

BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE

VOTE 18: Labour



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2013

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2013 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 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



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. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

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; 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**



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Vote 18

Labour

Budget summary

| R million | 2013/14 | | | | 2014/15 | 2015/16 |
|--|--|------------------|-------------------------|-----------------------------|----------------|----------------|
| | Total to be appropriated | Current payments | Transfers and subsidies | Payments for capital assets | Total | Total |
| MTEF allocation | | | | | | |
| Administration | 785.4 | 751.0 | 0.2 | 34.3 | 833.4 | 877.5 |
| Inspection and Enforcement Services | 465.2 | 465.1 | 0.1 | – | 494.4 | 522.5 |
| Public Employment Services | 400.1 | 229.7 | 170.4 | – | 438.2 | 461.8 |
| Labour Policy and Industrial Relations | 764.5 | 116.4 | 648.1 | 0.1 | 867.5 | 923.7 |
| Total expenditure estimates | 2 415.2 | 1 562.2 | 818.7 | 34.3 | 2 633.5 | 2 785.6 |
| Executive authority | Minister of Labour | | | | | |
| Accounting officer | Director General of Labour | | | | | |
| Website address | www.labour.gov.za | | | | | |

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

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.

Mandate

The Department of Labour derives its legislative mandate from a number of acts which regulate labour matters in South Africa. The most important of these are the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), and the Occupational Health and Safety Act (1993).

The policy mandate of the department is to regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at:

- improving economic efficiency and productivity
- facilitating employment creation
- promoting and enforcing sound labour relations
- eliminating inequality and discrimination in the workplace
- alleviating poverty in employment
- enhancing occupational health and safety awareness and compliance in the workplace
- encouraging the acceptance of worker rights as human rights.

Strategic goals

Over the medium term, the Department of Labour will focus mainly on promoting decent employment through inclusive economic growth (outcome 4). To address these strategic priorities, the department will:

- implement the Decent Work country programme
- rebuild the public employment services programme for the effective facilitation of employment
- contribute to decent employment creation by helping to improve working conditions, health and safety, employment conditions and productivity in the workplace
- strengthen the labour inspectorate
- restructure sheltered employment factories
- implement the revised labour legislation that aims for labour market flexibility which balances enterprise competitiveness with decent employment
- strengthen the institutional capacity of the department to improve the quality of its service delivery and increase access to its services.

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.

Selected performance indicators

Table 18.1 Labour

| Indicator | Programme | Outcome to which it contributes | Past | | | Current | Projections | | |
|---|-------------------------------------|--|----------------|----------------|------------------|----------------|----------------|----------------|----------------|
| | | | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Number of work places inspected per year | Inspection and Enforcement Services | Outcome 4: Decent employment through inclusive economic growth | 147 556 | 192 129 | 193 977 | 140 000 | 150 040 | 150 060 | 150 060 |
| Number of complaints resolved within 14 days at registration services per year ¹ | Inspection and Enforcement Services | | 150 831 | 116 131 | 110 610 | - ¹ | - ¹ | - ¹ | - ¹ |
| Number of work seekers registered on the Employment Services of South Africa system per year | Public Employment Services | | 636 140 | 472 179 | 553 883 | 450 000 | 500 000 | 550 000 | 600 000 |
| Percentage (and number) of registered work seekers provided with employment counselling per year ² | Public Employment Services | | - ² | - ² | 40% (222 956) | 60% | 50% | 55% | 60% |

Table 18.1 Labour (continued)

| Indicator | Programme | Outcome to which it contributes | Past | | | Current | Projections | | |
|---|--|--|---------|---------|---------------------|---------|-------------|---------|---------|
| | | | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Number of work seekers placed in registered employment opportunities per year | Public Employment Services | Outcome 4: Decent employment through inclusive economic growth | 20 512 | 12 801 | 96 505 ³ | 18 000 | 19 000 | 20 000 | 21 000 |
| Number of sectoral determinations reviewed and published per year | Labour Policy and Industrial Relations | | 4 | 4 | 5 | 6 | 4 | 4 | 6 |

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

2. New indicator started in 2011/12.

3. Data for 2012/13 cannot be disaggregated. Includes work seekers referred to the Unemployment Insurance Fund and the Compensation Fund.

The national development plan

The priorities of the national development plan are to increase employment through economic growth; reduce inequality; improve skills development and education; and build a developmental, transformative state. The department's strategic goals are in alignment with these aims and with the actions proposed by the plan to achieve its targets, and its work will continue to focus on facilitating increased employment and ensuring decent working conditions to enhance productivity and eliminate inequality. The department's programmes include interventions to: broaden access to employment; transform protected employment factories into viable, sustainable businesses; provide access by citizens to work seeker services and employment counselling; enforce equality and compliance to labour regulations in the workplace; and provide support to Productivity South Africa to promote productivity and competitiveness. In addition the department will strive to build capability in the sector, strengthen institutional capacity and improve service delivery.

Specific areas of the department's work that are aligned with the employment objectives and actions of the national development plan include:

- the *Inspection and Enforcement Services* programme reinforces compliance in relation to equality in the workplace and the payment of minimum wages through regular workplace inspections
- the *Public Employment Services* programme aims to contribute to facilitating an increase in employment to the plan's 11 million jobs target by 2030 through its employer and work seeker services
- sectoral determinations are set in industries not covered by collective agreements to address poverty and its impact, by broadening access to employment
- the work of the Commission for Conciliation, Mediation and Arbitration strengthens labour dispute resolution in the labour market.

Expenditure estimates

Table 18.2 Labour

| Programme | Audited outcome | | | Adjusted appropriation | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|----------------|----------------|------------------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | | 2012/13 | 2013/14 | 2014/15 | | |
| R million | | | | | | 2009/10 - 2012/13 | | | | | 2012/13 - 2015/16 | |
| Administration | 669.2 | 682.5 | 704.3 | 764.6 | 764.6 | 4.5% | 36.8% | 785.4 | 833.4 | 877.5 | 4.7% | 32.7% |
| Inspection and Enforcement Services | 290.0 | 329.4 | 375.7 | 400.4 | 399.0 | 11.2% | 18.2% | 465.2 | 494.4 | 522.5 | 9.4% | 18.9% |
| Public Employment Services | 264.8 | 289.3 | 332.2 | 334.3 | 334.3 | 8.1% | 15.9% | 400.1 | 438.2 | 461.8 | 11.4% | 16.4% |
| Labour Policy and Industrial Relations | 474.7 | 525.2 | 594.9 | 640.3 | 636.0 | 10.2% | 29.1% | 764.5 | 867.5 | 923.7 | 13.2% | 32.0% |
| Total | 1 698.7 | 1 826.3 | 2 007.1 | 2 139.6 | 2 133.9 | 7.9% | 100.0% | 2 415.2 | 2 633.5 | 2 785.6 | 9.3% | 100.0% |
| Change to 2012 Budget estimate | | | | 19.8 | 14.2 | | | 154.1 | 234.6 | 276.3 | | |

Table 18.2 Labour (continued)

| Economic classification | Audited outcome | | | Adjusted appropriation | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------------|----------------|----------------|------------------------|------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | | 2012/13 | 2013/14 | 2014/15 | | |
| R million | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2012/13 | 2009/10 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2012/13 | 2015/16 |
| Current payments | 1 091.8 | 1 185.0 | 1 250.5 | 1 446.7 | 1 439.8 | 9.7% | 64.8% | 1 562.2 | 1 666.7 | 1 758.6 | 6.9% | 64.5% |
| Compensation of employees | 576.5 | 681.5 | 757.9 | 847.5 | 823.6 | 12.6% | 37.0% | 982.9 | 1 074.4 | 1 140.2 | 11.5% | 40.3% |
| Goods and services | 515.3 | 503.4 | 492.6 | 599.1 | 616.1 | 6.1% | 27.8% | 579.3 | 592.3 | 618.4 | 0.1% | 24.1% |
| of which: | | | | | | | | | | | | |
| Administration fees | 0.4 | 2.2 | 5.6 | 4.1 | 3.9 | 110.9% | 0.2% | 4.0 | 3.9 | 4.7 | 6.5% | 0.2% |
| Advertising | 25.2 | 10.9 | 21.9 | 20.5 | 15.7 | -14.7% | 1.0% | 24.6 | 23.8 | 24.6 | 16.2% | 0.9% |
| Assets less than the capitalisation threshold | 6.3 | 4.5 | 3.9 | 13.4 | 13.9 | 30.5% | 0.4% | 3.7 | 3.7 | 3.6 | -36.5% | 0.2% |
| Audit cost: External | 20.8 | 19.0 | 14.0 | 20.1 | 20.1 | -1.1% | 1.0% | 22.8 | 24.5 | 22.2 | 3.5% | 0.9% |
| Bursaries: Employees | 2.6 | 3.2 | 2.5 | 2.8 | 1.7 | -13.8% | 0.1% | 3.0 | 3.2 | 3.4 | 26.5% | 0.1% |
| Catering: Departmental activities | 4.9 | 3.1 | 5.3 | 4.0 | 4.3 | -4.0% | 0.2% | 3.8 | 4.0 | 4.2 | -1.3% | 0.2% |
| Communication | 46.1 | 47.1 | 43.2 | 37.8 | 32.7 | -10.8% | 2.2% | 41.1 | 41.9 | 45.2 | 11.4% | 1.6% |
| Computer services | 29.2 | 35.0 | 42.1 | 28.9 | 30.2 | 1.1% | 1.8% | 110.1 | 83.8 | 96.2 | 47.1% | 3.2% |
| Consultants and professional services: Business and advisory services | 4.6 | 11.5 | 12.3 | 33.9 | 30.5 | 87.3% | 0.8% | 22.2 | 23.4 | 24.4 | -7.1% | 1.0% |
| Consultants and professional services: Infrastructure and planning | 1.6 | - | - | - | - | -100.0% | 0.0% | - | - | - | - | - |
| Consultants and professional services: Legal costs | 4.3 | 3.5 | 2.6 | 1.8 | 2.9 | -12.6% | 0.2% | 2.0 | 1.5 | 1.5 | -18.7% | 0.1% |
| Contractors | 4.1 | 2.0 | 3.5 | 9.3 | 9.4 | 32.0% | 0.2% | 7.2 | 13.4 | 14.0 | 14.4% | 0.4% |
| Agency and support / outsourced services | 8.5 | 3.5 | 3.2 | 6.5 | 6.4 | -8.9% | 0.3% | 7.8 | 8.2 | 9.3 | 13.3% | 0.3% |
| Entertainment | 0.3 | 0.3 | 0.3 | 0.5 | 0.5 | 13.4% | 0.0% | 0.7 | 0.7 | 0.7 | 14.0% | 0.0% |
| Fleet services (including government motor transport) | - | 0.1 | 1.0 | 4.4 | 4.4 | 0.1% | 0.1% | 3.2 | 3.4 | 4.3 | -1.3% | 0.2% |
| Inventory: Fuel, oil and gas | 0.4 | 0.5 | - | 0.1 | 0.1 | -31.1% | 0.0% | 0.2 | 0.2 | 0.2 | 17.7% | 0.0% |
| Inventory: Learner and teacher support material | 0.1 | 0.1 | 0.1 | 0.3 | 0.2 | 29.2% | 0.0% | 0.1 | 0.1 | 0.1 | -36.1% | 0.0% |
| Inventory: Materials and supplies | 0.8 | 0.5 | 0.4 | 0.2 | 0.2 | -43.6% | 0.0% | 0.1 | 0.1 | 0.2 | 6.9% | 0.0% |
| Inventory: Other consumables | 2.4 | 3.5 | 4.4 | 2.3 | 1.4 | -16.9% | 0.2% | 2.4 | 2.3 | 2.4 | 20.9% | 0.1% |
| Inventory: Stationery and printing | 29.7 | 20.5 | 14.8 | 22.6 | 25.1 | -5.4% | 1.2% | 22.8 | 24.7 | 25.5 | 0.5% | 1.0% |
| Operating leases | 125.0 | 143.5 | 115.1 | 217.7 | 226.9 | 22.0% | 8.0% | 128.1 | 138.7 | 144.8 | -13.9% | 6.4% |
| Property payments | 63.8 | 65.3 | 44.2 | 47.2 | 48.4 | -8.8% | 2.9% | 50.1 | 53.0 | 55.6 | 4.8% | 2.1% |
| Transport provided: Departmental activity | 0.0 | - | 0.0 | 0.5 | 0.6 | 152.4% | 0.0% | - | - | - | -100.0% | 0.0% |
| Travel and subsistence | 102.0 | 106.2 | 127.0 | 85.4 | 97.2 | -1.6% | 5.6% | 86.3 | 99.1 | 96.2 | -0.4% | 3.8% |
| Training and development | 10.3 | 6.5 | 7.6 | 11.4 | 11.4 | 3.2% | 0.5% | 14.3 | 15.0 | 14.9 | 9.5% | 0.6% |
| Operating payments | 8.3 | 5.4 | 6.9 | 7.9 | 8.0 | -1.0% | 0.4% | 6.3 | 6.6 | 7.1 | -4.1% | 0.3% |
| Venues and facilities | 13.6 | 5.6 | 10.4 | 15.0 | 19.6 | 13.0% | 0.6% | 12.4 | 13.2 | 13.1 | -12.6% | 0.6% |
| Rental and hiring | - | - | 0.3 | 0.5 | 0.5 | 0.0% | 0.0% | - | - | - | -100.0% | 0.0% |
| Interest and rent on land | - | 0.1 | 0.0 | 0.0 | 0.0 | 0.0% | 0.0% | - | - | - | -100.0% | 0.0% |
| Transfers and subsidies | 516.3 | 561.0 | 641.0 | 656.4 | 657.7 | 8.4% | 31.0% | 818.7 | 937.9 | 996.7 | 14.9% | 34.2% |
| Provinces and municipalities | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 354.7% | 0.0% | - | - | - | -100.0% | 0.0% |
| Departmental agencies and accounts | 411.5 | 457.9 | 542.2 | 554.0 | 554.0 | 10.4% | 25.6% | 676.2 | 774.9 | 826.4 | 14.3% | 28.4% |
| Foreign governments and international organisations | 8.6 | 10.7 | 14.2 | 12.7 | 13.7 | 16.7% | 0.6% | 11.3 | 12.0 | 12.5 | -2.9% | 0.5% |
| Public corporations and private enterprises | 0.6 | - | - | 0.0 | 0.0 | -71.4% | 0.0% | - | - | - | -100.0% | 0.0% |
| Non-profit institutions | 92.1 | 89.2 | 82.7 | 88.7 | 88.7 | -1.2% | 4.6% | 131.0 | 150.7 | 157.4 | 21.1% | 5.3% |
| Households | 3.5 | 3.1 | 1.8 | 0.8 | 1.1 | -31.3% | 0.1% | 0.3 | 0.3 | 0.3 | -35.1% | 0.0% |
| Payments for capital assets | 90.1 | 80.2 | 115.0 | 36.5 | 36.5 | -26.0% | 4.2% | 34.3 | 29.0 | 30.3 | -5.9% | 1.3% |
| Buildings and other fixed structures | 0.2 | 3.1 | 4.6 | 3.4 | 3.4 | 147.6% | 0.1% | 5.5 | 0.0 | - | -100.0% | 0.1% |
| Machinery and equipment | 89.9 | 77.1 | 110.4 | 33.1 | 33.0 | -28.4% | 4.0% | 28.8 | 29.0 | 30.3 | -2.8% | 1.2% |
| Payments for financial assets | 0.5 | 0.0 | 0.7 | - | - | -100.0% | 0.0% | - | - | - | - | - |
| Total | 1 698.7 | 1 826.3 | 2 007.1 | 2 139.6 | 2 133.9 | 7.9% | 100.0% | 2 415.2 | 2 633.5 | 2 785.6 | 9.3% | 100.0% |

Personnel information

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

| Post status as at 30 September 2012 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | |
|-------------------------------------|---|--|-------|-----------|-------------------------------|-------|-----------|----------------------------------|-------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|--------|------|-----------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate ³ | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | | |
| | | 2011/12 | | | 2012/13 | | | 2013/14 | | 2014/15 | | 2015/16 | | | | 2012/13 - 2015/16 | | | |
| | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | | Number | Cost | Unit Cost |
| Labour | | | | | | | | | | | | | | | | | | | |
| Salary level | 3 513 | 32 | 3 427 | 766.6 | 0.2 | 3 542 | 821.5 | 0.2 | 3 566 | 982.9 | 0.3 | 3 566 | 1 074.4 | 0.3 | 3 566 | 1 140.2 | 0.3 | 0.2% | 100.0% |
| 1 – 6 | 1 731 | 20 | 1 699 | 255.2 | 0.2 | 1 734 | 266.3 | 0.2 | 1 738 | 308.7 | 0.2 | 1 738 | 332.4 | 0.2 | 1 738 | 348.2 | 0.2 | 0.1% | 48.8% |
| 7 – 10 | 1 593 | 8 | 1 548 | 404.5 | 0.3 | 1 617 | 435.0 | 0.3 | 1 632 | 517.6 | 0.3 | 1 632 | 559.8 | 0.3 | 1 632 | 591.3 | 0.4 | 0.3% | 45.7% |
| 11 – 12 | 123 | – | 116 | 57.2 | 0.5 | 126 | 66.4 | 0.5 | 129 | 94.1 | 0.7 | 129 | 107.1 | 0.8 | 129 | 118.9 | 0.9 | 0.8% | 3.6% |
| 13 – 16 | 66 | 4 | 64 | 49.8 | 0.8 | 65 | 53.8 | 0.8 | 67 | 62.5 | 0.9 | 67 | 75.1 | 1.1 | 67 | 81.7 | 1.2 | 1.0% | 1.9% |

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on professionalising the inspectorate to ensure that Decent Work principles are adhered to and that vulnerable workers are protected. The capacity of the *Public Employment Services* programme is enhanced to implement the Employment Services Bill. Once promulgated, the bill aims to provide free public employment services, regulate private employment agencies, promote the employment of young work seekers and other vulnerable persons, and implement the turnaround strategy of the sheltered employment factories to increase their capacity to employ people with disabilities. The department will expand access to services provided by the Commission for Conciliation, Mediation and Arbitration to address the increasing demand for the commission's services around the country. This will meet the objective of promoting sound labour relations and providing easy access to dispute resolution services, and is reflected in the increased spending over the medium term in the *Inspection and Enforcement Services*, *Public Employment Services* and *Labour Policy and Industrial Relations* programmes.

The 2013 Budget provides additional allocations of R159.7 million in 2013/14, R241.6 million in 2014/15 and R283.3 million in 2015/16 as follows:

- R23.2 million in 2013/14, R27.9 million in 2014/15 and R43.9 million in 2015/16 for improved conditions of service in the department
- R50 million in 2013/14, R65 million in 2014/15 and R68 million in 2015/16 for the turnaround strategy of the sheltered employment factories and the relocation of the technical and administrative staff at the sheltered employment factories to the public service
- R5 million in 2013/14, R6.8 million in 2014/15 and R8.8 million in 2015/16 for improved conditions of service at the Commission for Conciliation, Mediation and Arbitration
- R80 million in 2013/14, R140 million in 2014/15 and R160 million in 2015/16 to the Commission for Conciliation, Mediation and Arbitration to address increasing caseloads as a result of the amendments to labour legislation, expand access to services through the rollout of the web based case management system to labour centres and bargaining councils, establish a dedicated job saving unit to take forward the training layoff scheme, and establish new offices in the Vaal and Welkom areas
- R1.2 million in 2013/14, R1.7 million in 2014/15 and R2.2 million in 2015/16 for improved conditions of service at Productivity South Africa
- R233 000 in 2013/14, R313 000 in 2014/15 and R408 000 in 2015/16 for improved conditions of service at the National Economic Development and Labour Council.

Cabinet approved reductions of R5.6 million in 2013/14, R7 million in 2014/15 and 2015/16 are to be implemented over the medium term. The department will reduce spending on goods and services, mainly on communication, travel and subsistence, and transport equipment in the *Administration* and *Labour Policy and Industrial Relations* programmes. The department has also reprioritised R128.8 million within the

Administration, Inspection and Enforcement Services and Labour Policy and Industrial Relations programmes, mostly within goods and services.

The department has a funded establishment of 3 513 posts and 32 posts additional to the establishment. The number of filled posts increased to 3 542 in 2012/13 and will increase to 3 566 over the medium term. The increase in posts in 2012/13 was because more specialist labour inspector and IT posts were filled. As at 30 September 2012, 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.

Infrastructure spending

The department has various small infrastructure projects at different stages of completion.

Spending on infrastructure increased from R225 000 in 2009/10 to R3.4 million in 2012/13, and is projected to decrease to R17 000 by 2014/15. Spending between 2009/10 and 2012/13 was focused mainly on small projects to provide safe working conditions for staff and improved access to services by the public. Infrastructure spending over the first two years of the MTEF period relates to the cost of site clearance for a number of new projects in Mpumalanga, North West and Western Cape. The Rustenburg labour centre project, which began in 2010, has been delayed due to the contractor not completing the work on time and resulting in slow spending. The project is now scheduled for completion in February 2013. The plans for the Taung labour centre are in the sketch plan phase and tenders for the construction phase will be put out in 2013/14.

The repair and maintenance programme contract for Laboria House has been completed and a new programme for the maintenance of building, air conditioning, electrical and reticulation systems will be implemented. The Silverton sheltered employment factory's repair and maintenance programme is in the repair phase and is valid for two more years. New repair and maintenance programme contracts are still in the planning phase for all state owned labour centres. Planning for repair and maintenance programmes at all sheltered employment factories is nearing completion and tenders will be put out in 2013/14.

