

VOTE 18 *Labour*



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2012

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspending on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Labour

**National Treasury
Republic of South Africa**



Contents

Budget summary	1
Aim	1
Programme purposes	1
Strategic overview: 2008/09 – 2014/15	1
Selected performance indicators	2
Expenditure estimates	3
Expenditure trends	4
Personnel information	5
Departmental receipts	6
Programme 1: Administration	7
Programme 2: Inspection and Enforcement Services	9
Programme 3: Public Employment Services	12
Programme 4: Labour Policy and Industrial Relations	16
Public entities and other agencies	20
Additional tables	36

Vote 18

Labour

Budget summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	732 606	699 050	178	33 378	782 671	830 241
Inspection and Enforcement Services	429 181	429 128	53	–	456 756	484 284
Public Employment Services	322 021	210 253	111 768	–	344 058	365 710
Labour Policy and Industrial Relations	635 918	108 500	527 285	133	677 665	718 716
Total expenditure estimates	2 119 726	1 446 931	639 284	33 511	2 261 150	2 398 951
Executive authority	Minister of Labour					
Accounting officer	Director General of Labour					
Website address	www.labour.gov.za					

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.

Programme purposes

Programme 1: Administration

Purpose: Provide management, strategic and administrative support services to the ministry and the department.

Programme 2: Inspection and Enforcement Services

Purpose: Realise decent work by regulating non-employment and employment conditions through inspection and enforcement to achieve compliance with all labour market policies.

Programme 3: Public Employment Services

Purpose: Provide assistance to companies and workers to adjust to changing labour market conditions and to regulate private employment agencies.

Programme 4: Labour Policy and Industrial Relations

Purpose: Facilitate the establishment of an equitable and sound labour relations environment and the promotion of South Africa's interests in international labour matters through research, analysing and evaluating labour policy, and providing statistical data on the labour market, including providing support to institutions that promote social dialogue.

Strategic overview: 2008/09 – 2014/15

The mandate of the Department of Labour is to regulate the labour market through policies and programmes aimed at: improving economic efficiency and productivity; creating decent employment; promoting and protecting the basic rights of workers; providing adequate social safety nets to protect vulnerable workers; promoting sound labour relations; eliminating inequality and discrimination in the workplace; enhancing occupational health and safety awareness and compliance in the workplace; and supporting social dialogue in

order to formulate sound and responsive legislation and policies that balance labour market flexibility for enterprise competitiveness with promoting decent employment.

Strategic priorities

Specific strategic goals include: implementing the Decent Work country programme; rebuilding public employment services to enable government to maintain a database of job seekers and job opportunities, and match and place job seekers; strengthening the labour inspectorate system to effectively monitor and enforce compliance with legislation to ensure adherence to decent work principles and address vulnerability in the labour market; strengthening social security, including reintegrating workers into the labour market and restructuring sheltered employment factories; and strengthening the institutional capacity of the department to improve quality and access to service delivery.

Amending legislation

To contribute to the creation of decent employment, the department, after consultation with stakeholders, will present to Parliament in 2012/13 amendments to the following legislation it administers: the Unemployment Insurance Act (2001), to improve benefits and to effect administrative changes regarding submission of information to the fund by employers; and the Compensation for Occupational Injuries and Diseases Act (1993), to allow for the development of a rehabilitation, reintegration, and return-to-work policy for injured and diseased workers. The department will also seek to repeal the Occupational Health and Safety Act (1993) in its current form to ensure that employers develop and implement a health and safety management system, that penalties issued to employers are increased, and that inspectors can issue prescribed fines on the spot.

Other key pieces of legislation which were scheduled to be tabled at Parliament in 2011/12, but which are still under discussion at the National Economic Development and Labour Council include: the Labour Relations Amendment Bill (2010), which proposes to stop repeated short term contracting, address labour broking and clarify the definition of employer in certain circumstances; the Basic Conditions of Employment Amendment Bill (2010), which seeks to vary the circumstances under which trade unions may qualify for representational rights and to empower the minister to amend wages in certain circumstances; the Employment Equity Amendment Bill (2010), to give effect to the same-employer equal pay for work of equal value principle; and the Employment Services Bill (2010), to regulate activities concerned with employment placement services.

Labour market information systems

The department will enhance all its labour market information systems to produce relevant, accurate, and updated statistics and information by completing the upgrade of its ICT systems. The critical project related to this is the integrated client database, which will provide crucial information for individuals and companies. Once completed, all other systems within the department will be linked and updated from the main system. This information will assist policy makers and other stakeholders interested in changes in labour market trends to review policies and propose new interventions in the labour market. In addition to this milestone, completing and implementing the department's executive dashboard system remains a key strategic priority for improving service delivery in the department.

Selected performance indicators

Table 18.1 Labour

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of work places inspected per year	Inspection and Enforcement Services	153 697	147 556	192 129	130 000	140 000	150 000	160 000
Number of complaints resolved within 14 days at Registration Services per year	Inspection and Enforcement Services	178 863	150 831	116 131	79 440 (Q3)	- ¹	- ¹	- ¹
Number of job seekers registered on the employment services for South Africa system per year	Public Employment Services	421 686	636 140	472 179	600 000	700 000	800 000	900 000

Table 18.1 Labour (continued)

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of job seekers placed in job opportunities or referred to other services per year	Public Employment Services	17 115	260 817	559 060	450 000	560 000	680 000	700 000
Number of employers registering vacancies on the Employment Services for South Africa system per year	Public Employment Services	— ²	— ²	1 907	3 000	4 000	5 000	6 000
Number of sectoral determinations reviewed and published per year	Labour Policy and Industrial Relations	4	4	4	5	6	2	4

1. This indicator is dependent on number of cases reported therefore data for a specific year is only available in the following year.

2. New indicator that started in 2010/11.

Expenditure estimates

Table 18.2 Labour

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand								
Administration	567 928	669 153	682 480	698 455	690 357	732 606	782 671	830 241
Inspection and Enforcement Services	259 166	290 044	329 373	389 290	380 501	429 181	456 756	484 284
Public Employment Services	297 579	264 831	289 258	324 809	324 809	322 021	344 058	365 710
Labour Policy and Industrial Relations	382 543	474 662	525 199	604 829	602 430	635 918	677 665	718 716
Total	1 507 216	1 698 690	1 826 310	2 017 383	1 998 097	2 119 726	2 261 150	2 398 951
Change to 2011 Budget estimate				35 925	16 639	21 248	39 455	43 954

Economic classification

Current payments	952 605	1 091 789	1 185 040	1 273 052	1 249 650	1 446 931	1 541 624	1 640 896
Compensation of employees	491 335	576 457	681 530	786 312	768 714	883 331	943 697	1 001 292
Goods and services	461 270	515 332	503 439	486 740	480 936	563 600	597 927	639 604
<i>of which:</i>								
Administrative fees	997	416	2 197	2 695	2 196	3 223	3 173	3 256
Advertising	35 468	25 224	10 901	17 454	17 407	19 105	20 281	21 492
Assets less than the capitalisation threshold	4 922	6 270	4 482	5 643	5 783	3 534	3 733	3 812
Audit cost: External	29 918	20 765	19 048	21 587	22 075	21 959	23 651	25 310
Bursaries: Employees	2 438	2 639	3 193	2 242	2 274	3 370	3 550	3 762
Catering: Departmental activities	3 829	4 885	3 089	7 468	7 492	3 892	3 982	4 216
Communication	44 193	46 053	47 127	42 054	44 315	38 516	40 711	43 170
Computer services	27 973	29 247	34 975	36 425	30 494	30 421	32 133	34 052
Consultants and professional services: Business and advisory services	1 765	4 646	11 534	14 869	13 468	14 811	15 922	16 858
Consultants and professional services: Infrastructure and planning	1 330	1 550	—	—	(408)	—	—	—
Consultants and professional services: Legal costs	2 308	4 275	3 488	1 251	659	1 296	1 367	1 451
Contractors	15 123	4 079	1 960	14 322	14 910	8 930	7 540	13 786
Agency and support / outsourced services	19 297	8 510	3 537	5 644	6 776	6 539	6 894	7 284
Entertainment	271	313	270	597	750	599	593	631
Fleet services (including government motor transport)	—	—	87	827	814	1 916	1 935	1 961
Inventory: Food and food supplies	—	5	—	5	3	—	—	—
Inventory: Fuel, oil and gas	995	389	517	74	53	303	321	340
Inventory: Learner and teacher support material	61	101	66	200	201	325	344	365

Table 18.2 Labour (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Economic classification								
Current payments								
<i>Inventory: Materials and supplies</i>	257	834	516	184	177	203	203	215
<i>Inventory: Medical supplies</i>	13	9	10	12	(237)	–	–	–
<i>Inventory: Other consumables</i>	2 062	2 412	3 523	5 142	5 095	2 253	2 383	2 528
<i>Inventory: Stationery and printing</i>	25 447	29 687	20 499	24 415	23 527	26 137	28 049	29 683
<i>Lease payments</i>	87 420	124 995	143 530	115 696	121 370	218 918	232 956	246 926
<i>Property payments</i>	20 776	63 769	65 251	43 912	42 742	45 479	49 394	52 356
<i>Transport provided: Departmental activity</i>	40	38	–	655	709	–	–	–
<i>Travel and subsistence</i>	107 181	102 004	106 164	93 779	167 592	79 935	85 043	90 590
<i>Training and development</i>	8 851	10 335	6 507	10 443	10 855	12 097	12 483	13 190
<i>Operating expenditure</i>	2 469	8 305	5 355	5 929	(71 697)	5 783	6 216	6 502
<i>Venues and facilities</i>	15 866	13 577	5 613	13 216	11 990	14 056	15 070	15 868
<i>Rental and hiring</i>	–	–	–	–	(449)	–	–	–
<i>Interest and rent on land</i>	–	–	71	–	–	–	–	–
Transfers and subsidies	457 248	516 275	561 038	626 267	630 447	639 284	682 392	724 491
Provinces and municipalities	–	1	54	12	12	–	–	–
Departmental agencies and accounts	323 173	411 485	457 948	542 184	542 184	551 392	589 664	626 200
Foreign governments and international organisations	10 377	8 618	10 703	10 211	14 306	10 722	11 312	11 991
Public corporations and private enterprises	–	555	–	–	–	–	–	–
Non-profit institutions	119 179	92 112	89 196	73 258	73 258	76 906	81 137	86 005
Households	4 519	3 504	3 137	602	687	264	279	295
Payments for capital assets	93 111	90 109	80 213	118 064	118 000	33 511	37 134	33 564
Buildings and other fixed structures	2 724	225	3 117	3 996	3 996	3 416	5 486	17
Machinery and equipment	90 387	89 879	77 086	114 068	114 004	30 095	31 648	33 547
Software and other intangible assets	–	5	10	–	–	–	–	–
Payments for financial assets	4 252	517	19	–	–	–	–	–
Total	1 507 216	1 698 690	1 826 310	2 017 383	1 998 097	2 119 726	2 261 150	2 398 951

Expenditure trends

The spending focus over the medium term will be on protecting vulnerable workers, reintegrating work seekers into the labour market and ensuring decent work. The *Labour Policy and Industrial Relations* programme will focus on making transfer payments to address financial constraints at the Commission for Conciliation, Mediation and Arbitration and the National Economic Development and Labour Council.

Expenditure grew from R1.5 billion in 2008/09 to R2 billion in 2011/12, at an average annual rate of 10 per cent, mainly as a result of additional allocations to: the Commission for Conciliation, Mediation and Arbitration for a new case management system and increases in operational costs; the National Economic Development and Labour Council for increased operational costs; and for the *Inspection and Enforcement Services* programme for the employment of additional specialist inspectors. Expenditure is projected to grow to R2.4 billion over the medium term, at an average annual rate of 6 per cent.

The 2012 Budget provides additional allocations of R25.9 million in 2012/13, R41 million in 2013/14 and R45.5 million in 2014/15 as follows:

- R17.5 million in 2012/13, R28.5 million in 2013/14 and R31.1 million in 2014/15 for improvements in conditions of service within the department
- R3.4 million in 2012/13, R5.9 million in 2013/14 and R6.6 million in 2014/15 for the Commission for Conciliation, Mediation and Arbitration for improvements to conditions of service
- R783 000 in 2012/13, R1.3 million in 2013/14 and R1.5 million in 2014/15 for Productivity SA for improvements to conditions of service

- R176 000 in 2012/13, R290 000 in 2013/14 and R311 000 in 2014/15 for the National Economic Development and Labour Council for improvements to conditions of service
- R4 million in 2012/13, R5 million in 2013/14 and R6 million in 2014/15 for the Compensation Fund for the administration cost of public servants' claims for injuries/illnesses or diseases contracted while on duty.

The department has reprioritised R3.2 million in 2012/13 for additional posts in the office of the chief information officer in the *Administration* programme. Cabinet approved baseline cuts amounting to R4.5 million over the 2012 MTEF period, mainly from goods and services, lease payments, and through reducing travel and the hiring of venues and facilities, have been made.

Between 2008/09 to 2011/12, the department used 71 consultants for 45 projects, at an estimated cost of R47 million. Details on the nature of the work the consultants performed are discussed in each programme.

Infrastructure spending

The department has various small infrastructure projects at different stages of completion. Spending on infrastructure increased from R2.7 million in 2008/09 to R4 million in 2011/12, and is projected to decrease to R17 000 by 2014/15. Spending between 2008/09 to 2011/12 focused mainly on small projects to provide safe working conditions for staff and improved access to services to the public.

Infrastructure spending over the first two years of the MTEF period relates to the cost of site clearance for various new projects in Mpumalanga and Western Cape, with spending mainly on consultant fees. The designs for the new Taung, Bochum and Mount Ayliff labour centres are complete. The start date for construction will depend on the site clearance work being finalised by the Department of Public Works.

The allocation in 2014/15 is for the construction of booths for security guards at labour centres.

Personnel information

Table 18.3 Details of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	3 483	3 466	17	2 765	3 100	3 092	3 155	3 460	3 460	3 460
Salary level 1 – 6	1 715	1 707	8	1 512	1 627	1 582	1 558	1 707	1 707	1 707
Salary level 7 – 10	1 587	1 583	4	1 113	1 320	1 359	1 436	1 577	1 577	1 577
Salary level 11 – 12	120	118	2	98	99	102	107	118	118	118
Salary level 13 – 16	61	58	3	41	53	49	54	58	58	58
Administration	1 202	1 196	6	1 017	1 014	1 068	1 098	1 193	1 193	1 193
Salary level 1 – 6	658	656	2	599	577	615	599	656	656	656
Salary level 7 – 10	461	461	–	349	358	384	422	458	458	458
Salary level 11 – 12	50	48	2	43	44	42	46	48	48	48
Salary level 13 – 16	33	31	2	26	34	27	31	31	31	31
Inspection and Enforcement Services	1 429	1 429	–	1 154	1 425	1 291	1 316	1 429	1 429	1 429
Salary level 1 – 6	869	869	–	762	885	795	795	869	869	869
Salary level 7 – 10	537	537	–	371	518	474	498	537	537	537
Salary level 11 – 12	16	16	–	15	16	15	16	16	16	16
Salary level 13 – 16	7	7	–	6	6	7	7	7	7	7
Public Employment Services	656	649	7	435	474	539	563	646	646	646
Salary level 1 – 6	165	159	6	128	139	144	141	159	159	159
Salary level 7 – 10	456	456	–	293	320	375	398	453	453	453
Salary level 11 – 12	23	23	–	13	13	15	17	23	23	23
Salary level 13 – 16	12	11	1	1	2	5	7	11	11	11
Labour Policy and Industrial Relations	196	192	4	159	187	194	178	192	192	192
Salary level 1 – 6	23	23	–	23	26	28	23	23	23	23
Salary level 7 – 10	133	129	4	100	124	126	118	129	129	129
Salary level 11 – 12	31	31	–	27	26	30	28	31	31	31
Salary level 13 – 16	9	9	–	8	11	10	9	9	9	9

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2011.

