, communications and security services	3 000
			Programme 4		2 754
	Audit costs	(2 100)	Departmental agencies and accounts	Presidential Job Summit ²	2 100
			Goods and services	Cleaning, communications and security services	654
	Cleaning, communications and security services	(654)			
Shifts within the programme as a percentage of the programme budget		3.5%			
Virements to other programmes as a percentage of the programme budget		1.0%			
Programme 2		(3 700)	Programme 2		700
Compensation of employees	Vacant posts ¹	(3 700)	Households	Leave payouts	700
			Programme 4		3 000
			Departmental agencies and accounts	Presidential Job Summit ²	3 000
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.5%			
Programme 3		(6 610)	Programme 3		100
Compensation of employees	Vacant posts ¹	(3 100)	Households	Leave payouts	100
			Programme 4		3 000
			Departmental agencies and accounts	Presidential Job Summit ²	3 000
			Programme 3		3 510
Goods and services	Stationery, printing and office supplies; travel and subsistence; and venues and facilities	(3 510)	Machinery and equipment	Computers and office furniture	3 510
Shifts within the programme as a percentage of the programme budget		0.6%			
Virements to other programmes as a percentage of the programme budget		0.5%			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4		(1 934)	Programme 4		1 934
Compensation of employees	Vacant posts ¹	(1 802)	Households	Leave payouts	600
			Departmental agencies and accounts	Presidential Job Summit ²	1 202
Goods and services	Catering, consultants, office furniture and supplies, travel and subsistence, and venues and facilities	(81)	Machinery and equipment	Office equipment and security system	81
Non-profit institutions	Annual Child Labour Day	(50)	Goods and services	45th African Regional Labour Administration Centre governing council meeting	51
Provinces and municipalities	Vehicle licences	(1)			
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Total		(52 751)			52 751

1. National Treasury approval has been obtained.
2. Only the legislature may approve this virement.

Declared unspent funds – R12.373 million

R12.373 million in unspent funds has been declared on compensation of employees due to vacant posts that were not filled.

Programme 1: Administration

R2 million

Programme 2: Inspection and Enforcement Services

R3 million

Programme 3: Public Employment Services

R2 million

Programme 4: Labour Policy and Industrial Relations

R5.373 million

Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Programme	2017/18					2018/19				
	Adjusted appropriation	Audited outcome		Actual expenditure		Adjusted appropriation	Adjusted appropriation/Total (%)	Actual expenditure		
Apr 17 - Sep 17 % of adjusted appropriation		Apr 17 - Mar 18 % of adjusted appropriation	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18 % of adjusted appropriation	Apr 18 - Sep 18 % of adjusted appropriation					
R thousand										
Administration	887 791	363 513	40.9	768 677	86.6	906 631	27.6	335 801	37.0	
Inspection and Enforcement Services	531 248	229 519	43.2	520 165	97.9	592 223	18.0	244 948	41.4	
Public Employment Services	557 384	222 771	40.0	485 543	87.1	580 574	17.7	250 608	43.2	
Labour Policy and Industrial Relations	1 079 398	514 400	47.7	1 069 634	99.1	1 203 442	36.7	570 457	47.4	
Total	3 055 821	1 330 203	43.5	2 844 019	93.1	3 282 870	100.0	1 401 814	42.7	

Economic classification	2017/18					2018/19				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 17 - Sep 17 appropriation	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18 appropriation	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18 appropriation	Apr 18 - Sep 18 % of adjusted appropriation	
Current payments	1 787 255	743 678	41.6	1 571 384	87.9	1 885 315	57.4	765 116	40.6	
Compensation of employees	1 212 767	515 978	42.5	1 059 512	87.4	1 293 058	39.4	556 018	43.0	
Goods and services	574 488	227 700	39.6	511 872	89.1	592 257	18.0	209 098	35.3	
Transfers and subsidies	1 162 445	569 337	49.0	1 179 632	101.5	1 287 983	39.2	628 944	48.8	
Provinces and municipalities	490	314	64.1	620	126.5	618	0.0	360	58.3	
Departmental agencies and accounts	962 182	484 038	50.3	979 936	101.8	1 078 416	32.8	546 493	50.7	
Foreign governments and international organisations	23 813	–	0.0	19 974	83.9	25 218	0.8	–	0.0	
Non-profit institutions	173 892	82 931	47.7	173 351	99.7	181 212	5.5	79 981	44.1	
Households	2 068	2 054	99.3	5 751	278.1	2 519	0.1	2 110	83.8	
Payments for capital assets	106 121	17 188	16.2	92 780	87.4	109 572	3.3	6 641	6.1	
Buildings and other fixed structures	14 000	336	2.4	2 404	17.2	16 000	0.5	3 474	21.7	
Machinery and equipment	92 061	16 852	18.3	78 232	85.0	93 572	2.9	3 167	3.4	
Software and other intangible assets	60	–	0.0	12 144	20240.0	–	0.0	–	0.0	
Payments for financial assets	–	–	–	223	–	–	0.0	1 113	0.0	
Total	3 055 821	1 330 203	43.5	2 844 019	93.1	3 282 870	100.0	1 401 814	42.7	