Departmental receipts

Table 18.4 Receipts

| R thousand | Audited outcome | | | Adjusted estimate | Revised estimate | Average growth rate (%) | Receipt/ total: Average (%) | Medium-term receipts estimate | | | Average growth rate (%) | Receipt/ total: Average (%) |
|--|-----------------|--------------|--------------|-------------------|------------------|-------------------------|-----------------------------|-------------------------------|---------------|---------------|-------------------------|-----------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | | 2012/13 | 2013/14 | 2014/15 | | |
| Departmental receipts | 12 916 | 9 036 | 7 638 | 8 136 | 11 639 | -3.4% | 100.0% | 12 256 | 12 881 | 13 409 | 4.8% | 100.0% |
| Sales of goods and services produced by department | 5 247 | 2 539 | 2 576 | 2 484 | 3 531 | -12.4% | 33.7% | 2 268 | 2 064 | 1 992 | -17.4% | 19.6% |
| Sales by market establishments of which: | 577 | 215 | 171 | 180 | 178 | -32.4% | 2.8% | 204 | 240 | 288 | 17.4% | 1.8% |
| Rental for non-residential buildings (Institute for the National Development of Learnerships Employment Skills and Labour Assessments) | 199 | 50 | - | - | - | -100.0% | 0.6% | - | - | - | - | - |
| Rental for staff dwellings | 252 | 35 | 43 | 41 | 40 | -45.9% | 0.9% | 45 | 50 | 60 | 14.5% | 0.4% |
| Rental for parking (covered and open) | 126 | 130 | 128 | 139 | 138 | 3.1% | 1.3% | 159 | 190 | 228 | 18.2% | 1.4% |
| Administration fees of which: | 2 701 | 1 046 | 1 002 | 960 | 1 740 | -13.6% | 15.7% | 720 | 480 | 360 | -40.9% | 6.6% |
| Licence fees for occupational health and safety | 65 | 214 | 258 | 300 | 1 240 | 167.2% | 4.3% | 350 | 380 | 350 | -34.4% | 4.6% |
| Inspection fees for the National Development of Learnerships Employment Skills and Labour Assessments' trade tests | 2 636 | 832 | 744 | 660 | 500 | -42.5% | 11.4% | 370 | 100 | 10 | -72.9% | 2.0% |
| Other sales of which: | 1 969 | 1 278 | 1 403 | 1 344 | 1 613 | -6.4% | 15.2% | 1 344 | 1 344 | 1 344 | -5.9% | 11.2% |
| Boarding services for staff and external persons (The National Development of Learnerships Employment Skills and Labour Assessments) | 592 | 6 | - | - | - | -100.0% | 1.5% | - | - | - | - | - |
| Formal training provided (The National Development of Learnerships Employment Skills and Labour Assessments) | 226 | 18 | - | - | - | -100.0% | 0.6% | - | - | - | - | - |
| Commission on insurance and garnishee orders | 1 146 | 1 250 | 1 395 | 1 341 | 1 609 | 12.0% | 13.1% | 1 341 | 1 341 | 1 341 | -5.9% | 11.2% |
| Replacement of security cards | 4 | 4 | 4 | 3 | 4 | - | - | 3 | 3 | 3 | -9.1% | - |
| Sale of assets < R5 000 | 1 | - | 4 | - | - | -100.0% | - | - | - | - | - | - |

Table 18.4 Receipts (continued)

| R thousand | Audited outcome | | | Adjusted estimate | Revised estimate | Average growth rate (%) | Receipt/ total: Average (%) | Medium-term receipts estimate | | | Average growth rate (%) | Receipt/ total: Average (%) |
|--|-----------------|--------------|--------------|-------------------|------------------|-------------------------|-----------------------------|-------------------------------|-------------------|---------------|-------------------------|-----------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | |
| Sales of scrap, waste, arms and other used current goods | 43 | 12 | 8 | 12 | 11 | -36.5% | 0.2% | 12 | 12 | 12 | 2.9% | 0.1% |
| of which: | | | | | | | | | | | | |
| Scrap | 15 | 5 | 2 | 5 | 1 | -59.5% | 0.1% | 5 | 5 | 5 | 71.0% | - |
| Waste paper | 28 | 7 | 6 | 7 | 10 | -29.1% | 0.1% | 7 | 7 | 7 | -11.2% | 0.1% |
| Fines, penalties and forfeits | 537 | 601 | 993 | 600 | 1 352 | 36.0% | 8.4% | 600 | 600 | 600 | -23.7% | 6.3% |
| Interest, dividends and rent on land | 821 | 549 | 1 065 | 480 | 1 417 | 20.0% | 9.3% | 480 | 480 | 480 | -30.3% | 5.7% |
| Interest | 821 | 549 | 1 065 | 480 | 1 417 | 20.0% | 9.3% | 480 | 480 | 480 | -30.3% | 5.7% |
| Sales of capital assets | 331 | - | - | - | - | -100.0% | 0.8% | - | - | - | - | - |
| Transactions in financial assets and liabilities | 5 937 | 5 335 | 2 996 | 4 560 | 5 328 | -3.5% | 47.5% | 8 896 | 9 725 | 10 325 | 24.7% | 68.3% |
| Total | 12 916 | 9 036 | 7 638 | 8 136 | 11 639 | -3.4% | 100.0% | 12 256 | 12 881 | 13 409 | 4.8% | 100.0% |

Programme 1: Administration

Expenditure estimates

Table 18.5 Administration

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/ total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/ total: Average (%) |
|---------------------------------------|-----------------|----------------|----------------|------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|----------------|-------------------------|---------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | |
| R thousand | | | | | | | | | | | |
| Ministry | 14 234 | 13 871 | 17 116 | 15 401 | 2.7% | 2.1% | 15 147 | 16 056 | 16 795 | 2.9% | 1.9% |
| Management | 387 239 | 383 813 | 409 019 | 435 736 | 4.0% | 57.3% | 435 788 | 460 860 | 487 800 | 3.8% | 55.8% |
| Corporate Services | 50 339 | 40 109 | 54 142 | 53 786 | 2.2% | 7.0% | 56 692 | 59 750 | 62 499 | 5.1% | 7.1% |
| Office of the Chief Financial Officer | 78 293 | 63 213 | 62 881 | 100 783 | 8.8% | 10.8% | 108 796 | 117 615 | 123 026 | 6.9% | 13.8% |
| Office Accommodation | 139 048 | 181 474 | 161 112 | 158 879 | 4.5% | 22.7% | 169 026 | 179 168 | 187 391 | 5.7% | 21.3% |
| Total | 669 153 | 682 480 | 704 270 | 764 585 | 4.5% | 100.0% | 785 449 | 833 449 | 877 511 | 4.7% | 100.0% |
| Change to 2012 Budget estimate | | | | 31 979 | | | 2 778 | 3 208 | 9 097 | | |

Economic classification

| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2009/10 - 2012/13 | Average growth rate (%) | 2013/14 | 2014/15 | 2015/16 | 2012/13 - 2015/16 |
|---|----------------|----------------|----------------|----------------|-------------------|-------------------------|----------------|----------------|----------------|-------------------|
| Current payments | 576 366 | 600 146 | 589 977 | 730 634 | | 8.2% | 751 011 | 804 293 | 846 989 | 5.0% |
| Compensation of employees | 208 052 | 239 465 | 267 115 | 298 083 | | 12.7% | 330 403 | 380 230 | 403 451 | 10.6% |
| Goods and services | 368 314 | 360 610 | 322 832 | 432 525 | | 5.5% | 420 608 | 424 063 | 443 538 | 0.8% |
| of which: | | | | | | | | | | |
| Administration fees | 387 | 1 315 | 2 955 | 2 633 | | 89.5% | 2 528 | 2 576 | 3 274 | 7.5% |
| Advertising | 18 930 | 7 398 | 16 192 | 9 064 | | -21.8% | 14 633 | 13 523 | 14 197 | 16.1% |
| Assets less than the capitalisation threshold | 4 809 | 3 110 | 2 639 | 1 835 | | -27.5% | 1 771 | 1 747 | 1 587 | -4.7% |
| Audit cost: External | 20 765 | 19 048 | 14 014 | 20 059 | | -1.1% | 22 797 | 24 491 | 22 231 | 3.5% |
| Bursaries: Employees | 2 095 | 2 843 | 2 195 | 1 862 | | -3.9% | 2 065 | 2 188 | 2 289 | 7.1% |
| Catering: Departmental activities | 2 418 | 1 677 | 2 497 | 1 675 | | -11.5% | 1 837 | 1 911 | 1 961 | 5.4% |
| Communication | 23 698 | 23 635 | 16 904 | 16 073 | | -12.1% | 20 169 | 19 735 | 22 314 | 11.6% |
| Computer services | 28 808 | 33 088 | 39 568 | 26 723 | | -2.5% | 107 918 | 81 467 | 93 699 | 51.9% |
| Consultants and professional services: Business and advisory services | 2 728 | 3 015 | 5 607 | 26 067 | | 112.2% | 10 405 | 10 965 | 11 450 | -24.0% |
| Consultants and professional services: Legal costs | 3 206 | 3 290 | 2 571 | 1 152 | | -28.9% | 1 775 | 1 190 | 1 244 | 2.6% |
| Contractors | 2 669 | 1 403 | 2 312 | 8 607 | | 47.7% | 7 058 | 13 271 | 13 891 | 17.3% |
| Agency and support / outsourced services | 5 418 | 2 842 | 2 284 | 4 910 | | -3.2% | 5 499 | 5 714 | 6 799 | 11.5% |
| Entertainment | 250 | 178 | 205 | 321 | | 8.7% | 375 | 395 | 391 | 6.8% |
| Fleet services (including government motor transport) | - | 87 | 78 | 1 725 | | - | 548 | 558 | 1 148 | -12.7% |
| Inventory: Food and food supplies | 1 | - | - | - | | -100.0% | - | 2 | 2 | - |
| Inventory: Fuel, oil and gas | 173 | 115 | - | 108 | | -14.5% | 109 | 118 | 122 | 4.1% |
| Inventory: Learner and teacher support material | 2 | 24 | - | 3 | | 14.5% | - | - | - | -100.0% |
| Inventory: Materials and supplies | 695 | 369 | 378 | 114 | | -45.3% | 110 | 120 | 149 | 9.3% |
| Inventory: Medical supplies | 8 | 2 | 21 | 26 | | 48.1% | 2 | 2 | 4 | -46.4% |
| Inventory: Other consumables | 1 466 | 805 | 749 | 937 | | -13.9% | 955 | 1 015 | 1 029 | 3.2% |
| Inventory: Stationery and printing | 14 174 | 10 014 | 8 841 | 12 734 | | -3.5% | 10 714 | 11 518 | 12 054 | -1.8% |
| Operating leases | 124 184 | 142 717 | 113 479 | 214 378 | | 20.0% | 122 753 | 132 972 | 139 251 | -13.4% |
| Property payments | 55 667 | 58 175 | 34 012 | 39 985 | | -10.4% | 44 093 | 46 701 | 49 357 | 7.3% |
| Transport provided: Departmental activity | 38 | - | 16 | - | | -100.0% | - | - | - | - |

Table 18.5 Administration (continued)

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) | | | |
|--|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|----------------|-------------------------|--------------------------------|---------|---------|-------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | | 2014/15 | 2015/16 | 2012/13 - 2015/16 |
| | R thousand | | | | | | | | | | | | | |
| Travel and subsistence | 40 853 | 36 327 | 42 765 | 28 376 | -11.4% | 5.3% | 30 152 | 38 854 | 31 279 | 3.3% | 3.9% | | | |
| Training and development | 5 052 | 3 045 | 3 896 | 5 555 | 3.2% | 0.6% | 6 313 | 6 603 | 7 188 | 9.0% | 0.8% | | | |
| Operating payments | 4 717 | 3 437 | 3 873 | 3 301 | -11.2% | 0.5% | 2 337 | 2 401 | 2 722 | -6.2% | 0.3% | | | |
| Venues and facilities | 5 103 | 2 651 | 4 503 | 4 302 | -5.5% | 0.6% | 3 692 | 4 026 | 3 906 | -3.2% | 0.5% | | | |
| Rental and hiring | - | - | 278 | - | - | - | - | - | - | - | - | | | |
| Interest and rent on land | - | 71 | 30 | 26 | - | - | - | - | - | -100.0% | - | | | |
| Transfers and subsidies | 2 472 | 2 684 | 770 | 573 | -38.6% | 0.2% | 188 | 199 | 208 | -28.7% | - | | | |
| Provinces and municipalities | 1 | 54 | 50 | 88 | 344.8% | - | - | - | - | -100.0% | - | | | |
| Public corporations and private enterprises | 555 | - | - | 13 | -71.4% | - | - | - | - | -100.0% | - | | | |
| Households | 1 916 | 2 630 | 720 | 472 | -37.3% | 0.2% | 188 | 199 | 208 | -23.9% | - | | | |
| Payments for capital assets | 89 798 | 79 631 | 112 850 | 33 378 | -28.1% | 11.2% | 34 250 | 28 957 | 30 314 | -3.2% | 3.9% | | | |
| Buildings and other fixed structures | 225 | 3 117 | 4 587 | 3 416 | 147.6% | 0.4% | 5 486 | 17 | - | -100.0% | 0.3% | | | |
| Machinery and equipment | 89 568 | 76 504 | 108 263 | 29 962 | -30.6% | 10.8% | 28 764 | 28 940 | 30 314 | 0.4% | 3.6% | | | |
| Software and other intangible assets | 5 | 10 | - | - | -100.0% | - | - | - | - | - | - | | | |
| Payments for financial assets | 517 | 19 | 673 | - | -100.0% | - | - | - | - | - | - | | | |
| Total | 669 153 | 682 480 | 704 270 | 764 585 | 4.5% | 100.0% | 785 449 | 833 449 | 877 511 | 4.7% | 100.0% | | | |
| Proportion of total programme expenditure to vote expenditure | 39.4% | 37.4% | 35.1% | 35.7% | | | 32.5% | 31.6% | 31.5% | | | | | |

Details of transfers and subsidies

| | | | | | | | | | | | |
|--|--------------|--------------|------------|------------|---------------|-------------|------------|------------|------------|----------------|----------|
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 1 916 | 2 626 | 668 | 472 | -37.3% | 0.2% | 188 | 199 | 208 | -23.9% | - |
| Employee social benefits | 1 916 | 2 626 | 668 | 472 | -37.3% | 0.2% | 188 | 199 | 208 | -23.9% | - |
| Provinces and municipalities | | | | | | | | | | | |
| Provinces | | | | | | | | | | | |
| Provincial agencies and funds | | | | | | | | | | | |
| Current | 1 | 54 | 50 | 88 | 344.8% | - | - | - | - | -100.0% | - |
| Vehicle licences | 1 | 54 | 50 | 88 | 344.8% | - | - | - | - | -100.0% | - |
| Public corporations and private enterprises | | | | | | | | | | | |
| Public corporations | | | | | | | | | | | |
| Other transfers to public corporations | | | | | | | | | | | |
| Current | 555 | - | - | 13 | -71.4% | - | - | - | - | -100.0% | - |
| Non-life insurance | 25 | - | - | 13 | -19.6% | - | - | - | - | -100.0% | - |
| Exgratia payment | 530 | - | - | - | -100.0% | - | - | - | - | - | - |
| Households | | | | | | | | | | | |
| Other transfers to households | | | | | | | | | | | |
| Current | - | 4 | 52 | - | - | - | - | - | - | - | - |
| Gifts and donations | - | 4 | 52 | - | - | - | - | - | - | - | - |

Personnel information

Table 18.6 Details of approved establishment and personnel numbers according to salary level¹

| Administration | Post status as at 30 September 2012 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|----------------|-------------------------------------|---|--|-------|---------|-------------------------------|---------|------|----------------------------------|-------|---------|-------|-------------------|-----|-------------------------|---------------------------------|-----|------|--------|
| | Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate ³ | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | |
| | | | 2011/12 | | 2012/13 | | 2013/14 | | 2014/15 | | 2015/16 | | 2012/13 - 2015/16 | | | | | | |
| | | | Number | Cost | Number | Cost | Number | Cost | Number | Cost | Number | Cost | | | | | | | |
| Salary level | 1 248 | 14 | 1 213 | 262.0 | 0.2 | 1 270 | 296.0 | 0.2 | 1 272 | 330.4 | 0.3 | 1 272 | 380.2 | 0.3 | 1 272 | 403.5 | 0.3 | 0.1% | 100.0% |
| 1 - 6 | 679 | 11 | 667 | 90.7 | 0.1 | 679 | 98.3 | 0.1 | 679 | 112.1 | 0.2 | 679 | 125.4 | 0.2 | 679 | 129.6 | 0.2 | - | 53.4% |
| 7 - 10 | 476 | - | 457 | 117.3 | 0.3 | 496 | 133.1 | 0.3 | 496 | 151.1 | 0.3 | 496 | 167.9 | 0.3 | 496 | 178.5 | 0.4 | - | 39.0% |
| 11 - 12 | 56 | - | 52 | 25.3 | 0.5 | 57 | 32.8 | 0.6 | 59 | 30.0 | 0.5 | 59 | 38.5 | 0.7 | 59 | 43.7 | 0.7 | 1.2% | 4.6% |
| 13 - 16 | 37 | 3 | 37 | 28.8 | 0.8 | 38 | 31.7 | 0.8 | 38 | 37.2 | 1.0 | 38 | 48.6 | 1.3 | 38 | 51.6 | 1.4 | - | 3.0% |

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on unbundling the public private partnership unitary fee to fund the implementation of the new IT operating model, and the organisational review and redesign project. Between 2012/13 and 2015/16, R331.8 million was reprioritised within the programme to address the implementation of the new model. The department will procure its own fleet of vehicles and will not be extending the contract with the previously contracted car hire company from 2012/13. Savings from car rentals have been redirected to fleet maintenance and car insurance for the new cars. Efficiency savings of R18.5 million over the medium term have been realised in spending on goods and services for travel and subsistence (R9.7 million), communication (R4 million) and machinery and equipment (R4.8 million).

This programme receives additional funding of R33.6 million over the medium term for improved conditions of service.

The total number of personnel in this programme is expected to increase from 1 213 posts in 2011/12 to 1 270 in 2012/13 and remain stable at 1 272 posts over the medium term. This increase is mainly due to the absorption of 46 IT staff following the conclusion of the Siemens IT public private partnership in November 2012. In terms of section 197 of the Labour Relations Act (1995), the department had to re-absorb the departmental staff that moved to Siemens when the IT public private partnership started in 2002. The growth in compensation of employees over the medium term is mainly for improvements in conditions of service.

Spending on consultants was equivalent to 3.1 per cent of total spending on compensation of employees in 2012/13, and should constitute 3.3 per cent of spending on compensation of employees over the medium term. Consultants funded through this allocation will be used mainly for specific technical tasks such as assisting with the conclusion of the public private partnership contract and the implementation of the new IT operating model. Two other companies provide services for the organisational review and redesign project, and business advisory services to the chief financial officer.

Programme 2: Inspection and Enforcement Services

Objectives

- Protect vulnerable workers by:
 - inspecting 90 000 workplaces within 90 days of receiving a complaint and increasing compliance with labour legislation by employers and employees (proactive and reactive) from 73 per cent in 2011/12 to 80 per cent in 2013/14, with a specific focus on vulnerable sectors (private security, agriculture, forestry, hospitality, and domestic workers), to ensure that Decent Work principles are adhered to
 - settling at least 75 per cent of labour related complaints within 14 days of the registration of the complaint.
- Promote equity in the workplace and ensure the transformation of the labour market by:
 - increasing the number of workplaces inspected for compliance with employment equity legislation from 10 000 in 2011/12 to 12 000 in 2012/13, of which 220 workplaces will be designated employers or companies and 120 will be listed companies on the Johannesburg Stock Exchange
 - increasing compliance with employment equity legislation from 76 per cent in 2011/12 to 80 per cent by 2013/14.
- Promote social protection by:
 - reducing accidents and injuries in the 4 high risk sectors (iron and steel, construction, chemicals, and agriculture and forestry) by increasing the number of audits conducted on compliance with noise levels, health and safety and risk appraisals; to 40 per sector and the number of blitz inspections to 4 per year, targeting 59 700 workplaces by 2013/14
 - 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 Northern Cape and Western Cape provinces during 2013/14

- reducing the exposure of workers to silica dust by expanding inspections to 200 workplaces in Northern Cape and Limpopo in 2013/14 in the following industries: foundries (40), ceramics (20), sandstone (20), construction (20), refractories (80) and sandblasting (10).
- Strengthen the department's institutional capacity by developing and implementing competency and induction programmes for existing and new inspectors over the MTEF period.

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 in the programme. This subprogramme had a staff complement of 45, including 30 pupil inspector posts, in 2012/13.
- *Occupational Health and Safety* promotes health and safety in the workplace by regulating dangerous activities and the use of plants and machinery, through inspections, to ensure compliance with the Occupational Health and Safety Act (1993). In 2012/13, 200 workplaces were audited for compliance with occupational exposure limits regarding workers' exposure to silica dust. This subprogramme had a staff complement of 20 in 2012/13.
- *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 in the *Compliance, Monitoring and Enforcement* subprogramme for investigation. In 2011/12, 135 809 complaints were received and 74 per cent or 110 610 were settled within 14 days of receipt. This subprogramme had a staff complement of 427 in 2012/13 and spends on average 86.3 per cent of its budget on compensation of employees.
- *Compliance, Monitoring and Enforcement* is discussed in more detail below.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes. In 2012/13, 69 client service officers were trained in the basic conditions of employment, occupational health and safety and compensation for the Occupational Injuries and Diseases Act (1993) at a total cost of R462 000. This subprogramme had no staff complement in 2012/13.
- *Statutory and Advocacy Services* gives effect to the legislative enforcement requirements and educates stakeholders on labour legislation. This subprogramme had a staff complement of 2 in 2013/14. In 2012/13, 2 occupational health and safety awareness raising campaigns in the hospitality and forestry sectors were rolled out at an estimated cost of R306 000.

Expenditure estimates

Table 18.7 Inspection and Enforcement Services

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2013/14 | 2014/15 | | |
| R thousand | | | | | 2009/10 - 2012/13 | | | | | 2012/13 - 2015/16 | |
| Management Support Services: Inspection and Enforcement Services | 10 617 | 8 455 | 13 364 | 16 659 | 16.2% | 3.5% | 15 117 | 15 896 | 16 627 | -0.1% | 3.4% |
| Occupational Health and Safety | 12 439 | 15 851 | 19 923 | 15 115 | 6.7% | 4.5% | 16 514 | 17 573 | 18 467 | 6.9% | 3.6% |
| Registration: Inspection and Enforcement Services | 66 348 | 61 328 | 80 218 | 90 668 | 11.0% | 21.4% | 102 143 | 108 836 | 114 565 | 8.1% | 22.1% |
| Compliance, Monitoring and Enforcement | 199 193 | 240 942 | 257 747 | 273 214 | 11.1% | 69.6% | 324 910 | 345 211 | 365 662 | 10.2% | 69.5% |
| Training of Staff: Inspection and Enforcement Services | 1 447 | 2 797 | 4 497 | 4 720 | 48.3% | 1.0% | 4 647 | 4 926 | 5 153 | 3.0% | 1.0% |
| Statutory and Advocacy Services | – | – | – | – | – | – | 1 859 | 1 975 | 2 065 | – | 0.3% |
| Total | 290 044 | 329 373 | 375 749 | 400 376 | 11.3% | 100.0% | 465 190 | 494 417 | 522 539 | 9.3% | 100.0% |
| Change to 2012 Budget estimate | | | | (28 805) | | | 8 434 | 10 133 | 15 978 | | |

Table 18.7 Inspection and Enforcement Services (continued)