As at 30 September 2011, the department had an establishment of 3 483 posts, of which 3 466 were funded and 17 were additional to the establishment. The number of filled posts increased from 2 765 in 2008/09 to 3 155 in 2011/12, and is projected to grow to 3 460 in 2014/15. The increase between 2008/09 and 2011/12 is due to the filling of all critical posts across programmes. There are 311 vacancies within the department, most of which are at salary level 5 in the *Administration* and *Inspection and Enforcement Services* programmes. The delays in filling these posts are attributed to the delays in the State Security Agency process in vetting applicants.

As at 30 September 2011, the ratio of support staff to line staff in the department was 1:6 and the percentage of consultants used in relation to the total number of personnel was 2.3 per cent.

Departmental receipts

Table 18.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Departmental receipts	28 863	12 916	9 036	10 801	10 801	8 136	8 280	8 556
Sales of goods and services produced by department	4 608	5 247	2 539	2 523	2 523	2 484	2 268	2 064
Sales by market establishments	584	577	215	181	181	180	204	240
<i>of which:</i>								
<i>Rental for non-residential buildings (INDLELA)</i>	209	199	50	–	–	–	–	–
<i>Rental for staff dwellings</i>	249	252	35	42	42	41	45	50
<i>Rental for parking (covered and open)</i>	126	126	130	139	139	139	159	190
Administration fees	2 340	2 701	1 046	996	996	960	720	480
<i>of which:</i>								
<i>Licence fees for occupational health and safety</i>	–	65	214	250	250	300	350	380
<i>Inspection fees for INDLELA's trade tests</i>	2 340	2 636	832	746	746	660	370	100
Other sales	1 684	1 969	1 278	1 346	1 346	1 344	1 344	1 344
<i>of which:</i>								
<i>Boarding services for staff and external persons (INDLELA)</i>	578	592	6	–	–	–	–	–
<i>Formal training provided (INDLELA)</i>	46	226	18	–	–	–	–	–
<i>Commission on insurance and gamishee orders</i>	1 046	1 146	1 250	1 341	1 341	1 341	1 341	1 341
<i>Replacement of security cards</i>	2	4	4	5	5	3	3	3
<i>Sale of assets < R5 000</i>	12	1	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	46	43	12	12	12	12	12	12
<i>of which:</i>								
<i>Sale of scrap</i>	22	15	5	5	5	5	5	5
<i>Sale of waste paper</i>	24	28	7	7	7	7	7	7
Fines, penalties and forfeits	436	537	601	585	585	600	600	600
Interest, dividends and rent on land	3 905	821	549	488	488	480	480	480
Interest	3 905	821	549	488	488	480	480	480
Sales of capital assets	–	331	–	–	–	–	–	–
Transactions in financial assets and liabilities	19 868	5 937	5 335	7 193	7 193	4 560	4 920	5 400
Total	28 863	12 916	9 036	10 801	10 801	8 136	8 280	8 556

Revenue is generated mainly from administrative fees, parking fees and commission from insurance companies for deducting premiums from staff. Revenue is also received from financial transactions in assets and liabilities, comprising of fees from stale cheques, recoveries from the previous financial year, breach of contract fees, and issuing and renewal of occupational health and safety licences.

Transactions in financial assets and liabilities grew significantly in 2008/09 due to the recovery of R15.3 million from the Compensation Fund for recoverable compensation of employees' payments. Over the medium term,

departmental receipts are expected to decrease from R10.8 million in 2011/12 to R8.6 million in 2014/15, at an average annual rate of 7.5 per cent, due to the transfer of the Institute for the National Development of Learnerships Employment Skills and Labour Assessments to the Department of Higher Education and Training from 1 April 2010.

Programme 1: Administration

Expenditure estimates

Table 18.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Ministry	13 972	14 234	13 871	12 796	14 394	15 147	16 056
Management	334 596	387 239	383 813	393 180	403 559	433 010	457 652
Corporate Services	47 248	50 339	40 109	49 628	53 812	56 692	59 750
Office of the Chief Financial Officer	77 713	78 293	63 213	68 282	76 776	82 225	89 450
Office Accommodation	94 399	139 048	181 474	174 569	184 065	195 597	207 333
Total	567 928	669 153	682 480	698 455	732 606	782 671	830 241
Change to 2011 Budget estimate				1 227	7 603	16 268	17 854

Economic classification

	468 993	576 366	600 146	580 743	699 050	745 388	796 519
Current payments							
Compensation of employees	151 467	208 052	239 465	259 119	283 525	305 173	324 090
Goods and services	317 526	368 314	360 610	321 624	415 525	440 215	472 429
<i>of which:</i>							
Administrative fees	909	387	1 315	1 527	2 596	2 564	2 616
Advertising	19 943	18 930	7 398	9 788	10 264	10 828	11 477
Assets less than the capitalisation threshold	3 982	4 809	3 110	3 123	1 882	1 992	1 980
Audit cost: External	29 918	20 765	19 048	21 587	21 959	23 651	25 310
Bursaries: Employees	1 823	2 095	2 843	1 442	1 912	1 965	2 082
Catering: Departmental activities	1 860	2 418	1 677	2 972	1 791	1 864	1 979
Communication	23 899	23 698	23 635	18 742	18 577	19 543	20 725
Computer services	27 545	28 808	33 088	31 185	28 384	29 943	31 745
Consultants and professional services: Business and advisory services	1 365	2 728	3 015	4 565	4 118	4 593	4 848
Consultants and professional services: Infrastructure and planning	13	–	–	–	–	–	–
Consultants and professional services: Legal costs	2 291	3 206	3 290	1 192	1 064	1 122	1 191
Contractors	14 328	2 669	1 403	12 474	8 466	7 047	13 268
Agency and support / outsourced services	10 926	5 418	2 842	4 773	4 496	4 732	5 000
Entertainment	233	250	178	396	408	393	418
Fleet services (including government motor transport)	–	–	87	9	–	–	–
Inventory: Food and food supplies	–	1	–	–	–	–	–
Inventory: Fuel, oil and gas	652	173	115	25	108	114	121
Inventory: Learner and teacher support material	9	2	24	–	–	–	–
Inventory: Materials and supplies	163	695	369	157	101	95	100
Inventory: Medical supplies	9	8	2	10	–	–	–
Inventory: Other consumables	1 336	1 466	805	1 123	916	972	1 036
Inventory: Stationery and printing	16 028	14 174	10 014	12 688	13 099	13 834	14 665
Lease payments	86 034	124 184	142 717	113 712	214 233	227 982	241 668
Property payments	19 166	55 667	58 175	37 608	39 997	43 619	46 230

Table 18.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
Transport provided: Departmental activity	–	38	–	500	–	–	–
Travel and subsistence	42 505	40 853	36 327	31 409	30 053	31 700	33 608
Training and development	4 691	5 052	3 045	4 494	5 215	5 542	5 853
Operating expenditure	1 431	4 717	3 437	1 727	2 110	2 225	2 290
Venues and facilities	6 467	5 103	2 651	4 396	3 776	3 895	4 219
Interest and rent on land	–	–	71	–	–	–	–
Transfers and subsidies	2 200	2 472	2 684	255	178	188	199
Provinces and municipalities	–	1	54	12	–	–	–
Public corporations and private enterprises	–	555	–	–	–	–	–
Households	2 200	1 916	2 630	243	178	188	199
Payments for capital assets	92 483	89 798	79 631	117 457	33 378	37 095	33 523
Buildings and other fixed structures	2 724	225	3 117	3 996	3 416	5 486	17
Machinery and equipment	89 759	89 568	76 504	113 461	29 962	31 609	33 506
Software and other intangible assets	–	5	10	–	–	–	–
Payments for financial assets	4 252	517	19	–	–	–	–
Total	567 928	669 153	682 480	698 455	732 606	782 671	830 241

Details of transfers and subsidies

Provinces and municipalities							
Provinces							
Provincial agencies and funds							
Current	–	1	54	12	–	–	–
Vehicle licences	–	1	54	12	–	–	–
Households							
Social benefits							
Current	994	1 916	2 626	243	178	188	199
Households	322	1 538	2 060	–	–	–	–
Employee social benefits	672	378	566	243	178	188	199
Households							
Other transfers to households							
Current	1 206	–	4	–	–	–	–
Gifts and donations	1 206	–	4	–	–	–	–
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	–	555	–	–	–	–	–
Non-life insurance	–	25	–	–	–	–	–
Exgratia payment	–	530	–	–	–	–	–

Expenditure trends

Expenditure grew from R567.9 million in 2008/09 to R698.5 million in 2011/12, at an average annual rate of 7.1 per cent, due to increased spending on office accommodation. Payments for office accommodation grew from R94.4 million in 2008/09 to R174.6 million in 2011/12, at an average annual rate of 22.8 per cent. Over the medium term, expenditure is expected to increase to R830.2 million in 2014/15, at an average annual rate of 5.9 per cent. Most of the increase over the medium term is due to spending on goods and services, which is

expected to grow from R321.6 million in 2011/12 to R472.4 million in 2014/15, at an average annual rate of 13.7 per cent, due to increased lease payments for the public private partnership unitary fees, lease payments for office buildings and administration fees.

Spending on compensation of employees grew from R151.5 million in 2008/09 to R259.1 million in 2011/12, at an average annual rate of 19.6 per cent, due to the inclusion of provincial office senior management staff into the management subprogramme. Spending on buildings and other fixed structures increased from R2.7 million in 2008/09 to R4 million in 2011/12, at an average annual rate of 13.6 per cent, due to the head office repairs and maintenance project.

Between 2008/09 and 2011/12, the programme used 12 consultants for 12 projects, at an estimated total cost of R21.7 million. The consultants worked on: the disclosure of the public private partnership contract in the financial statements; competency assessments for all senior management service members; public entities compliance; the update and maintenance of the accrual balance for the SAP implementation; and the facilitation, analysis and evaluation of public entities financial reporting. Over the MTEF period, the programme estimates spending R16.9 million on consultants to assist with the disclosure of its information technology/information security public private partnership contract in the financial statements.

Programme 2: Inspection and Enforcement Services

Objectives and measures

- Protect vulnerable workers by:
 - inspecting 130 000 workplaces to achieve 80 per cent compliance with labour legislation by employers and employees inspected (proactive and reactive) within 90 days of receiving the complaint, with a specific focus on vulnerable sectors (private security, agriculture, forestry, hospitality, and domestic workers) to ensure that Decent Work principles are adhered to by 2012/13
 - settling at least 75 per cent of labour related complaints within 14 days of registration of complaint annually.
- Promote equity in the workplace and ensure the transformation of the labour market by inspecting 12 000 workplaces of which 160 will be designated employers or companies and 80 will be Johannesburg Stock Exchange listed companies to achieve 80 per cent compliance with employment equity legislation by 2012/13.
- Promote social protection by:
 - reducing accidents and injuries in the 4 high risk sectors (iron and steel, construction, chemicals, and agriculture and forestry) by conducting 40 audits per sector and 4 blitz inspections per year targeting 18 000 workplaces
 - increasing the promotion of knowledge and awareness of occupational health and safety to employers and workers in the agriculture sector by rolling out the roving safety representative project to KwaZulu-Natal and Western Cape provinces during 2012/13
 - reducing the overexposure of workers to silica dust by conducting inspections in 200 workplaces in the following industries: foundries (40), ceramics (20), sandstone (20), construction (20), refractories (80) and sandblasting (10) in 2012/13.
- Strengthen the department's institutional capacity by developing and implementing competency and induction programmes for existing and new inspectors in 2012/13.

Subprogrammes

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director general: inspection and enforcement services, and provides corporate support to line function subprogrammes within the programme. This subprogramme had a staff complement of 40, including 24 pupil inspector posts, and a total budget of R12.1 million in 2011/12, of which 71.1 per cent was used for compensation of employees.

Approved budget cuts of R130 000 have been identified in 2012/13 from advertising and inventory, stationery and printing.

- *Occupational Health and Safety* promotes health and safety in the workplace by regulating dangerous activities and the use of plant and machinery, through inspections to ensure compliance with the Occupational Health and Safety Act (1993). This subprogramme had a staff complement of 17 and a total budget of R16.9 million in 2011/12, of which 57.8 per cent was used for compensation of employees. In 2010/11, 208 inspections were conducted at identified industries with silica dust and a further 59 during the first half of 2011/12. Approved budget cuts of R300 000 in 2012/13 have been identified from inventory: stationery and printing.
- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety matters, as reported by members of the public, and communicates these to the relevant structures within the *Compliance, Monitoring and Enforcement* subprogramme for investigation. This subprogramme had a staff complement of 402 and a total budget of R82.5 million in 2011/12, of which 92 per cent was used for compensation of employees. In 2010/11, this subprogramme registered 154 441 labour complaints, of which 75 per cent were settled within 90 days, with R16.5 million having been recovered for complainants. No approved budget cuts have been made in this subprogramme.
- *Compliance, Monitoring and Enforcement* ensures that employers and employees comply with labour legislation through regular inspections and follows up on reported incidents. This subprogramme had a staff complement of 864 and a total budget of R274.6 million in 2011/12, of which 78 per cent was used for compensation of employees. In 2010/11, over 120 566 of the 154 441 complaints received were investigated, of which 116 131 were settled within 90 days; 24 013 blitz inspections in high risk areas were conducted with a compliance rate of 60 per cent; 192 129 workplace inspections were conducted with a compliance rate of 77 per cent; 157 132 routine inspections were conducted with a compliance rate of 80 per cent; and 9 734 employment equity inspections were conducted with a compliance rate of 79 per cent. No approved budget cuts have been made in this subprogramme.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training within this programme in order to easily identify this expenditure for reporting purposes. This subprogramme has no staff complement and a total budget of R3.2 million in 2011/12, of which 100 per cent was used for staff training. No approved budget cuts have been made in this subprogramme.

Expenditure estimates

Table 18.6 Inspection and Enforcement Services

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Management and Support Services:	9 461	10 617	8 455	12 052	13 994	14 993	15 896
Inspection and Enforcement Services							
Occupational Health and Safety	12 621	12 439	15 851	16 946	14 542	15 628	16 569
Registration: Inspection and Enforcement Services	61 118	66 348	61 328	82 526	94 762	100 174	106 186
Compliance, Monitoring and Enforcement	173 340	199 193	240 942	274 600	301 179	321 314	340 707
Training of Staff: Inspection and Enforcement Services	2 626	1 447	2 797	3 166	4 704	4 647	4 926
Total	259 166	290 044	329 373	389 290	429 181	456 756	484 284
Change to 2011 Budget estimate				2 564	1 771	3 579	3 916
Economic classification							
Current payments	257 934	289 610	328 588	389 091	429 128	456 700	484 225
Compensation of employees	183 561	210 659	248 785	308 418	352 936	375 867	398 541
Goods and services	74 373	78 951	79 803	80 673	76 192	80 833	85 684
of which:							
Administrative fees	–	17	524	866	331	295	307
Advertising	4 426	1 465	144	290	563	707	750
Assets less than the capitalisation threshold	367	619	392	409	985	1 039	1 093
Bursaries: Employees	511	399	251	581	1 115	1 225	1 299

Table 18.6 Inspection and Enforcement Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
Catering: Departmental activities	855	1 274	809	1 229	1 167	1 136	1 203
Communication	12 072	14 202	14 119	15 838	14 458	15 401	16 371
Computer services	32	19	278	–	–	–	–
Consultants and professional services: Business and advisory services	135	1 716	1 242	396	713	777	824
Consultants and professional services: Infrastructure and planning	1 317	1 550	–	–	–	–	–
Consultants and professional services: Legal costs	17	13	69	44	–	–	–
Contractors	335	1 174	248	454	308	328	344
Agency and support / outsourced services	3 520	1 129	501	696	1 011	1 079	1 146
Entertainment	15	24	29	87	45	45	47
Fleet services (including government motor transport)	–	–	–	818	1 916	1 935	1 961
Inventory: Food and food supplies	–	4	–	5	–	–	–
Inventory: Fuel, oil and gas	168	154	318	5	–	–	–
Inventory: Learner and teacher support material	28	12	2	14	–	–	–
Inventory: Materials and supplies	54	110	70	13	83	87	92
Inventory: Medical supplies	1	1	–	1	–	–	–
Inventory: Other consumables	554	798	2 614	1 807	802	848	899
Inventory: Stationery and printing	4 668	4 085	2 737	3 367	5 933	6 715	7 110
Lease payments	276	168	98	280	1 745	1 878	1 997
Property payments	748	3 793	3 931	4 153	3 525	3 715	3 952
Transport provided: Departmental activity	3	–	–	–	–	–	–
Travel and subsistence	37 150	38 342	47 031	42 219	30 928	32 697	34 620
Training and development	2 626	1 447	1 773	2 757	4 704	4 647	4 926
Operating expenditure	417	1 200	923	1 033	1 143	1 301	1 382
Venues and facilities	4 078	5 236	1 700	3 311	4 717	4 978	5 361
Transfers and subsidies	1 106	418	429	199	53	56	59
Households	1 106	418	429	199	53	56	59
Payments for capital assets	126	16	356	–	–	–	–
Machinery and equipment	126	16	356	–	–	–	–
Total	259 166	290 044	329 373	389 290	429 181	456 756	484 284

Details of transfers and subsidies

Households							
Other transfers to households							
Current	1 106	418	429	199	53	56	59
Employee social benefits	1 106	418	429	199	53	56	59

Expenditure trends

Over the medium term, this programme will focus on professionalising the inspectorate by enhancing capacity to effectively monitor and enforce compliance with legislation, through the employment of appropriately qualified and experienced inspectors to ensure that Decent Work principles are adhered to and that vulnerable workers are protected. Due to the professionalisation of the inspectorate, the number of posts is expected to increase from 1 316 in 2011/12 to 1 429 over the MTEF period. In 2010/11, 192 129 health and safety inspections were conducted at a cost of R240.9 million.