Expenditure trends for the first half of 2018/19

Total expenditure in 2017/18 was R2.8 billion, 93.1 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2017/18 was R1.3 billion, 43.5 per cent of the 2017/18 adjusted appropriation, whereas expenditure in the first half of 2018/19 was R1.4 billion, 42.7 per cent of the adjusted appropriation for the year. Compared to the first half of 2017/18, expenditure over the same period in 2018/19 increased by R71.6 million, 5.4 per cent. This was mainly due to an increase in claims from the Compensation Fund for civil servants injured on duty, an increase in transfer payments to the Commission for Conciliation, Mediation and Arbitration to address increasing caseloads, and increased spending on buildings and other fixed structures.

Departmental receipts

Economic classification	2017/18					2018/19				
	Audited outcome					Actual receipts				
R thousand	Adjusted estimate	Apr 17 - Sep 17 estimate	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18 estimate	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 18 - Sep 18 estimate	Apr 18 - Sep 18 % of adjusted estimate
Departmental receipts	17 168	9 998	58.2	16 805	97.9	11 839	10 521	100.0	5 777	54.9
Sales of goods and services produced by department	4 441	2 243	50.5	4 391	98.9	4 510	4 446	42.3	2 266	51.0
Sales of scrap, waste, arms and other used current goods	37	18	48.6	45	121.6	29	39	0.4	16	41.0
Transfers received	244	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 020	510	50.0	2 281	223.6	80	2 070	19.7	1 416	68.4
Interest, dividends and rent on land	1 460	718	49.2	1 357	92.9	1 500	1 000	9.5	469	46.9
Sales of capital assets	300	–	–	43	14.3	600	300	2.9	64	21.3
Transactions in financial assets and liabilities	9 666	6 509	67.3	8 688	89.9	5 120	2 666	25.3	1 546	58.0
Total	17 168	9 998	58.2	16 805	97.9	11 839	10 521	100.0	5 777	54.9

Revenue trends for the first half of 2018/19

Mid-year revenue in 2017/18 was R10 million, 58.2 per cent of the 2017/18 adjusted estimate, whereas revenue in the first half of 2018/19 was R5.8 million, 54.9 per cent of the adjusted estimate for the year. Compared to the first half of 2017/18, revenue over the same period in 2018/19 decreased by R4.2 million, 42.2 per cent. This was mainly due to a decrease in debt repayments by staff, as most staff have settled their debt.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	2018/19							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	603	–	–	15	–	–	15	618
Vehicle licences	603	–	–	15	–	–	15	618
Households								
Social benefits								
Current	243	–	–	678	–	–	678	921
Employee social benefits	243	–	–	678	–	–	678	921
Households								
Other transfers to households								
Current	–	–	–	79	–	–	79	79
Employee social benefits	–	–	–	79	–	–	79	79
Inspection and Enforcement Services								
Households								
Social benefits								
Current	72	–	–	675	–	–	675	747
Employee social benefits	72	–	–	675	–	–	675	747
Households								
Other transfers to households								
Current	–	–	–	25	–	–	25	25
Employee social benefits	–	–	–	25	–	–	25	25
Public Employment Services								
Households								
Social benefits								
Current	47	–	–	100	–	–	100	147
Employee social benefits	47	–	–	100	–	–	100	147
Labour Policy and Industrial Relations								
Provinces and municipalities								
Municipalities								
Municipal bank accounts								
Current	1	–	–	(1)	–	–	(1)	–
Vehicle licences	1	–	–	(1)	–	–	(1)	–
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	33 679	–	–	12 302	–	–	12 302	45 981
National Economic Development and Labour Council	33 679	–	–	12 302	–	–	12 302	45 981
Non-profit institutions								
Current	50	–	–	(50)	–	–	(50)	–
Various schools: National Day Against Child Labour	50	–	–	(50)	–	–	(50)	–
Households								
Social benefits								
Current	–	–	–	600	–	–	600	600
Employee social benefits	–	–	–	600	–	–	600	600