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|--|-----------------|----------------|----------------|------------------------|-------------------------|-------------------|----------------------------------|----------------|----------------|-------------------------|---------------|
| | 2009/10 | 2010/11 | 2011/12 | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2012/13 - 2015/16 | 2015/16 |
| R thousand | | | | | | | | | | | |
| Current payments | 289 610 | 328 588 | 375 077 | 398 074 | 11.2% | 99.7% | 465 134 | 494 358 | 522 477 | 9.5% | 99.9% |
| Compensation of employees | 210 659 | 248 785 | 275 972 | 307 052 | 13.4% | 74.7% | 384 301 | 408 674 | 432 852 | 12.1% | 81.4% |
| Goods and services | 78 951 | 79 803 | 99 105 | 91 022 | 4.9% | 25.0% | 80 833 | 85 684 | 89 625 | -0.5% | 18.4% |
| of which: | | | | | | | | | | | |
| Administration fees | 17 | 524 | 1 622 | 1 079 | 298.9% | 0.2% | 927 | 744 | 820 | -8.7% | 0.2% |
| Advertising | 1 465 | 144 | 385 | 671 | -22.9% | 0.2% | 499 | 495 | 522 | -8.0% | 0.1% |
| Assets less than the capitalisation threshold | 619 | 392 | 439 | 10 721 | 158.7% | 0.9% | 1 116 | 1 115 | 1 146 | -52.5% | 0.7% |
| Bursaries: Employees | 399 | 251 | 239 | 674 | 19.1% | 0.1% | 695 | 740 | 875 | 9.1% | 0.2% |
| Catering: Departmental activities | 1 274 | 809 | 1 379 | 1 294 | 0.5% | 0.3% | 1 000 | 1 080 | 1 117 | -4.8% | 0.2% |
| Communication | 14 202 | 14 119 | 18 194 | 16 185 | 4.5% | 4.5% | 15 200 | 16 085 | 16 769 | 1.2% | 3.4% |
| Computer services | 19 | 278 | 7 | 97 | 72.2% | - | - | - | - | -100.0% | - |
| Consultants and professional services: | 1 716 | 1 242 | 333 | 630 | -28.4% | 0.3% | 680 | 750 | 770 | 6.9% | 0.2% |
| Business and advisory services | | | | | | | | | | | |
| Consultants and professional services: | 1 550 | - | - | - | -100.0% | 0.1% | - | - | - | - | - |
| Infrastructure and planning | | | | | | | | | | | |
| Consultants and professional services: | 13 | 69 | 49 | - | -100.0% | - | - | - | - | - | - |
| Legal costs | | | | | | | | | | | |
| Contractors | 1 174 | 248 | 891 | 397 | -30.3% | 0.2% | 98 | 109 | 110 | -34.8% | - |
| Agency and support / outsourced services | 1 129 | 501 | 368 | 599 | -19.0% | 0.2% | 1 181 | 1 311 | 1 325 | 30.3% | 0.2% |
| Entertainment | 24 | 29 | 26 | 31 | 8.9% | - | 105 | 105 | 105 | 50.2% | - |
| Fleet services (including government motor transport) | - | - | 853 | 2 707 | - | 0.3% | 2 498 | 2 609 | 2 829 | 1.5% | 0.6% |
| Inventory: Food and food supplies | 4 | - | - | - | -100.0% | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 154 | 318 | - | 9 | -61.2% | - | - | - | - | -100.0% | - |
| Inventory: Learner and teacher support material | 12 | 2 | 26 | - | -100.0% | - | - | - | - | - | - |
| Inventory: Materials and supplies | 110 | 70 | 8 | 49 | -23.6% | - | 2 | 2 | 10 | -41.1% | - |
| Inventory: Medical supplies | 1 | - | - | - | -100.0% | - | - | - | - | - | - |
| Inventory: Other consumables | 798 | 2 614 | 3 606 | 949 | 5.9% | 0.6% | 968 | 776 | 883 | -2.4% | 0.2% |
| Inventory: Stationery and printing | 4 085 | 2 737 | 2 320 | 3 590 | -4.2% | 0.9% | 5 415 | 6 050 | 6 229 | 20.2% | 1.1% |
| Operating leases | 168 | 98 | 590 | 267 | 16.7% | 0.1% | 1 813 | 1 922 | 1 979 | 95.0% | 0.3% |
| Property payments | 3 793 | 3 931 | 5 514 | 5 032 | 9.9% | 1.3% | 4 359 | 4 602 | 4 474 | -3.8% | 1.0% |
| Transport provided: Departmental activity | - | - | - | 5 | - | - | - | - | - | -100.0% | - |
| Travel and subsistence | 38 342 | 47 031 | 55 662 | 36 338 | -1.8% | 12.7% | 34 951 | 37 041 | 39 085 | 2.5% | 7.8% |
| Training and development | 1 447 | 1 773 | 1 796 | 3 040 | 28.1% | 0.6% | 4 647 | 4 926 | 5 153 | 19.2% | 0.9% |
| Operating payments | 1 200 | 923 | 1 521 | 1 151 | -1.4% | 0.3% | 1 190 | 1 304 | 1 346 | 5.4% | 0.3% |
| Venues and facilities | 5 236 | 1 700 | 3 277 | 5 008 | -1.5% | 1.1% | 3 489 | 3 918 | 4 078 | -6.6% | 0.9% |
| Rental and hiring | - | - | - | 499 | - | - | - | - | - | -100.0% | - |
| Transfers and subsidies | 418 | 429 | 583 | 290 | -11.5% | 0.1% | 56 | 59 | 62 | -40.2% | - |
| Provinces and municipalities | - | - | 1 | - | - | - | - | - | - | - | - |
| Households | 418 | 429 | 582 | 290 | -11.5% | 0.1% | 56 | 59 | 62 | -40.2% | - |
| Payments for capital assets | 16 | 356 | 89 | 2 012 | 401.0% | 0.2% | - | - | - | -100.0% | 0.1% |
| Machinery and equipment | 16 | 356 | 89 | 2 012 | 401.0% | 0.2% | - | - | - | -100.0% | 0.1% |
| Total | 290 044 | 329 373 | 375 749 | 400 376 | 11.3% | 100.0% | 465 190 | 494 417 | 522 539 | 9.3% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 17.1% | 18.0% | 18.7% | 18.7% | | | 19.3% | 18.8% | 18.8% | | |

Details of transfers and subsidies

| | | | | | | | | | | | |
|-------------------------------------|------------|------------|------------|------------|---------------|-------------|-----------|-----------|-----------|---------------|----------|
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 418 | 429 | 582 | 290 | -11.5% | 0.1% | 56 | 59 | 62 | -40.2% | - |
| Employee social benefits | 418 | 429 | 582 | 290 | -11.5% | 0.1% | 56 | 59 | 62 | -40.2% | - |
| Provinces and municipalities | | | | | | | | | | | |
| Municipalities | | | | | | | | | | | |
| Municipal bank accounts | | | | | | | | | | | |
| Current | - | - | 1 | - | - | - | - | - | - | - | - |
| Licence fees for fleet motors | - | - | 1 | - | - | - | - | - | - | - | - |

Personnel information

Table 18.8 Details of approved establishment and personnel numbers according to salary level¹

| Post status as at 30 September 2012 | | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | | Number | |
|--|---|---|--|-------|-----------|---------------------------------------|-------|-----------|----------------------------------|-------|-----|---------|-------|-----|-------------------------|---------------------------------|---------|--------|--------|
| Number of funded posts | Number of posts additional to the establishment | | Actual 2011/12 | | | Revised estimate ³ 2012/13 | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | |
| | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | 2013/14 | | | 2014/15 | | | | | 2015/16 | | |
| Inspection and Enforcement Services | | | | | | | | | | | | | | | | | | | |
| Salary level | 1 430 | 7 | 1 434 | 292.1 | 0.2 | 1 455 | 292.2 | 0.2 | 1 457 | 384.3 | 0.3 | 1 457 | 408.7 | 0.3 | 1 457 | 432.9 | 0.3 | 0.0% | 100.0% |
| 1-6 | 871 | 1 | 871 | 140.7 | 0.2 | 878 | 140.8 | 0.2 | 878 | 163.2 | 0.2 | 878 | 171.2 | 0.2 | 878 | 179.7 | 0.2 | - | 60.3% |
| 7-10 | 535 | 6 | 540 | 137.1 | 0.3 | 551 | 137.5 | 0.2 | 552 | 178.3 | 0.3 | 552 | 191.7 | 0.3 | 552 | 201.9 | 0.4 | 0.1% | 37.9% |
| 11-12 | 16 | - | 16 | 8.6 | 0.5 | 19 | 7.9 | 0.4 | 19 | 35.3 | 1.9 | 19 | 38.0 | 2.0 | 19 | 42.4 | 2.2 | - | 1.3% |
| 13-16 | 8 | - | 7 | 5.7 | 0.8 | 7 | 6.0 | 0.9 | 8 | 7.5 | 0.9 | 8 | 7.8 | 1.0 | 8 | 8.9 | 1.1 | 4.6% | 0.5% |

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the MTEF period will be on the effective and efficient registration of labour relations and occupational health and safety incidents as reported by members of the public, and the speedy reporting of these incidents to the relevant structures for inspection.

Spending on compensation of employees is the main reason for increases in the programme's spending over the seven-year period. Approximately two-thirds of spending on this item relates to staff employed in the *Compliance, Monitoring and Enforcement* subprogramme, which is discussed in further detail in the section that follows.

The remainder of the spending on this item relates mainly to staff in the *Registration: Inspection and Enforcement Services* subprogramme who register incidents related to labour relations and occupational health and safety reported by the public. The growth in spending on compensation of employees in this subprogramme over the MTEF period is mainly for improvements in conditions of service. This subprogramme registered 72 499 complaints between 1 April and 30 September 2012, and 47 849 or 66 per cent of these were resolved within 14 days of being received.

The number of personnel in this programme is expected to increase from 1 434 posts in 2011/12 to 1 457 posts in 2015/16. The increase is mainly due to the appointment of specialist labour inspectors, which accounts for the growth in spending on compensation of employees over the medium term.

Subprogramme: Compliance, Monitoring and Enforcement

This subprogramme ensures that employers and employees comply with labour legislation. This is done through regular inspections and follow-ups on reported incidents. The department is currently increasing the capacity of the inspectorate with an additional 90 inspector posts. This will increase the number of inspections to be conducted, from 147 556 in 2009/10 to 180 060 by 2015/16. In 2012/13, 130 200 workplace inspections were conducted: 240 employment equity inspections and 78 000 workplace inspections to ensure compliance with labour legislation, and 51 760 inspections in high risk sectors to ensure compliance with operational health and safety legislation.

Expenditure estimates

Table 18.9 Compliance, Monitoring and Enforcement

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|---------------------------|-----------------|---------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|---------|---------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2013/14 | 2014/15 | | |
| R thousand | | | | | 2009/10 - 2012/13 | | 2013/14 | 2014/15 | 2015/16 | 2012/13 - 2015/16 | |
| Current payments | 198 867 | 240 509 | 257 323 | 271 041 | 10.9% | 99.7% | 324 870 | 345 169 | 365 618 | 10.5% | 99.8% |
| Compensation of employees | 150 583 | 177 754 | 187 570 | 207 366 | 11.3% | 74.5% | 273 183 | 291 905 | 309 905 | 14.3% | 82.7% |
| Goods and services | 48 284 | 62 755 | 69 753 | 63 675 | 9.7% | 25.2% | 51 687 | 53 264 | 55 713 | -4.4% | 17.1% |
| of which: | | | | | | | | | | | |
| Administration fees | 13 | 222 | 805 | 572 | 253.0% | 0.2% | 666 | 449 | 491 | -5.0% | 0.2% |

Table 18.9 Compliance, Monitoring and Enforcement (continued)

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) | | |
|---|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|----------------|----------------|-------------------------|--------------------------------|---------|-------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2013/14 | 2014/15 | | | 2015/16 | 2012/13 - 2015/16 |
| | R thousand | | | | | | | | | | | | |
| Advertising | 725 | 144 | 18 | 209 | -33.9% | 0.1% | 29 | - | 12 | -61.4% | - | | |
| Assets less than the capitalisation threshold | 430 | 250 | 405 | 10 395 | 189.1% | 1.2% | 600 | 623 | 635 | -60.6% | 0.9% | | |
| Bursaries: Employees | 300 | 154 | 164 | 438 | 13.4% | 0.1% | 238 | 275 | 396 | -3.3% | 0.1% | | |
| Catering: Departmental activities | 833 | 599 | 859 | 957 | 4.7% | 0.3% | 589 | 629 | 650 | -12.1% | 0.2% | | |
| Communication | 10 542 | 12 830 | 15 071 | 12 291 | 5.2% | 5.2% | 12 089 | 12 472 | 12 884 | 1.6% | 3.8% | | |
| Computer services | 15 | 278 | 7 | 17 | 4.3% | - | - | - | - | -100.0% | - | | |
| Consultants and professional services: Business and advisory services | 110 | 65 | 13 | 6 | -62.1% | - | - | - | - | -100.0% | - | | |
| Consultants and professional services: Infrastructure and planning | 1 162 | - | - | - | -100.0% | 0.1% | - | - | - | - | - | | |
| Consultants and professional services: Legal costs | 11 | 6 | 49 | - | -100.0% | - | - | - | - | - | - | | |
| Contractors | 490 | 166 | 489 | 210 | -24.6% | 0.1% | 60 | 70 | 70 | -30.7% | - | | |
| Agency and support / outsourced services | 844 | 438 | 363 | 426 | -20.4% | 0.2% | 592 | 633 | 641 | 14.6% | 0.2% | | |
| Fleet services (including government motor transport) | - | - | 654 | 1 959 | - | 0.3% | 1 640 | 1 674 | 1 793 | -2.9% | 0.5% | | |
| Inventory: Food and food supplies | 2 | - | - | - | -100.0% | - | - | - | - | - | - | | |
| Inventory: Fuel, oil and gas | 115 | 181 | - | 5 | -64.8% | - | - | - | - | -100.0% | - | | |
| Inventory: Learner and teacher support material | 9 | 2 | 26 | - | -100.0% | - | - | - | - | - | - | | |
| Inventory: Materials and supplies | 82 | 68 | 8 | 24 | -33.6% | - | 2 | 2 | 9 | -27.9% | - | | |
| Inventory: Medical supplies | 1 | - | - | - | -100.0% | - | - | - | - | - | - | | |
| Inventory: Other consumables | 327 | 582 | 367 | 715 | 29.8% | 0.2% | 730 | 504 | 585 | -6.5% | 0.2% | | |
| Inventory: Stationery and printing | 2 240 | 2 369 | 1 829 | 2 172 | -1.0% | 0.9% | 2 755 | 2 921 | 2 996 | 11.3% | 0.8% | | |
| Operating leases | 72 | 28 | 271 | 76 | 1.8% | - | 1 150 | 1 218 | 1 254 | 154.6% | 0.3% | | |
| Property payments | 2 889 | 3 879 | 4 870 | 3 800 | 9.6% | 1.6% | 3 769 | 3 949 | 4 136 | 2.9% | 1.2% | | |
| Transport provided: Departmental activity | - | - | - | 5 | - | - | - | - | - | -100.0% | - | | |
| Travel and subsistence | 24 901 | 38 884 | 40 987 | 26 145 | 1.6% | 13.5% | 24 365 | 25 258 | 26 529 | 0.5% | 7.8% | | |
| Training and development | - | - | - | 12 | - | - | - | - | - | -100.0% | - | | |
| Operating payments | 713 | 727 | 1 074 | 893 | 7.8% | 0.4% | 744 | 836 | 851 | -1.6% | 0.3% | | |
| Venues and facilities | 1 458 | 883 | 1 424 | 1 849 | 8.2% | 0.6% | 1 669 | 1 751 | 1 781 | -1.2% | 0.5% | | |
| Rental and hiring | - | - | - | 499 | - | 0.1% | - | - | - | -100.0% | - | | |
| Transfers and subsidies | 314 | 331 | 353 | 173 | -18.0% | 0.1% | 40 | 42 | 44 | -36.6% | - | | |
| Households | 314 | 331 | 353 | 173 | -18.0% | 0.1% | 40 | 42 | 44 | -36.6% | - | | |
| Payments for capital assets | 12 | 102 | 71 | 2 000 | 450.3% | 0.2% | - | - | - | -100.0% | 0.2% | | |
| Machinery and equipment | 12 | 102 | 71 | 2 000 | 450.3% | 0.2% | - | - | - | -100.0% | 0.2% | | |
| Total | 199 193 | 240 942 | 257 747 | 273 214 | 11.1% | 100.0% | 324 910 | 345 211 | 365 662 | 10.2% | 100.0% | | |
| Proportion of total subprogramme expenditure to programme expenditure | 68.7% | 73.2% | 68.6% | 68.2% | | | 69.8% | 69.8% | 70.0% | | | | |

Personnel information

Table 18.10 Details of approved establishment and personnel numbers according to salary level¹

| Compliance, Monitoring and Enforcement | Post status as at 30 September 2012 | Number of funded posts | Number of posts additional to the establishment | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|--|-------------------------------------|------------------------|---|--|-------|-----------|-------------------------------|---------|-----------|----------------------------------|-------|-----------|--------|-------------------|------|-------------------------|---------------------------------|------|-----------|--------|
| | | | | Actual | | | Revised estimate ³ | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | |
| | | | | 2011/12 | | 2012/13 | | 2013/14 | | 2014/15 | | 2015/16 | | 2012/13 - 2015/16 | | | | | | |
| | | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | | Cost | Unit Cost | Number | Cost | Unit Cost | |
| | | 947 | - | 947 | 200.2 | 0.2 | 964 | 204.0 | 0.2 | 964 | 274.5 | 0.3 | 964 | 289.1 | 0.3 | 964 | 304.6 | 0.3 | - | 100.0% |
| Salary level | | | | | | | | | | | | | | | | | | | | |
| 1 - 6 | | 535 | - | 535 | 91.4 | 0.2 | 535 | 92.2 | 0.2 | 535 | 104.8 | 0.2 | 535 | 107.8 | 0.2 | 535 | 112.7 | 0.2 | - | 55.5% |
| 7 - 10 | | 404 | - | 404 | 104.4 | 0.3 | 418 | 107.0 | 0.3 | 418 | 139.9 | 0.3 | 418 | 149.0 | 0.4 | 418 | 157.1 | 0.4 | - | 43.4% |
| 11 - 12 | | 7 | - | 7 | 3.8 | 0.5 | 10 | 4.2 | 0.4 | 10 | 29.2 | 2.9 | 10 | 31.6 | 3.2 | 10 | 34.1 | 3.4 | - | 1.0% |
| 13 - 16 | | 1 | - | 1 | 0.6 | 0.6 | 1 | 0.6 | 0.6 | 1 | 0.6 | 0.6 | 1 | 0.6 | 0.6 | 1 | 0.7 | 0.7 | - | 0.1% |

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The bulk of spending in this subprogramme over the medium term goes towards compensation of employees, which is also the fastest growing item of expenditure. This is to strengthen the department's capacity to conduct inspections and enforce compliance with labour regulations by employing an additional 120 appropriately qualified labour inspectors in 2013/14, improving the remuneration of labour inspectors to ensure that the

department is able to retain them, and creating new specialist labour inspector posts. The subprogramme received additional allocations of R28 million in 2012/13 and R32 million in 2013/14 for this purpose. The subprogramme also receives additional allocations totalling R23.3 million over the medium term for improved conditions of service.

An estimated 44 per cent, or R28.1 million of the subprogramme's expenditure on goods and services in 2012/13, goes to travelling and fleet services costs for inspections. The fluctuations in the fuel prices and the possible implementation of e-tolling are expected to increase travelling costs, which will in turn negatively impact on the number of inspections that inspectors will be able to conduct within the constraints of the allocation. The targets for the number of workplaces inspected increases from 140 000 in 2012/13 to 180 060 by 2015/16.

Programme 3: Public Employment Services

Objectives

- Reduce unemployment by registering and placing unemployed people in decent work by:
 - increasing the number of registered work seekers matched and placed from 12 801 in 2011/12 to 18 000 in 2013/14
 - increasing the percentage of registered work seekers equipped with competencies to secure employment through employment counselling interventions from 40 per cent in 2011/12 to 50 per cent in 2013/14
 - protecting vulnerable work seekers through the regulation of private employment agencies.
- Increase the number of people employed with disabilities from 924 in 2011/12 to 2 500 in 2015/16 by improving and upgrading the sheltered employment factories (protected employment factories) and transforming them into viable and sustainable businesses.
- Protect employment by providing financial support to Productivity South Africa to promote increased productivity, competitiveness and social plan interventions on an ongoing basis.
- Reduce unemployment by ensuring that South African citizens receive employment preference over migrants by assessing migrant applicants' skills levels and making recommendations to the Department of Home Affairs in the issuing of corporate and individual work visas.

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. In 2012/13, this subprogramme had a staff complement of 23, including senior managers in the *Employer Services* and *Work Seeker Services* subprogrammes.
- *Work Seeker Services* is discussed in more detail below.
- *Employer Services* facilitates registering vacancies, disseminates scarce skills information, issues immigrant corporate and work permits, tracks the numbers of migrating skilled South Africans, oversees the placements of work seekers, responds to companies in distress, facilitates a social plan aimed at companies in distress and regulates private employment agencies. In 2011/12, 87 applications for work permits were received and responded to within 30 working days. This subprogramme had a staff complement of 361 in 2012/13.
- *Designated Groups Special Services* facilitates transfers to organisations that assist in the placement of people with disabilities in the mainstream economy. This subprogramme's total budget is transferred in quarterly tranches to the South African National Council for the Blind, the Deaf Federation of South Africa and the National Council for Persons with Physical Disabilities in South Africa. This subprogramme had no staff complement in 2012/13.
- *Sheltered Employment Factories and Subsidies to Designated Workshops* provides subsidies to assist in providing employment to people with disabilities who cannot be placed in the mainstream economy. In 2012/13, the subprogramme manufactured 235 491 units of office furniture and textiles which generated sales of R14.6 million. Transfers to workshops for the blind assist in providing employment for blind people

to work in protected factories. This subprogramme's total budget is transferred in quarterly tranches to non-profit institutions. This subprogramme had no staff complement in 2012/13.

- *Productivity South Africa* promotes improvements in workplace productivity, competitiveness and social plans. This subprogramme's total budget is transferred in quarterly tranches to Productivity South Africa. This subprogramme had no staff complement in 2012/13.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund. This subprogramme had no staff complement in 2012/13.
- *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. Portions of this subprogramme's total budget are transferred based on claims received. This subprogramme had no staff complement in 2012/13.
- *Training of Staff: Public Employment Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes. In 2012/13, 233 staff were trained in various courses, including but not limited to: coaching and mentoring, recruitment and selection processes, negotiation skills and training layoff programme at a total cost of R767 000. This subprogramme had no staff complement in 2012/13.