Expenditure increased from R259.2 million in 2008/09 to R389.3 million in 2011/12, at an average annual rate of 14.5 per cent, due to increased spending on compensation of employees to retain labour inspectors by improving their remuneration. This also accounts for the 21 per cent increase in expenditure in the *Compliance, Monitoring and Enforcement* subprogramme between 2009/10 and 2010/11. In 2011/12, 90 additional inspector posts will be established to provide additional capacity in the inspectorate.

Over the medium term, expenditure is expected to grow from R389.3 million in 2011/12 to R484.3 million in 2014/15, at an average annual rate of 7.5 per cent, mainly due to additional allocations in the 2011 MTEF of R28 million in 2012/13 and R32 million in 2013/14 for the creation of new specialist inspector posts in the *Occupational Health and Safety* subprogramme. The bulk of the goods and services budget is spent on travelling costs for inspectors who have to visit workplaces, either for proactive or reactive inspections, to ensure a safe working environment. Fleet services, an expenditure item under goods and services, increases at an average annual rate of 33.8 per cent over the MTEF period. The fluctuation in fuel prices and the possible implementation of the tolled roads in Gauteng will influence the number of inspections that the inspectors will be able to conduct with available resources.

Consultants were appointed in 2011/12 to work on the second phase of the silicosis research study project for six months at a cost of R500 000, and to assess compliance with occupational health and safety measures in the high risk construction, agriculture, and iron and steel sectors, at a cost of R969 000. These consultants are paid from the *Research, Policy and Planning* subprogramme budget under the *Labour Policy and Industrial Relations* programme. Spending on consultants over the medium term is estimated at R2.3 million and they will assist with investigations into major health and safety incidents.

Programme 3: Public Employment Services

Objectives and measures

- Reduce unemployment by registering and placing unemployed people in decent work by:
 - providing free recruitment and selection services for at least 70 per cent of reported government posts at levels 2 to 6 and selected positions in state owned enterprises and municipalities annually
 - filling at least 50 per cent of job opportunities on the employment services database within 60 days of their registration on the system annually
 - supporting a multi-pronged strategy to reduce youth unemployment on an ongoing basis through training and employment creation innovation programmes
 - making and submitting recommendations to the Department of Home Affairs on migrant corporate and general work permit applications on an ongoing basis
 - providing career counselling and employability enhancement programmes for 90 000 work seekers in 2012/13
 - facilitating the employment of 100 people with disabilities per year by ensuring that service products (sheltered employment factories), orders and sales are increased by 30 per cent per year
 - facilitating the achievement of employment equity targets for disability over the MTEF period by training 600 learners with disabilities per year for employment in the mainstream economy.

Subprogrammes

- *Management and Support Services: Public Employment Services* manages delegated administrative and financial responsibilities, coordinates all planning, monitoring and evaluation functions, and provides corporate support to line function subprogrammes. This subprogramme had a staff complement of 23, including senior managers in the *Employer Services* and *Work Seeker Services* subprogrammes. It had a budget of R25 million in 2011/12, of which 57.3 per cent was used for compensation of employees. No approved budget cuts have been made in this subprogramme.
- *Employer Services* facilitates the registering of vacancies and disseminates scarce skills information, issues immigrant corporate and work permits, records migrating skilled South Africans, oversees placements, responds to companies in distress, provides a social plan, and regulates private employment agencies. This subprogramme had a staff complement of 361 and a total budget of R141.5 million in 2011/12, of which

80.3 per cent was used for compensation of employees. In 2010/11, 675 private employment agencies were registered against a target of 1 031. In the same year, 1 907 employers were recruited to register on the Employment Services for South Africa database against a target of 1 000. Approved budget cuts of R329 000 in 2012/13 have been identified from venues and facilities and travel and subsistence.

- *Work Seeker Services* registers work seekers, retrenched workers, work vacancies, training and income generating opportunities on the employment services system, and facilitates access to employment and income generating opportunities for the unemployed and underemployed. This subprogramme had a staff complement of 197 and a total budget of R26.2 million in 2011/12, of which 93.8 per cent was used for compensation of employees. In 2010/11, 483 038 work seekers were registered on the Employment Services for South Africa database against a target of 652 611. In the same year, 31 per cent of the work seekers were assessed and profiled against a target of 50 per cent. Approved budget cuts of R330 000 has been identified in 2012/13 from travel and subsistence.
- *Designated Groups Special Services* facilitates the transfer of subsidies to national councils to promote the employment of people with disabilities, youth and women in collaboration with sheltered employment factories and other relevant bodies. This subprogramme has no staff complement and a total budget of R722 000 in 2011/12, which was transferred in full to the South African National Council for the Blind (R287 000), the Deaf Federation of South Africa (R235 000) and the National Council for Persons with Physical Disabilities in South Africa (R200 000). No approved budget cuts have been made in this subprogramme.
- *Sheltered Employment Factories and Subsidies to Designated Workshops* transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities, and aims to improve the administration, production and financial control of sheltered employment factories and workshops. This subprogramme has no staff complement and a total budget of R59.8 million in 2011/12, which was transferred in full to non-profit institutions. No approved budget cuts have been made in this subprogramme.
- *Productivity South Africa* transfers funds to Productivity South Africa, which promotes improvements in workplace productivity and competitiveness. This subprogramme has no staff complement and a total budget of R34.1 million in 2011/12, which was transferred in full to the entity. In 2010/11, 13 533 jobs were saved against a target of 20 000. In the same year, 2 707 small, medium and micro enterprises (SMME) managers were trained against a target of 3 000. No approved budget cuts have been made in this subprogramme.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund. This subprogramme has no staff complement and a total budget of R1 000 in 2011/12. No approved budget cuts have been made in this subprogramme.
- *Compensation Fund* provides for costs incurred through claims from civil servants for injuries sustained on duty or occupation related illnesses and diseases, and provides for the funding of claims from the Compensation Fund. This subprogramme has no staff complement and a total budget of R36.1 million in 2011/12, which was transferred in full to the Compensation Fund based on claims received. No approved budget cuts have been made in this subprogramme.
- *Training of Staff: Public Employment Services* facilitates training of staff within the programme to comply with the 1 per cent payroll Skills Development Levies Act (1999). This subprogramme has no staff complement and a total budget of R1.4 million in 2011/12. No approved budget cuts have been made in this subprogramme.

Expenditure estimates

Table 18.7 Public Employment Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management and Support Services:	6 864	16 074	19 220	25 036	29 972	30 280	32 569
Public Employment Services							
Employer Services	116 229	111 273	128 688	141 518	82 890	89 382	94 150
Work Seeker Services	20 512	18 114	22 927	26 208	90 092	97 645	103 815
Designated Groups Special Services	500	488	482	722	758	801	850
Sheltered Employment Factories and Subsidies to Designated Workshops	105 571	80 330	76 943	59 766	66 747	70 290	74 573
Productivity South Africa	41 138	29 476	31 155	34 059	36 545	39 044	41 452
Unemployment Insurance Fund	–	–	–	1	1	1	1
Compensation Fund	6 366	6 013	8 908	36 105	14 085	15 640	17 278
Training of Staff: Public Employment Services	399	3 063	935	1 394	931	975	1 022
Total	297 579	264 831	289 258	324 809	322 021	344 058	365 710
Change to 2011 Budget estimate				28 663	8 502	13 433	15 247

Economic classification

Current payments	146 182	150 603	174 138	196 168	210 253	224 872	238 608
Compensation of employees	111 688	109 771	138 703	154 397	180 163	192 432	204 222
Goods and services	34 494	40 832	35 435	41 771	30 090	32 440	34 386
of which:							
Administrative fees	–	–	133	8	–	–	–
Advertising	492	110	88	211	742	779	818
Assets less than the capitalisation threshold	509	508	879	1 950	407	427	448
Bursaries: Employees	100	145	96	219	220	230	243
Catering: Departmental activities	872	986	464	1 885	697	731	767
Communication	6 755	6 825	7 585	5 832	3 908	4 104	4 310
Computer services	265	278	93	3 422	1 187	1 291	1 354
Consultants and professional services: Business and advisory services	–	–	–	71	82	86	90
Contractors	203	191	224	984	21	22	23
Agency and support / outsourced services	2 969	215	122	162	1 015	1 065	1 118
Entertainment	4	–	23	77	72	77	82
Inventory: Fuel, oil and gas	118	55	56	26	10	11	12
Inventory: Learner and teacher support material	–	1	1	–	–	–	–
Inventory: Materials and supplies	26	26	43	5	5	6	7
Inventory: Medical supplies	2	–	8	1	–	–	–
Inventory: Other consumables	136	85	71	2 169	351	368	386
Inventory: Stationery and printing	1 854	7 858	4 951	4 536	3 890	4 102	4 306
Lease payments	201	188	208	730	1 862	1 955	2 052
Property payments	634	2 414	2 751	1 877	1 055	1 107	1 163
Transport provided: Departmental activity	37	–	–	155	–	–	–
Travel and subsistence	16 044	14 364	15 164	10 973	9 096	10 224	11 311
Training and development	399	3 063	900	2 074	931	975	1 022
Operating expenditure	340	1 615	710	2 795	2 109	2 245	2 358
Venues and facilities	2 534	1 905	865	1 609	2 430	2 635	2 516
Transfers and subsidies	151 256	114 105	114 958	128 391	111 768	119 186	127 102
Departmental agencies and accounts	47 504	35 489	40 063	70 165	50 631	54 685	58 731
Non-profit institutions	103 276	78 317	74 817	58 195	61 104	64 466	68 334
Households	476	299	78	31	33	35	37
Payments for capital assets	141	123	162	250	–	–	–
Machinery and equipment	141	123	162	250	–	–	–
Total	297 579	264 831	289 258	324 809	322 021	344 058	365 710

Table 18.7 Public Employment Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Departmental agencies and accounts							
Social security funds							
Current	6 366	6 013	8 908	36 106	14 086	15 641	17 279
Unemployment Insurance Fund	–	–	–	1	1	1	1
Compensation Fund	6 366	6 013	8 908	36 105	14 085	15 640	17 278
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	41 138	29 476	31 155	34 059	36 545	39 044	41 452
Productivity South Africa	41 138	29 476	31 155	34 059	36 545	39 044	41 452
Non-profit institutions							
Current	103 276	78 317	74 817	58 195	61 104	64 466	68 334
Deaf Federation of South Africa	105	111	86	200	210	223	238
National Council for the Physically Disabled	159	199	207	235	245	260	275
South African National Council for the Blind	236	178	189	287	303	318	337
Subsidised workshops for the blind	7 365	7 733	8 196	8 688	9 122	9 578	10 152
Subsidised workcentres for the disabled	95 411	70 096	66 139	48 785	51 224	54 087	57 332
Households							
Social benefits							
Current	–	–	12	–	–	–	–
Households	–	–	12	–	–	–	–
Households							
Other transfers to households							
Current	476	299	66	31	33	35	37
Employee social benefits	476	299	66	31	33	35	37

Expenditure trends

The spending focus over the MTEF period will be on: strengthening the employment services system; enhancing capacity in order to implement the Employment Services Bill; registering work seekers to enhance support for government's multi-pronged strategy to reduce youth unemployment and increase job creation; and facilitating placement in decent job opportunities or making referrals to other departmental beneficiary services.

In 2010/11, the *Employer Services* subprogramme spent R128.7 million to process 178 applications for migrant and corporate work permits, of which 115 were approved and 63 disapproved; register work opportunities from 1 907 companies; register 675 private employment agencies; and enhance the capacity of the subprogramme to deliver effective and efficient employer services.

Spending over the seven-year period is expected to grow from R297.6 million in 2008/09 to R365.7 million in 2014/15, at an average annual rate of 3.0 per cent. Spending in the *Compensation Fund* subprogramme grew at an average annual rate of 78.3 per cent between 2008/09 and 2011/12, due to a once-off additional allocation of R26.5 million in 2011/12 to fund the administration costs of increased public servant claims for injuries, illness and diseases contracted while on duty.

In 2010/11, one consultant was appointed as the acting chief financial officer for the sheltered employment factories at a cost of R463 752 and was paid from the transfer to the sheltered employment factories. Spending on consultants over the medium term is estimated at R258 000 for capacity building to ensure the effective implementation of the Employment Services Bill.

Programme 4: Labour Policy and Industrial Relations

Objectives and measures

- Improve the status of vulnerable workers by:
 - reviewing 16 sectoral determinations on appropriate minimum wages and conditions of employment by March 2015
 - investigating the feasibility of establishing a medical aid scheme for the private security sector by March 2013
 - investigating the feasibility of establishing provident funds for the domestic worker and farm worker sectors by March 2013 to bring them in line with other sectors.
- Address income disparities along racial and gender lines through:
 - promoting the relevant provisions of the Employment Equity Act (1998) by endorsing the principle of equal pay for work of equal value across all occupational levels of the workforce in the labour market
 - assisting employers in identifying income disparities by conducting 7 income differential assessments per quarter.
- managing the implementation of the Labour Relations Act (1995) by annually extending collective agreements and registering labour organisations within 90 days of receiving a completed application.