Expenditure estimates

Table 18.11 Public Employment Services

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|----------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | |
| R thousand | | | | | | | | | | | |
| Management and Support Services: | 16 074 | 19 220 | 21 001 | 25 908 | 17.2% | 6.7% | 31 098 | 33 489 | 35 276 | 10.8% | 7.7% |
| Public Employment Services | | | | | | | | | | | |
| Employer Services | 111 273 | 128 688 | 143 673 | 86 538 | -8.0% | 38.5% | 91 382 | 96 584 | 103 586 | 6.2% | 23.1% |
| Work Seeker Services | 18 114 | 22 927 | 23 523 | 90 092 | 70.7% | 12.7% | 99 645 | 106 249 | 114 023 | 8.2% | 25.1% |
| Designated Groups Special Services | 488 | 482 | 198 | 758 | 15.8% | 0.2% | 801 | 850 | 889 | 5.5% | 0.2% |
| Sheltered Employment Factories and Subsidies to Designated Workshops | 80 330 | 76 943 | 72 407 | 78 552 | -0.7% | 25.3% | 119 290 | 138 573 | 143 384 | 22.2% | 29.4% |
| Productivity South Africa | 29 476 | 31 155 | 34 059 | 37 050 | 7.9% | 10.8% | 40 285 | 43 119 | 45 531 | 7.1% | 10.2% |
| Unemployment Insurance Fund | - | - | - | 1 | - | - | 1 | 1 | 1 | - | - |
| Compensation Fund | 6 013 | 8 908 | 36 105 | 14 085 | 32.8% | 5.3% | 15 640 | 17 278 | 18 073 | 8.7% | 4.0% |
| Training of Staff: Public Employment Services | 3 063 | 935 | 1 228 | 1 347 | -24.0% | 0.5% | 1 975 | 2 022 | 1 069 | -7.4% | 0.4% |
| Total | 264 831 | 289 258 | 332 194 | 334 331 | 8.1% | 100.0% | 400 117 | 438 165 | 461 832 | 11.4% | 100.0% |
| Change to 2012 Budget estimate | | | | 12 310 | | | 56 059 | 72 455 | 79 299 | | |
| Economic classification | | | | | | | | | | | |
| Current payments | 150 603 | 174 138 | 192 031 | 209 353 | 11.6% | 59.5% | 229 690 | 244 396 | 258 711 | 7.3% | 57.6% |
| Compensation of employees | 109 771 | 138 703 | 154 514 | 175 199 | 16.9% | 47.4% | 196 250 | 209 010 | 222 743 | 8.3% | 49.1% |
| Goods and services | 40 832 | 35 435 | 37 517 | 34 154 | -5.8% | 12.1% | 33 440 | 35 386 | 35 968 | 1.7% | 8.5% |
| of which: | | | | | | | | | | | |
| Administration fees | - | 133 | 492 | - | - | 0.1% | - | - | - | - | - |
| Advertising | 110 | 88 | 263 | 742 | 88.9% | 0.1% | 779 | 818 | 859 | 5.0% | 0.2% |
| Assets less than the capitalisation threshold | 508 | 879 | 745 | 407 | -7.1% | 0.2% | 427 | 448 | 471 | 5.0% | 0.1% |
| Bursaries: Employees | 145 | 96 | 28 | 220 | 14.9% | - | 230 | 243 | 258 | 5.5% | 0.1% |
| Catering: Departmental activities | 986 | 464 | 619 | 697 | -10.9% | 0.2% | 731 | 767 | 810 | 5.1% | 0.2% |
| Communication | 6 825 | 7 585 | 6 625 | 4 158 | -15.2% | 2.1% | 4 104 | 4 310 | 4 537 | 3.0% | 1.0% |
| Computer services | 278 | 93 | 1 365 | 1 187 | 62.2% | 0.2% | 1 291 | 1 354 | 1 427 | 6.3% | 0.3% |
| Consultants and professional services: | - | - | - | 82 | - | - | 86 | - | - | -100.0% | - |
| Business and advisory services | | | | | | | | | | | |
| Contractors | 191 | 224 | 164 | 21 | -52.1% | - | 22 | 23 | 23 | 3.1% | - |
| Agency and support / outsourced services | 215 | 122 | 10 | 1 015 | 67.8% | 0.1% | 1 065 | 1 118 | 1 170 | 4.9% | 0.3% |
| Entertainment | - | 23 | 21 | 72 | - | - | 77 | 82 | 86 | 6.1% | - |
| Fleet services (including government motor transport) | - | - | 70 | - | - | - | - | 90 | 138 | - | - |
| Inventory: Fuel, oil and gas | 55 | 56 | - | 10 | -43.3% | - | 11 | 12 | 12 | 6.3% | - |
| Inventory: Learner and teacher support material | 1 | 1 | - | - | -100.0% | - | - | - | - | - | - |
| Inventory: Materials and supplies | 26 | 43 | 19 | 5 | -42.3% | - | 6 | 7 | 7 | 11.9% | - |
| Inventory: Medical supplies | - | 8 | - | - | - | - | - | - | - | - | - |
| Inventory: Other consumables | 85 | 71 | 56 | 351 | 60.4% | - | 368 | 386 | 408 | 5.1% | 0.1% |
| Inventory: Stationery and printing | 7 858 | 4 951 | 1 277 | 3 890 | -20.9% | 1.5% | 4 102 | 4 306 | 4 308 | 3.5% | 1.0% |

Table 18.11 Public Employment Services (continued)

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|----------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | |
| R thousand | | | | | | | | | | | |
| Operating leases | 188 | 208 | 217 | 1 862 | 114.8% | 0.2% | 1 955 | 2 052 | 2 166 | 5.2% | 0.5% |
| Property payments | 2 414 | 2 751 | 4 077 | 1 635 | -12.2% | 0.9% | 1 107 | 1 163 | 1 220 | -9.3% | 0.3% |
| Transport provided: Departmental activity | – | – | 8 | 519 | – | – | – | – | – | -100.0% | – |
| Travel and subsistence | 14 364 | 15 164 | 17 278 | 9 845 | -11.8% | 4.6% | 10 224 | 11 311 | 12 082 | 7.1% | 2.7% |
| Training and development | 3 063 | 900 | 1 233 | 1 347 | -24.0% | 0.5% | 1 975 | 2 022 | 1 069 | -7.4% | 0.4% |
| Operating payments | 1 615 | 710 | 1 218 | 2 409 | 14.3% | 0.5% | 2 245 | 2 358 | 2 476 | 0.9% | 0.6% |
| Venues and facilities | 1 905 | 865 | 1 732 | 3 680 | 24.5% | 0.7% | 2 635 | 2 516 | 2 441 | -12.8% | 0.7% |
| Transfers and subsidies | 114 105 | 114 958 | 138 158 | 124 078 | 2.8% | 40.3% | 170 427 | 193 769 | 203 121 | 17.9% | 42.3% |
| Departmental agencies and accounts | 35 489 | 40 063 | 70 164 | 51 135 | 12.9% | 16.1% | 55 925 | 60 397 | 63 604 | 7.5% | 14.1% |
| Non-profit institutions | 78 317 | 74 817 | 67 671 | 72 909 | -2.4% | 24.1% | 114 466 | 133 334 | 139 477 | 24.1% | 28.2% |
| Households | 299 | 78 | 323 | 34 | -51.6% | 0.1% | 36 | 38 | 40 | 5.6% | – |
| Payments for capital assets | 123 | 162 | 2 005 | 900 | 94.1% | 0.3% | – | – | – | -100.0% | 0.1% |
| Buildings and other fixed structures | – | – | 15 | – | – | – | – | – | – | – | – |
| Machinery and equipment | 123 | 162 | 1 990 | 900 | 94.1% | 0.3% | – | – | – | -100.0% | 0.1% |
| Total | 264 831 | 289 258 | 332 194 | 334 331 | 8.1% | 100.0% | 400 117 | 438 165 | 461 832 | 11.4% | 100.0% |
| Proportion of total programme expenditure to vote expenditure | 15.6% | 15.8% | 16.6% | 15.6% | | | 16.6% | 16.6% | 16.6% | | |

Details of transfers and subsidies

| Departmental agencies and accounts | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|-------|---------|---------|---------|-------|-------|
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 29 476 | 31 155 | 34 059 | 37 050 | 7.9% | 10.8% | 40 285 | 43 119 | 45 531 | 7.1% | 10.2% |
| Productivity South Africa | 29 476 | 31 155 | 34 059 | 37 050 | 7.9% | 10.8% | 40 285 | 43 119 | 45 531 | 7.1% | 10.2% |
| Non-profit institutions | | | | | | | | | | | |
| Current | 78 317 | 74 817 | 67 671 | 72 909 | -2.4% | 24.1% | 114 466 | 133 334 | 139 477 | 24.1% | 28.2% |
| Deaf Federation of South Africa | 111 | 86 | 68 | 210 | 23.7% | – | 223 | 238 | 249 | 5.8% | 0.1% |
| National Council for the Physically Disabled | 199 | 207 | 56 | 245 | 7.2% | 0.1% | 260 | 275 | 287 | 5.4% | 0.1% |
| South African National Council for the Blind | 178 | 189 | 74 | 303 | 19.4% | 0.1% | 318 | 337 | 353 | 5.2% | 0.1% |
| Subsidised workshops for the blind | 7 733 | 8 196 | 8 688 | 9 122 | 5.7% | 2.8% | 9 578 | 10 152 | 10 619 | 5.2% | 2.4% |
| Subsidised work centres for the disabled | 70 096 | 66 139 | 58 785 | 63 029 | -3.5% | 21.1% | 104 087 | 122 332 | 127 969 | 26.6% | 25.5% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 299 | 78 | 323 | 34 | -51.6% | 0.1% | 36 | 38 | 40 | 5.6% | – |
| Employee social benefits | 299 | 78 | 323 | 34 | -51.6% | 0.1% | 36 | 38 | 40 | 5.6% | – |
| Departmental agencies and accounts | | | | | | | | | | | |
| Social security funds | | | | | | | | | | | |
| Current | 6 013 | 8 908 | 36 105 | 14 085 | 32.8% | 5.3% | 15 640 | 17 278 | 18 073 | 8.7% | 4.0% |
| Compensation Fund | 6 013 | 8 908 | 36 105 | 14 085 | 32.8% | 5.3% | 15 640 | 17 278 | 18 073 | 8.7% | 4.0% |

Personnel information

Table 18.12 Details of approved establishment and personnel numbers according to salary level¹

| Post status as at 30 September 2012 | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | | Number | | | |
|-------------------------------------|--|---|---------|---------|-----------|-------------------------------|---------|-------------------|----------------------------------|-------|-----------|--------|-------|-----------|-------------------------|---------------------------------|-----|---|--------|
| | Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate ³ | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | |
| | | | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2012/13 - 2015/16 | | | | | | | | | | | |
| Public Employment Services | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | | | |
| Salary level | 645 | 9 | 604 | 152.5 | 0.3 | 645 | 169.0 | 0.3 | 645 | 196.3 | 0.3 | 645 | 209.0 | 0.3 | 645 | 222.7 | 0.3 | – | 100.0% |
| 1 – 6 | 159 | 8 | 141 | 20.4 | 0.1 | 159 | 23.7 | 0.1 | 159 | 29.2 | 0.2 | 159 | 31.3 | 0.2 | 159 | 34.2 | 0.2 | – | 24.7% |
| 7 – 10 | 454 | – | 433 | 114.9 | 0.3 | 454 | 126.0 | 0.3 | 454 | 144.9 | 0.3 | 454 | 154.5 | 0.3 | 454 | 162.5 | 0.4 | – | 70.4% |
| 11 – 12 | 21 | – | 20 | 9.3 | 0.5 | 21 | 10.3 | 0.5 | 21 | 12.7 | 0.6 | 21 | 13.2 | 0.6 | 21 | 14.6 | 0.7 | – | 3.3% |
| 13 – 16 | 11 | 1 | 10 | 7.9 | 0.8 | 11 | 8.9 | 0.8 | 11 | 9.5 | 0.9 | 11 | 9.9 | 0.9 | 11 | 11.4 | 1.0 | – | 1.7% |

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on enhancing the department's capacity to implement the Employment Services Bill and the public employment service projects once the bill is promulgated, and on

managing the implementation of a turnaround strategy for the sheltered employment factories. The employment services system has also been improved to include online registration for employers, work seekers and mobile self-registration centres. These will increase job creation and facilitate placements in decent job opportunities.

The implementation of the turnaround strategy for the sheltered employment factories and the Employment Services Bill are also the main reason for the increase in spending over the medium term, as the programme receives additional allocations of R50 million in 2013/14, R65 million in 2014/15 and R68 million in 2015/16 for this purpose. In addition, the programme receives additional allocations of R19.7 million over the medium term for improved conditions of service including work seeker services. R6.8 million has been reprioritised within the programme over the medium term under goods and services: communication and travel and subsistence.

As at 30 September 2012, the programme had a funded establishment of 645 posts. There are no vacancies and the ratio of support staff to line function staff is 1:8. A consultant was appointed as the acting chief financial officer for the sheltered employment factories at a cost of R767 440 for six months in 2012/13, after which a permanent appointment was made.

Subprogramme: Work Seeker Services

This subprogramme registers work seekers, retrenched workers, work vacancies, and training and income generating opportunities on the employment services system; and facilitates access to employment and income generating opportunities for the unemployed and underemployed. In 2011/12; 553 883 work seekers were registered on the Employment Services of South Africa system.

Expenditure estimates

Table 18.13 Work Seeker Services

| Economic classification | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | | Medium-term expenditure estimate | | | Average growth rate (%) | |
|--|-----------------|---------------|---------------|------------------------|-------------------------|---------------|----------------------------------|----------------|----------------|-------------------------|---------------|
| | 2009/10 | 2010/11 | 2011/12 | | 2009/10 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2012/13 | 2015/16 |
| R thousand | | | | | | | | | | | |
| Current payments | 18 011 | 22 892 | 23 473 | 90 059 | 71.0% | 99.9% | 99 610 | 106 212 | 113 984 | 8.2% | 100.0% |
| Compensation of employees | 15 699 | 21 246 | 20 355 | 78 388 | 70.9% | 87.7% | 86 964 | 92 135 | 99 169 | 8.2% | 87.0% |
| Goods and services | 2 312 | 1 646 | 3 118 | 11 671 | 71.5% | 12.1% | 12 646 | 14 077 | 14 815 | 8.3% | 13.0% |
| of which: | | | | | | | | | | | |
| Administration fees | – | 6 | 13 | – | – | – | – | – | – | – | – |
| Advertising | – | 63 | – | 260 | – | 0.2% | 273 | 287 | 300 | 4.9% | 0.3% |
| Assets less than the capitalisation threshold | 19 | 38 | 23 | 162 | 104.3% | 0.2% | 170 | 179 | 187 | 4.9% | 0.2% |
| Bursaries: Employees | – | 17 | 14 | 45 | – | – | 47 | 50 | 52 | 4.9% | – |
| Catering: Departmental activities | 103 | 4 | 15 | 140 | 10.8% | 0.2% | 147 | 154 | 161 | 4.8% | 0.1% |
| Communication | – | 302 | 1 173 | 2 154 | – | 2.3% | 2 262 | 2 375 | 2 493 | 5.0% | 2.3% |
| Computer services | 194 | – | – | – | -100.0% | 0.1% | – | – | – | – | – |
| Contractors | 8 | 16 | 48 | 21 | 37.9% | 0.1% | 22 | 23 | 23 | 3.1% | – |
| Agency and support / outsourced services | 209 | 3 | – | 70 | -30.6% | 0.2% | 73 | 77 | 80 | 4.6% | 0.1% |
| Entertainment | – | – | – | 6 | – | – | 7 | 8 | 8 | 10.1% | – |
| Fleet services (including government motor transport) | – | – | 63 | – | – | – | – | – | 44 | – | – |
| Inventory: Fuel, oil and gas | – | 39 | – | – | – | – | – | – | – | – | – |
| Inventory: Other consumables | 22 | – | – | 25 | 4.4% | – | 26 | 27 | 28 | 3.8% | – |
| Inventory: Stationery and printing | 159 | 36 | 32 | 1 309 | 101.9% | 1.0% | 1 386 | 1 455 | 1 527 | 5.3% | 1.4% |
| Operating leases | 89 | – | 75 | 61 | -11.8% | 0.1% | 64 | 67 | 70 | 4.7% | 0.1% |
| Property payments | 90 | 15 | 425 | 734 | 101.3% | 0.8% | 770 | 809 | 849 | 5.0% | 0.8% |
| Travel and subsistence | 959 | 1 037 | 1 122 | 4 730 | 70.2% | 5.1% | 5 264 | 6 324 | 6 640 | 12.0% | 5.6% |
| Operating payments | 155 | 58 | 101 | 622 | 58.9% | 0.6% | 653 | 686 | 720 | 5.0% | 0.7% |
| Venues and facilities | 305 | 12 | 14 | 1 332 | 63.5% | 1.1% | 1 482 | 1 556 | 1 633 | 7.0% | 1.5% |
| Transfers and subsidies | – | 35 | 35 | 33 | – | 0.1% | 35 | 37 | 39 | 5.7% | – |
| Households | – | 35 | 35 | 33 | – | 0.1% | 35 | 37 | 39 | 5.7% | – |
| Payments for capital assets | 103 | – | 15 | – | -100.0% | 0.1% | – | – | – | – | – |
| Buildings and other fixed structures | – | – | 15 | – | – | – | – | – | – | – | – |
| Machinery and equipment | 103 | – | – | – | -100.0% | 0.1% | – | – | – | – | – |
| Total | 18 114 | 22 927 | 23 523 | 90 092 | 70.7% | 100.0% | 99 645 | 106 249 | 114 023 | 8.2% | 100.0% |
| Proportion of total subprogramme expenditure to programme expenditure | 6.8% | 7.9% | 7.1% | 26.9% | | | 24.9% | 24.2% | 24.7% | | |

Personnel information

Table 18.14 Details of approved establishment and personnel numbers according to salary level¹

| Post status as at 30 September 2012 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | | | | Number | | |
|-------------------------------------|---|--|------|-----------|-------------------------------|------|-----------|----------------------------------|------|-----------|---------|------|-----------|---------|------|-----------|-------------------------|---------------------------------|-------------------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate ³ | | | Medium-term expenditure estimate | | | | | | | | | Average growth rate (%) | Salary level/total: Average (%) | |
| | | 2011/12 | | | 2012/13 | | | 2013/14 | | | 2014/15 | | | 2015/16 | | | | | |
| | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | 2012/13 - 2015/16 |
| Work Seeker Services | | | | | | | | | | | | | | | | | | | |
| Salary level | 305 | 8 | 283 | 69 | 0.2 | 305 | 75 | 0.2 | 305 | 87 | 0.3 | 305 | 92 | 0.3 | 305 | 97 | 0.3 | - | 100.0% |
| 1 – 6 | 88 | 8 | 77 | 11 | 0.1 | 88 | 13 | 0.1 | 88 | 16 | 0.2 | 88 | 17 | 0.2 | 88 | 19 | 0.2 | - | 28.9% |
| 7 – 10 | 208 | - | 197 | 53.0 | 0.3 | 208 | 57.3 | 0.3 | 208 | 65.9 | 0.3 | 208 | 69.7 | 0.3 | 208 | 72.5 | 0.3 | - | 68.2% |
| 11 – 12 | 8 | - | 8 | 4.0 | 0.5 | 8 | 4.1 | 0.5 | 8 | 5.0 | 0.6 | 8 | 5.0 | 0.6 | 8 | 5.2 | 0.7 | - | 2.6% |
| 13 – 16 | 1 | - | 1 | 0.7 | 0.7 | 1 | 0.7 | 0.7 | 1 | 0.7 | 0.7 | 1 | 0.7 | 0.7 | 1 | 0.8 | 0.8 | - | 0.3% |

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

Expenditure increased significantly between 2011/12 and 2012/13 due to the relocation of some staff from employer services to work seeker services to enhance the effectiveness of the subprogramme. Over the medium term, expenditure is expected to increase to R114 million in 2015/16 to provide for the implementation of projects emanating from the Employment Services Bill. Targets for the number of work seekers registered on the Employment Services of South Africa system thus increases from 450 000 in 2012/13 to 600 000 by 2015/06.

The subprogramme receives additional allocations of R8.3 million over the medium term for improved conditions of service.

The subprogramme has a funded establishment of 305 and 8 people are employed additional to the establishment. At the end of September 2012, there were no vacancies.

Programme 4: Labour Policy and Industrial Relations

Objectives

- Improve the status of vulnerable workers by:
 - reviewing 8 sectoral determinations on appropriate minimum wages and conditions of employment by March 2016: 3 determinations in the hospitality, taxi and civil engineering sectors by March 2014; 4 determinations in the domestic worker, contract cleaning, farmworker and forestry sectors by March 2015
 - investigating 1 new sector (the abattoir sector) by March 2016.
- Promote equity in the workplace by addressing income disparities along racial and gender lines by:
 - promoting the relevant provisions of the Employment Equity Act (1998), endorsing the principle of equal pay for work of equal value across all occupational levels of the workforce through the assessment of 30 companies on income differentials by 31 March 2014
 - assisting employers in identifying income disparities based on race and gender by conducting 7 income differential assessments per quarter.
- Manage the implementation of the Labour Relations Act (1995) by extending 18 collective agreements within 60 days from the day of receipt, and registering labour organisations within 90 days of receiving a completed application.
- Implement a research, monitoring and evaluation agenda in specific areas identified in the labour market by conducting at least 4 research projects by September 2014 and releasing 4 reports on labour market information and statistical analysis by September 2013.

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 in 2012/13.
- *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. Portions of this subprogramme's total budget are transferred to various civil society organisations, such as Workers College Natal and the Confederation of South African Trade Unions. This subprogramme had no staff complement in 2012/13.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) by developing policies and practices that promote sound labour relations. This entails extending collective agreements and registering labour organisations within 90 days. By the end of December 2012, 24 collective agreements were extended with an average turnaround time of 48 days. This subprogramme had a staff complement of 31 in 2012/13.
- *Employment Equity* promotes equity in the labour market by strengthening the implementation, monitoring and enforcement mechanisms of the Employment Equity Act (1998). In 2012/13, 30 income differential assessments were conducted, 8 each for the first and second quarters, and 7 each for the third and fourth quarters, at a total cost of R736 000. This subprogramme had a staff complement of 20 in 2012/13.
- *Employment Standards* protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997). In 2012/13, at a cost of R1.2 million, sectoral determinations were reviewed for the hospitality, civil engineering, private security, contract cleaning, taxi, and wholesale and retail sectors. In addition, at a cost of R803 000, the feasibility of establishing a welfare sectoral determination, medical aid for the private security sector and provident funds for farm and domestic worker sectors was investigated. This subprogramme had a staff complement of 17 in 2012/13.
- *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's total budget is transferred in full to the commission. This subprogramme had no staff complement in 2012/13.
- *Research, Policy and Planning* supports the department's policy formulation and legislation drafting functions. This entails conducting research, managing commissioned research projects, monitoring and evaluating working conditions and policies affecting the labour market in South Africa and elsewhere, and identifying relevant labour market interventions and policy options. In 2012/13, R1.6 million was spent on the taxi sectoral determination and research projects on noise induced hearing loss. This subprogramme had a staff complement of 9 in 2012/13.
- *Labour Market Information and Statistics* collects, collates, analyses, and disseminates internal and external labour market statistics about changes in the South African labour market that impact on legislation; and triggers further research on labour matters. The industrial action and annual administrative statistics report is to be published in March 2013 at a cost of R95 000. In 2012/13, this subprogramme had a staff complement of 82 across provinces, including head office.
- *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 transferred the following funds in lieu of South Africa's affiliation fees for 2012/13: R2.7 million to the African Regional Labour Administration Centre and R10.1 million to the International Labour Organisation. This subprogramme had a staff complement of 14 in 2012/13.
- *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 through social dialogue. This subprogramme had a staff complement of 1 in 2012/13.