Subprogrammes

- *Management and Support Services: Labour Policy and Industrial Relations* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes. This subprogramme had a staff complement of 18 and a total budget of R10.3 million in 2011/12, of which 67.8 per cent was used for compensation of employees. No approved budget cuts have been made in this subprogramme.
- *Strengthen Civil Society* makes transfers to various civil society organisations that provide resources, support and expertise to improve the independence and self-reliance of workers and employers, with the aim of strengthening the capacity of workers and employers to contribute to a stable and smoothly functioning labour market. This subprogramme has no staff complement and a budget of R15.1 million in 2011/12, which was transferred in full to civil society organisations, including R2.2 million to the Workers' College KwaZulu-Natal and R8.4 million to the Ditsela Workers' Education Institute. No approved budget cuts have been made in this subprogramme.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) through developing policies and practices that promote sound labour relations. This subprogramme had a staff complement of 31 and a total budget of R11.1 million in 2011/12, of which 84 per cent was used for compensation of employees. In 2010/11, 38 new applications for registrations by labour organisations were processed and 15 collective agreements were extended. No approved budget cuts have been made in this subprogramme.
- *Employment Equity* promotes equity in the labour market through improving the enforcement of the Employment Equity Act (1998). This subprogramme had a staff complement of 20 and a total budget of R12.2 million in 2011/12, of which 45.5 per cent was spent on compensation of employees. The balance of the allocation is used to publish employment equity compliance information and market the employment equity online reporting facility. In 2010/11, follow-up visits were conducted on 61 Johannesburg Stock Exchange listed companies for substantive compliance with the act, against a target of 60, and letters sent regarding measures to address income differentials. An approved budget cut of R236 000 in 2012/13 has been identified from venues and facilities.
- *Employment Standards* protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997). This subprogramme had a staff complement of 17 and a total budget of R11.9 million in 2011/12, of which 47.9 per cent was used for compensation of employees, while 52.1 per cent was used to establish and review sectoral determinations, administer the act and protect children from labour exploitation. In 2010/11, 6 out of 8 sectoral determinations were reviewed for the civil engineering, hospitality, general learnerships, taxi, contract cleaning and domestic sectors at a cost of R2.1 million, resulting in improved conditions of employment for workers in these sectors. Cost saving

measures will be introduced by conducting public hearings for more than one sector at the same time, thereby reducing travel and accommodation costs. Further cost saving measures will include reduced communications activities. In 2010/11, savings of R113 500 were realised due to these interventions and have been reprioritised to publishing labour regulations for children between 15 and 18. No approved budget cuts have been made in this subprogramme.

- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes fairness in the workplace through dispute prevention and dispute resolution services. This subprogramme has no staff complement and a total budget of R448.1 million in 2011/12, which was transferred in full to the commission. No approved budget cuts have been made in this subprogramme.
- *Research, Policy and Planning* supports policy formulation and the drafting of legislation in the department through conducting research, manages commissioned research projects, monitors and evaluates working conditions and policies affecting the labour market in South Africa and elsewhere, and identifies relevant labour market interventions and policy options. This subprogramme had a staff complement of 9 and a total budget of R15.2 million in 2011/12, of which 28.5 per cent was used for compensation of employees and 71.2 per cent was used for goods and services. In 2010/11, 3 research agenda projects were concluded, at a cost of R3.5 million: an assessment of registration, recruitment and selection services in Employment Services for South Africa; an Unemployment Insurance Fund client satisfaction survey; and a report on non-compliance with the Unemployment Insurance Act (2001) in the taxi, domestic and catering sectors. The projects have been completed and reports presented to the Minister of Labour. No approved budget cuts have been made in this subprogramme.
- *Labour Market Information and Statistics* collects, collates analyses, disseminates internal and external labour market statistics about changes in the South African labour market that impact on legislation, and triggers further research. This subprogramme had a staff complement of 100 and a total budget of R31.1 million in 2011/12, of which 80 per cent was used for compensation of employees. In 2010/11, 3 additional statistical officials joined the unit on a contract basis until 2013. They completed statistical training at the International Labour Organisation in Geneva, Switzerland at no cost to the department. The three officials are tasked with compiling the statistical yearbook using the department's administrative data. The first report is expected by March 2012. They are responsible for monitoring provincial data processing and will also contribute to the development of the annual labour market bulletin to be released in September 2012. No approved budget cuts have been made in this subprogramme.
- *International Labour Matters* facilitates bilateral and multilateral cooperation between the department and its partners internationally to exchange information and best practices on labour market issues. This subprogramme had a staff complement of 16 and a total budget of R25.3 million in 2011/12, of which 27.6 per cent was used for compensation of employees, while 40.3 per cent was transferred to the International Labour Organisation (R9.6 million) and the African Regional Labour Administration Centre for South Africa's (R634 000) for membership fees. A key achievement has been the co-hosting of the 12th International Labour Organisation African Regional Meeting, which took place in October 2011 at the Sandton Convention Centre in Johannesburg, at a cost of R2 million. The objectives of the meeting were to plan for South Africa to meet its Decent Work country programme commitments, and to set out future priority actions for the region to promote the Decent Work agenda in Africa. No approved budget cuts have been made in this subprogramme.
- *National Economic Development and Labour Council* transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity. This subprogramme had a staff complement of 1 and a total budget of R24.5 million, of which 97.7 per cent was transferred to the council. No approved budget cuts have been made in this subprogramme.

Expenditure estimates

Table 18.8 Labour Policy and Industrial Relations

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management and Support Services: Labour Policy and Industrial Relations	8 078	8 503	8 467	10 293	11 315	11 928	12 634
Strengthen Civil Society	15 903	13 795	14 379	15 063	15 802	16 671	17 671
Collective Bargaining	9 321	9 525	9 746	11 052	12 031	12 569	13 323
Employment Equity	15 440	10 154	9 656	12 229	12 637	13 584	14 401
Employment Standards	8 173	7 723	6 506	11 909	12 791	13 497	14 308
Commission for Conciliation, Mediation and Arbitration	261 710	356 442	402 017	448 104	476 697	509 384	540 335
Research, Policy and Planning	4 785	8 497	12 345	15 184	15 207	16 059	17 026
Labour Market Information and Statistics	22 399	22 375	26 403	31 143	32 450	34 196	36 249
International Labour Matters	22 407	17 655	19 338	25 333	22 337	23 564	24 980
National Economic Development and Labour Council	14 327	19 993	16 342	24 519	24 651	26 213	27 789
Total	382 543	474 662	525 199	604 829	635 918	677 665	718 716
Change to 2011 Budget estimate				3 471	3 372	6 175	6 937

Economic classification

Current payments	79 496	75 210	82 168	107 050	108 500	114 664	121 544
Compensation of employees	44 619	47 975	54 577	64 378	66 707	70 225	74 439
Goods and services	34 877	27 235	27 591	42 672	41 793	44 439	47 105
<i>of which:</i>							
Administrative fees	88	12	225	294	296	314	333
Advertising	10 607	4 719	3 271	7 165	7 536	7 967	8 447
Assets less than the capitalisation threshold	64	334	101	161	260	275	291
Bursaries: Employees	4	–	3	–	123	130	138
Catering: Departmental activities	242	207	139	1 382	237	251	267
Communication	1 467	1 328	1 788	1 642	1 573	1 663	1 764
Computer services	131	142	1 516	1 818	850	899	953
Consultants and professional services: Business and advisory services	265	202	7 277	9 837	9 898	10 466	11 096
Consultants and professional services: Legal costs	–	1 056	129	15	232	245	260
Contractors	257	45	85	410	135	143	151
Agency and support / outsourced services	1 882	1 748	72	13	17	18	20
Entertainment	19	39	40	37	74	78	84
Inventory: Fuel, oil and gas	57	7	28	18	185	196	207
Inventory: Learner and teacher support material	24	86	39	186	325	344	365
Inventory: Materials and supplies	14	3	34	9	14	15	16
Inventory: Medical supplies	1	–	–	–	–	–	–
Inventory: Other consumables	36	63	33	43	184	195	207
Inventory: Stationery and printing	2 897	3 570	2 797	3 824	3 215	3 398	3 602
Lease payments	909	455	507	974	1 078	1 141	1 209
Property payments	228	1 895	394	274	902	953	1 011
Travel and subsistence	11 482	8 445	7 642	9 178	9 858	10 422	11 051
Training and development	1 135	773	789	1 118	1 247	1 319	1 389
Operating expenditure	281	773	285	374	421	445	472
Venues and facilities	2 787	1 333	397	3 900	3 133	3 562	3 772

Table 18.8 Labour Policy and Industrial Relations (continued)

R thousand	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Economic classification							
Transfers and subsidies	302 686	399 280	442 967	497 422	527 285	562 962	597 131
Departmental agencies and accounts	275 669	375 996	417 885	472 019	500 761	534 979	567 469
Foreign governments and international organisations	10 377	8 618	10 703	10 211	10 722	11 312	11 991
Non-profit institutions	15 903	13 795	14 379	15 063	15 802	16 671	17 671
Households	737	871	–	129	–	–	–
Payments for capital assets	361	172	64	357	133	39	41
Machinery and equipment	361	172	64	357	133	39	41
Total	382 543	474 662	525 199	604 829	635 918	677 665	718 716
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	275 669	375 996	417 885	472 019	500 761	534 979	567 469
Commission for Conciliation, Mediation and Arbitration	261 710	356 442	402 017	448 104	476 697	509 384	540 335
National Economic Development and Labour Council	13 959	19 554	15 868	23 915	24 064	25 595	27 134
Foreign governments and international organisations							
Current	10 377	8 618	10 703	10 211	10 722	11 312	11 991
International Labour Organisation	9 778	8 152	10 246	9 577	10 056	10 609	11 246
African Regional Labour Administration Centre	599	466	457	634	666	703	745
Non-profit institutions							
Current	15 903	13 795	14 379	15 063	15 802	16 671	17 671
Strengthen Civil Society	15 903	13 795	14 379	15 063	15 802	16 671	17 671
Households							
Social benefits							
Current	737	871	–	129	–	–	–
Households	737	871	–	129	–	–	–

Expenditure trends

The spending focus over the medium term will be on: protecting vulnerable workers through the review and extension of sectoral determinations; promoting sound labour relations and promoting equity in the labour market through employment equity assessments and reviews; and strengthening the capacity of labour market institutions to contribute to employment creation. The *Employment Standards* subprogramme spent R2.1 million to deliver six sectoral determinations in 2010/11, and the *Strengthen Civil Society* subprogramme transferred R14.4 million to seven civil society organisations to strengthen the capacity of workers and employers to contribute to a stable and smooth functioning labour market. The recipient organisations were the Congress of South African Trade Unions, the South African Confederation of Trade Unions, the Ditsela Workers' Education Institute, the South African Labour Bulletin, the Workers College Natal, the Cradock Advice Office and the Qholaqhwe Advice Centre.

Between 2008/09 and 2011/12, expenditure grew from R382.5 million to R604.8 million, at an average annual rate of 16.5 per cent, due to additional allocations to the Commission for Conciliation, Mediation and Arbitration to address its going concern status and for increased operations, and to the National Economic Development and Labour Council for operations. Spending is expected to increase to R718.7 million over the medium term, at an average annual rate of 5.9 per cent, due to additional allocations to the Commission for Conciliation, Mediation and Arbitration, and the National Economic Development and Labour Council of R3.6 million in 2012/13, R6.2 million in 2013/14 and R6.9 million in 2014/15 for improved conditions of service.

Between 2008/09 and 2011/12, this programme used 57 consultants for 30 projects at an estimated total cost of R18.8 million. The projects included: evaluating the impact of sectoral determinations in addressing the plight of vulnerable workers; assessing compliance with occupational health and safety in three high risk sectors; assessing the impact of the second national skills development strategy; monitoring non-compliance with the unemployment insurance act; providing legal advice on the practice of labour broking; reviewing labour law; and drafting amendments to three pieces of labour legislation.

Spending on consultants over the medium term is projected at R32.2 million. These consultants will work on: investigating the unskilled labour and taxi sectors, determining the impact of sectoral determinations in addressing the plight of vulnerable workers, analysing the survey on activities of young people; conducting a research seminar on the labour legislative environment, developing a worker cooperatives support strategy, conducting a research seminar on the informal economy and the impact of employment equity since its inception, assessing compliance with occupational health and safety in the high risk construction, agriculture and iron and steel sectors; evaluating bargaining council pension and provident funds; assessing the impact of the second national skills development strategy; and researching noise induced hearing loss.

Public entities and other agencies

Unemployment Insurance Fund

Overview: 2008/09 – 2014/15

The Unemployment Insurance Fund contributes to the alleviation of poverty in South Africa by providing short term unemployment insurance to all workers who qualify for unemployment related benefits as legislated in the Unemployment Insurance Act (2001) as amended. The fund is financed by contributions from employees and employers as legislated in the Unemployment Insurance Contributions Act (2002).

The fund's strategic and policy approach is derived from the Minister of Labour's Programme of Action and policy directives from the Department of Labour. Key priorities for the short to medium term include: re-integrating unemployed workers into the labour market; assisting in job-creation; restructuring of Unemployment Insurance Fund benefits and coverage; combating fraud and corruption; improving the capacity and efficacy of the fund; improving service delivery, revenue inflows and customer awareness and satisfaction; funding poverty alleviation schemes; improving governance; strengthening the institutional capacity of the fund; and encouraging compliance through enhanced service delivery and improving stakeholder relations.

As mandated by section 48(1)(a)(iv) of the Unemployment Insurance Act (2001), the fund will establish partnerships to identify projects that can alleviate the harmful effects of unemployment by creating or retaining jobs, providing social plans to stabilise employers, and placing unemployed workers. The fund has committed R1.2 billion to the training layoff scheme managed by the Commission for Conciliation, Mediation and Arbitration. In terms of the training and social plan funding, funds will be utilised to skill the unemployed in general and the Fund's unemployment beneficiaries in order to improve their chances of reintegration into employment.

Performance

In 2010/11, the fund registered 69 701 new employers on its database, raising the total number of employers to 1 350 651. In addition, the fund added 162 049 employees to its database, raising the total to 7 919 290 registered employees. Through the improvement of the fund's business processes and communication drive, a benefit approval rate of 97.4 per cent was obtained. By 2014/15, the fund aims to process 90 per cent of claims received within 90 days of receiving the claim compared to 73 per cent finalised in 2010/11. In 2010/11, the fund placed 47 per cent of beneficiaries of the mandated social responsibility investment programmes in job creation projects and aims to place 90 per cent by 2014/1. The fund designed an additional 9 schemes over the medium term to re-integrate the unemployed back into employment.

Selected performance indicators

Table 18.9 Unemployment Insurance Fund

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total number of schemes designed to re-integrate the unemployed back into employment by March each year	Initiative aimed at alleviating the harmful effects of unemployment	- ¹	2	4	7	10	13	15
Percentage of beneficiaries of the mandated social responsibility investment programmes placed in job creation projects per year	Initiative aimed at alleviating the harmful effects of unemployment	- ²	- ²	47% (R1.035bn)	70%	80%	90%	95%
Percentage improvement observed in compliance by employers per year compared to the previous year	To provide effective short term unemployment insurance to all workers who qualify for unemployment and related benefits	12.7% (R10.3bn)	4.2% (R10.7bn)	5.4% (R11.3bn)	11%	11%	11%	11%
Percentage increase in the rand value of the overpayment balance recovered per year	Encourage compliance to enhance service delivery	35.6% (R22.2 m)	33% (R37.2 m)	22% (R58 m)	18%	20%	22%	25%
Percentage increase in the number of employers using the uFiling system by March each year	To provide effective short term unemployment insurance to all workers who qualify for unemployment and related benefits	- ²	61.2% (13 354)	73% (11 152)	20% (31 603)	25% (39 504)	30% (51 355)	30% (66 762)
Percentage of claims finalised within 5 weeks as reflected on the Siyaya system	To provide effective short term unemployment insurance to all workers who qualify for unemployment and related benefits	76% (476 705)	51.5% (412 572)	73% (547 399)	80%	82.5%	85%	90%

1. The designing of schemes commenced in 2009/10.

2. New indicator.

Programmes/activities/objectives

Table 18.10 Unemployment Insurance Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
To provide effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits.	3 847 236	5 709 988	5 382 397	6 169 026	7 057 364	8 073 625	9 236 226
Unemployment Benefits	2 834 157	4 536 397	4 173 188	4 784 386	5 473 337	6 261 497	7 163 152
Illness Benefits	211 639	231 834	232 663	266 511	304 888	348 792	399 018
Maternity Benefits	537 071	623 837	658 295	753 977	862 549	986 757	1 128 850
Adoption Benefits	503	656	731	837	957	1 095	1 252
Dependants Benefits	263 866	317 264	317 520	363 315	415 633	475 484	543 954
Initiatives aimed at alleviating the harmful effects of unemployment funded	-	4 140	48 229	610 200	610 000	450 000	200 000
Training of the Unemployed	-	4 140	41 630	210 200	210 000	250 000	200 000
Training Lay-off Scheme	-	-	6 599	400 000	400 000	200 000	-
Other Objectives	817 540	2 174 779	604 808	1 442 239	1 718 513	1 908 996	2 150 877
Total expense	4 664 776	7 888 907	6 035 434	8 221 465	9 385 877	10 432 621	11 587 103

The Unemployment Insurance Fund had a total budget of R8.2 billion in 2011/12, of which 75 per cent was used for the payment of unemployment insurance benefits.

Savings and cost effectiveness measures

The fund realised savings of R44 million on administrative expenditure, R86 million on operating expenditure and R83.9 million on employee costs, mainly as a result of initiatives implemented to reduce air travel, the use of car rental and accommodation, and the number of meetings and hence catering costs. Savings were also realised through the implementation of the South African Post Office contract to print and distribute various letters in bulk. Savings over the medium term as a result of these measures is estimated at R204 million.

Expenditure estimates

Table 18.11 Unemployment Insurance Fund

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	3 528 559	4 099 527	4 293 094	3 797 940	4 250 207	4 670 083	5 038 592
Sale of goods and services other than capital assets	2 024	2 282	2 250	3 570	3 298	2 429	2 550
<i>of which:</i>							
<i>Sales by market establishments</i>	2 015	2 094	2 212	1 973	2 078	2 192	2 302
<i>Other sales</i>	9	188	38	1 597	1 220	237	248
<i>Other non-tax revenue</i>	3 526 535	4 097 245	4 290 844	3 794 370	4 246 909	4 667 654	5 036 042
Transfers received	10 223 924	10 643 021	11 204 252	12 007 715	12 828 532	13 509 396	14 226 839
Total revenue	13 752 483	14 742 548	15 497 346	15 805 655	17 078 739	18 179 479	19 265 431
Expenses							
Current expense	757 532	848 049	1 017 898	1 377 530	1 466 985	1 530 367	1 604 589
Compensation of employees	349 014	416 734	515 009	704 676	746 960	788 043	827 445
Goods and services	405 091	426 584	497 307	666 429	710 535	734 234	771 143
Depreciation	3 400	4 723	5 582	6 418	9 478	8 077	5 988
Interest, dividends and rent on land	27	8	–	7	12	13	13
Transfers and subsidies	3 907 244	7 040 858	5 017 536	6 843 935	7 918 892	8 902 254	9 982 514
Total expenses	4 664 776	7 888 907	6 035 434	8 221 465	9 385 877	10 432 621	11 587 103
Surplus / (Deficit)	9 087 707	6 853 641	9 461 912	7 584 190	7 692 862	7 746 858	7 678 328

Expenditure trends

Over the medium term, the fund will focus its spending on: implementing poverty alleviation schemes to assist unemployed workers registered on the fund's database; strengthening the institutional capacity of the fund; and encouraging compliance by employers through advocacy, enhanced service delivery and improved stakeholder relations and reforms to the unemployment insurance scheme.

The fund generates approximately 74 per cent of its revenue from unemployment contributions and 26 per cent from non-tax revenue, with the latter driven by interest on investments. Total revenue is expected to grow from R13.8 billion in 2008/09 to R19.3 billion in 2014/15, at an average annual rate of 4.9 per, due to an anticipated increase in fund contributors as the economy recovers.

Expenditure grew from R4.7 billion in 2008/09 to R8.2 billion in 2011/12, at an average annual rate of 20.8 per cent, and is expected to grow to R11.6 billion in 2014/15, at an average annual rate of 12.1 per cent over the medium term. This is as a result of an increase in expenditure in compensation of employees due to the appointment of payroll auditors, general salary adjustments, the decentralisation of staff for functions in the provinces, the organisational restructuring of the fund, and an increase in transfers and subsidies paid to the fund's beneficiaries. The latter increases are based on actuarial reports, and labour and economic trends. The increased expenditure on additional staff and premises at the additional number of service delivery sites will strengthen capacity and improve delivery.

The 34 per cent increase in spending on goods and services in 2011/12 was mainly due to the additional R36 million that the fund has budgeted for lease payments for additional office premises in the provinces. Unemployment insurance claims paid, which are reflected in transfers and subsidies expenditure, grew from R3.9 billion in 2008/09 to R6.8 billion in 2011/12, at an average annual rate of 20.5 per cent, due to increased

retrenchments arising from the global economic crisis. This trend is expected to continue over the medium term with spending increasing at a slower average annual rate of 13.4 per cent as global economies begin to recover. The fund fulfilled its mandate in 2010/11 and paid R5.3 billion in claims to 732 158 beneficiaries of which:

- R4.1 billion was paid to 578 266 claimants for unemployment benefits
- R232 million was paid to 22 727 claimants for illness benefits
- R659 million was paid to 104 042 claimants for maternity and adoption benefits
- R317 million was paid to 27 123 claimants for dependant benefits.

Over the medium term, the fund estimates to spend R26.8 billion on providing unemployment, illness, maternity and adoption benefits, and illness benefits.

Personnel information

Table 18.12 Unemployment Insurance Fund

	Personnel post status as at 30 September 2011			Number of personnel posts filled/planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹ 2011/12	Medium-term estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Executive management	1	1	–	1	1	1	1	1	1	1
Senior management	11	11	4	9	9	8	7	14	17	17
Middle management	26	26	3	22	21	25	23	30	35	40
Professionals	47	47	4	42	44	43	43	53	58	65
Skilled	100	100	9	78	81	89	91	100	115	130
Semi-skilled	257	257	7	218	235	249	250	260	280	295
Very low skilled	13	13	2	10	10	10	11	12	11	11
Total	455	455	29	380	401	425	426	470	517	559
Compensation (R thousand)				349 014	416 734	515 009	704 676	746 960	788 043	827 445
Unit cost (R thousand)				918	1 039	1 212	1 654	1 589	1 524	1 480

1. As at 30 September 2011.

As at the 30 September 2011, the entity had an establishment of 455 posts, all of which were funded. The number of filled posts increased from 380 in 2008/09 to 426 in 2011/12, and is expected to grow to 559 in 2014/15. This growth is as a result of the fund's organisational restructuring to align its structure with its key business processes, taking into account the decentralisation drive to improve service delivery and the implementation of the virtual office concept.

There were 29 vacancies within the fund, of which 2 were at the very low skilled level, 7 in the semi-skilled level, 9 at the skilled level, 4 in the professional level and 7 in management. These posts remain vacant pending the finalisation of the organisational restructuring process.

The fund has budgeted R157.1 million over the medium for consultants to provide risk advisory services and policy development, security services, asset software, forensic audit, internal audit, change management, specialised recruitment and the verification of qualifications, and financial year-end technical support. The ratio of support staff to line function staff is 1:1.1. This figure includes vacancies created as employees leave the fund and others are promoted within the fund.

Compensation Fund

Overview: 2008/09 – 2014/15

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act (1993). The fund's main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases. The fund derives its revenue from levies paid by employers, which consists mainly of annual assessments paid by registered employers on the basis of a percentage or fixed rate of the annual earnings of their employees. The act, however, makes provision for a minimum assessment to ensure that the assessment is not less than the administration costs incurred.

Over the past few years, good progress has been made in reducing the service delivery challenges experienced by the fund and its clients. To this end, the fund has improved services to beneficiaries by shortening the turnaround time and improving access for beneficiaries, as well as improving communication with stakeholders. To meet its key strategic priority of efficiently and effectively providing compensation for occupational related injuries, diseases and death and (of improving the health profile of the nation), the fund will focus on the following initiatives:

- intensifying the implementation of the rehabilitation and reintegration policy framework
- enlisting the help of tracing agents to contact injured employees and dependants, and obtain outstanding information to finalise claims. (This will reduce the number of outstanding claims in the funds operations.)
- conducting a study on all employees on pension and those who require prosthetic devices, in order to compile a database for the fund.

Performance

The fund registered 215 493 claims in 2010/11, of which 144 081 or 67 per cent were finalised. The remaining 33 per cent are claims where the medical condition of the employee has not stabilised, and will only be assessed in the next financial year as per the Compensation for Occupational Injuries and Diseases Act (1993). Although there were fewer payments made in 2010/11 (329 091 compared to 340 159 in 2009/10), the Rand value of claims processed for the year was 4 per cent higher than 2009/10 at R801.7 million. This was due to the Compensation Board reviewing existing benefits and recommending increases in a number of benefits such as the caregiver's allowance for pensioners and maximum funeral benefits.

In December 2010, the fund piloted the decentralisation of certain claims functions to the remaining five provinces (Gauteng, Western Cape, Northern Cape, North West and Mpumalanga). This has resulted in an increase in the number of claims processed from 143 867 in first 6 months of 2009/10 claims to 165 612 in equivalent period in 2010/11, a 20 per cent increase. A draft organisational structure has been finalised, which will facilitate the process of redeploying staff permanently to the provinces. More medical professionals will be employed on a sessional basis to support the processing in provinces. The development and implementation of a new integrated claims management system has been accelerated. These initiatives will result in a large increase in the number of claims received, processed and finalised, and is reflected in the increase in targets over the MTEF period. The year-on-year increases in the number of employers registered is due in part to better cooperation with the Companies and Intellectual Property Commission, the South African Revenue Service and the Unemployment Insurance Fund, through the integrated customer data project.

The increase in the number of employers registered for assessment for contributions, and the concomitant growth in assessment revenue, is attributable to increased advocacy and information road shows, and more effective administration and collection of the assessment fees and any penalties.

Selected performance indicators

Table 18.13 Compensation Fund

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new claims registered per year	Compensation claims/ Compensation for Occupational Injuries and Diseases Act	203 711	200 559	215 493	449 742	472 229	661 121	700 788
Percentage of registered claims finalised per year	Compensation claims/ Compensation for Occupational Injuries and Diseases Act	70% (158 481)	60% (143 066)	67% (144 081)	33% (148 403)	75% (354 172)	77% (509 063)	82% (574 656)
Percentage of medical claims finalised per year within a three month period	Medical claims	70% (203 761)	70% (195 312)	64% (226 382)	45% (107 475)	70% (250 775)	75% (263 313)	80% (276 479)
Percentage growth in assessment revenue per year	Administration/Operations	100% (R4.5 billion)	7% (R4 billion)	20% (R4.8 billion)	4% (R5 billion)	9% (R5.4 billion)	10% (R6 billion)	10% (R6.6 billion)
Percentage increase in the number of registered employers	Administration/Operations	6% (380 244)	5% (400 355)	5% (422 371)	5% (443 490)	5% (465 664)	5% (488 947)	5% (513 395)

Programmes/activities/objectives

Table 18.14 Compensation Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Administration / Operations	287 835	345 377	401 730	498 587	633 682	660 881	685 762
Compensation claims / Compensation for Occupational Injuries and Diseases Act (1993)	3 041 230	2 736 153	2 129 640	1 947 285	1 607 329	1 773 487	1 907 053
Medical claims	2 114 053	1 826 084	1 362 624	1 639 487	2 178 302	2 164 587	2 189 522
Total expense	5 443 118	4 907 614	3 893 994	4 085 359	4 419 313	4 598 955	4 782 338

The Compensation Fund had a total budget of R4.1 billion in 2011/12, of which 87.8 per cent was used for the payment of claims for occupational injuries, illnesses and diseases.

Savings and cost effectiveness measures

The Compensation Fund is currently working on cost cutting measures, especially in administrative expenses. These include reducing the number of meetings, scheduling meetings in offices to avoid travel, and disconnecting telephone lines after 16h00. The decentralisation project pilot to provinces is expected to reduce costs in future by minimising travel cost as staff will be permanently deployed in the provinces.

Expenditure estimates

Table 18.15 Compensation Fund

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	2 580 358	2 725 943	2 671 361	2 784 005	2 903 275	3 031 133	3 168 890
<i>Other non-tax revenue</i>	2 580 358	2 725 943	2 671 361	2 784 005	2 903 275	3 031 133	3 168 890
Transfers received	4 035 398	4 491 623	4 865 989	5 206 608	5 571 071	5 961 046	6 378 319
Total revenue	6 615 756	7 217 566	7 537 350	7 990 613	8 474 346	8 992 179	9 547 209

Table 18.15 Compensation Fund (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Expenses							
Current expense	439 847	610 129	674 686	737 279	937 309	977 671	1 016 203
Compensation of employees	129 985	152 483	184 653	203 025	342 526	359 653	374 038
Goods and services	304 757	445 079	486 255	530 306	590 658	613 708	637 662
Depreciation	5 058	3 267	1 834	1 926	2 022	2 123	2 229
Interest, dividends and rent on land	47	9 300	1 944	2 022	2 103	2 187	2 274
Transfers and subsidies	5 003 271	4 297 485	3 219 308	3 348 080	3 482 004	3 621 284	3 766 135
Total expenses	5 443 118	4 907 614	3 893 994	4 085 359	4 419 313	4 598 954	4 782 338
Surplus / (Deficit)	1 172 638	2 309 952	3 643 356	3 905 254	4 055 033	4 393 225	4 764 870

Expenditure trends

The spending focus over the medium term will be on restructuring the fund, implementing the early return to work policy and decentralising the fund's services for ease of access and efficient processing of all compensation related claims. In 2010/11, the Compensation Fund registered 215 493 claims and made 329 091 payments, at a cost of R2.1 billion. A total of 868 284 medical claims were paid, at a cost of R1.6 billion.

The fund generates its revenue from assessed levies on employers. Between 2008/09 and 2011/12, total revenue increased from R6.6 billion to R8 billion, at an average annual rate of 6.5 per cent, mainly due to increased compliance by employers in submitting their annual assessments and increased returns on investments. Revenue is expected to grow to R9.5 billion in 2014/15, at an average annual rate of 6.1 per cent over the MTEF period, due to an increase in assessments paid by employers.

Expenditure decreased from R5.4 billion in 2008/09 to R4.1 billion in 2011/12, at an average annual rate of 9.1 per cent, due to a 12.5 per cent decline in claims paid as a result of fewer backlog claims to be cleared arising from 2007/08. Spending on compensation of employees grew from R130 million to R203 million between 2008/09 and 2011/12, at an average annual rate of 16 per cent, as the fund filled posts on its new organisational structure. Spending on this item over the MTEF period is expected to grow to R374 million, at an average annual rate of 22.6 per cent, as the fund completes the decentralisation to provinces. Growth in expenditure will provide for the appointment of additional staff to roll out the decentralisation of functions to provincial offices, and the concomitant purchase of furniture, transport and equipment.

Between 2008/09 to 2011/12, spending on goods and services grew from R304.8 million to R530.3 million, at an average annual rate of 20.3 per cent due to the appointment of external consultants to assist with the turnaround strategy, the travel and subsistence related costs for the decentralisation pilot project and the existing contract with a debt collection agency. Although actual debt collection costs have increased over this period, the fund collected 359 per cent more than its target in 2010/11.

Over the seven-year period, spending on interest, dividends and rent on land is expected to grow from R47 000 to R2.3 million, at an average annual rate of 74.1 per cent, due to interest paid to service providers for late payments of claims due to inefficiencies. By the end of the second quarter of 2011/12, about 70 per cent of current claims were processed and paid within three months of receiving complete documentation.

Over the MTEF period, expenditure is expected to grow to R4.8 billion in 2014/15, at an average annual rate 5.4 per cent, due mainly to implementing the new computerised integrated claims management financial system, and maintaining the entity's building and restructuring the fund. This is also reflected in the 6.3 per cent increase in goods and services and the 22.6 per cent increase in compensation of employees over the MTEF period.