Expenditure estimates

Table 18.15 Labour Policy and Industrial Relations

| Subprogramme | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) | |
|--|-----------------|----------------|----------------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|----------------|-------------------------|--------------------------------|---------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | | 2014/15 |
| R thousand | | | | | | | | | | | | |
| Management and Support Services: | 8 503 | 8 467 | 9 561 | 12 201 | 12.8% | 1.7% | 13 038 | 13 866 | 13 821 | 4.2% | 1.7% | |
| Labour Policy and Industrial Relations | | | | | | | | | | | | |
| Strengthen Civil Society | 13 795 | 14 379 | 15 063 | 15 802 | 4.6% | 2.6% | 16 504 | 17 318 | 17 929 | 4.3% | 2.1% | |
| Collective Bargaining | 9 525 | 9 746 | 10 216 | 12 412 | 9.2% | 1.9% | 12 882 | 13 699 | 14 529 | 5.4% | 1.7% | |
| Employment Equity | 10 154 | 9 656 | 10 999 | 13 679 | 10.4% | 2.0% | 13 735 | 14 582 | 15 348 | 3.9% | 1.8% | |
| Employment Standards | 7 723 | 6 506 | 9 758 | 12 487 | 17.4% | 1.6% | 12 372 | 13 136 | 15 387 | 7.2% | 1.7% | |
| Commission for Conciliation, Mediation and Arbitration | 356 442 | 402 017 | 448 104 | 478 745 | 10.3% | 75.4% | 594 418 | 687 096 | 733 999 | 15.3% | 78.0% | |
| Research, Policy and Planning | 8 497 | 12 345 | 10 598 | 11 702 | 11.3% | 1.9% | 16 096 | 17 088 | 17 972 | 15.4% | 2.0% | |
| Labour Market Information and Statistics | 22 375 | 26 403 | 29 307 | 32 887 | 13.7% | 5.0% | 34 536 | 36 651 | 38 526 | 5.4% | 4.5% | |
| International Labour Matters | 17 655 | 19 338 | 26 870 | 25 443 | 13.0% | 4.0% | 24 455 | 25 963 | 26 712 | 1.6% | 3.2% | |
| National Economic Development and Labour Council | 19 993 | 16 342 | 24 433 | 24 916 | 7.6% | 3.8% | 26 455 | 28 112 | 29 486 | 5.8% | 3.4% | |
| Total | 474 662 | 525 199 | 594 909 | 640 274 | 10.5% | 100.0% | 764 491 | 867 511 | 923 709 | 13.0% | 100.0% | |
| Change to 2012 Budget estimate | | | | 4 356 | | | 86 826 | 148 795 | 171 932 | | | |
| Economic classification | | | | | | | | | | | | |
| Current payments | 75 210 | 82 168 | 93 427 | 108 649 | 13.0% | 16.1% | 116 359 | 123 638 | 130 425 | 6.3% | 15.0% | |
| Compensation of employees | 47 975 | 54 577 | 60 282 | 67 207 | 11.9% | 10.3% | 71 951 | 76 513 | 81 132 | 6.5% | 9.3% | |
| Goods and services | 27 235 | 27 591 | 33 145 | 41 442 | 15.0% | 5.8% | 44 408 | 47 125 | 49 293 | 6.0% | 5.7% | |
| of which: | | | | | | | | | | | | |
| Administration fees | 12 | 225 | 578 | 400 | 221.8% | 0.1% | 496 | 538 | 614 | 15.4% | 0.1% | |
| Advertising | 4 719 | 3 271 | 5 023 | 10 013 | 28.5% | 1.0% | 8 724 | 8 988 | 9 008 | -3.5% | 1.1% | |
| Assets less than the capitalisation threshold | 334 | 101 | 57 | 461 | 11.3% | - | 361 | 382 | 369 | -7.2% | - | |
| Bursaries: Employees | - | 3 | 1 | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 207 | 139 | 781 | 306 | 13.9% | 0.1% | 222 | 253 | 272 | -3.9% | - | |
| Communication | 1 328 | 1 788 | 1 514 | 1 428 | 2.4% | 0.3% | 1 589 | 1 748 | 1 598 | 3.8% | 0.2% | |
| Computer services | 142 | 1 516 | 1 156 | 930 | 87.1% | 0.2% | 933 | 961 | 1 032 | 3.5% | 0.1% | |
| Consultants and professional services: | 202 | 7 277 | 6 385 | 7 095 | 227.5% | 0.9% | 11 046 | 11 702 | 12 210 | 19.8% | 1.3% | |
| Business and advisory services | | | | | | | | | | | | |
| Consultants and professional services: | 1 056 | 129 | - | 660 | -14.5% | 0.1% | 225 | 274 | 285 | -24.4% | - | |
| Legal costs | | | | | | | | | | | | |
| Contractors | 45 | 85 | 110 | 225 | 71.0% | - | 19 | 21 | 25 | -51.9% | - | |
| Agency and support / outsourced services | 1 748 | 72 | 584 | 22 | -76.7% | 0.1% | 36 | 40 | 48 | 29.7% | - | |
| Entertainment | 39 | 40 | 54 | 61 | 16.1% | - | 144 | 150 | 93 | 15.1% | - | |
| Fleet services (including government motor transport) | - | - | 15 | 10 | - | - | 123 | 130 | 139 | 140.4% | - | |
| Inventory: Fuel, oil and gas | 7 | 28 | - | 16 | 31.7% | - | 65 | 70 | 73 | 65.9% | - | |
| Inventory: Learner and teacher support material | 86 | 39 | 34 | 292 | 50.3% | - | 51 | 54 | 57 | -42.0% | - | |
| Inventory: Materials and supplies | 3 | 34 | - | 14 | 67.1% | - | 12 | 12 | 17 | 6.7% | - | |
| Inventory: Other consumables | 63 | 33 | 17 | 41 | -13.3% | - | 103 | 117 | 121 | 43.4% | - | |
| Inventory: Stationery and printing | 3 570 | 2 797 | 2 325 | 2 394 | -12.5% | 0.5% | 2 602 | 2 787 | 2 910 | 6.7% | 0.3% | |
| Operating leases | 455 | 507 | 861 | 1 217 | 38.8% | 0.1% | 1 616 | 1 721 | 1 402 | 4.8% | 0.2% | |
| Property payments | 1 895 | 394 | 552 | 519 | -35.1% | 0.2% | 506 | 554 | 590 | 4.4% | 0.1% | |
| Travel and subsistence | 8 445 | 7 642 | 11 273 | 10 878 | 8.8% | 1.7% | 10 989 | 11 902 | 13 726 | 8.1% | 1.5% | |
| Training and development | 773 | 789 | 682 | 1 421 | 22.5% | 0.2% | 1 375 | 1 448 | 1 516 | 2.2% | 0.2% | |
| Operating payments | 773 | 285 | 279 | 1 057 | 11.0% | 0.1% | 556 | 583 | 551 | -19.5% | 0.1% | |
| Venues and facilities | 1 333 | 397 | 864 | 1 982 | 14.1% | 0.2% | 2 615 | 2 690 | 2 637 | 10.0% | 0.3% | |
| Transfers and subsidies | 399 280 | 442 967 | 501 441 | 531 428 | 10.0% | 83.9% | 648 062 | 743 852 | 793 262 | 14.3% | 85.0% | |
| Departmental agencies and accounts | 375 996 | 417 885 | 472 019 | 502 904 | 10.2% | 79.1% | 620 246 | 714 543 | 762 790 | 14.9% | 81.4% | |
| Foreign governments and international organisations | 8 618 | 10 703 | 14 211 | 12 722 | 13.9% | 2.1% | 11 312 | 11 991 | 12 543 | -0.5% | 1.5% | |
| Non-profit institutions | 13 795 | 14 379 | 15 063 | 15 802 | 4.6% | 2.6% | 16 504 | 17 318 | 17 929 | 4.3% | 2.1% | |
| Households | 871 | - | 148 | - | -100.0% | - | - | - | - | - | - | - |
| Payments for capital assets | 172 | 64 | 41 | 197 | 4.6% | - | 70 | 21 | 22 | -51.8% | - | |
| Machinery and equipment | 172 | 64 | 41 | 197 | 4.6% | - | 70 | 21 | 22 | -51.8% | - | |
| Total | 474 662 | 525 199 | 594 909 | 640 274 | 10.5% | 100.0% | 764 491 | 867 511 | 923 709 | 13.0% | 100.0% | |
| Proportion of total programme expenditure to vote expenditure | 27.9% | 28.8% | 29.6% | 29.9% | | | 31.7% | 32.9% | 33.2% | | | |

Table 18.15 Labour Policy and Industrial Relations (continued)

| R thousand | Audited outcome | | | Adjusted appropriation | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term expenditure estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|---------|---------|------------------------|-------------------------|--------------------------------|----------------------------------|-------------------|---------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | |
| Details of transfers and subsidies | | | | | | | | | | | |
| Departmental agencies and accounts | | | | | | | | | | | |
| Departmental agencies (non-business entities) | | | | | | | | | | | |
| Current | 375 996 | 417 885 | 472 019 | 502 904 | 10.2% | 79.1% | 620 246 | 714 543 | 762 790 | 14.9% | 81.4% |
| Commission for Conciliation, Mediation and Arbitration | 356 442 | 402 017 | 448 104 | 478 745 | 10.3% | 75.4% | 594 418 | 687 096 | 733 999 | 15.3% | 78.0% |
| National Economic Development and Labour Council | 19 554 | 15 868 | 23 915 | 24 159 | 7.3% | 3.7% | 25 828 | 27 447 | 28 791 | 6.0% | 3.3% |
| Non-profit institutions | | | | | | | | | | | |
| Current | 13 795 | 14 379 | 15 063 | 15 802 | 4.6% | 2.6% | 16 504 | 17 318 | 17 929 | 4.3% | 2.1% |
| Strengthen Civil Society | 13 795 | 14 379 | 15 063 | 15 802 | 4.6% | 2.6% | 16 504 | 17 318 | 17 929 | 4.3% | 2.1% |
| Households | | | | | | | | | | | |
| Social benefits | | | | | | | | | | | |
| Current | 871 | – | 148 | – | -100.0% | – | – | – | – | – | – |
| Employee social benefits | 871 | – | 148 | – | -100.0% | – | – | – | – | – | – |
| Foreign governments and international organisations | | | | | | | | | | | |
| Current | 8 618 | 10 703 | 14 211 | 12 722 | 13.9% | 2.1% | 11 312 | 11 991 | 12 543 | -0.5% | 1.5% |
| International Labour Organisation | 8 152 | 10 246 | 13 672 | 10 056 | 7.2% | 1.9% | 10 609 | 11 246 | 11 764 | 5.4% | 1.4% |
| African Regional Labour Administration Centre | 466 | 457 | 539 | 2 666 | 78.9% | 0.2% | 703 | 745 | 779 | -33.6% | 0.2% |

Personnel information

Table 18.16 Details of approved establishment and personnel numbers according to salary level¹

| Post status as at 30 September 2012 | | Number and cost ² of personnel posts filled / planned for on funded establishment | | | | | | | | | | | | Number | | | | | | | | |
|--|---|--|------|-----------|-------------------------------|---------|-----------|----------------------------------|------|-----------|--------|-------------------|-----------|-------------------------|---------------------------------|-----------|-----|------|------|------|--------|-------|
| Number of funded posts | Number of posts additional to the establishment | Actual | | | Revised estimate ³ | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | | | | | |
| | | 2011/12 | | 2012/13 | | 2013/14 | | 2014/15 | | 2015/16 | | 2012/13 - 2015/16 | | | | | | | | | | |
| | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | | | | |
| Labour Policy and Industrial Relations | | 190 | 2 | | 176 | 60.0 | 0.3 | 172 | 64.3 | 0.4 | 192 | 72.0 | 0.4 | 192 | 76.5 | 0.4 | 192 | 81.1 | 0.4 | 3.7% | 100.0% | |
| Salary level | | | | | | | | | | | | | | | | | | | | | | |
| 1 – 6 | 22 | – | 20 | 3.4 | 0.2 | 18 | 3.4 | 0.2 | 22 | 4.3 | 0.2 | 22 | 4.5 | 0.2 | 22 | 4.7 | 0.2 | 22 | 4.7 | 0.2 | 6.9% | 11.2% |
| 7 – 10 | 128 | 2 | 118 | 35.2 | 0.3 | 116 | 38.4 | 0.3 | 130 | 43.2 | 0.3 | 130 | 45.8 | 0.4 | 130 | 48.4 | 0.4 | 130 | 48.4 | 0.4 | 3.9% | 67.6% |
| 11 – 12 | 30 | – | 28 | 14.0 | 0.5 | 29 | 15.3 | 0.5 | 30 | 16.1 | 0.5 | 30 | 17.4 | 0.6 | 30 | 18.2 | 0.6 | 30 | 18.2 | 0.6 | 1.1% | 15.9% |
| 13 – 16 | 10 | – | 10 | 7.4 | 0.7 | 9 | 7.2 | 0.8 | 10 | 8.3 | 0.8 | 10 | 8.8 | 0.9 | 10 | 9.8 | 1.0 | 10 | 9.8 | 1.0 | 3.6% | 5.2% |

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

2. Rand million.

3. As at 30 September 2012.

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, promoting equity in the labour market, and enforcing and monitoring the mechanisms of the Employment Equity Act (1998). The bulk of this programme's budget is transferred to the Commission for Conciliation, Mediation and Arbitration.

The 2013 Budget provides additional allocations for improved conditions of service as follows: R1.7 million in 2013/14, R2.1 million in 2014/15, and R3.3 million in 2015/16 for the programme; and R5.2 million in 2013/14, R7.1 million in 2014/15 and R9.2 million in 2015/16 for the Commission for Conciliation, Mediation and Arbitration and the National Economic Development and Labour Council. The Budget also provides additional allocations of R80 million in 2013/14, R140 million in 2014/15, and R160 million in 2015/16 to the Commission for Conciliation, Mediation and Arbitration for additional caseloads arising from amendments to labour legislation and the rollout of the web based management system; a new office in the Vaal and Welkom areas; and a dedicated job saving unit for the training layoff scheme. This is expected to increase expenditure over the medium term from R640.3 million in 2012/13 to R923.7 million in 2015/16.

As part of the Cabinet approved reductions, the department will reduce spending by R1.1 million over the medium term in the *Strengthen Civil Society* subprogramme. In addition, R8.3 million was reprioritised from all

subprogrammes to the *Management and Support Services: Labour Policy and Industrial Relations* subprogramme to fund travel expenses for attending parliamentary hearings as well as for increased costs for the labour attaché in Geneva due to fluctuating exchange rates.

The total number of personnel in this programme is expected to increase from 176 posts in 2011/12 to 192 posts in 2015/16, as vacant posts get filled.

Spending on consultants was equivalent to 10.6 per cent of total expenditure on compensation of employees in 2012/13, and is expected to grow from R6.4 million in 2012/13 to R12.2 million in 2015/16 due to the commissioning of six research reports. In 2012/13, this programme contracted two consulting companies to undertake research on the taxi sectoral determination and noise induced hearing loss.

Public entities and other agencies

Commission for Conciliation, Mediation and Arbitration

Mandate and goals

The Commission for Conciliation, Mediation and Arbitration was established in terms of the Labour Relations Act (1995). The commission's mandate to deal with workplace disputes as effectively and efficiently as possible is derived from the act's purposes, which include the advancement of economic development, social justice, labour peace and the democratisation of the workplace.

The commission's strategic goals over the medium term are to:

- enhance the role of the commission in the labour market through the provision of effective dispute resolution under the auspices of the bargaining councils and private agencies
- deliver services rooted in social justice, ensuring a balance between quality and quantity
- provide support and assistance to local, regional and international organisations
- facilitate social dialogue and economic development on identified labour market issues locally and internationally.

Selected performance indicators

Table 18.17 Commission for Conciliation, Mediation and Arbitration

| Indicator | Programme/Activity/Objective | Past | | | Current | Projections | | |
|--|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Number of jurisdiction referrals per year | Deliver excellent service rooted in social justice ensuring balance between quality and quantity | 118 842 | 119 362 | 131 298 | 134 670 | 148 137 | 179 246 | 197 170 |
| Percentage of pre-conciliations heard per year | Deliver excellent service rooted in social justice ensuring balance between quality and quantity | 14% (16 283) | 15% (18 205) | 10% (20 026) | 10% (13 467) | 10% (14 814) | 10% (17 995) | 10% (19 717) |
| Percentage of pre-conciliations settled (of jurisdiction cases) per year | Deliver excellent service rooted in social justice ensuring balance between quality and quantity | 6% (7 256) | 7% (8 533) | 7% (9 386) | 7% (9 427) | 7% (10 370) | 7% (12 547) | 7% (13 802) |
| 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 | 40% (47 375) | 41% (49 222) | 50% (54 144) | 50% (67 335) | 50% (74 069) | 50% (89 623) | 50% (98 585) |
| 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 | 32% (47 375) | 34% (41 086) | 40% (45 195) | 35% (47 135) | 35% (51 848) | 35% (62 736) | 35% (69 010) |
| Number of cases settled (based on finalised cases) per year | Deliver excellent service rooted in social justice ensuring balance between quality and quantity | 65 004 | 71 976 | 79 174 | 88 350 | 97 185 | 106 904 | 115 918 |

Programmes/activities/objectives

Table 18.18 Commission for Conciliation, Mediation and Arbitration

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) | | | |
|---|--|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------|-------------------|----------------|-------------------------|--------------------------------|---------|---------|-------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | | 2014/15 | 2015/16 | 2012/13 - 2015/16 |
| | Deliver excellent service rooted in social justice ensuring balance between quality and quantity | 154 253 | 144 015 | | | | 156 170 | 199 781 | 9.0% | | | 38.9% | 270 383 | 322 867 |
| Build skills to achieve professionalism | 12 325 | 13 089 | 14 375 | 16 065 | 9.2% | 3.3% | 17 077 | 18 153 | 19 297 | 6.3% | 2.8% | | | |
| Enhance and entrench internal processes and systems for optimal deployment of resources | 86 429 | 86 043 | 101 563 | 107 550 | 7.6% | 22.7% | 143 980 | 172 855 | 185 935 | 20.0% | 23.8% | | | |
| Align structure to enable optimal implementation of strategy | 110 925 | 117 779 | 129 378 | 144 584 | 9.2% | 29.9% | 153 693 | 163 376 | 173 669 | 6.3% | 25.3% | | | |
| Enrich the commission's role in labour market | 4 483 | 5 025 | 5 367 | 7 041 | 16.2% | 1.3% | 5 257 | 5 526 | 5 796 | -6.3% | 1.0% | | | |
| Entrench an organisational culture that supports the delivery of mandate | 12 402 | 15 396 | 21 070 | 16 115 | 9.1% | 3.9% | 16 969 | 17 835 | 18 709 | 5.1% | 2.8% | | | |
| Total expense | 380 817 | 381 346 | 427 923 | 491 136 | 8.9% | 100.0% | 607 359 | 700 612 | 747 992 | 15.1% | 100.0% | | | |

Expenditure estimates

Table 18.19 Commission for Conciliation, Mediation and Arbitration

| Statement of financial performance | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) | | | |
|--|-----------------|----------------|----------------|------------------|-------------------------|--------------------------------|----------------------|-------------------|----------------|-------------------------|--------------------------------|---------|---------|-------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | | 2014/15 | 2015/16 | 2012/13 - 2015/16 |
| | Revenue | | | | | | | | | | | | | |
| Non-tax revenue | 9 135 | 11 208 | 12 051 | 12 391 | 10.7% | 2.6% | 12 941 | 13 516 | 13 993 | 4.1% | 2.1% | | | |
| Sale of goods and services other than capital assets | 3 136 | 1 506 | 2 755 | 2 907 | -2.5% | 0.6% | 3 035 | 3 170 | 3 278 | 4.1% | 0.5% | | | |
| of which: | | | | | | | | | | | | | | |
| Other sales | 3 136 | 1 506 | 2 755 | 2 907 | -2.5% | 0.6% | 3 035 | 3 170 | 3 278 | 4.1% | 0.5% | | | |
| Other non-tax revenue | 5 999 | 9 702 | 9 296 | 9 485 | 16.5% | 2.0% | 9 906 | 10 347 | 10 715 | 4.2% | 1.6% | | | |
| Transfers received | 356 442 | 402 017 | 448 104 | 478 745 | 10.3% | 97.4% | 594 418 | 687 096 | 733 999 | 15.3% | 97.9% | | | |
| Total revenue | 365 577 | 413 225 | 460 155 | 491 136 | 10.3% | 100.0% | 607 359 | 700 612 | 747 992 | 15.1% | 100.0% | | | |
| Expenses | | | | | | | | | | | | | | |
| Current expenses | 380 817 | 381 346 | 427 923 | 491 136 | 8.9% | 100.0% | 607 359 | 700 612 | 747 992 | 15.1% | 100.0% | | | |
| Compensation of employees | 123 250 | 130 867 | 143 753 | 162 697 | 9.7% | 33.4% | 170 770 | 181 529 | 192 965 | 5.9% | 28.2% | | | |
| Goods and services | 251 431 | 249 863 | 282 342 | 321 233 | 8.5% | 65.7% | 429 000 | 511 107 | 546 660 | 19.4% | 70.5% | | | |
| Depreciation | 6 136 | 6 16 | 1 828 | 7 206 | 5.5% | 0.9% | 7 589 | 7 976 | 8 367 | 5.1% | 1.2% | | | |
| Total expenses | 380 817 | 381 346 | 427 923 | 491 136 | 8.9% | 100.0% | 607 359 | 700 612 | 747 992 | 15.1% | 100.0% | | | |
| Surplus/(Deficit) | (15 240) | 31 879 | 32 232 | - | -100.0% | | - | - | - | - | - | | | |

Personnel information

Table 18.20 Commission for Conciliation, Mediation and Arbitration

| Salary level | Post status estimated for 31 March 2013 | Number of funded posts | Number of vacant posts | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | |
|--------------|---|------------------------|------------------------|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|------------------------|---------------------------------|---------|------|-----------|
| | | | | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average Growth rate(%) | Salary level/total: Average (%) | | | |
| | | | | 2011/12 | | Unit Cost | 2012/13 | | Unit Cost | 2013/14 | | Unit Cost | 2014/15 | | Unit Cost | | | 2015/16 | | Unit Cost |
| | | | | Number | Cost | | Number | Cost | | Number | Cost | | Number | Cost | | Number | Cost | Number | Cost | |
| | 440 | - | | 440 | 143.8 | 0.3 | 440 | 160.6 | 0.4 | 440 | 170.8 | 0.4 | 440 | 181.5 | 0.4 | 440 | 193.0 | 0.4 | - | 100.0% |
| 1 - 6 | 97 | - | | 97 | 9.9 | 0.1 | 97 | 11.1 | 0.1 | 97 | 11.8 | 0.1 | 97 | 13.2 | 0.1 | 97 | 16.9 | 0.2 | - | 22.0% |
| 7 - 10 | 218 | - | | 218 | 56.5 | 0.3 | 218 | 63.2 | 0.3 | 218 | 67.2 | 0.3 | 218 | 71.1 | 0.3 | 218 | 74.4 | 0.3 | - | 49.5% |
| 11 - 12 | 93 | - | | 93 | 45.1 | 0.5 | 93 | 50.4 | 0.5 | 93 | 53.5 | 0.6 | 93 | 56.7 | 0.6 | 93 | 59.3 | 0.6 | - | 21.1% |
| 13 - 16 | 31 | - | | 31 | 30.5 | 1.0 | 31 | 34.1 | 1.1 | 31 | 36.2 | 1.2 | 31 | 38.4 | 1.2 | 31 | 40.2 | 1.3 | - | 7.0% |
| 17 - 22 | 1 | - | | 1 | 1.7 | 1.7 | 1 | 1.9 | 1.9 | 1 | 2.0 | 2.0 | 1 | 2.1 | 2.1 | 1 | 2.2 | 2.2 | - | 0.2% |

1. Rand million.

Expenditure trends

The Commission for Conciliation, Mediation and Arbitration's main source of revenue is the annual transfer it receives from the department. Total revenue over the medium term is estimated to grow due to the anticipated increase in the transfer.

The commission's main cost driver is the number of cases referred to it. Spending over the medium term will focus on improved service delivery and improving internal cost efficiencies. An additional R20.6 million from the department is earmarked for improved conditions of service. A further R380 million is allocated for the expansion of services: addressing increasing caseloads arising from the implementation of amendments to labour legislation; expanding access to the commission's services through the rollout of the web based case management system to labour centres and bargaining council; establishing a dedicated job saving unit to take forward the training layoff scheme; and opening a new office in the Vaal Reefs area in Gauteng and Welkom in Free State.

The growth in spending on compensation of employees between 2009/10 and 2012/13 is due to inflationary salary adjustments and the filling of existing staff vacancies to improve service delivery and back office support. The commission had a total budget of R491 million in 2012/13, of which 65.4 per cent was spent on goods and services and for case disbursement costs. Spending over the medium term will be driven largely by part-time commissioner fees for case disbursement costs, which comprises 63.2 per cent of goods and services spending, followed by lease payments at 9.5 per cent. The increase in spending over the medium term is in line with performance projections for the commission, as the annual targets for the number of jurisdiction referrals and the number of cases settled are set to increase from 134 670 and 88 350 cases in 2012/13, to 197 170 and 115 918 cases in 2015/16 respectively.

The commission aims to reduce its operational overheads by cutting printing and electricity costs through the raised awareness created by its greening project, lowering telecommunication costs by using least cost routing and voice over internet protocol infrastructure, identifying cost savings for travel and accommodation, and monitoring spending at cost centres against approved budgets. The projected savings of R1.3 million over the MTEF period is reallocated within the commission and used for case disbursement and other operational costs. As at 30 September 2012, the commission had a funded establishment of 440 posts, which is set to remain stable over the medium term.

Compensation Fund

Mandate and goals

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act (1993). The main objective of the act is to provide compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees, or for death resulting from such injuries or diseases.

The fund's strategic goals over the medium term are to:

- provide an efficient social safety net
- enhance the quality of, and access to, services provided in terms of the act through the decentralisation of these services to all provinces, and conduct campaigns to educate employees about the act
- improve revenue collection
- integrate the fund with government's comprehensive social security reforms
- implement the fund's integrated claims management and financial management systems
- strengthen corporate governance.

Selected performance indicators

Table 18.21 Compensation Fund

| Indicator | Programme/Activity/Objective | Past | | | Current | Projections | | |
|---|--|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|
| | | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Number of new claims registered per year | Compensation claims/Compensation for Occupational Injuries and Diseases Act (1993) | 200 559 | 215 493 | 449 742 | 472 229 | 661 121 | 805 905 | 846 200 |
| Percentage of registered claims finalised per year | Compensation claims/Compensation for Occupational Injuries and Diseases Act (1993) | 60% (143 066) | 67% (144 081) | 33% (148 403) | 75% (354 172) | 77% (509 063) | 86% (693 078) | 86% (727 732) |
| Percentage of medical claims finalised per year within a 3-month period | Medical claims | 70% (195 312) | 64% (226 382) | 45% (107 475) | 68% | 75% | 80% | 85% |
| Percentage growth in assessment revenue per year | Administration/operations | 7% (R4bn) | 8.3% (R4.9bn) | 2.3% (R5bn) | 3% (R5.1bn) | 3.9% (R5.3bn) | 3% (R5.5bn) | 5% (R5.8bn) |
| Percentage increase in the number of registered employers per year | Administration/operations | 5% (400 355) | 5% (422 371) | 5% (443 490) | 5% (465 664) | 5% (488 947) | 5% (513 395) | 5% (539 064) |

Programmes/activities/objectives

Table 18.22 Compensation Fund

| | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|------------------|------------------|------------------|------------------|-------------------------|--------------------------------|----------------------|------------------|------------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2009/10 - 2012/13 | | 2013/14 | 2014/15 | 2015/16 | 2012/13 - 2015/16 | |
| R thousand | | | | | | | | | | | |
| Administration/operations | 345 377 | 487 660 | 1 227 188 | 1 168 692 | 50.1% | 14.7% | 1 583 407 | 1 646 743 | 1 712 613 | 13.6% | 24.2% |
| Compensation claims/Compensation for Occupational Injuries and Diseases Act (1993) | 2 736 153 | 1 843 869 | 1 810 153 | 1 643 744 | -15.6% | 39.9% | 1 864 055 | 2 000 219 | 2 015 546 | 7.0% | 29.9% |
| Medical claims | 1 826 084 | 1 562 038 | 3 369 347 | 3 000 000 | 18.0% | 45.4% | 2 712 758 | 2 821 268 | 2 934 119 | -0.7% | 45.8% |
| Total expense | 4 907 614 | 3 893 567 | 6 406 688 | 5 812 436 | 5.8% | 100.0% | 6 160 220 | 6 468 231 | 6 662 278 | 4.7% | 100.0% |

Expenditure estimates

Table 18.23 Compensation Fund

| Statement of financial performance | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--------------------------------------|------------------|------------------|------------------|------------------|-------------------------|--------------------------------|----------------------|------------------|------------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2009/10 - 2012/13 | | 2013/14 | 2014/15 | 2015/16 | 2012/13 - 2015/16 | |
| R thousand | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 2 725 943 | 2 671 362 | 3 476 758 | 2 709 833 | -0.2% | 37.2% | 2 839 014 | 2 836 766 | 2 978 604 | 3.2% | 34.4% |
| <i>Other non-tax revenue</i> | 2 725 943 | 2 671 362 | 3 476 758 | 2 709 833 | -0.2% | 37.2% | 2 839 014 | 2 836 766 | 2 978 604 | 3.2% | 34.4% |
| Transfers received | 4 491 623 | 4 865 989 | 4 978 276 | 5 127 624 | 4.5% | 62.8% | 5 328 946 | 5 488 815 | 5 763 256 | 4.0% | 65.6% |
| Total revenue | 7 217 566 | 7 537 351 | 8 455 034 | 7 837 457 | 2.8% | 100.0% | 8 167 960 | 8 325 581 | 8 741 860 | 3.7% | 100.0% |
| Expenses | | | | | | | | | | | |
| Current expenses | 610 129 | 675 445 | 781 388 | 865 039 | 12.3% | 14.2% | 915 979 | 961 778 | 990 631 | 4.6% | 14.9% |
| Compensation of employees | 152 483 | 184 654 | 211 973 | 216 963 | 12.5% | 3.7% | 229 981 | 241 480 | 248 724 | 4.7% | 3.7% |
| Goods and services | 445 079 | 487 014 | 565 963 | 645 403 | 13.2% | 10.4% | 684 127 | 718 334 | 739 884 | 4.7% | 11.1% |
| Depreciation | 3 267 | 1 833 | 1 570 | 1 765 | -18.6% | 0.0% | 1 871 | 1 964 | 2 023 | 4.7% | 0.0% |
| Interest, dividends and rent on land | 9 300 | 1 944 | 1 882 | 908 | -54.0% | 0.1% | - | - | - | -100.0% | 0.0% |
| Transfers and subsidies | 4 297 485 | 3 218 122 | 5 625 300 | 4 947 397 | 4.8% | 85.8% | 5 244 241 | 5 506 453 | 5 671 646 | 4.7% | 85.1% |
| Total expenses | 4 907 614 | 3 893 567 | 6 406 688 | 5 812 436 | 5.8% | 100.0% | 6 160 220 | 6 468 231 | 6 662 278 | 4.7% | 100.0% |
| Surplus/(Deficit) | 2 309 952 | 3 643 784 | 2 048 346 | 2 025 021 | -4.3% | | 2 007 741 | 1 857 350 | 2 079 582 | 0.9% | |

Personnel information

Table 18.24 Compensation Fund

| Salary level | Post status estimated for 31 March 2013 | | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | | | | Number | | |
|--------------|---|------------------------|--|-------|-----------|------------------|-------|-----------|----------------------------------|-------|-----------|---------|-------|-----------|---------|-------|-----------|-------------------------|---------------------------------|-------------------|
| | Number of funded posts | Number of vacant posts | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | | | | Average growth rate (%) | Salary level/total: Average (%) | |
| | | | 2011/12 | | | 2012/13 | | | 2013/14 | | | 2014/15 | | | 2015/16 | | | | | 2012/13 - 2015/16 |
| | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | |
| | 1 190 | 452 | 564 | 212.0 | 0.4 | 738 | 217.0 | 0.3 | 1 068 | 230.0 | 0.2 | 1 068 | 241.5 | 0.2 | 1 069 | 248.7 | 0.2 | 13.1% | 100.0% | |
| 1 – 6 | 807 | 303 | 315 | 137.7 | 0.4 | 504 | 83.5 | 0.2 | 696 | 89.7 | 0.1 | 696 | 97.3 | 0.1 | 697 | 114.2 | 0.2 | 11.4% | 66.0% | |
| 7 – 10 | 306 | 118 | 207 | 29.8 | 0.1 | 188 | 68.9 | 0.4 | 306 | 71.1 | 0.2 | 306 | 72.8 | 0.2 | 306 | 72.7 | 0.2 | 17.6% | 27.9% | |
| 11 – 12 | 52 | 20 | 28 | 4.6 | 0.2 | 32 | 4.7 | 0.1 | 52 | 4.8 | 0.1 | 52 | 5.1 | 0.1 | 52 | 5.4 | 0.1 | 17.6% | 4.7% | |
| 13 – 16 | 25 | 11 | 14 | 39.9 | 2.8 | 14 | 59.8 | 4.3 | 14 | 64.3 | 4.6 | 14 | 66.3 | 4.7 | 14 | 56.5 | 4.0 | – | 1.5% | |

1. Rand million.

Expenditure trends

The Compensation Fund generates its revenue from transfers received, which reflects the revenue collected from assessments levied on employers. Over the seven-year period, revenue grows due to the appointment of a debt collection agency to track and collect outstanding assessment fees from those employers that have been assessed but have not paid the fund. Between 2009/10 and 2012/13, non-tax revenue fluctuates due to fluctuating income from investments.

The spending focus over the medium term will be on making efficient payments to qualifying beneficiaries, decentralising services, implementing the new organisational structure and maximising revenue collection in an effort to provide an efficient social safety net.

Between 2009/10 and 2012/13, spending increased due to several factors: spending on compensation of employees and goods and services grew due to the expansion of operations, as the decentralisation project aiming to increase the accessibility of the fund's services for its clients was implemented; improvements were made to the fund's financial and claims systems, which required using consultants, including the implementation of the new financial system software from SAP; and debt collection agent fees were incurred in the drive to improve revenue collection. In 2012/13, transfers and subsidies paid increased due mainly to the backlog in current claims being cleared. The expenditure increase over the medium term is in line with performance projections for the fund, in terms of which the number of claims registered and finalised per year is estimated to grow from 354 172 in 2012/13 to 727 732 by 2015/16, due to the implementation of the new financial systems and the decentralisation of services.

The fund fulfilled its mandate in 2011/12 and paid R549 million in compensation claims to 205 150 beneficiaries, and R1.9 billion in medical claims of which:

- R71.9 million was paid for compensation benefits for permanent disability
- R94.3 million was paid for temporary disability benefits
- R382.8 million was paid for pension benefits

R1.9 billion was paid to service providers for medical claims.

The fund has implemented cost saving measures, which include reducing the number of external workshops and the amount of travelling required between head office and provinces. Spending on travel and subsistence will also be reduced once the decentralisation project is completed and officials are deployed to the various provinces, while the filling of approved posts on the structure will help the fund reduce its spending on consultant fees and outsourced services. The new financial system software has brought an improved turnaround time in the processing of claims compared to previous financial years, which will result in future savings as the services of consultants and contract staff will not be required.

The fund has approved an expanded organisational structure and the new posts are being filled. As at 30 September 2012, there were 738 filled posts against a funded establishment of 1 190 posts, but as part of the implementation of the approved structure, the fund absorbed about 300 contract workers on a permanent basis in

October 2012. The remaining 152 vacant posts will be filled over the medium term as services are decentralised to the provinces. In 2012/13, seven consulting companies were used for the implementation of the SAP financial systems, financial and risk management, debt collection and auditing services, as the fund lacked the requisite skills for this.

Unemployment Insurance Fund

Mandate and goals

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

The fund's strategic goals over the medium term are to:

- improve the collection of contributions from employers
- increase the rate of processing claims in order to pay within the targeted service levels and turnaround times
- contribute to government initiatives of creating and sustaining decent employment, which includes investing mandated funds in socially responsible investments
- effectively administer the fund's operations to maintain an unqualified audit opinion.

Selected performance indicators

Table 18.25 Unemployment Insurance Fund

| Indicator | Programme/Activity/ Objective | Past | | | Current | Projections | | |
|---|--|------------------------------|-------------------|------------------|---------|-------------|---------|---------|
| | | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Number of initiatives approved by the Unemployment Insurance Fund per year | Fund poverty alleviation schemes | 1 | 2 | 3 | 3 | 3 | 3 | 3 |
| Percentage of total mandated social responsibility investment invested per year | Fund poverty alleviation schemes | - ¹ | 47% (R1.035bn) | 70% (R2.5bn) | 80% | 80% | 80% | 80% |
| Percentage increase in revenue contributions per year | Encourage compliance through enhanced service delivery | 4.21% (R10.3bn) | 5.3% (R10.8bn) | 6% (R11.3bn) | 7% | 6% | 6% | 6% |
| Percentage increase in the rand value of the overpayment balance recovered per year | Encourage compliance through enhanced service delivery | 33% (R37.2m) | 22% (R58m) | 18% (R72m) | 20% | 22% | 25% | 30% |
| Percentage of claims finalised within 5 weeks of application per year | Encourage compliance through enhanced service delivery | 51.5% (412 572) | 73% (547 399) | 80% (578 014) | 82.5% | 85% | 90% | 95% |
| Percentage increase in number of employers using u-filing system per year | Encourage compliance through enhanced service delivery | 61.2% 35 176 ² | 73% (11 152) | 56% (14 167) | 25% | 30% | 40% | 50% |

1. New indicator that started in 2010/11.

2. These numbers represent the difference between the years and not the actual number of employers using the u-filing system.

Programmes/activities/objectives

Table 18.26 Unemployment Insurance Fund

| | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|---|------------------|------------------|------------------|-------------------|-------------------------|--------------------------------|----------------------|-------------------|-------------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | |
| R thousand | | | | | | | | | | | |
| Encourage compliance through enhanced service delivery | 7 041 441 | 4 972 297 | 5 684 894 | 8 508 905 | 6.5% | 84.3% | 9 782 479 | 11 527 165 | 10 851 650 | 8.4% | 83.5% |
| Fund initiatives aimed at alleviating the harmful effects of unemployment | 4 140 | 48 229 | 22 485 | 315 000 | 323.7% | 1.1% | 520 000 | 630 000 | 695 000 | 30.2% | 4.8% |
| Administration | 843 326 | 1 014 908 | 1 138 181 | 1 477 319 | 20.5% | 14.6% | 1 510 388 | 1 471 475 | 1 517 374 | 0.9% | 11.7% |
| Total expense | 7 888 907 | 6 035 434 | 6 845 560 | 10 301 224 | 9.3% | 100.0% | 11 812 867 | 13 628 640 | 13 064 024 | 8.2% | 100.0% |

Expenditure estimates

Table 18.27 Unemployment Insurance Fund

| Statement of financial performance | Audited outcome | | | Revised estimate | Average growth rate (%) | | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) | |
|--|-----------------|------------|------------|------------------|-------------------------|-------------------|----------------------|------------|------------|-------------------------|--------------------------------|-------------------|
| | 2009/10 | 2010/11 | 2011/12 | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | 2014/15 | 2015/16 | | | 2012/13 - 2015/16 |
| | R thousand | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Non-tax revenue | 4 099 527 | 4 293 094 | 6 398 805 | 4 477 273 | 3.0% | 28.7% | 4 965 936 | 5 441 297 | 5 907 471 | 9.7% | 26.2% | |
| Sale of goods and services other than capital assets | 2 282 | 2 250 | 1 935 | 2 875 | 8.0% | 0.0% | 3 027 | 3 175 | 3 321 | 4.9% | 0.0% | |
| of which: | | | | | | | | | | | | |
| Sales by market establishment | 2 094 | 2 212 | 1 935 | 2 001 | -1.5% | 0.0% | 2 107 | 2 210 | 2 312 | 4.9% | 0.0% | |
| Other sales | 188 | 38 | – | 874 | 66.9% | 0.0% | 920 | 965 | 1 009 | 4.9% | 0.0% | |
| Other non-tax revenue | 4 097 245 | 4 290 844 | 6 396 870 | 4 474 398 | 3.0% | 28.7% | 4 962 909 | 5 438 122 | 5 904 150 | 9.7% | 26.2% | |
| Transfers received | 10 643 021 | 11 204 252 | 12 284 293 | 13 394 325 | 8.0% | 71.3% | 13 964 922 | 15 006 835 | 16 095 098 | 6.3% | 73.8% | |
| Total revenue | 14 742 548 | 15 497 346 | 18 683 098 | 17 871 598 | 6.6% | 100.0% | 18 930 858 | 20 448 132 | 22 002 569 | 7.2% | 100.0% | |
| Expenses | | | | | | | | | | | | |
| Current expenses | 848 049 | 1 017 898 | 1 145 037 | 1 485 716 | 20.6% | 14.7% | 1 520 940 | 1 478 023 | 1 520 529 | 0.8% | 12.4% | |
| Compensation of employees | 416 734 | 515 009 | 575 517 | 777 611 | 23.1% | 7.4% | 826 452 | 875 213 | 915 473 | 5.6% | 7.0% | |
| Goods and services | 426 584 | 497 307 | 562 664 | 699 696 | 17.9% | 7.2% | 683 929 | 596 255 | 601 894 | -4.9% | 5.4% | |
| Depreciation | 4 723 | 5 582 | 6 856 | 8 397 | 21.1% | 0.1% | 10 552 | 6 548 | 3 155 | -27.8% | 0.1% | |
| Interest, dividends and rent on land | 8 | – | – | 12 | 14.5% | 0.0% | 7 | 7 | 7 | -16.4% | 0.0% | |
| Transfers and subsidies | 7 040 858 | 5 017 536 | 5 700 523 | 8 815 508 | 7.8% | 85.3% | 10 291 927 | 12 150 617 | 11 543 495 | 9.4% | 87.6% | |
| Total expenses | 7 888 907 | 6 035 434 | 6 845 560 | 10 301 224 | 9.3% | 100.0% | 11 812 867 | 13 628 640 | 13 064 024 | 8.2% | 100.0% | |
| Surplus/(Deficit) | 6 853 641 | 9 461 912 | 11 837 538 | 7 570 374 | 3.4% | | 7 117 991 | 6 819 492 | 8 938 545 | 5.7% | | |

Personnel information

Table 18.28 Unemployment Insurance Fund

| Post status estimated for 31 March 2013 | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | | | | Number | | | |
|---|--|------------------------|---------|-------|-----------|------------------|---------|-----------|----------------------------------|---------|-----------|--------|---------|-----------|-------------------------|---------------------------------|--------|------|-----------|
| | Number of funded posts | Number of vacant posts | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | |
| | | | 2011/12 | | 2012/13 | | 2013/14 | | | 2014/15 | | | 2015/16 | | | | | | |
| | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | | | Number | Cost | Unit Cost |
| Salary level | 1 718 | 12 | 1 706 | 575.5 | 0.3 | 1 706 | 777.6 | 0.5 | 1 718 | 826.5 | 0.5 | 1 718 | 875.2 | 0.5 | 1 718 | 915.5 | 0.5 | 0.2% | 100.0% |
| 1 – 6 | 990 | – | 990 | 206.2 | 0.2 | 990 | 220.6 | 0.2 | 990 | 242.9 | 0.2 | 990 | 144.2 | 0.1 | 990 | 293.9 | 0.3 | – | 57.7% |
| 7 – 10 | 628 | 4 | 624 | 189.2 | 0.3 | 624 | 202.4 | 0.3 | 628 | 223.8 | 0.4 | 628 | 246.3 | 0.4 | 628 | 270.8 | 0.4 | 0.2% | 36.6% |
| 11 – 12 | 78 | 3 | 75 | 42.1 | 0.6 | 75 | 45.0 | 0.6 | 78 | 51.1 | 0.7 | 78 | 56.2 | 0.7 | 78 | 61.8 | 0.8 | 1.3% | 4.5% |
| 13 – 16 | 22 | 5 | 17 | 138.1 | 8.1 | 17 | 309.5 | 18.2 | 22 | 308.7 | 14.0 | 22 | 428.5 | 19.5 | 22 | 289.0 | 13.1 | 9.0% | 1.2% |

1. Rand million.

Expenditure trends

Over the medium term, the Unemployment Insurance Fund projects that it will generate on average 73.4 per cent of its revenue from unemployment contributions due to an anticipated increase in contributors to the fund as the economy recovers and 26.5 per cent from non-tax revenue, with the latter driven by interest from investments.

Over the medium term, the fund will focus its spending on paying benefits to qualifying persons and implementing poverty alleviation schemes to assist unemployed workers registered on the fund's database. Transfers and subsidies or benefits paid over the medium term are expected to increase as a result of the recommended benefit improvements contained in the draft Unemployment Insurance Fund Amendment Bill. The commission to be paid to the South African Revenue Service for collection of Unemployment Insurance Fund contributions, which is reflected in goods and services, is expected to increase between 2012/13 and 2015/16 in line with the projected increase in revenue collection.

Unemployment insurance claims paid, which are reflected in transfers and subsidies expenditure, grew between 2009/10 and 2012/13 due to increased retrenchments arising from the global economic crisis. Transfers and subsidies paid dropped from R7 billion in 2009/10 to R5 billion in 2010/11 and increased to R5.7 billion and R8.8 billion in 2011/12 and 2012/13. Benefits paid over the medium term are expected to grow at a slower rate as global economies begin to recover.

Spending on compensation of employees increases significantly between 2011/12 and 2013/14 due to the implementation of the new organisational structure, the appointment of payroll auditors and general salary adjustments. This results in an increase in spending on goods and services in support of the new organisational structure, for increased rental paid for additional office space at the provincial level to accommodate new staff members. The increased spending strengthens the fund's capacity and improves service delivery to make the fund's services more accessible to its diverse clients.

The new organisational structure will allow the fund to reduce spending on consultants over the medium term as a greater proportion of functions, such as IT services, internal audit and risk management, are to be done in-house. The fund had 39 vacant posts at the semi-skilled and skilled levels as at 30 September 2012 as a result of the time it takes to verify qualifications and obtain security clearance. To reduce the delays in appointments, the fund has amended its recruitment and selection processes to ensure that appointments are made immediately once internal processes are completed. The ratio of support staff to line function staff is 1:1.1.

The fund fulfilled its mandate in 2011/12 and paid R5.7 billion in claims to 705 855 beneficiaries of which:

- R4.4 billion was paid to 555 969 claimants for unemployment benefits
- R234.1 million was paid to 20 966 claimants for illness benefits
- R708.2 million was paid to 104 407 claimants for maternity and adoption benefits
- R315.5 million was paid to 24 513 claimants for dependant benefits.

The fund implemented cost saving measures in 2011/12 to reduce air travel, the use of car rental and accommodation, by limiting travel and instead using video conferencing; and decreasing catering costs by reducing the number of meetings held. Savings were also realised through the renewal in 2011 of the 2007 contract with the South African Post Office to print and distribute various letters in bulk. Over the MTEF period, the fund will reprioritise the estimated savings of R163 million within its budget to cover the increase in expenditure for lease payments at the service delivery points in provincial offices.

National Economic Development and Labour Council

Mandate and goals

The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act (1994). Its mandate is to promote the act's goals of economic growth and social equity by getting organised labour, organised business and government to work as a collective.

The council's work programme is determined by the legislative and policy programme of government, as well as issues tabled by its constituents.

The council's strategic goals over the medium term are to:

- promote economic growth, social equity and decent work
- promote and embed a culture of effective social dialogue and engagement
- promote effective participation in socioeconomic policymaking and legislation.