Personnel information

Table 18.16 Compensation Fund

	Personnel post status as at 30 September 2011			Number of personnel posts filled/planned for on funded establishment						
	Number of posts on approved establishment	Number of Funded posts	Number of Vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	1	1	–	1	1	1	1	1	1	1
Senior management	13	13	1	6	11	11	12	13	13	13
Middle management	52	52	15	19	37	43	37	207	207	207
Skilled	210	210	–	179	184	199	212	596	596	596
Semi-skilled	435	435	15	379	409	419	420	600	600	600
Total	711	711	31	584	642	673	682	1 417	1 417	1 417
Compensation (R thousand)				129 985	152 483	184 653	316 535	342 526	359 653	374 038
Unit cost (R thousand)				223	238	274	464	242	254	264

1. As at 30 September 2011.

The fund had an establishment of 711 posts, which are all funded. The number of filled posts increased from 584 in 2008/09 to 682 in 2011/12, with the number projected to increase to 1 417 over the MTEF period due to the decentralisation of Compensation for Occupational Injuries and Diseases Act (1993) functions to all provinces.

The fund had a vacancy rate of 4.4 per cent or 31 posts, 15 at the semi-skilled level, 15 at middle management and 1 at senior management level. These posts remain vacant due to the organisational restructuring process that is currently under way. The ratio of support staff to line staff is 1:2. Over the medium term, the fund has budgeted R485 million for consultants for the rollout of SAP systems and financial and risk management.

Commission for Conciliation, Mediation and Arbitration

Overview: 2008/09 – 2014/15

The Commission for Conciliation, Mediation and Arbitration is an independent and autonomous organisation that was established by the Labour Relations Act (1995) to deliver services to the people of South Africa that ensures fair labour practices are observed.

The core mandate of the commission is derived from the purpose of the act which, among others, is to advance economic development, social justice, labour peace and the democratisation of the workplace. In response to this policy and legislative environment, the Siyaphambili strategy document sets out the roadmap which the organisation will follow to execute its mandate for the period 2012-2016, ensuring that the commission's services are of a high quality and that its processes and operations are effective and efficient. The main function of the commission is the conciliation of workplace disputes and the arbitration of disputes that remain unresolved after conciliation.

The global economic crisis has adversely affected the South African labour market, resulting in significant job losses and business closures. In 2009/10, the commission witnessed an unprecedented increase in its workload, from 132 868 cases in 2007/08 to 153 657 cases in 2009/10, as a direct result of the crisis. The organisation responded with creative solutions to the dramatic increase in demand. One of the innovations developed was to deal with cases electronically; another involved linking more bargaining councils to case management for easier case flow. A national response team was sent to guide, advise and support provincial managers to turn around performance and achieve efficiencies. Non-monetary incentives for staff, such as a director's award, were also introduced.

Activities undertaken by the commission included: marking its fifteenth year of operations in November 2011; streamlining its supply chain management processes following the recommendations of the Auditor-General, which included training and refresher courses for staff and participating at the International Labour Organisation. The commission is also responsible for accrediting and considering applications for subsidies by bargaining councils and private agencies, and manages the training layoff scheme on behalf of government. The aim of the scheme is to curb retrenchments during the economic downturn by the temporary suspension of work of a worker or group of workers. In the period in which work is suspended, the worker undergoes training, forfeiting a salary in lieu of a training allowance, while the employer continues to pay benefits.

Performance

For the first time in 3 years, the total number of referrals remained stable, with just a 1 per cent increase in jurisdictional cases, which translated into an average of 615 new cases referred each working day compared to 617 for the previous year. These figures reflect the economy's lower labour absorption rate. The number of cases over the medium term will depend on economic and labour market conditions, but referrals are provisionally expected to reach 174 758 by 2014/15. The number of cases settled is provisionally expected to reach 105 380 by 2014/15.

The number of conciliation, mediation and arbitration cases heard per year increased from 36 572 in 2008/09 to 49 222 in 2010/11 and is projected to grow to 87 379 by 2014/15. This increase is due to the planned opening of additional offices, the appointing of more commissioners, reviewing the way cases are heard and processed and setting targets for the number of cases heard per day by full time commissioners. The two latter initiatives will also impact on the finalisation of cases heard, which accounts for the increase in the number of cases finalised per year growing from 45 195 in 2011/12 to 69 903 in 2014/15.

In relation to the training layoff scheme, as at August 2011, the commission had assisted 14 017 people in 65 companies at a cost of R80.4 million provide by the Unemployment Insurance Fund and the National Skills Fund.

Selected performance indicators

Table 18.17 Commission for Conciliation, Mediation and Arbitration

Indicator	Activity/Objective/Programme/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of jurisdiction referrals per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	85 847	118 842	119 362	131 298	144 428	158 871	174 758
Percentage of pre-conciliations heard per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	14% (11 603)	14% (16 283)	15% (18 205)	10% (20 026)	10% (22 028)	10% (24 231)	10% (17 475)
Percentage of pre-conciliations settled (of jurisdiction cases) per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	7% (5 661)	6% (7 256)	7% (8 533)	7% (9 386)	7% (10 325)	7% (11 357)	7% (12 233)
Percentage of conciliation, mediation and arbitration cases heard (of jurisdiction referrals) per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	43% (36 572)	40% (47 375)	41% (49 222)	50% (54 144)	50% (59 559)	50% (65 514)	50% (87 379)
Percentage of conciliation, mediation and arbitration cases finalised (of jurisdiction referrals) per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	45% (30 033)	32% (47 375)	34% (41 086)	40% (45 195)	40% (49 714)	40% (54 685)	40% (69 903)
Number of cases settled (based on finalised cases) per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	45 834	65 004	71 976	79 174	87 091	95 800	105 380

Programmes/activities/objectives

Table 18.18 Commission for Conciliation, Mediation and Arbitration

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Deliver excellent service rooted in social justice, ensuring balance between quality and quantity	123 643	154 253	144 015	187 271	188 769	191 523	196 416
Build skills to achieve professionalism	12 960	12 325	13 089	14 766	16 076	17 490	19 017
Enhance and entrench internal processes and systems for optimal deployment of resources	68 895	86 429	86 043	102 825	116 035	130 777	140 422
Align the structure that will enable optimal implementation of the strategy	116 640	110 925	117 779	132 894	144 682	157 414	171 150
Enrich the role of the commission in the labour market	1 296	4 483	5 025	5 000	5 270	5 565	5 865
Entrench an organisational culture that supports the delivery of the commission's mandate	4 263	12 402	15 396	19 558	20 615	21 769	22 945
Total expense	327 697	380 817	381 346	462 314	491 447	524 538	555 815

The Commission for Conciliation, Mediation and Arbitration had a total budget of R462.3 million in 2011/12, of which 40.5 per cent was spent on delivering the services of the commission and case disbursement costs.

Savings and cost effectiveness measures

The commission expects to save more than R1.5 million per year from: discontinuing the practice of paying senior commissioner fees on less complicated matters, revising the travel policy to pay allowances in line with South African Revenue Service requirements, requiring a cost benefit analysis before a travel booking is made, enforcing the guidelines on saving energy and recycling paper, and reducing communication costs through the rollout of voice over internet protocol nationally.

Expenditure estimates

Table 18.19 Commission for Conciliation, Mediation and Arbitration

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	12 001	9 135	11 208	14 210	14 750	15 154	15 480
Sale of goods and services other than capital assets	4 661	3 136	1 506	1 638	1 747	1 870	1 900
<i>of which:</i>							
Other sales	4 661	3 136	1 506	1 638	1 747	1 870	1 900
Other non-tax revenue	7 340	5 999	9 702	12 572	13 003	13 284	13 580
Transfers received	278 746	356 442	402 017	448 104	476 697	509 384	540 335
Total revenue	290 747	365 577	413 225	462 314	491 447	524 538	555 815
Expenses							
Current expense	327 697	380 817	381 346	462 314	491 447	524 538	555 815
Compensation of employees	129 600	123 250	130 867	147 660	160 758	174 904	190 167
Goods and services	191 204	251 431	249 863	310 411	326 991	345 936	361 950
Depreciation	6 893	6 136	616	4 243	3 698	3 698	3 698
Total expenses	327 697	380 817	381 346	462 314	491 447	524 538	555 815
Surplus / (Deficit)	(36 950)	(15 240)	31 879	-	-	-	-

Expenditure trends

With the Siyaphambili strategy in place since 2009/10, the spending focus over the medium term will be on research, communication, development and innovation, as well as increasing staff capacity to improve management internal controls and deal with deficiencies identified within the organisation. These measures will impact on expenditure on procuring goods and services and compensating employees. The commission also plans to review its funding/business model, work with the development policy research unit of the University of Cape Town to provide capacity and train research unit staff to provide labour market and economic information needed to support the commission's mutual interest mediators, investigate methods of increasing the commission's accessibility to the community, and revise the commission's rules and forms. In 2010/11, the average cost per case referred was R2 485, while the average cost per settlement was R5 430. The total cost of case disbursements was R144 million.

The commission generates revenue from user charges and interest received. Revenue grew from R290.7 million in 2008/09 to R462.3 million in 2011/12, at an average annual rate of 16.7 per cent, due to additional allocations from the department to fund an increase in demand for the commission's services brought about by the global economic crisis. Between 2008/09 and 2011/12, other non-tax revenue grew from R7.3 million to R12.6 million, at an average annual rate of 19.6 per cent, due to higher interest earned on investments. Over the medium term, total revenue is expected to increase to R555.8 million, at an average annual rate of 6.3 per cent, due to additional allocations provided in previous MTEF periods for the case management system and increased operations as a result of bringing services closer to the people.

Between 2008/09 and 2011/12, expenditure increased from R327.7 million to R462.3 million, at an average annual rate of 12.2 per cent, mostly due to increased spending on goods and services for case disbursement costs as a result of increased caseloads. Total spending over the medium term is projected to increase to

R555.8 million, at an average annual rate of 6.3 per cent. This growth is mainly driven by increased spending on compensation of employees from R147.7 million in 2011/12 to R190.2 million in 2014/15, at an average annual rate of 8.8 per cent over the MTEF period. The increased spending on compensation of employees is to increase capacity to address the case loads of the research unit, and improve back office support to enhance the management of internal control deficiencies identified through the external audit. This also accounts for the 18.4 per cent increase in spending on this item in 2011/12.

Personnel information

Table 18.20 Commission for Conciliation, Mediation and Arbitration

	Personnel post status as at 30 September 2011			Number of personnel posts filled/planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of Vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	8	8	–	8	8	8	8	8	8	8
Senior management	10	10	–	10	10	10	10	10	10	10
Middle management	75	75	–	75	75	75	75	75	75	75
Skilled	362	362	–	352	351	351	362	369	369	369
Semi-skilled	40	40	–	39	39	39	40	40	40	40
Total	495	495	–	484	483	483	495	502	502	502
Compensation (R thousand)				129 600	123 246	130 865	147 660	160 758	174 904	190 167
Unit cost (R thousand)				268	255	271	298	320	348	379

1. As at 30 September 2011.

As at 30 September 2011, the commission had an establishment of 495 posts, all of which were funded. The number of filled posts remained constant at 483 between 2008/09 and 2010/11, and is expected to increase from 495 in 2011/12 to 502 over the medium term, due to the need to increase capacity for the research unit and enhance the management of internal control. Research will play an important role in developing new and innovative techniques and solutions to dispute resolution, and maintaining the commission's reputation as a world leader in the field of dispute resolution.

The ratio of support staff to line function staff was 1:2.3. The commission has budgeted an estimated R18.4 million over the medium term for consultants to work on the upgrading of its financial systems.

National Economic Development and Labour Council

Overview: 2008/09 – 2014/15

The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act (1994). The act requires organised labour, organised business, community based organisations and government, as a collective, to: strive to promote the goals of economic growth; participate in economic decision making and social equity; seek consensus and conclude agreements on matters pertaining to social and economic policy; consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament; consider all significant changes to social and economic policy before it is implemented or introduced in Parliament, and encourage and promote the formulation of coordinated policy on social and economic matters.

In 2010/11, the key discussion and debates at the council focused on labour legislation reform: the Labour Relations Amendment Bill, 2010, the Basic Conditions of Employment Amendment Bill, 2010, the Employment Equity Amendment Bill, 2010, and the Employment Services Bill, 2010. Other policies debated included the Medium Term Budget Policy Statement, the education and skills development policy, and the workings of the National Planning Commission. The labour market chamber considered and finalised 23 applications from the Commission for Conciliation, Mediation and Arbitration on bargaining council demarcation disputes and completed a report on the social plan review and the Municipal Systems Amendment Bill. The trade and industry chamber completed a report on climate change.

Over the medium term, the council will focus on: enhancing the leadership role, relevance and responsiveness of the council to the economic, social and developmental challenges facing South Africa; ensuring effective engagement on all relevant areas of legislation and policy in terms of the Act; promoting and strengthening the

culture of social dialogue and the capacity of constituencies to engage more effectively; and ensuring proper governance and the upgrading of internal capacity, operations and systems of the council.

Programmes/activities/objectives

Table 18.21 National Economic Development and Labour Council

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Administration/ Operations	12 838	13 525	13 678	19 719	19 882	21 055	22 354
Nedlac summit	931	793	865	1 000	850	901	955
Constituency capacity building funds	2 173	1 851	1 971	2 118	2 432	2 517	2 769
Special projects	1 118	1 287	728	2 000	1 921	2 240	2 278
Total expense	17 060	17 456	17 242	24 837	25 085	26 713	28 356

The National Economic Development and Labour Council had a total budget of R24.8 million in 2011/12, of which 79.4 per cent was spent on administration and operations to meet the mandate of the council.

Savings and cost effectiveness measures

The entity has identified areas of cost saving and has revised the organisation's travel policy to ensure that travel costs are managed more effectively by reducing cancellations and late bookings and by regular reviews of service provider costs. The council has also introduced competitive procurement to ensure better prices and discounts on flights, accommodation and car hire. The number of meetings will be reduced through better scheduling and more expeditious handling of cases, and better use of communications technology such as e-mails and cell phones. Savings will also be made on catering costs, a significant component of meeting costs. Appointment of a programme director is expected to improve operations management systems and processes. The constituency capacity funds have also been placed under stricter control to ensure that expenditure remains within budget. Expenses are tracked by the acting chief financial officer on a monthly basis and reported to the constituents to advise them of the actual expenditure against budget and the remaining available budget. The council estimates reprioritised savings of R6 million over the MTEF period.

Expenditure estimates

Table 18.22 National Economic Development and Labour Council

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	581	576	990	922	1 021	1 118	1 222
<i>Other non-tax revenue</i>	581	576	990	922	1 021	1 118	1 222
Transfers received	13 959	19 554	15 868	23 915	24 064	25 595	27 134
Total revenue	14 540	20 130	16 858	24 837	25 085	26 713	28 356
Expenses							
Current expense	17 060	17 456	17 242	24 837	25 085	26 713	28 356
Compensation of employees	4 833	5 435	5 678	7 914	8 796	9 353	9 883
Goods and services	11 863	11 228	10 794	16 023	15 186	16 217	17 453
Depreciation	364	793	770	900	1 103	1 143	1 020
Total expenses	17 060	17 456	17 242	24 837	25 085	26 713	28 356
Surplus / (Deficit)	(2 520)	2 674	(384)	-	-	-	-

Expenditure trends

Over the MTEF period, the spending focus will be on: hosting the entity's national summit, capacity building within the business, community and labour constituencies; ongoing funding of section 77 of the Labour Relations Act; and funding of ongoing special projects such as hosting consultations on the national health insurance and the national project to reduce poverty and inequality in South Africa.

The council receive on average 95.9 per cent of its revenue in the form of transfers from the Department of Labour. Between 2008/09 and 2011/12, transfers received grew from R14 million in 2008/09 to R23.9 million in 2011/12, at an average annual rate of 19.7 per cent, due to additional allocations received for operations. This will provide for, among other things, higher operational costs and hosting an increased number of summits and consultations expected to result from changes in social and economic policies, events and legislation.

Additional funding has been provided so that the council remains operational and solvent. Transfers received are expected to increase to R27.1 million over the medium term, at an average annual rate of 4.3 per cent.

Expenditure grew from R17.1 million in 2008/09 to R24.8 million in 2011/12, at an average annual rate of 13.3 per cent. This increase was driven mainly by increased spending on salary adjustments to ensure that the entity attracts and retains qualified personnel, has enough employees to ensure segregation of duties and fills key vacancies. Additional funding on goods and services for special projects relating to legislative amendments also accounts for the increase in expenditure over the medium term, at an average annual rate of 4.5 per cent, from R24.8 million to R28.4 million.

In 2010/11, the council hosted its national summit in September 2011 at a cost of R580 000, and spent R850 000 in six months in 2011/12 on lawyers to review the amendments on the four pieces of labour legislation.

Personnel information

Table 18.23 National Economic Development and Labour Council

	Personnel post status as at 30 September 2011			Number of personnel posts filled/planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	1	1	–	1	1	1	1	1	1	1
Senior management	2	2	2	1	1	1	1	2	2	2
Professionals	2	2	2	5	5	–	–	1	1	1
Skilled	11	11	–	–	–	12	11	13	13	13
Semi-skilled	4	4	–	10	11	4	4	4	4	4
Very low skilled	4	4	–	4	4	4	4	4	4	4
Total	24	24	4	21	22	22	21	25	25	25
Compensation (R thousand)				4 833	5 435	5 678	7 914	8 796	9 353	9 883
Unit cost (R thousand)				230	247	258	377	352	374	395

1. As at 30 September 2011.

As at 30 September 2011, the council had an approved establishment of 24 posts, all of which are funded. Between 2008/09 and 2011/12, the number of filled posts remained steady at 21. The council has 3 vacant posts, 1 of which is in senior management and 2 at professional level. The number of filled posts is expected to increase from 21 in 2011/12 to 25 over the medium term, due to proposed changes in the establishment structure, which caters for 2 new positions in administration and combines 2 other positions into a single post. The ratio of support staff to line function staff is 1:2. The council has budgeted R2.5 million over the medium term for consultants to provide legal and IT assistance.

Productivity South Africa

Overview: 2008/09 – 2014/15

Productivity South Africa is listed as a schedule 3(A) entity in terms of the Public Finance Management Act (1999) and reports to the Minister of Labour. The Employment Services Bill currently before Parliament will provide for the legal establishment of the organisation, once it is promulgated.

The organisation is mandated by government, labour and business to improve productivity and thus contribute to South Africa's socioeconomic development and competitiveness. It aims to improve the productive capacity of the economy through interventions that encourage social dialogue and collaboration between partners.

Key priorities for the medium term include improving processes, tools and techniques for implementing productivity enhancements; increasing the organisation's provincial footprints; developing knowledge

management systems; building relationships with key stakeholders; improving responsiveness; and demonstrating the impact of projects.

Performance

2010/11 marked 13 years since the formation of the turnaround solutions programme, a social plan that aims to avoid job losses and employment decline wherever possible. In 2010/11, successful management of the programme ensured that over 16 000 jobs were saved, a considerable achievement in the poor economic environment, and 600 education, training and development service providers were trained in productivity concepts. A further 10 skills development facilitators and 620 workers and managers were trained. Training on the productive capacity building programme was provided to 2 707 small and micro-enterprises and 109 managers were trained as productivity practitioners. Due to an increase in funding, the organisation was able to increase the number of education, training and development service providers trained as productivity trainers, from 480 in 2008/09 to 700 in 2011/12. The number of emerging entrepreneurs trained in productivity improvement and competencies grew from 1 800 in 2008/09 to 3 500 in 2011/12, and the number of future forums established per year at companies with turnaround solutions increased from 120 in 2008/09 to 160 in 2011/12.

Selected performance indicators

Table 18.24 Productivity South Africa

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of education, training and development service providers trained as productivity trainers per year	Public Organisation Solution	480	500	600	700	800	850	900
Number of ETD service providers and productivity trainers accredited / Licensing of external service providers per year	Public Organisation Solution	30	0 ¹	26	30	35	40	45
Number of emerging entrepreneurs trained in productivity improvement and competencies per year	Public Organisation Solution	1 800	2 500	3 000	3 500	4 000	4 500	5 000
Number of skills development facilitators trained in productivity per year	Public Organisation Solution	120	200	250	300	400	500	550
Number of managers and workers trained to enhance productivity competencies and mindsets in private and public enterprises per year	Public Organisation Solution	530	600	620	720	780	840	950
Number of future forums established per year at companies with turnaround solutions	Turnaround Solution: turning-around distressed organisations	120	120	140	160	180	200	220

1. The addendum to extend the contract between Productivity SA and the Small Enterprise Development Agency was not approved.

Programmes/activities/objectives

Table 18.25 Productivity South Africa

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Public organisation solution	4 943	3 975	2 654	5 165	5 439	5 794	6 692
Workplace challenge programme	6 262	5 963	4 505	5 721	6 964	6 853	7 871
Turnaround Solutions: Turning-around Distressed Organisations	18 785	19 229	15 130	19 057	33 900	35 708	36 969
Knowledge, awareness and information	3 244	2 099	1 975	6 593	3 647	3 687	3 871
Administration/ Operations	45 649	46 583	45 300	74 096	66 093	70 874	74 115
Total expense	78 883	77 849	69 564	110 632	116 043	122 916	129 518

Productivity South Africa had a total budget of R110.6 million in 2011/12, of which 67 per cent was spent on administration, which included spending on consultants to provide business support services to clients.

Savings and cost effective service delivery

The organisation has implemented cost effectiveness measures by strengthening its internal capacity to allow it to outsource only those functions that are not core to the organisation, such as the legal and human resource functions. The organisation also visited model companies in Japan to learn from best practice, including about the Kaizan project method for quality improvements. Costs have also been reduced by conducting training in productivity competencies using a train-the-trainer approach. Partnerships with private and public sector organisations in relation to recruiting companies for interventions and client sponsorship of venues and catering also contribute to cost savings. Estimated savings over the medium amount to R1.2 million.

Expenditure estimates

Table 18.26 Productivity South Africa

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	12 320	5 884	2 051	11 981	7 067	7 455	7 829
Sale of goods and services other than capital assets	12 033	5 418	1 825	10 773	5 795	6 113	6 419
<i>of which:</i>							
<i>Sales by market establishments</i>	12 033	5 418	1 825	10 773	5 795	6 113	6 419
<i>Other non-tax revenue</i>	287	466	226	1 208	1 272	1 342	1 410
Transfers received	75 127	71 002	77 433	98 651	108 977	115 460	121 689
Total revenue	87 447	76 886	79 484	110 632	116 044	122 915	129 518
Expenses							
Current expense	78 883	77 849	69 564	110 632	116 044	122 916	129 518
Compensation of employees	27 334	29 822	32 263	34 683	36 695	38 897	41 036
Goods and services	50 308	47 358	36 763	75 421	78 756	83 393	87 826
Depreciation	748	621	530	527	536	566	594
Interest, dividends and rent on land	493	48	8	0	57	60	63
Total expenses	78 883	77 849	69 564	110 632	116 044	122 916	129 518
Surplus / (Deficit)	8 564	(963)	9 920	-	-	-	-

Expenditure trends

The spending focus over the MTEF period is on the development of competitive value chains within industries, the establishment of sheltered employment factories as pilot sites for the Japanese productivity project, and the implementation of turnaround strategies at sheltered employment factories and other companies.

Transfers from the Department of Labour constitute on average 92.4 per cent of total revenue over the seven-year period. Transfers received grew from R75.1 million in 2008/09 to R98.7 million in 2011/12, at an average annual rate of 9.5 per cent, due to higher transfers from the Unemployment Insurance Fund for the turnaround solutions programme. The funding for the programme was shifted from the National Skills Fund to the Unemployment Insurance Fund after the former was moved to the Department of Higher Education and Training. In 2011/12, transfers received grew by 27.4 per cent, due to an increased transfer from the Department of Trade and Industry for the workplace challenge programme and from the Unemployment Insurance Fund for the turnaround solutions programme. Other non-tax revenue grew from R226 000 in 2010/11 to R1.2 million in 2011/12, due mainly to higher income for services rendered to clients. The number of clients increased due to the deteriorating economic climate.

Between 2008/09 and 2011/12, spending grew from R78.9 million to R110.6 million, at an average annual rate of 11.9 per cent, driven mainly by spending on goods and services. This latter item constitutes on average 64.2 per cent of total expenditure over the seven-year period, increasing at an average annual rate of 14.5 per cent, due to higher spending on the turnaround solutions programme. The largest goods and services spending is on consultants, who are contracted by the entity to provide business support services to clients. Productivity South Africa works with a large network of independent consultants throughout the country to reach as many companies as possible over a wide geographic area. Over the medium term, total expenditure is

projected to grow from R110.6 million in 2011/12 to R129.5 million in 2014/15, at an average annual rate of 5.4 per cent, due to inflation related adjustments to goods and services and compensation of employees.

Personnel information

Table 18.27 Productivity South Africa

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	6	6	–	6	6	5	6	6	6	6
Senior management	2	2	–	2	2	1	2	2	2	2
Middle management	18	18	1	19	19	17	17	19	19	19
Professionals	30	30	1	30	27	26	29	30	30	30
Skilled	25	25	2	27	27	21	23	27	27	27
Semi-skilled	12	12	–	10	10	15	12	15	15	15
Total	93	93	4	94	91	85	89	99	99	99
Compensation (R thousand)				27 334	29 822	32 263	34 683	36 695	38 897	41 036
Unit cost (R thousand)				291	328	380	390	371	393	415

1. As at 30 September 2011.

As at 30 September 2011, Productivity South Africa had an establishment of 93 posts, all of which were funded. The entity has 4 vacancies, 2 of which are at skilled level, with the balance at professional and middle management level. The number of filled posts increased from 85 in 2010/11 to 89 in 2011/12, and is projected to increase further to 99 over the medium term as the organisation increases its capacity. The ratio of support staff to line function staff is 1:6.8. In 2010/11, the entity used 38 consultants to provide business support to 72 companies, at a ratio of 1:2.6.

Additional tables

Table 18.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2010/11		2010/11	2011/12			2011/12
Administration	649 997	656 320	682 480	697 228	1 227	698 455	690 357
Inspection and Enforcement Services	356 603	366 642	329 373	386 726	2 564	389 290	380 501
Public Employment Services	280 420	277 902	289 258	296 146	28 663	324 809	324 809
Labour Policy and Industrial Relations	496 869	534 959	525 199	601 358	3 471	604 829	602 430
Total	1 783 889	1 835 823	1 826 310	1 981 458	35 925	2 017 383	1 998 097

Economic classification

Current payments	1 259 947	1 285 402	1 185 040	1 349 907	(76 855)	1 273 052	1 249 650
Compensation of employees	738 405	744 808	681 530	786 294	18	786 312	768 714
Goods and services	521 542	540 594	503 439	563 613	(76 873)	486 740	480 936
Interest and rent on land	–	–	71	–	–	–	–
Transfers and subsidies	515 165	537 299	561 038	599 402	26 865	626 267	630 447
Provinces and municipalities	–	39	54	–	12	12	12
Departmental agencies and accounts	429 790	457 990	457 948	515 684	26 500	542 184	542 184
Foreign governments and international organisations	9 633	9 633	10 703	10 211	–	10 211	14 306
Non-profit institutions	75 502	69 280	89 196	73 258	–	73 258	73 258
Households	240	357	3 137	249	353	602	687
Payments for capital assets	8 777	13 122	80 213	32 149	85 915	118 064	118 000
Buildings and other fixed structures	3 771	3 771	3 117	3 996	–	3 996	3 996
Machinery and equipment	5 006	9 351	77 086	28 153	85 915	114 068	114 004
Software and other intangible assets	–	–	10	–	–	–	–
Payments for financial assets	–	–	19	–	–	–	–
Total	1 783 889	1 835 823	1 826 310	1 981 458	35 925	2 017 383	1 998 097

Table 18.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Compensation of employees (R thousand)	491 335	576 457	681 530	786 312	883 331	943 697	1 001 292
Training expenditure (R thousand)	8 851	10 335	6 507	10 443	12 097	12 483	13 190
Training as percentage of compensation	1.8%	1.8%	1.0%	1.3%	1.4%	1.3%	1.3%
Total number trained in department (headcount)	2 005	4 423	3 557	3 146			
<i>of which:</i>							
Employees receiving bursaries (headcount)	238	196	242	243			
Learnerships (headcount)	–	–	19	–			
Internships (headcount)	–	68	72	81			

Table 18.C Summary of departmental public private partnership projects

Project description: Siemens Business Services IT agreement R thousand	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
		2011/12	2012/13	2013/14	2014/15
Projects signed in terms of Treasury Regulation 16	40 833	86 485	91 691	-	-
Public private partnership unitary charge	40 833	86 485	91 691	-	-
Total	40 833	86 485	91 691	-	-

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Public private partnership agreement between the Department of Labour and Siemens Business Services for the provision of IT services
Brief description	The department regards the IT public private partnership agreement as a way of achieving its objectives against the background of the requirements of the specialised knowledge and expertise needed to develop and manage a modern IT service
Date public private partnership agreement was signed	30 November 2002
Duration of public private partnership agreement	10 years
Escalation index for unitary fee	Annual increases at the consumer price Index (excluding interest rates on mortgage bonds) as well as increases based on the number of computer users
Net present value of all payment obligations discounted at appropriate duration government bond yield	Net present value calculated at R117 987 322 utilising the government bond yield of 8.55%
Variations and amendments to public private partnership agreement	The public private partnership agreement makes provision for a change management process that deals with changes to the agreement and unitary fee
Cost implications of variations and amendments	The contractual change management procedures make provision for the approval of changes in the public private partnership agreement through mutual agreement with payment either through an agreed change in the unitary fee or a lump sum payment

Table 18.D Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand										
Departmental infrastructure										
Rustenburg labour centre: Construction of building	New labour centre	Construction	15 461	-	-	1 592	1 545	1 000	5 105	-
Mount Ayliff: Site clearance	New labour centre	Design	15 216	-	-	292	-	200	234	-
Garankuwa: Site clearance	New labour centre	Design	279	-	-	31	-	150	131	-
Middelburg: Site clearance	New labour centre	Design	512	-	-	-	321	200	-	-
Athlone: Site Clearance	New labour centre	Design	1 602	-	-	-	240	172	-	-
Cape Town: Site clearance	New labour centre	Design	13 029	-	-	-	954	151	-	-
Swellendam: Site clearance	New labour centre	Design	533	-	-	-	80	150	-	-
Vredenburg: Site Clearance	New labour centre	Design	1 596	-	-	-	-	150	-	-
Somerset West: Site clearance	New labour centre	Design	2 129	-	-	-	319	150	-	-
Krysta: Site clearance	New labour centre	Design	1 497	-	-	-	225	150	-	-
Belville: Site clearance	New labour centre	Design	445	-	-	-	-	150	-	-
Vredendal: Site clearance	New labour centre	Design	445	-	-	-	-	150	-	-
Ceres: Site clearance	New labour centre	Design	540	-	-	-	-	150	-	-
Volkstrust: Site clearance	New labour centre	Design	445	-	-	-	297	150	-	-
Carltonville: Site Clearance	New labour centre	Design	37	-	-	-	-	178	-	-
Secunda: Site clearance	New labour centre	Design	1 959	-	-	-	-	150	-	-
Taung: Site clearance	New labour centre	Design	186	-	-	186	-	-	-	-
Security: Wendy houses	Labour centres security Wendy houses	Various	62	-	-	12	15	15	16	-
Security: Wendy houses	Security: Wendy houses at minister's parking in Laboria House	Various	17	-	-	17	-	-	-	17
Brokhorstspuit: Site clearance	New labour centre	Design	200	-	-	200	-	-	-	-
Lusikiski: Site clearance	New labour centre	Design	66	-	-	66	-	-	-	-
Lebowakgomo: Site clearance	New labour centre	Design	148	-	-	148	-	-	-	-
Sabie: Site clearance	New labour centre	Design	191	-	-	191	-	-	-	-
Carolina: Site clearance	New labour centre	Design	191	-	-	191	-	-	-	-
Kwamhlanga: Site clearance	New labour centre	Design	191	-	-	191	-	-	-	-
Durban labour centre: Repairs	Electrical and mechanical repairs	Various	2 690	2 690	-	-	-	-	-	-
Other labour centres	Various construction, such as electrical repairs	Various	225	-	-	226	-	-	-	-

Table 18.D Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2008/09	2009/10		2010/11	2012/13	2013/14
R thousand									
Maintenance									
Pretoria, Silverton: Sheltered employment factory head office: Second follow-on repair and maintenance programme	Maintaining sheltered employment head office to be occupational health and safety compliant	Tender	24 406	739	232	757	5 976	2 477	3 509
Pretoria head office, Laboria House: First follow-on repair and maintenance programme	Maintaining head office building to be occupational health and safety compliant	Construction	21 128	622	5 685	5 140	1 000	3 000	3 870
Kimberley sheltered employment factory: Second follow-on repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	8 763	978	651	3 150	3 984	-	-
Bloemfontein: sheltered employment factory: Second follow-on repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	5 880	3 601	1 770	134	375	-	-
Potchefstroom sheltered employment factory: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	1 649	330	-	-	-	-	-
Uptington and Kuruman labour centre and Kimberley sheltered employment factory: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	8 829	2 972	57	-	-	-	-
George labour centre: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Tender	1 426	423	-	-	-	-	-
East London labour centre and sheltered employment factory: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	7 527	754	-	-	-	-	-
Pietermaritzburg and sheltered employment factory: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	4 881	533	-	-	-	-	-
Pretoria sheltered employment factory and labour centre: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	9 031	69	1 641	3 702	3 408	-	-
Phalaborwa, Hoedspruit and Seshego labour centres: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Tender	5 220	340	204	-	-	-	-
Witbank, Lydenburg and Komatiport labour centres: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Tender	9 634	1 097	19	-	-	-	-

Table 18.D Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2008/09	2009/10		2010/11	2012/13	2013/14
R thousand									
Western Cape labour centre and sheltered employment factory: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	21 324	2 899	541	-	-	-	-
Durban Masonic Grove: Emergency repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Tender	6 084	1 632	-	-	-	-	-
Gauteng South: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	20 458	5 026	1 200	920	-	-	-
Sheltered employment factories: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Various	95 648	12 934	14 752	-	-	-	-
Total			311 780	37 639	26 878	16 920	22 145	10 392	10 963
									7 396

Table 18.E Expenditure by labour center per province

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Eastern Cape	74 330	86 014	97 442	127 410	101 858	108 501	117 090
<i>Provincial Office: East London</i>	21 246	26 869	24 256	35 896	25 607	27 440	29 646
<i>Aliwal North</i>	1 792	2 302	2 531	3 251	2 761	2 919	3 136
<i>Butterworth</i>	2 022	2 124	2 708	3 060	2 934	3 102	3 332
<i>Cradock</i>	1 733	1 872	1 950	2 513	2 082	2 304	2 493
<i>East London</i>	7 314	8 622	10 833	13 647	11 057	11 700	12 646
<i>Fort Beaufort</i>	1 688	1 756	1 819	2 413	1 947	2 160	2 333
<i>Graaff-Reinet</i>	1 652	2 056	2 027	2 583	2 076	2 297	2 482
<i>Grahamstown</i>	2 121	2 397	2 528	3 378	2 713	2 972	3 218
<i>King Williamstown</i>	4 021	4 218	5 389	6 792	5 512	5 830	6 288
<i>Lusikisiki</i>	2 244	2 449	3 135	3 498	3 293	3 481	3 734
<i>Maclear</i>	2 018	2 265	2 726	2 944	2 917	3 084	3 321
<i>Mdantsane</i>	1 971	2 127	2 397	3 080	2 506	2 751	2 973
<i>Mount Ayliff</i>	2 001	2 182	2 478	2 414	2 366	2 600	2 797
<i>Port Elizabeth</i>	10 188	11 126	15 327	20 735	15 928	16 869	18 272
<i>Queenstown</i>	3 450	3 931	4 947	5 987	5 203	5 500	5 924
<i>Uitenhage</i>	4 439	4 789	6 317	7 963	6 549	6 829	7 355
<i>Mthatha</i>	4 430	4 929	6 074	7 255	6 403	6 664	7 140
Free State	46 280	57 031	59 018	85 697	66 695	72 267	75 540
<i>Provincial Office: Bloemfontein</i>	22 099	19 908	17 543	29 926	19 843	21 632	22 408
<i>Bethlehem</i>	1 609	2 709	2 997	4 316	3 368	3 613	3 748
<i>Bloemfontein</i>	6 471	9 179	9 737	12 855	10 887	11 621	12 139
<i>Ficksburg</i>	1 302	2 012	2 350	3 446	2 614	2 806	2 905
<i>Harrismith</i>	1 504	2 308	2 163	3 082	2 476	2 655	2 825
<i>Kroonstad</i>	1 904	1 982	3 037	3 965	3 516	3 776	3 911
<i>Petrusburg</i>	1 616	2 443	2 033	3 037	2 683	2 879	3 086
<i>Phuthaditjhaba</i>	2 127	2 671	3 316	4 564	3 494	3 737	3 986
<i>Sasolburg</i>	2 208	3 209	3 859	4 428	4 330	4 633	4 958
<i>Botshabelo</i>	1 515	2 263	2 537	3 202	2 866	3 206	3 343
<i>Welkom</i>	2 647	6 588	7 440	10 000	8 306	9 169	9 593
<i>Zastron</i>	1 278	1 759	2 005	2 878	2 314	2 542	2 638
Gauteng	107 027	149 237	157 139	214 054	171 220	181 995	190 852
<i>Provincial Office: Johannesburg</i>	22 945	54 623	38 677	62 525	42 913	46 212	48 413
<i>Alberton</i>	2 192	2 259	2 849	4 094	3 188	3 391	3 558
<i>Atteridgeville</i>	1 269	1 803	2 006	2 550	2 073	2 205	2 305
<i>Benoni</i>	3 176	3 460	4 931	6 522	5 199	5 522	5 804
<i>Boksburg</i>	2 517	2 803	3 660	4 335	3 798	3 980	4 239
<i>Brakpan</i>	1 790	2 094	2 754	3 885	3 056	3 248	3 413
<i>Bronkhorstspuit</i>	1 714	2 372	2 539	3 278	2 705	2 867	3 013
<i>Carletonville</i>	1 340	2 072	3 019	4 158	3 377	3 588	3 772
<i>Garankuwa</i>	1 871	2 272	2 613	3 305	2 818	2 985	3 140
<i>Germiston</i>	6 572	7 175	9 815	14 210	10 741	11 431	11 990
<i>Johannesburg</i>	15 341	16 908	19 385	22 775	21 114	22 364	23 618
<i>Kempton Park</i>	3 340	3 805	5 271	6 510	5 550	5 895	6 195
<i>Krugersdorp</i>	3 470	3 840	4 782	6 301	5 221	5 546	5 827
<i>Mamelodi</i>	2 066	2 754	2 306	3 299	1 589	1 697	1 774
<i>Nigel</i>	1 424	1 645	1 924	2 721	2 090	2 673	2 330
<i>Pretoria</i>	9 387	9 836	14 691	17 472	16 029	16 981	17 922
<i>Randburg</i>	2 021	2 228	2 566	3 323	2 717	2 877	3 027

Table 18.E Expenditure by labour center per province (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
<i>Randfontein</i>	2 212	2 722	3 512	4 526	3 859	4 091	4 302
<i>Rooдеpoort</i>	2 099	2 155	2 790	3 963	3 813	3 292	3 460
<i>Sandton</i>	3 739	4 054	5 062	6 253	5 332	5 649	5 951
<i>Sebokeng</i>	1 699	1 803	1 780	2 446	1 867	1 984	2 084
<i>Soshanguve</i>	2 374	2 766	2 741	3 620	2 925	3 098	3 257
<i>Soweto</i>	3 669	3 474	4 396	5 379	4 658	4 948	5 199
<i>Springs</i>	1 884	2 575	3 528	4 063	3 705	3 926	4 134
<i>Temba</i>	2 268	2 536	3 279	3 852	3 478	3 689	3 880
<i>Vanderbijlpark</i>	2 110	2 322	2 460	3 231	3 245	3 439	3 614
<i>Vereeniging</i>	2 538	2 881	3 803	5 458	4 158	4 417	4 631
Kwa-Zulu Natal	83 848	93 636	108 031	145 134	125 589	113 109	142 456
<i>Provincial Office: Durban</i>	20 803	24 250	21 727	36 261	29 235	31 223	33 899
<i>Dundee</i>	1 530	1 892	2 412	2 762	2 625	3 036	3 390
<i>Durban</i>	17 917	18 968	25 471	32 064	28 070	11 783	33 181
<i>Estcourt</i>	2 036	2 213	1 985	2 674	2 209	2 318	2 490
<i>Kokstad</i>	2 108	2 432	2 794	3 227	3 081	3 230	3 471
<i>Ladysmith</i>	1 857	2 315	3 055	3 669	3 409	3 673	3 844
<i>Newcastle</i>	2 084	2 666	2 776	3 641	3 125	2 586	2 755
<i>Pietermaritzburg</i>	8 333	9 586	12 132	16 083	13 607	14 302	14 974
<i>Pinetown</i>	3 122	3 262	4 171	5 281	4 691	4 520	4 852
<i>Port Shepstone</i>	2 652	2 985	3 093	4 022	3 435	3 249	3 506
<i>Prospecton</i>	4 581	4 492	5 302	6 640	5 910	6 241	6 831
<i>Richards Bay</i>	3 963	4 268	6 156	7 416	6 863	7 196	7 799
<i>Richmond</i>	1 944	2 047	2 025	2 674	2 340	2 152	2 324
<i>Stanger</i>	2 371	2 512	3 713	4 277	4 054	4 174	4 606
<i>Ulundi</i>	4 461	4 619	6 151	7 784	6 796	6 936	7 568
<i>Verulam</i>	2 258	2 637	2 566	3 477	2 991	3 039	3 272
<i>Vryheid</i>	1 828	2 492	2 501	3 182	3 148	3 451	3 693
Limpopo	45 077	54 971	59 280	79 991	63 268	66 532	70 251
<i>Provincial Office: Polokwane</i>	14 489	17 322	17 167	28 042	18 754	20 184	21 499
<i>Giyani</i>	2 022	2 436	2 612	2 812	2 713	2 884	3 024
<i>Jane Furse</i>	1 742	2 963	2 928	3 121	2 737	2 950	3 102
<i>Lebowakgomo</i>	2 033	2 281	2 555	4 149	3 176	3 378	3 541
<i>Lephalale</i>	1 781	2 880	2 767	3 500	2 862	3 144	3 313
<i>Makhado</i>	2 036	2 363	3 308	2 773	2 930	3 108	3 266
<i>Modimolle</i>	2 034	2 487	2 411	2 976	2 606	2 811	2 953
<i>Mokopane</i>	2 473	3 254	3 281	3 848	3 544	3 763	3 962
<i>Phalaborwa</i>	2 064	2 754	2 747	4 419	3 645	3 874	4 072
<i>Polokwane</i>	6 562	6 924	8 769	3 773	3 054	3 244	3 406
<i>Seshego</i>	2 102	1 874	1 747	11 339	9 750	10 350	10 908
<i>Thoyoyandou</i>	3 165	4 471	4 963	2 476	1 961	2 213	2 332
<i>Tzaneen</i>	2 574	2 962	4 025	6 762	5 536	4 629	4 874
Mpumalanga	50 825	56 245	63 661	169 391	138 196	146 152	152 598
<i>Provincial Office: Witbank</i>	22 591	24 884	18 539	84 696	69 098	73 076	76 299
<i>Barberton</i>	1 248	1 157	1 690	30 054	22 758	23 912	24 867
<i>Bethal</i>	1 008	1 321	1 912	2 396	1 855	1 954	2 045
<i>Carolina</i>	1 900	1 958	3 969	2 877	2 203	2 317	2 422
<i>Ermelo</i>	1 519	1 593	2 089	4 040	3 560	3 763	3 955

Table 18.E Expenditure by labour center per province (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Groblersdal	1 442	1 602	1 852	2 870	2 624	2 768	2 901
Kamhushwa	1 282	1 609	2 514	3 291	2 655	2 792	2 924
Kwamhlanga	1 393	1 600	2 465	3 343	2 597	2 730	2 860
Lydenburg	1 343	1 441	2 068	2 742	2 302	2 423	2 536
Middelburg	2 158	2 763	3 741	4 926	4 044	4 267	4 478
Nelspruit	3 186	3 583	4 798	6 271	5 124	5 558	5 678
Piet Retief	2 179	2 063	3 180	3 710	3 311	3 493	3 666
Sabie	1 445	1 646	1 983	2 807	2 104	2 211	2 310
Secunda	1 977	2 353	3 521	4 491	3 882	4 106	4 314
Standerton	1 315	1 527	2 399	2 677	2 461	2 558	2 682
Witbank	4 839	5 145	6 940	8 201	7 617	8 225	8 661
North West	46 535	51 570	55 049	76 344	60 583	65 961	69 539
Provincial Office: Mmabatho	19 979	21 011	18 619	31 752	21 899	24 122	25 380
Brits	2 499	3 179	4 451	5 364	4 739	5 065	5 350
Christiana	1 894	1 971	1 998	2 681	2 193	2 356	2 484
Klerksdorp	4 343	5 066	6 118	7 781	6 479	6 945	7 332
Lichtenburg	2 362	2 690	3 431	3 862	3 605	3 853	4 068
Mafikeng	3 350	4 057	5 033	6 445	5 227	5 759	6 078
Mogwase	1 991	1 973	2 027	2 680	2 208	2 374	2 503
Potchefstroom	2 455	2 322	3 134	3 539	3 320	3 801	4 008
Rustenburg	3 077	4 384	5 224	6 403	5 642	6 038	6 379
Taung	2 584	2 926	2 138	2 761	2 334	2 506	2 644
Vryburg	2 001	1 991	2 876	3 075	2 938	3 141	3 314
Northern Cape	28 545	34 929	38 776	54 607	41 709	46 036	56 015
Provincial Office: Kimberley	12 800	15 254	16 369	26 486	18 454	20 513	21 673
Calvinia	1 544	2 134	2 148	2 897	2 231	2 377	2 506
De Aar	1 737	1 918	2 276	2 483	2 333	2 486	2 620
Kimberley	4 692	5 944	7 310	9 022	7 400	8 539	9 015
Kuruman	2 007	2 568	2 610	3 404	2 817	2 900	3 028
Postmasburg	1 637	1 900	2 288	3 238	2 240	2 387	2 516
Springbok	1 918	2 173	2 548	3 002	2 670	2 849	10 456
Upington	2 210	3 038	3 227	4 076	3 564	3 984	4 202
Western Cape	65 588	69 403	77 545	107 472	84 662	90 827	95 573
Provincial Office: Cape Town	22 645	21 799	20 923	35 867	23 993	26 168	27 436
Beaufort West	1 867	1 775	2 156	2 853	2 163	2 304	2 426
Bellville	7 432	7 977	10 227	12 119	11 167	11 871	12 524
Cape Town	11 298	12 988	14 505	18 298	15 578	16 601	17 504
George	3 712	5 016	5 785	7 700	6 238	6 657	7 009
Knysna	1 923	2 054	2 264	3 115	2 508	2 684	2 824
Mitchell's Plain	2 274	2 550	3 036	3 941	2 888	3 082	3 247
Mossel Bay	1 880	1 801	2 180	3 186	2 413	2 586	2 718
Oudtshoorn	1 601	1 784	2 666	3 147	2 781	2 967	3 122
Paarl	2 686	2 845	3 119	4 093	3 341	3 568	3 759
Somerset West	3 000	3 041	3 888	4 837	4 189	4 457	4 698
Vredenburg	2 442	2 796	3 404	3 925	3 718	3 957	4 169
Worcester	2 828	2 977	3 392	4 389	3 683	3 926	4 138
Total	548 055	653 036	715 941	1 060 100	853 781	891 380	969 914

National Treasury
BUDGET 2012
ESTIMATES OF NATIONAL EXPENDITURE

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