Selected performance indicators

Table 18.29 National Economic Development and Labour Council

| Indicator | Activity/Objective/Programme/Project | Past | | | Current | Projected | | |
|---|--|----------------|---------|---------|---------|-----------|---------|---------|
| | | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Number of research reports concluded and signed off by management committee per year | Administration/operations | - ¹ | 1 | 1 | 1 | 2 | 3 | 3 |
| Number of months taken to finalise reports on draft legislation in the development chamber from date of tabling per year | Development chamber | - ¹ | 12 | 12 | 12 | 12 | 12 | 12 |
| Number of months taken to finalise reports on draft legislation in the public finance and monetary policy chamber from date of tabling per year | Public finance and monetary policy chamber | - ¹ | 1 | 1 | 1 | 6 | 6 | 6 |
| Number of special sessions on the national Budget and the Medium Term Budget Policy Statement held per year | Public finance and monetary policy chamber | - ¹ | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of months taken to finalise reports on draft legislation in the trade and industry chamber from date of tabling per year | Trade and industry chamber | - ¹ | 8 | 8 | 8 | 6 | 6 | 6 |
| Number of fund for industrial development research into growth and equity research reports completed per year | Trade and industry chamber | - ¹ | 1 | 1 | 4 | 2 | 2 | 2 |
| Number of months taken to finalise reports on draft legislation in the labour market chamber from date of tabling per year | Labour market chamber | - ¹ | 8 | 8 | 8 | 6 | 6 | 6 |
| Number of days taken to resolve bargaining council demarcation disputes and applications referred by the commission for conciliation mediation and arbitration per year | Labour market chamber | - ¹ | 1 | 1 | 21 | 21 | 21 | 21 |
| Number of months taken to resolve section 77 notices in terms of the section 77 protocol as and when these may arise per year | Section 77 | - ¹ | 12 | 12 | 12 | 4 | 4 | 4 |

1. New indicators from 2010/11.

Programmes/activities/objectives

Table 18.30 National Economic Development and Labour Council

| R thousand | Audited outcome | | | Revised estimate 2012/13 | Average growth rate (%) 2009/10 - 2012/13 | Expenditure/total: Average (%) 2009/10 - 2012/13 | Medium-term estimate | | | Average growth rate (%) 2012/13 - 2015/16 | Expenditure/total: Average (%) 2012/13 - 2015/16 |
|--|---------------------------|---------------|---------------|-----------------------------|--|---|----------------------|---------------|---------------|--|---|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2013/14 | 2014/15 | 2015/16 | | |
| | Administration/operations | 14 318 | 14 210 | | | | 15 942 | 24 347 | 19.4% | | |
| Constituency capacity building funds | 1 851 | 1 971 | 2 624 | 2 500 | 10.5% | 10.9% | 3 075 | 3 382 | 3 720 | 14.2% | 11.0% |
| Special projects | 1 287 | 728 | 2 149 | - | -100.0% | 5.5% | - | - | - | - | - |
| Development chamber | - | - | - | 529 | - | 0.5% | 1 170 | 1 265 | 1 345 | 36.5% | 3.8% |
| Public finance and monetary policy Chamber | - | - | - | 147 | - | 0.1% | 325 | 350 | 375 | 36.6% | 1.0% |
| Trade and industry chamber | - | - | - | 685 | - | 0.6% | 1 515 | 1 630 | 1 740 | 36.4% | 4.9% |
| Labour market chamber | - | - | - | 379 | - | 0.3% | 839 | 915 | 965 | 36.6% | 2.7% |
| Management committee task teams | - | - | - | 276 | - | 0.2% | 400 | 435 | 460 | 18.6% | 1.4% |
| Total expense | 17 456 | 16 909 | 20 715 | 28 863 | 18.2% | 100.0% | 27 043 | 28 766 | 29 979 | 1.3% | 100.0% |

Expenditure estimates

Table 18.31 National Economic Development and Labour Council

| Statement of financial performance | Audited outcome | | | Revised estimate 2012/13 | Average growth rate (%) 2009/10 - 2012/13 | Expenditure/total: Average (%) 2009/10 - 2012/13 | Medium-term estimate | | | Average growth rate (%) 2012/13 - 2015/16 | Expenditure/total: Average (%) 2012/13 - 2015/16 |
|------------------------------------|-----------------|---------------|---------------|-----------------------------|--|---|----------------------|---------------|---------------|--|---|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2013/14 | 2014/15 | 2015/16 | | |
| | R thousand | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 576 | 990 | 1 043 | 1 028 | 21.3% | 4.2% | 1 115 | 1 219 | 1 088 | 1.9% | 4.0% |
| <i>Other non-tax revenue</i> | 576 | 990 | 1 043 | 1 028 | 21.3% | 4.2% | 1 115 | 1 219 | 1 088 | 1.9% | 4.0% |
| Transfers received | 19 554 | 15 868 | 23 915 | 24 259 | 7.5% | 95.8% | 25 928 | 27 547 | 28 891 | 6.0% | 96.0% |
| Total revenue | 20 130 | 16 858 | 24 958 | 25 287 | 7.9% | 100.0% | 27 043 | 28 766 | 29 979 | 5.8% | 100.0% |

Table 18.31 National Economic Development and Labour Council (continued)

| R thousand | Audited outcome | | | Revised estimate 2012/13 | Average growth rate (%) 2009/10 - 2012/13 | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) 2012/13 - 2015/16 | Expenditure/total: Average (%) |
|---------------------------|-----------------|---------------|---------------|-----------------------------|--|--------------------------------|----------------------|---------------|---------------|--|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2013/14 | 2014/15 | 2015/16 | | |
| Expenses | | | | | | | | | | | |
| Current expenses | 17 456 | 16 909 | 20 715 | 28 863 | 18.2% | 100.0% | 27 043 | 28 766 | 29 979 | 1.3% | 100.0% |
| Compensation of employees | 5 435 | 5 277 | 6 676 | 8 891 | 17.8% | 31.3% | 10 495 | 11 125 | 11 792 | 9.9% | 36.9% |
| Goods and services | 11 228 | 10 818 | 13 291 | 19 049 | 19.3% | 64.6% | 15 375 | 16 571 | 17 277 | -3.2% | 59.5% |
| Depreciation | 793 | 814 | 748 | 923 | 5.2% | 4.0% | 1 173 | 1 070 | 910 | -0.5% | 3.6% |
| Total expenses | 17 456 | 16 909 | 20 715 | 28 863 | 18.2% | 100.0% | 27 043 | 28 766 | 29 979 | 1.3% | 100.0% |
| Surplus/(Deficit) | 2 674 | (51) | 4 243 | (3 576) | -210.2% | | - | - | - | -100.0% | |

Personnel information

Table 18.32 National Economic Development and Labour Council

| Salary level | Post status estimated for 31 March 2013 | Number of funded posts | Number of vacant posts | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | Number | | | | | | |
|--------------|---|------------------------|------------------------|--|------|-----------|------------------|------|-----------|----------------------------------|------|-----------|--------|---------|-----------|-------------------------|---------------------------------|-------------------|-----------|--------|--------|-------|
| | | | | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | | | |
| | | | | 2011/12 | | Unit Cost | 2012/13 | | | 2013/14 | | 2014/15 | | 2015/16 | | | | 2012/13 - 2015/16 | | | | |
| | | | | Number | Cost | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | | Unit Cost | | | |
| | 20 | - | | 21 | 5.2 | 0.2 | 29 | 8.8 | 0.3 | 29 | 10.5 | 0.4 | 29 | 11.1 | 0.4 | 29 | 11.8 | 0.4 | - | 100.0% | | |
| 1-6 | 6 | - | 7 | 0.5 | 0.1 | 6 | 0.5 | 0.1 | 6 | 0.5 | 0.1 | 6 | 0.6 | 0.1 | 6 | 0.6 | 0.1 | 6 | 0.6 | 0.1 | - | 20.7% |
| 7-10 | 10 | - | 9 | 2.0 | 0.2 | 16 | 4.2 | 0.3 | 12 | 3.2 | 0.3 | 9 | 2.4 | 0.3 | 5 | 1.2 | 0.2 | 5 | 1.2 | 0.2 | -32.1% | 36.2% |
| 11-12 | 2 | - | 3 | 1.0 | 0.3 | 4 | 1.4 | 0.3 | 6 | 2.4 | 0.4 | 9 | 3.6 | 0.4 | 13 | 5.1 | 0.4 | 13 | 5.1 | 0.4 | 48.1% | 27.6% |
| 13-16 | 2 | - | 2 | 1.8 | 0.9 | 3 | 2.7 | 0.9 | 5 | 4.3 | 0.9 | 5 | 4.6 | 0.9 | 5 | 4.9 | 1.0 | 5 | 4.9 | 1.0 | 18.6% | 15.5% |

1. Rand million.

Expenditure trends

The National Economic Development and Labour Council receives 96 per cent of its revenue from transfers from the department. Growth in other non-tax revenue between 2009/10 and 2012/13 is attributable to a rental agreement with Proudly South Africa.

Over the medium term, the council's spending focus will be on capacity building within its four constituencies; the ongoing funding of work required in terms of section 77 of the Labour Relations Act (1995), which requires the council to resolve the reasons for contemplated protest action; and building capacity within the organisation and its chambers.

Increased spending on compensation of employees between 2009/10 and 2012/13 went to salary adjustments to ensure that the entity attracts and retains qualified personnel, has enough employees to ensure segregation of duties, and fills key vacancies. The increase in spending on compensation of employees over the medium term is in line with additional funding of R954 000 allocated for improvements in conditions of service.

Additional funding was provided to pay for special projects run in connection with legislative amendments being considered, and this accounted for the increased spending on goods and services between 2009/10 and 2012/13. The budget deficit in 2012/13 is attributable to the spending of accumulated funds on upgrading the council's building and interior, as well as the payment of consultant fees, forensic audit fees and internal audit fees. These fee payments also account for the increase in administrative costs over the medium term.

The target for the number of months taken to finalise council reports on draft legislation in the trade and industry chamber, as well as in the labour market chamber, from their date of tabling at the council, is set to decrease from eight months in 2012/13 to six months, due to additional staff being employed by 2015/16.

The council is committed to implementing cost saving measures, and is doing this through the use of improved supply chain management processes, and by updating the policies and procedures of the entity. These measures

ensure that value for money services are rendered at an affordable cost without compromising on the quality of the services.

The council experienced significant staffing challenges in the last few years as various vacancies in the secretariat were not filled. Five new positions had to be created in 2012/13 to meet the demands placed on the entity, and to comply with legislation, sound governance and good practice. As at 30 September 2012, the council had 9 vacant positions due to delays in the recruitment process which it aims to fill in 2013/14. The council used 12 consultants in 2012/13 at a cost of R1.5 million to address its lack of capacity while the recruitment process was under way.

Productivity South Africa

Mandate and goals

Productivity South Africa is mandated by government, labour and business to improve productivity and thus contribute to South Africa's socioeconomic development and competitiveness. Once promulgated, the Employment Services Bill will confirm the legislative mandate. The organisation aims to improve the productive capacity of the economy through interventions that encourage social dialogue and collaboration between partners.

The entity's strategic goals over the medium term are to:

- contribute to preventing job losses by implementing the turnaround solutions programme in companies facing financial distress
- develop an effective and efficient organisation by improving processes, tools and techniques for increasing productivity, and by expanding the provincial footprint.

Selected performance indicators

Table 18.33 Productivity South Africa

| Indicator | Programme/Activity/Objective | Past | | | Current | Projections | | |
|--|---|---------|---------|---------|---------|-------------|---------|---------|
| | | 2009/10 | 2010/11 | 2011/12 | | 2013/14 | 2014/15 | 2015/16 |
| Number of education, training and development service providers trained as productivity trainers each year | Public organisation solution | 500 | 600 | 679 | 800 | 850 | 900 | 950 |
| Number of education, training and development service providers and productivity trainers accredited and external service providers licensed | Public organisation solution | -1 | 26 | 60 | 35 | 40 | 45 | 50 |
| Number of emerging entrepreneurs trained in productivity improvement and competencies each year | Public organisation solution | 2 500 | 3 000 | 3 791 | 4 000 | 4 500 | 5 000 | 5 500 |
| Number of skills development facilitators trained in productivity each year | Public organisation solution | 200 | 250 | 64 | 350 | 500 | 550 | 600 |
| Number of managers and workers trained each year to enhance productivity competencies and mindsets in private and public enterprises | Public organisation solution | 600 | 620 | 867 | 780 | 840 | 950 | 1 060 |
| Number of future forums established each year at companies with turnaround solutions | Turnaround solutions: Turning around distressed organisations | 120 | 140 | 160 | 180 | 200 | 220 | 240 |

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

Programmes/activities/objectives

Table 18.34 Productivity South Africa

| R thousand | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|---|-----------------|---------------|---------------|------------------|-------------------------|--------------------------------|----------------------|-------------------|----------------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | |
| Public organisation solution | 3 975 | 2 654 | 2 183 | 2 312 | -16.5% | 3.6% | 3 093 | 3 547 | 3 880 | 18.8% | 3.0% |
| Workplace challenge programme | 5 963 | 4 505 | 12 350 | 9 500 | 16.8% | 10.4% | 10 004 | 10 514 | 11 029 | 5.1% | 9.7% |
| Turnaround solutions: Turning around distressed organisations | 19 229 | 15 130 | 6 016 | 20 364 | 1.9% | 19.4% | 10 795 | 8 982 | 11 216 | -18.0% | 12.6% |
| Knowledge, awareness and information | 2 099 | 1 975 | 2 331 | 2 974 | 12.3% | 3.0% | 2 994 | 3 324 | 3 583 | 6.4% | 3.0% |
| Administration/operations | 46 583 | 45 300 | 50 938 | 52 838 | 4.3% | 63.5% | 80 195 | 87 228 | 89 726 | 19.3% | 71.7% |
| Total expense | 77 849 | 69 564 | 73 818 | 87 987 | 4.2% | 100.0% | 107 081 | 113 595 | 119 434 | 10.7% | 100.0% |

Expenditure estimates

Table 18.35 Productivity South Africa

| Statement of financial performance | Audited outcome | | | Revised estimate | Average growth rate (%) | Expenditure/total: Average (%) | Medium-term estimate | | | Average growth rate (%) | Expenditure/total: Average (%) |
|--|-----------------|---------|----------|------------------|-------------------------|--------------------------------|----------------------|-------------------|---------|-------------------------|--------------------------------|
| | 2009/10 | 2010/11 | 2011/12 | | | | 2012/13 | 2009/10 - 2012/13 | 2013/14 | | |
| | R thousand | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Non-tax revenue | 5 884 | 2 051 | 2 833 | 2 987 | -20.2% | 4.6% | 3 146 | 3 306 | 3 468 | 5.1% | 3.0% |
| Sale of goods and services other than capital assets | 5 655 | 1 917 | 2 470 | 2 616 | -22.7% | 4.2% | 2 754 | 2 895 | 3 037 | 5.1% | 2.7% |
| of which: | | | | | | | | | | | |
| Sales by market establishment | 5 655 | 1 917 | 2 470 | 2 616 | -22.7% | 4.2% | 2 754 | 2 895 | 3 037 | 5.1% | 2.7% |
| Other non-tax revenue | 229 | 134 | 363 | 372 | 17.5% | 0.4% | 391 | 411 | 432 | 5.1% | 0.4% |
| Transfers received | 71 002 | 77 433 | 57 233 | 85 000 | 6.2% | 95.4% | 103 936 | 110 289 | 115 965 | 10.9% | 97.0% |
| Total revenue | 76 886 | 79 484 | 60 066 | 87 987 | 4.6% | 100.0% | 107 082 | 113 595 | 119 433 | 10.7% | 100.0% |
| Current expenses | 77 849 | 69 564 | 73 818 | 87 987 | 4.2% | 100.0% | 107 082 | 113 595 | 119 433 | 10.7% | 100.0% |
| Compensation of employees | 29 822 | 32 263 | 35 555 | 38 816 | 9.2% | 44.2% | 42 042 | 45 120 | 48 015 | 7.3% | 40.8% |
| Goods and services | 47 358 | 36 763 | 37 569 | 48 437 | 0.8% | 54.9% | 64 266 | 67 663 | 70 569 | 13.4% | 58.4% |
| Depreciation | 621 | 530 | 622 | 659 | 2.0% | 0.8% | 694 | 728 | 761 | 4.9% | 0.7% |
| Interest, dividends and rent on land | 48 | 8 | 72 | 76 | 16.7% | 0.1% | 80 | 84 | 88 | 4.9% | 0.1% |
| Total expenses | 77 849 | 69 564 | 73 818 | 87 987 | 4.2% | 100.0% | 107 082 | 113 595 | 119 433 | 10.7% | 100.0% |
| Surplus/(Deficit) | (963) | 9 920 | (13 752) | - | -100.0% | | - | - | - | - | |

Personnel information

Table 18.36 Productivity South Africa

| Post status estimated for 31 March 2013 | Number of funded posts | Number of vacant posts | Number and cost ¹ of personnel posts filled/planned for on funded establishment | | | | | | | | | | | | | | | Number | |
|---|------------------------|------------------------|--|------|-----------|------------------|---------|-----------|----------------------------------|------|-----------|--------|-------------------|------|-------------------------|---------------------------------|------|-----------|--------|
| | | | Actual | | | Revised estimate | | | Medium-term expenditure estimate | | | | | | Average growth rate (%) | Salary level/total: Average (%) | | | |
| | | | 2011/12 | | 2012/13 | | 2013/14 | | 2014/15 | | 2015/16 | | 2012/13 - 2015/16 | | | | | | |
| | | | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | Cost | Unit Cost | Number | | Cost | Unit Cost | Number | Cost | Unit Cost | |
| Salary level | 103 | 1 | 102 | 35.6 | 0.3 | 102 | 38.3 | 0.4 | 102 | 42.0 | 0.4 | 105 | 45.1 | 0.4 | 107 | 48.0 | 0.4 | 1.6% | 100.0% |
| 1-6 | 16 | 1 | 15 | 1.1 | 0.1 | 15 | 1.7 | 0.1 | 15 | 1.8 | 0.1 | 16 | 1.9 | 0.1 | 16 | 2.1 | 0.1 | 2.2% | 14.9% |
| 7-10 | 26 | - | 26 | 6.0 | 0.2 | 26 | 6.3 | 0.2 | 26 | 6.9 | 0.3 | 26 | 7.5 | 0.3 | 26 | 7.9 | 0.3 | - | 25.0% |
| 11-12 | 51 | - | 51 | 20.5 | 0.4 | 51 | 21.8 | 0.4 | 51 | 24.0 | 0.5 | 53 | 25.8 | 0.5 | 55 | 27.4 | 0.5 | 2.5% | 50.5% |
| 13-16 | 10 | - | 10 | 8.0 | 0.8 | 10 | 8.5 | 0.8 | 10 | 9.3 | 0.9 | 10 | 10.0 | 1.0 | 10 | 10.6 | 1.1 | - | 9.6% |

1. Rand million.

Expenditure trends

Between 2009/10 and 2015/16, transfers from the Department of Labour constitute on average 96 per cent of Productivity South Africa's total revenue. Between 2009/10 and 2012/13, revenue from the sales of the entity's services decreased due to a drop in the number of turnaround solutions implemented. Due to delays in the signing of the memorandum of agreement with the Unemployment Insurance Fund, the number of turnaround solutions implemented in 2012/13 was determined by the amount of funding available.

Over the medium term, total revenue is estimated to grow because of the receipt of larger transfers: R5.1 million for improved conditions of service and R159.1 million from other government units to implement turnaround solutions. This work for government units also accounts for the growth in spending on goods and services in relation to projects and programmes over the medium term.

The spending focus over the medium term will be on interventions to turn companies around. This work involves: financial assessments; nurturing, where the entity engages with stressed companies to decide on the viability of their applications for intervention based on set criteria; future forums, which require the establishment of committees involving management, employees and unions on matters pertaining to job

retention and company performance; training; and the actual implementation of turnaround strategies at the identified companies.

The rise in expenditure over the medium term is in line with performance projections for the entity. The targets for the number of future forums established per year at companies with turnaround solutions, and the number of emerging entrepreneurs trained in productivity improvement and competencies per year, grow from 180 and 4 000 in 2012/13, to 240 and 5 500 in 2015/16 respectively, with funding provided by the Unemployment Insurance Fund through a memorandum of understanding.

The entity has implemented cost effectiveness measures by strengthening its internal capacity; this is achieved by training its own staff in productivity competencies using a train the trainer approach, thus spending on consultants decreases. In addition, it is involved in various cost saving measures: partnerships with private and public sector organisations assist it in recruiting companies requiring productivity interventions; and client sponsorships are obtained to cover the costs of catering and the use of venues. Estimated savings over the medium term amount to R1.4 million.

Productivity South Africa has an establishment of 103 posts, all of which are funded. The number of filled posts increased from 102 in 2011/12 and is projected to increase to 107 by 2015/16, as the entity increases its capacity and decreases its reliance on consultants. Consultants are used to run the turnaround solutions and future forum programmes because of the specialised skills required.

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 | 2011/12 | | 2011/12 | 2012/13 | | | 2012/13 |
| Administration | 697 228 | 698 455 | 704 270 | 732 606 | 31 979 | 764 585 | 764 585 |
| Inspection and Enforcement Services | 386 726 | 389 290 | 375 749 | 429 181 | (28 805) | 400 376 | 398 950 |
| Public Employment Services | 296 146 | 324 809 | 332 194 | 322 021 | 12 310 | 334 331 | 334 331 |
| Labour Policy and Industrial Relations | 601 358 | 604 829 | 594 909 | 635 918 | 4 356 | 640 274 | 636 044 |
| Total | 1 981 458 | 2 017 383 | 2 007 122 | 2 119 726 | 19 840 | 2 139 566 | 2 133 910 |
| Economic classification | | | | | | | |
| Current payments | 1 349 907 | 1 273 052 | 1 250 512 | 1 446 931 | (221) | 1 446 710 | 1 439 764 |
| Compensation of employees | 786 294 | 786 312 | 757 883 | 883 331 | (35 790) | 847 541 | 823 615 |
| Goods and services | 563 613 | 486 740 | 492 599 | 563 600 | 35 543 | 599 143 | 616 123 |
| Interest and rent on land | – | – | 30 | – | 26 | 26 | 26 |
| Transfers and subsidies | 599 402 | 626 267 | 640 952 | 639 284 | 17 085 | 656 369 | 657 684 |
| Provinces and municipalities | – | 12 | 51 | – | 88 | 88 | 94 |
| Departmental agencies and accounts | 515 684 | 542 184 | 542 183 | 551 391 | 2 648 | 554 039 | 554 039 |
| Foreign governments and international organisations | 10 211 | 10 211 | 14 211 | 10 722 | 2 000 | 12 722 | 13 692 |
| Public corporations and private enterprises | – | – | – | – | 13 | 13 | 13 |
| Non-profit institutions | 73 258 | 73 258 | 82 734 | 76 906 | 11 805 | 88 711 | 88 711 |
| Households | 249 | 602 | 1 773 | 265 | 531 | 796 | 1 135 |
| Payments for capital assets | 32 149 | 118 064 | 114 985 | 33 511 | 2 976 | 36 487 | 36 462 |
| Buildings and other fixed structures | 3 996 | 3 996 | 4 602 | 3 416 | – | 3 416 | 3 416 |
| Machinery and equipment | 28 153 | 114 068 | 110 383 | 30 095 | 2 976 | 33 071 | 33 046 |
| Payments for financial assets | – | – | 673 | – | – | – | – |
| Total | 1 981 458 | 2 017 383 | 2 007 122 | 2 119 726 | 19 840 | 2 139 566 | 2 133 910 |

Table 18.B Summary of expenditure on training

| | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|-----------------|---------|---------|------------------------|----------------------------------|-----------|-----------|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Compensation of employees (R thousand) | 576 457 | 681 530 | 757 883 | 847 541 | 982 905 | 1 074 427 | 1 140 178 |
| Training expenditure (R thousand) | 10 335 | 6 507 | 7 607 | 11 368 | 14 310 | 14 999 | 14 926 |
| Training spend as percentage of compensation | 1.8% | 1.0% | 1.0% | 1.3% | 1.5% | 1.4% | 1.3% |
| Total number trained (headcount) | 4 423 | 3 557 | 5 927 | 2 280 | | | |
| <i>of which:</i> | | | | | | | |
| <i>Employees receiving bursaries (headcount)</i> | 196 | 242 | 243 | 370 | | | |
| <i>Leamerships (headcount)</i> | – | 19 | – | – | | | |
| <i>Internships (headcount)</i> | 68 | 72 | 119 | 187 | | | |

Table 18.C Summary of departmental public private partnership projects

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

Table 18.C Summary of departmental public private partnership projects (continued)

| Project description: Siemens Business Services IT agreement | Project annual unitary fee at time of contract | Budgeted expenditure | Medium-term expenditure estimate | | |
|---|--|-------------------------|----------------------------------|---------|---------|
| | | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| R thousand | | | | | |

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 R thousand | Service delivery outputs | Current project stage | Initial project cost | Audited outcome | | | Adjusted appropriation 2012/13 | Medium-term expenditure estimate | | |
|---|---|-----------------------|----------------------|-----------------|---------|---------|-----------------------------------|----------------------------------|---------|---------|
| | | | | 2009/10 | 2010/11 | 2011/12 | | 2013/14 | 2014/15 | 2015/16 |
| Departmental infrastructure | | | | | | | | | | |
| Rustenburg labour centre: Construction of building | New labour centre | Construction | 15 461 | – | 1 592 | 1 889 | 800 | 4 871 | – | – |
| Mount Ayliff : Site clearance | New labour centre | Design | 15 216 | – | 292 | 81 | 200 | 234 | – | – |
| Garankuwa: Site clearance | New labour centre | Design | 279 | – | 31 | – | 150 | 131 | – | – |
| Middelburg: Site clearance | New labour centre | Design | 512 | – | – | – | 200 | – | – | – |
| Athlone: Site Clearance | New labour centre | Design | 1 602 | – | – | – | 172 | – | – | – |
| Cape Town: Site clearance | New labour centre | Design | 13 029 | – | – | – | 151 | – | – | – |
| Swellendam: Site clearance | New labour centre | Design | 533 | – | – | – | 150 | – | – | – |
| Vredenburg: Site Clearance | New labour centre | Design | 1 596 | – | – | – | 150 | – | – | – |
| Somerset West: Site clearance | New labour centre | Design | 2 129 | – | – | – | 150 | – | – | – |
| Knysna: Site clearance | New labour centre | Design | 1 497 | – | – | – | 150 | – | – | – |
| Bellville: 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 | – | – | – |
| Volksrust: Site clearance | New labour centre | Design | 445 | – | – | – | 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 | 260 | – | – | – | – |
| Security: Wendy houses | Labour centres security Wendy houses | Various | 62 | – | 12 | – | 15 | 16 | 17 | – |
| Security: Wendy houses | Security: Wendy houses at minister's parking at Laboria House | Various | 17 | – | 17 | – | – | – | – | – |
| Brokhorstspuit: Site clearance | New labour centre | Design | 200 | – | 200 | – | – | – | – | – |
| Lusikisiki: Site clearance | New labour centre | Design | 66 | – | 66 | 185 | – | – | – | – |
| Lebowakgomo: Site clearance | New labour centre | Design | 148 | – | 148 | 231 | – | – | – | – |
| Sabie: Site clearance | New labour centre | Design | 191 | – | 191 | 254 | – | – | – | – |
| Carolina: Site clearance | New labour centre | Design | 191 | – | 191 | 256 | – | – | – | – |
| Kwamhlanga: Site clearance | New labour centre | Design | 191 | – | 191 | 261 | – | – | – | – |
| Durban labour centre: Repairs | Electrical and mechanical repairs | Various | 2 690 | – | – | – | – | – | – | – |
| Other labour centres | Various construction, such as electrical repairs | Various | 225 | 226 | – | 1 155 | – | – | – | – |
| Temba labour centre:Site clearance | New labour centre | Design | 434 | – | – | – | 200 | 234 | – | – |
| 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 | Construction | 13 576 | 232 | 757 | 71 | 6 976 | 5 477 | 7 379 | 4 720 |
| Pretoria head office, Laboria House: First follow on repair and maintenance programme | Maintaining head office building to be occupational health and safety compliant | Construction | 15 431 | 5 585 | 5 140 | 2 333 | 5 882 | 2 477 | 3 509 | 2 440 |
| Gauteng South: Roodepoort, Carltonville, Krugersdorp and Sandton: Repair and maintenance programme | Maintaining labour centre to be occupational health and safety compliant | Design | 6 700 | – | – | – | 1 094 | 3 000 | 3 870 | 2 280 |
| Emalahleni and Mashishing labour centres: Repair and maintenance programme | Maintaining labour centre to be occupational health and safety compliant | Design | 7 600 | – | – | – | – | – | – | – |

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

| Project name | Service delivery outputs | Current project stage | Initial project cost | Audited outcome | | | Adjusted appropriation 2012/13 | Medium-term expenditure estimate | | |
|---|--|-----------------------|----------------------|-----------------|---------------|--------------|-----------------------------------|----------------------------------|---------------|--------------|
| | | | | 2009/10 | 2010/11 | 2011/12 | | 2013/14 | 2014/15 | 2015/16 |
| R thousand | | | | | | | | | | |
| Phalaborwa, Hoedspruit and Seshego labour centres: Repair and maintenance programme | Maintaining labour centre to be occupational health and safety compliant | Design | 4 700 | 204 | - | - | - | - | - | - |
| Uppington and Kuruman labour centre: Repair and maintenance programme | Maintaining labour centre to be occupational health and safety compliant | Design | 4 000 | 57 | - | - | - | - | - | - |
| Durban Masonic Grove: Repair and maintenance programme | Maintaining labour centre to be occupational health and safety compliant | Design | 8 706 | - | - | - | - | - | - | - |
| East London Provincial Office: Repair and maintenance programme | Maintaining labour centre to be occupational health and safety compliant | Design | 4 900 | - | - | - | - | - | - | - |
| Cape Town and Atlantis Labour Centres: Repair and maintenance programme | Maintaining labour centre to be occupational health and safety compliant | Design | 8 705 | - | - | - | - | - | - | - |
| 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 | 651 | 3 150 | - | - | - | - | - |
| 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 | 1 770 | 134 | 85 | - | - | - | - |
| Pretoria sheltered employment factory and labour centre: Repair and maintenance programme | Maintaining labour centres and sheltered employment factories to be occupational health and safety compliant | Tender | 9 031 | 1 641 | 3 702 | - | - | - | - | - |
| Emalahleni, Lydenburg and Komatipoort labour centres: Repair and maintenance programme | Maintaining labour centre to be occupational health and safety compliant | Tender | 9 634 | 19 | - | - | - | - | - | - |
| Western Cape labour centre and sheltered employment factory: Repair and maintenance programme | Maintaining labour centres and sheltered employment factories to be occupational health and safety compliant | Tender | 21 324 | 541 | - | - | - | - | - | - |
| Sheltered employment factories: Repair and maintenance programme | Maintaining sheltered employment factories to be occupational health and safety compliant | Various | 95 648 | 14 752 | - | - | - | - | - | - |
| Gauteng South: Repair and maintenance programme | Maintaining sheltered employment factories to be occupational health and safety compliant | Tender | 20 458 | 1 200 | 920 | - | - | - | - | - |
| Total | | | 305 382 | 26 878 | 16 920 | 7 061 | 17 368 | 16 440 | 14 775 | 9 440 |

Table 18.E Expenditure by labour centre per province

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|---------------------------------|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Eastern Cape | 86 014 | 97 442 | 127 410 | 101 858 | 108 501 | 117 089 | 100 906 |
| Provincial Office: East London | 26 869 | 24 256 | 35 896 | 25 607 | 39 403 | 42 522 | 36 645 |
| Aliwal North | 2 302 | 2 531 | 3 251 | 2 765 | 2 440 | 2 633 | 2 269 |
| Butterworth | 2 124 | 2 708 | 3 060 | 2 934 | 2 821 | 3 044 | 2 623 |
| Cradock | 1 872 | 1 950 | 2 513 | 2 082 | 2 076 | 2 240 | 1 930 |
| East London | 8 622 | 10 833 | 13 647 | 11 057 | 9 754 | 10 526 | 9 071 |
| Fort Beaufort | 1 756 | 1 819 | 2 413 | 1 947 | 1 883 | 2 032 | 1 751 |
| Graaff-Reinet | 2 056 | 2 027 | 2 583 | 2 076 | 1 910 | 2 061 | 1 776 |
| Grahamstown | 2 397 | 2 528 | 3 378 | 2 713 | 2 898 | 3 127 | 2 695 |
| King Williamstown | 4 218 | 5 389 | 6 792 | 5 512 | 4 673 | 5 043 | 4 346 |
| Lusikisiki | 2 449 | 3 135 | 3 498 | 3 293 | 2 767 | 2 986 | 2 573 |
| Maclear | 2 265 | 2 726 | 2 944 | 2 917 | 2 422 | 2 614 | 2 252 |
| Mdantsane | 2 127 | 2 397 | 3 080 | 2 506 | 2 281 | 2 462 | 2 121 |
| Mount Ayliff | 2 182 | 2 478 | 2 414 | 2 366 | 1 634 | 1 763 | 1 520 |
| Port Elizabeth | 11 126 | 15 327 | 20 735 | 15 928 | 17 953 | 19 374 | 16 697 |
| Queenstown | 3 931 | 4 947 | 5 987 | 5 203 | 3 686 | 3 977 | 3 428 |
| Uitenhage | 4 789 | 6 317 | 7 963 | 6 549 | 4 913 | 5 342 | 4 460 |
| Mthatha | 4 929 | 6 074 | 7 255 | 6 403 | 4 988 | 5 343 | 4 748 |
| Free State | 57 031 | 59 018 | 85 697 | 66 695 | 72 267 | 75 539 | 76 132 |
| Provincial Office: Bloemfontein | 19 908 | 17 543 | 29 926 | 19 843 | 35 613 | 37 226 | 37 517 |
| Bethlehem | 2 709 | 2 997 | 4 316 | 3 368 | 3 119 | 3 260 | 3 285 |
| Bloemfontein | 9 179 | 9 737 | 12 855 | 10 887 | 6 635 | 6 936 | 6 990 |
| Ficksburg | 2 012 | 2 350 | 3 446 | 2 612 | 2 569 | 2 685 | 2 706 |
| Harrismith | 2 308 | 2 163 | 3 082 | 2 476 | 2 193 | 2 392 | 2 412 |
| Kroonstad | 1 982 | 3 037 | 3 965 | 3 516 | 3 525 | 3 685 | 3 714 |
| Petrusburg | 2 443 | 2 033 | 3 037 | 2 683 | 2 660 | 2 781 | 2 802 |
| Phuthaditjhaba | 2 671 | 3 316 | 4 564 | 3 494 | 2 842 | 2 970 | 2 993 |
| Sasolburg | 3 209 | 3 859 | 4 428 | 4 330 | 3 326 | 3 477 | 3 504 |
| Botshabelo | 2 263 | 2 537 | 3 202 | 2 866 | 2 260 | 2 362 | 2 380 |
| Welkom | 6 588 | 7 440 | 10 000 | 8 306 | 4 269 | 3 234 | 3 138 |
| Zastron | 1 759 | 2 005 | 2 878 | 2 314 | 3 256 | 4 532 | 4 689 |
| Gauteng | 149 237 | 157 139 | 214 054 | 171 220 | 181 995 | 190 852 | 192 684 |
| Provincial Office: Johannesburg | 54 623 | 38 677 | 62 525 | 42 913 | 51 085 | 74 767 | 75 480 |
| Alberton | 2 259 | 2 849 | 4 094 | 3 190 | 4 078 | 4 277 | 4 318 |
| Atteridgeville | 1 803 | 2 006 | 2 550 | 2 073 | 3 185 | 3 341 | 3 373 |
| Benoni | 3 460 | 4 931 | 6 522 | 5 199 | 5 457 | 5 723 | 5 778 |
| Boksburg | 2 803 | 3 660 | 4 335 | 3 798 | 3 531 | 3 702 | 3 738 |
| Brakpan | 2 094 | 2 754 | 3 885 | 3 056 | 3 382 | 3 546 | 3 580 |
| Bronkhorstspuit | 2 372 | 2 539 | 3 278 | 2 705 | 2 313 | 2 426 | 2 449 |
| Carletonville | 2 072 | 3 019 | 4 158 | 3 377 | 3 465 | 3 633 | 3 668 |
| Garankuwa | 2 272 | 2 613 | 3 305 | 2 818 | 1 986 | 2 083 | 2 103 |
| Germiston | 7 175 | 9 815 | 14 210 | 10 741 | 34 618 | 15 421 | 15 570 |
| Johannesburg | 16 908 | 19 385 | 22 775 | 21 114 | 8 939 | 9 374 | 9 464 |
| Kempton Park | 3 805 | 5 271 | 6 510 | 5 550 | 5 790 | 6 072 | 6 131 |
| Krugersdorp | 3 840 | 4 782 | 6 301 | 5 221 | 5 696 | 5 973 | 6 031 |
| Mamelodi | 2 754 | 2 306 | 3 299 | 1 589 | 3 132 | 3 284 | 3 316 |
| Nigel | 1 645 | 1 924 | 2 721 | 2 090 | 2 760 | 2 894 | 2 922 |
| Pretoria | 9 836 | 14 691 | 17 472 | 16 029 | 7 987 | 8 376 | 8 456 |
| Randburg | 2 228 | 2 566 | 3 323 | 2 717 | 1 790 | 1 877 | 1 895 |
| Randfontein | 2 722 | 3 512 | 4 526 | 3 859 | 3 039 | 3 187 | 3 218 |
| Roodepoort | 2 155 | 2 790 | 3 963 | 3 813 | 3 500 | 3 671 | 3 706 |
| Sandton | 4 054 | 5 062 | 6 253 | 5 332 | 3 294 | 3 454 | 3 487 |
| Sebokeng | 1 803 | 1 780 | 2 446 | 1 867 | 2 139 | 2 243 | 2 264 |
| Soshanguve | 2 766 | 2 741 | 3 620 | 2 925 | 2 663 | 2 793 | 2 820 |
| Soweto | 3 474 | 4 396 | 5 379 | 4 658 | 4 243 | 4 449 | 4 492 |
| Springs | 2 575 | 3 528 | 4 063 | 3 705 | 2 617 | 2 745 | 2 771 |

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

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|------------------------------|-----------------|----------------|----------------|------------------------|----------------------------------|----------------|----------------|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Temba | 2 536 | 3 279 | 3 852 | 3 478 | 2 992 | 3 138 | 3 168 |
| Vanderbijlpark | 2 322 | 2 460 | 3 231 | 3 245 | 4 420 | 4 252 | 4 265 |
| Vereeniging | 2 881 | 3 803 | 5 458 | 4 158 | 3 894 | 4 152 | 4 220 |
| KwaZulu Natal | 93 636 | 108 031 | 145 134 | 125 589 | 113 109 | 142 455 | 148 689 |
| Provincial Office: Durban | 24 250 | 21 727 | 36 261 | 29 235 | 49 547 | 62 402 | 65 133 |
| Dundee | 1 892 | 2 412 | 2 762 | 2 625 | 1 883 | 2 372 | 2 476 |
| Durban | 18 968 | 25 471 | 32 064 | 28 070 | 16 841 | 21 211 | 22 138 |
| Estcourt | 2 213 | 1 985 | 2 674 | 2 209 | 1 635 | 2 059 | 2 149 |
| Kokstad | 2 432 | 2 794 | 3 227 | 3 081 | 2 427 | 3 057 | 3 190 |
| Ladysmith | 2 315 | 3 055 | 3 669 | 3 409 | 2 670 | 3 363 | 3 510 |
| Newcastle | 2 666 | 2 776 | 3 641 | 3 125 | 2 267 | 2 855 | 2 980 |
| Pietermaritzburg | 9 586 | 12 132 | 16 083 | 13 607 | 10 940 | 13 778 | 14 381 |
| Pinetown | 3 262 | 4 171 | 5 281 | 4 691 | 2 959 | 3 726 | 3 889 |
| Port Shepstone | 2 985 | 3 093 | 4 022 | 3 435 | 2 806 | 3 534 | 3 688 |
| Prospecton | 4 492 | 5 302 | 6 640 | 5 910 | 3 707 | 4 668 | 4 873 |
| Richards Bay | 4 268 | 6 156 | 7 416 | 6 863 | 2 531 | 3 188 | 3 328 |
| Richmond | 2 047 | 2 025 | 2 674 | 2 340 | 1 945 | 2 450 | 2 557 |
| Stanger | 2 512 | 3 713 | 4 277 | 4 054 | 2 333 | 2 938 | 3 067 |
| Ulundi | 4 619 | 6 151 | 7 784 | 6 796 | 3 929 | 4 949 | 5 165 |
| Verulam | 2 637 | 2 566 | 3 477 | 2 991 | 2 410 | 2 557 | 2 840 |
| Vryheid | 2 492 | 2 501 | 3 182 | 3 148 | 2 280 | 3 349 | 3 325 |
| Limpopo | 54 971 | 59 280 | 79 991 | 63 268 | 66 532 | 66 532 | 77 651 |
| Provincial Office: Polokwane | 17 322 | 17 167 | 28 042 | 18 754 | 30 209 | 30 209 | 35 258 |
| Giyani | 2 436 | 2 612 | 2 812 | 2 737 | 2 619 | 2 619 | 3 057 |
| Jane Furse | 2 963 | 2 928 | 3 121 | 3 176 | 2 305 | 2 305 | 2 690 |
| Lebowakgomo | 2 281 | 2 555 | 4 149 | 2 862 | 3 113 | 3 113 | 3 634 |
| Lephalale | 2 880 | 2 767 | 3 500 | 2 930 | 2 311 | 2 311 | 2 698 |
| Makhado | 2 363 | 3 308 | 2 773 | 2 606 | 2 012 | 2 012 | 2 348 |
| Modimolle | 2 487 | 2 411 | 2 976 | 2 713 | 2 410 | 2 410 | 2 813 |
| Mokopane | 3 254 | 3 281 | 3 848 | 3 544 | 2 314 | 2 314 | 2 701 |
| Phalaborwa | 2 754 | 2 747 | 4 419 | 3 645 | 2 852 | 2 852 | 3 329 |
| Polokwane | 6 924 | 8 769 | 3 773 | 3 054 | 2 331 | 2 331 | 2 721 |
| Seshego | 1 874 | 1 747 | 11 339 | 9 750 | 5 705 | 5 705 | 6 658 |
| Thoyoyandou | 4 471 | 4 963 | 2 476 | 1 961 | 1 853 | 1 853 | 2 163 |
| Tzaneen | 2 962 | 4 025 | 6 762 | 5 536 | 6 497 | 6 497 | 7 582 |
| Mpumalanga | 56 245 | 63 661 | 169 391 | 138 196 | 146 152 | 152 599 | 75 477 |
| Provincial Office: Witbank | 24 884 | 18 539 | 84 696 | 69 098 | 72 359 | 76 217 | 37 368 |
| Barberton | 1 157 | 1 690 | 30 054 | 22 758 | 3 894 | 4 066 | 2 011 |
| Bethal | 1 321 | 1 912 | 2 396 | 1 855 | 5 686 | 5 937 | 2 937 |
| Carolina | 1 958 | 3 969 | 2 877 | 2 203 | 4 338 | 4 529 | 2 240 |
| Ermelo | 1 593 | 2 089 | 4 040 | 3 561 | 4 498 | 4 696 | 2 323 |
| Groblersdal | 1 602 | 1 852 | 2 870 | 2 624 | 4 347 | 4 539 | 2 245 |
| Kamhushwa | 1 609 | 2 514 | 3 291 | 2 655 | 4 528 | 4 727 | 2 338 |
| Kwamhlanga | 1 600 | 2 465 | 3 343 | 2 597 | 4 734 | 4 943 | 2 445 |
| Lydenburg | 1 441 | 2 068 | 2 742 | 2 302 | 6 565 | 6 855 | 3 390 |
| Middelburg | 2 763 | 3 741 | 4 926 | 4 044 | 3 724 | 4 330 | 2 073 |
| Nelspruit | 3 583 | 4 798 | 6 271 | 5 124 | 4 346 | 4 538 | 2 244 |
| Piet Retief | 2 063 | 3 180 | 3 710 | 3 311 | 5 178 | 5 406 | 3 004 |
| Sabie | 1 646 | 1 983 | 2 807 | 2 104 | 2 139 | 3 340 | 1 507 |
| Secunda | 2 353 | 3 521 | 4 491 | 3 882 | 3 215 | 2 250 | 1 258 |
| Standerton | 1 527 | 2 399 | 2 677 | 2 461 | 4 465 | 4 220 | 2 156 |
| Witbank | 5 145 | 6 940 | 8 201 | 7 617 | 12 136 | 12 006 | 5 938 |
| North West | 51 570 | 55 049 | 76 344 | 60 583 | 65 962 | 69 539 | 70 572 |
| Provincial Office: Mmabatho | 21 011 | 18 619 | 31 752 | 21 899 | 37 989 | 40 050 | 40 644 |
| Brits | 3 179 | 4 451 | 5 364 | 4 739 | 2 820 | 2 973 | 3 017 |
| Christiana | 1 971 | 1 998 | 2 681 | 2 193 | 1 955 | 2 072 | 2 103 |
| Klerksdorp | 5 066 | 6 118 | 7 781 | 6 478 | 4 909 | 5 175 | 5 252 |

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

| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|------------------------------|-----------------|----------------|------------------|------------------------|----------------------------------|----------------|----------------|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
| Lichtenburg | 2 690 | 3 431 | 3 862 | 3 605 | 2 408 | 2 538 | 2 576 |
| Mafikeng | 4 057 | 5 033 | 6 445 | 5 227 | 3 833 | 4 041 | 4 101 |
| Mogwase | 1 973 | 2 027 | 2 680 | 2 208 | 2 070 | 2 171 | 2 203 |
| Potchefstroom | 2 322 | 3 134 | 3 539 | 3 320 | 2 088 | 2 201 | 2 234 |
| Rustenburg | 4 384 | 5 224 | 6 403 | 5 642 | 3 808 | 4 015 | 4 074 |
| Taung | 2 926 | 2 138 | 2 761 | 2 334 | 2 251 | 2 089 | 2 232 |
| Vryburg | 1 991 | 2 876 | 3 075 | 2 938 | 1 832 | 2 215 | 2 136 |
| Northern Cape | 34 929 | 38 776 | 54 607 | 41 709 | 46 036 | 56 015 | 49 973 |
| Provincial Office: Kimberley | 15 254 | 16 369 | 26 486 | 18 454 | 29 576 | 35 987 | 32 106 |
| Calvinia | 2 134 | 2 148 | 2 897 | 2 231 | 1 739 | 2 123 | 1 893 |
| De Aar | 1 918 | 2 276 | 2 483 | 2 333 | 1 770 | 2 153 | 1 921 |
| Kimberley | 5 944 | 7 310 | 9 022 | 7 400 | 4 379 | 5 328 | 4 754 |
| Kuruman | 2 568 | 2 610 | 3 404 | 2 817 | 2 137 | 2 600 | 2 320 |
| Postmasburg | 1 900 | 2 288 | 3 238 | 2 240 | 1 752 | 2 125 | 1 896 |
| Springbok | 2 173 | 2 548 | 3 002 | 2 670 | 2 425 | 3 329 | 2 820 |
| Upington | 3 038 | 3 227 | 4 076 | 3 564 | 2 258 | 2 369 | 2 263 |
| Western Cape | 69 403 | 77 545 | 107 472 | 84 662 | 90 827 | 95 573 | 98 994 |
| Provincial Office: Cape Town | 21 799 | 20 923 | 35 867 | 23 993 | 47 298 | 49 769 | 51 550 |
| Beaufort West | 1 775 | 2 156 | 2 853 | 2 165 | 1 629 | 1 714 | 1 775 |
| Bellville | 7 977 | 10 227 | 12 119 | 11 167 | 5 730 | 6 030 | 6 245 |
| Cape Town | 12 988 | 14 505 | 18 298 | 15 578 | 10 537 | 11 088 | 11 485 |
| George | 5 016 | 5 785 | 7 700 | 6 238 | 5 231 | 5 505 | 5 702 |
| Knysna | 2 054 | 2 264 | 3 115 | 2 508 | 2 463 | 2 592 | 2 684 |
| Mitchell's Plein | 2 550 | 3 036 | 3 941 | 2 888 | 2 331 | 2 453 | 2 540 |
| Mossel Bay | 1 801 | 2 180 | 3 186 | 2 413 | 2 752 | 2 895 | 2 999 |
| Oudtshoorn | 1 784 | 2 666 | 3 147 | 2 781 | 2 382 | 2 506 | 2 596 |
| Paarl | 2 845 | 3 119 | 4 093 | 3 341 | 2 761 | 2 905 | 3 009 |
| Somerset West | 3 041 | 3 888 | 4 837 | 4 189 | 2 582 | 2 717 | 2 814 |
| Vredenburg | 2 796 | 3 404 | 3 925 | 3 718 | 2 869 | 3 150 | 3 310 |
| Worcester | 2 977 | 3 392 | 4 389 | 3 683 | 2 263 | 2 250 | 2 283 |
| Total | 653 036 | 715 941 | 1 060 100 | 853 780 | 891 380 | 966 194 | 891 079 |

BUDGET 2013
ESTIMATES OF NATIONAL EXPENDITURE

Private Bag X115, Pretoria, 0001, **Tel:** +27 12 395 6697, **Fax:** +27 12 315 5126



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA