

Vote 28

Labour

Budget summary

R million	2018/19				2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	917.4	876.9	0.8	39.6	977.0	1 038.2
Inspection and Enforcement Services	598.2	564.2	0.1	33.9	639.0	687.6
Public Employment Services	582.6	351.6	229.7	1.4	615.4	653.5
Labour Policy and Industrial Relations	1 197.1	154.0	1 043.0	0.1	1 201.7	1 269.5
Total expenditure estimates	3 295.2	1 946.7	1 273.6	75.0	3 432.9	3 648.7
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, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of service delivery, where appropriate.

Vote purpose

Play a significant role in reducing unemployment, poverty and inequality by pursuing the objectives of decent work for all through: employment creation and enterprise development; the setting of standards and protection of rights at work, including the facilitation of equal opportunities and social dialogue; and the provision of social protection.

Mandate

The Department of Labour derives its legislative mandate from the Constitution, particularly the Bill of Rights, which is given effect through a number of acts that 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), the Occupational Health and Safety Act (1993), and the Employment Services Act (2014).

The mandate of the department is to regulate the labour market through policies and programmes developed in consultation with social partners. These aim to:

- improve economic efficiency and productivity
- facilitate decent employment creation
- promote labour standards and fundamental rights at work
- provide adequate social safety nets to protect vulnerable workers
- promote and enforce sound labour relations
- promote equity and eliminate unfair discrimination in the workplace
- eliminate inequality and discrimination in the workplace
- enhance occupational health and safety awareness and compliance in the workplace
- give value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for the competitiveness of enterprises, balanced with the promotion of decent employment.

Selected performance indicators

Table 28.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive growth	182 375	188 577	187 159	217 008	218 732	223 608	229 068
Percentage of reported incidents finalised within 90 days	Inspection and Enforcement Services		45% (589/1 305)	82% (1 080/1 309)	80% (703/878)	65%	65%	65%	65%
Number of work seekers registered on the Employment Services of South Africa database per year ¹	Public Employment Services		618 570	634 503	666 719	500 000	650 000	700 000	750 000
Number of registered work seekers provided with employment counselling per year	Public Employment Services		246 744	250 000	197 247 ²	140 000	200 000 ²	210 000	220 000
Number of employment opportunities registered on the Employment Services of South Africa database per year	Public Employment Services		74 056	102 631 ¹	74 510 ²	60 000 ²	85 000 ²	90 000	95 000
Number of registered employment opportunities filled by registered work seekers per year	Public Employment Services		16 634	10 927	12 517	8 000	42 500	45 000	47 500
Number of pay scales assessed per year to reduce gaps in minimum wage determinations	Labour Policy and Industrial Relations		4	4	2	2	- ₃	- ₃	- ₃

1. High achievement due to advocacy campaigns and roadshows.

2. Targets revised to align with the department's budget.

3. The indicator will not be reported on from 2018/19 due to the introduction of the national minimum wage.

Expenditure analysis

The Department of Labour supports efforts towards realising the goals of the National Development Plan (NDP) to increase workplace inspections and resolve workplace disputes to enhance healthy labour relations and create 11 million jobs by 2030. Outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework gives overall strategic direction to the department's work. Over the medium term, the department will focus on establishing safe work environments, supporting work seekers, and regulating the workplace to establish minimum working conditions and fair labour practices.

Cabinet approved budget reductions of R59.4 million and R8.2 million over the MTEF period have been effected on the department's *Administration* and *Public Employment Services* programmes, respectively. The reduction in the *Administration* programme relates to payments for transport equipment, which is expected to have a minimal impact as the department has reconsidered its fleet replacement strategy. The reduction in the *Public Employment Services* programme is on the transfer to the *Supported Employment Enterprises* subprogramme. This is also expected to have minimal impact as the subprogramme functions as a trading entity that generates revenue.

Promoting safety in the workplace

In seeking to create and promote safe work environments, the department aims to ensure that employers adhere to employment equity plans and decent work principles, and that vulnerable workers are protected. The number of inspections for compliance with labour legislation is expected to increase from 217 008 in 2017/18 to 229 068 in 2020/21, based on available capacity and the norms and standards for the number of inspections conducted per inspector. To achieve these targets and support the department's commitment to creating decent working conditions, R1.9 billion over the MTEF period is allocated in the *Inspection and Enforcement Services* programme.

The department has amended the Occupational Health and Safety Act (1993), which has been approved for tabling in Parliament and is targeted for implementation in 2019/20, and has allocated R104.5 million for

occupational health and safety inspections over the MTEF period. In seeking to create healthy and safe work environments, the department plans to introduce compulsory provisions such as permitting inspectors to administer fines, allowing employees to leave the workplace if conditions are unhealthy or unsafe, and enabling safety representatives in the service of employers to check for compliance through routine inspections.

Supporting work seekers

To support the achievement of the NDP's job creation target of 11 million jobs by 2030, the Employment Services Act (2014) makes provision for: free public employment services; the regulation of private employment agencies and the recruitment of foreign nationals; support for job creation; the registration of job opportunities; and the establishment of various work schemes geared towards job creation, which is being considered by the newly established Employment Services Board.

By providing career counselling services and work enhancement activities such as life skills and competency assessments, the department seeks to facilitate greater access to the labour market, particularly for workers with basic skills, and a lack of resources to undertake job research. In terms of the Employment Services Act (2014), over the MTEF period, the department plans to finalise regulations on the establishment of work schemes that are aimed at stimulating the absorption of unemployed work seekers into the workforce. To protect vulnerable workers from abuse and paying placement fees, over the medium term, the department plans to regulate recruitment agencies and the categories of employment for which new vacancies and positions must be reported in terms of the Employment Services Act (2014). For these purposes, the *Public Employment Services* programme is set to receive R1.1 billion over the medium term, excluding transfers and subsidies of R750.7 million to Productivity South Africa, the *Supported Employment Enterprises* subprogramme for operations, and the Compensation Fund for claims made by civil servants who have been injured on duty.

The department will pilot 4 dedicated employment service centres in Johannesburg, East London, KwaZulu Natal and Cape Town, which are set to be leased through the Department of Public Works in 2018/19. In the department's efforts to relieve capacity constraints, it has focused on rolling out self-help kiosks. An estimated 40 labour centres across South Africa will have fully installed self-help kiosks by March 2018, at a projected cost of R14 million.

To prepare work seekers for employment and speed up the placement process, the department plans to employ an additional 40 employment counsellors, 20 employment services practitioners and 9 directors over the MTEF period, funded through savings of an estimated R23.7 million realised by greater organisational efficiencies. The addition of these posts is expected to ease the administrative burden on the department, and provide employment counselling to 630 000 of these registered work seekers over the medium term. The number of work seekers to be registered on the Employment Services of South Africa system is set to increase from 500 000 in 2017/18 to 750 000 in 2020/21. To inform the public about employment services and make these services accessible to citizens, R6 million has been reprioritised over the medium term from work seeker services to fund the revamp and maintenance of four buses, which will be used as mobile employment services centres.

The department has not met its annual target for placing work seekers in registered employment opportunities due to prospective employers not providing the department with prompt feedback on the work seekers it refers, as some employers view reporting as an administrative burden. Over the medium term, the department plans to conduct research into the root causes of challenges in placing work seekers, including facilitating life skills activities and enhancing the readiness of work seekers. The department also plans to place registered work seekers in 50 per cent (42 500) of the employment opportunities registered on the Employment Services of South Africa system, compared with 16 per cent (40 078) placed between 2014/15 and 2016/17. The department plans to achieve this target by training registration officers and enhancing systems at a projected cost of R20.2 million over the medium term.

Creating a fair working environment

South Africa has one of the highest income differentials in the world. To address this challenge, over the medium term, the department, with social partners at the National Economic Development and Labour Council, will continue to set standards for reducing income inequality, institute minimum wages for vulnerable workers and monitor compliance with the Employment Equity Act (1998). The National Minimum Wage Bill was approved by Cabinet for tabling in Parliament, with implementation planned for 1 May 2018. In terms of the bill, the department will establish a national minimum wage commission and secretariat, which will be responsible for reviewing, making adjustments to and monitoring the social and economic impact of the national minimum wage, which is currently set at R20 per hour.

The Commission for Conciliation, Mediation and Arbitration is set to receive R2.9 billion over the MTEF period in the form of a transfer from the *Labour Policy and Industrial Relations* programme. This allocation includes an additional R57 million to address the increasing caseloads arising from the various labour law amendments, non-compliance with the national minimum wage, and to purchase the required recording equipment for hearings.

South Africa is the current chair of the Brazil-Russia-India-China-South Africa (BRICS) group of countries, and will host the 10th BRICS Summit in 2018/19. In this regard, the department plans to host the BRICS employment and labour ministers meeting in July 2018. The meeting will focus on attaining the 2030 Agenda for Sustainable Development with a particular focus on youth employment, the advancement of equal pay for women, and strengthening collective bargaining mechanisms. The *International Labour Matters* subprogramme has budgeted R1.5 million for the hosting of this meeting.

Expenditure trends

Table 28.2 Vote expenditure trends by programme and economic classification

Programmes																																										
1. Administration																																										
2. Inspection and Enforcement Services																																										
3. Public Employment Services																																										
4. Labour Policy and Industrial Relations																																										
Programme																																										
R million	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Average: Outcome/Annual budget (%)			Average: Outcome/Adjusted appropriation (%)		
	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18	2014/15	2015/16	2016/17	2017/18										
Programme 1	787.7	784.9	676.0	845.1	815.1	745.6	852.9	856.6	819.1	885.6	887.8	884.0	92.7%	93.4%																												
Programme 2	403.2	410.4	430.9	430.8	471.8	472.9	519.5	509.3	464.3	532.7	531.2	526.9	100.5%	98.6%																												
Programme 3	466.5	481.5	465.3	488.3	497.3	485.1	510.3	507.2	524.9	561.1	557.4	557.4	100.3%	99.5%																												
Programme 4	869.9	869.4	847.8	922.7	920.0	908.4	965.2	969.7	953.4	1 086.4	1 079.4	1 079.4	98.6%	98.7%																												
Total	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 761.6	3 065.8	3 055.8	3 047.7	97.4%	97.2%																												
Change to 2017 Budget estimate	(10.0)																																									
Economic classification																																										
Current payments	1 554.0	1 591.1	1 458.3	1 683.8	1 642.8	1 533.0	1 714.8	1 675.9	1 545.3	1 817.6	1 787.3	1 779.1	93.3%	94.3%																												
Compensation of employees	966.5	1 006.1	997.8	1 079.6	1 052.9	1 025.6	1 132.2	1 108.0	1 064.7	1 224.5	1 212.8	1 204.6	97.5%	98.0%																												
Goods and services	587.4	585.0	460.6	604.2	589.9	507.4	582.6	567.9	480.6	593.1	574.5	574.5	85.5%	87.3%																												
Transfers and subsidies	942.4	927.6	924.6	956.2	1 009.2	1 010.4	1 064.6	1 063.4	1 073.2	1 160.7	1 162.4	1 162.4	101.1%	100.2%																												
Provinces and municipalities	0.0	0.0	0.5	0.0	0.5	0.6	0.5	0.7	0.6	0.5	0.5	0.5	217.5%	123.8%																												
Departmental agencies and accounts	774.9	789.9	785.8	824.2	824.2	820.9	867.8	868.3	879.4	962.2	962.2	962.2	—	—																												
Foreign governments and international organisations	16.5	17.4	17.0	17.3	19.3	20.9	20.6	22.0	19.7	23.8	23.8	23.8	104.2%	98.7%																												
Non-profit institutions	150.7	119.5	116.6	114.4	164.5	164.0	175.5	169.6	168.8	173.9	173.9	173.9	101.5%	99.3%																												
Households	0.3	0.8	4.7	0.3	0.7	4.0	0.3	2.8	4.6	0.3	2.1	2.1	1 221.6%	242.6%																												

Table 28.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Annual budget			Annual budget			Annual budget			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
	2014/15	Adjusted appropriation	Audited outcome	2015/16	Adjusted appropriation	Audited outcome	2016/17	Adjusted appropriation	Audited outcome	2017/18	Adjusted appropriation	Revised estimate		
R million														
Payments for capital assets	31.0	27.6	36.1	46.9	52.2	68.1	68.4	103.6	140.5	87.5	106.1	106.1	150.1%	121.2%
Buildings and other fixed structures	0.0	0.3	1.9	–	2.0	0.5	28.0	28.0	29.2	14.0	14.0	14.0	108.5%	102.9%
Machinery and equipment	31.0	27.3	34.2	46.9	50.2	67.6	40.4	75.6	65.0	73.5	92.1	92.1	135.0%	105.6%
Software and other intangible assets	–	–	–	–	–	–	–	–	46.4	–	0.1	0.1	–	77.376.7%
Payments for financial assets	–	–	0.9	–	–	0.5	–	–	2.6	–	–	–	–	–
Total	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 761.6	3 065.8	3 055.8	3 047.7	97.4%	97.2%

Expenditure estimates

Table 28.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Inspection and Enforcement Services									
3. Public Employment Services									
4. Labour Policy and Industrial Relations									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2017/18	2014/15 - 2017/18	2018/19			2019/20
R million									
Programme 1	884.0	4.0%	28.8%	917.4	977.0	1 038.2	5.5%	28.4%	
Programme 2	526.9	8.7%	17.5%	598.2	639.0	687.6	9.3%	18.3%	
Programme 3	557.4	5.0%	18.7%	582.6	615.4	653.5	5.4%	17.9%	
Programme 4	1 079.4	7.5%	34.9%	1 197.1	1 201.7	1 269.5	5.6%	35.4%	
Total	3 047.7	6.2%	100.0%	3 295.2	3 432.9	3 648.7	6.2%	100.0%	
Change to 2017 Budget estimate				28.8	(18.6)	(20.8)			
Economic classification									
Current payments	1 779.1	3.8%	58.3%	1 946.7	2 076.7	2 219.5	7.7%	59.8%	
Compensation of employees	1 204.6	6.2%	39.6%	1 317.8	1 410.2	1 516.0	8.0%	40.6%	
Goods and services	574.5	-0.6%	18.7%	628.9	666.5	703.6	7.0%	19.2%	
Transfers and subsidies	1 162.4	7.8%	38.5%	1 273.6	1 280.1	1 349.3	5.1%	37.7%	
Provinces and municipalities	0.5	525.7%	0.0%	0.6	0.6	0.7	12.4%	0.0%	
Departmental agencies and accounts	962.2	6.8%	31.8%	1 066.1	1 059.8	1 116.9	5.1%	31.3%	
Foreign governments and international organisations	23.8	10.9%	0.8%	25.2	26.6	28.1	5.7%	0.8%	
Non-profit institutions	173.9	13.3%	5.7%	181.3	192.6	203.2	5.3%	5.6%	
Households	2.1	40.2%	0.1%	0.4	0.4	0.4	-42.0%	0.0%	
Payments for capital assets	106.1	56.6%	3.2%	75.0	76.1	79.8	-9.0%	2.5%	
Buildings and other fixed structures	14.0	259.2%	0.4%	16.0	16.0	16.9	6.4%	0.5%	
Machinery and equipment	92.1	49.9%	2.4%	59.0	60.1	63.0	-11.9%	2.0%	
Software and other intangible assets	0.1	–	0.4%	–	–	–	-100.0%	0.0%	
Total	3 047.7	6.2%	100.0%	3 295.2	3 432.9	3 648.7	6.2%	100.0%	

Expenditure trends and estimates for significant spending items

Table 28.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2014/15 - 2017/18	2018/19		
R thousand											
Commission for Conciliation, Mediation and Arbitration	687 096	731 799	770 501	864 090	7.9%	28.2%	963 066	951 152	1 002 245	5.1%	28.2%
Inspection services: Compliance, Monitoring and Enforcement	340 162	373 034	367 843	419 740	7.3%	13.8%	477 259	508 774	548 056	9.3%	14.6%
Provision of public employment services: Employer and workseeker services	234 063	236 124	196 592	285 442	6.8%	8.8%	297 641	311 693	331 279	5.1%	9.1%
Total	1 261 321	1 340 957	1 334 936	1 569 272	22.0%	50.8%	1 737 966	1 771 619	1 881 580	19.5%	51.9%

Goods and services expenditure trends and estimates

Table 28.5 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administrative fees	5 451	4 958	5 941	6 658	6.9%	1.1%	5 791	6 256	6 242	-2.1%	1.0%
Advertising	6 737	17 431	9 881	16 949	36.0%	2.5%	16 433	17 259	19 064	4.0%	2.7%
Minor assets	4 423	2 869	3 340	9 033	26.9%	1.0%	7 609	8 476	8 877	-0.6%	1.3%
Audit costs: External	15 320	16 511	16 913	20 318	9.9%	3.4%	21 234	22 630	23 930	5.6%	3.4%
Bursaries: Employees	2 299	1 906	1 978	2 511	3.0%	0.4%	3 078	3 426	3 620	13.0%	0.5%
Catering: Departmental activities	3 747	4 532	4 674	4 604	7.1%	0.9%	5 479	5 538	5 845	8.3%	0.8%
Communication	35 234	31 232	24 770	28 731	-6.6%	5.9%	28 051	29 639	31 350	3.0%	4.6%
Computer services	69 702	66 868	88 129	89 514	8.7%	15.5%	117 052	123 853	130 398	13.4%	17.9%
Consultants: Business and advisory services	6 313	7 178	10 025	12 138	24.3%	1.8%	10 851	10 164	9 629	-7.4%	1.7%
Laboratory services	-	-	-	150	-	-	-	-	-	-100.0%	-
Legal services	2 270	3 085	7 601	4 034	21.1%	0.8%	4 860	5 430	5 890	13.4%	0.8%
Science and technological services	-	-	-	-	-	-	-	95	100	-	-
Contractors	8 185	7 091	6 979	5 714	-11.3%	1.4%	3 862	2 967	4 216	-9.6%	0.7%
Agency and support/outsourced services	3 044	3 111	2 135	4 307	12.3%	0.6%	4 438	4 793	5 111	5.9%	0.7%
Entertainment	139	189	192	224	17.2%	-	275	290	313	11.8%	-
Fleet services (including government motor transport)	19 359	19 795	21 888	23 435	6.6%	4.2%	30 393	34 321	36 894	16.3%	4.9%
Inventory: Materials and supplies	-	-	-	51	-	-	-	-	18	-29.3%	-
Consumable supplies	3 192	2 545	3 390	4 859	15.0%	0.7%	4 240	4 605	4 891	0.2%	0.7%
Consumables: Stationery, printing and office supplies	18 890	19 673	16 325	21 119	3.8%	3.8%	23 676	25 691	27 324	9.0%	3.8%
Operating leases	104 877	139 488	115 668	139 929	10.1%	24.7%	148 281	156 968	166 400	5.9%	23.8%
Rental and hiring	843	1 103	513	1 078	8.5%	0.2%	331	350	451	-25.2%	0.1%
Property payments	46 762	57 055	48 428	66 425	12.4%	10.8%	70 275	74 355	78 157	5.6%	11.2%
Transport provided: Departmental activity	390	140	185	1 436	54.4%	0.1%	800	900	950	-12.9%	0.2%
Travel and subsistence	77 171	82 429	72 203	75 085	-0.9%	15.2%	82 076	88 125	90 294	6.3%	13.0%
Training and development	6 672	6 636	3 803	12 695	23.9%	1.5%	14 232	15 255	16 413	8.9%	2.3%
Operating payments	11 449	6 489	8 744	10 448	-3.0%	1.8%	11 218	11 740	12 859	7.2%	1.8%
Venues and facilities	8 106	5 087	6 924	13 043	17.2%	1.6%	14 358	13 387	14 331	3.2%	2.1%
Total	460 575	507 401	480 629	574 488	7.6%	100.0%	628 893	666 513	703 567	7.0%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 28.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Non-profit institutions											
Current	116 534	164 045	168 747	173 852	14.3%	15.0%	181 212	192 595	203 188	5.3%	14.8%
Deaf Federation of South Africa	-	-	-	275	-	-	291	2 744	2 895	119.2%	0.1%
National Council for the Physically Disabled	136	308	296	318	32.7%	-	336	2 792	2 946	110.0%	0.1%
South African National Council for the Blind	155	417	366	390	36.0%	-	413	2 873	3 031	98.1%	0.1%
Workshops for the Blind	7 793	10 341	10 638	11 739	14.6%	1.0%	12 420	13 116	13 837	5.6%	1.0%
Work-centres for the disabled	91 132	135 050	138 568	141 307	15.7%	12.1%	146 779	148 923	157 114	3.6%	11.7%
Various civil and labour organisations	17 318	17 929	18 879	19 823	4.6%	1.8%	20 973	22 147	23 365	5.6%	1.7%
Provinces and municipalities											
Municipal bank accounts											
Current	408	493	488	434	2.1%	-	541	570	626	13.0%	-
Vehicle licences	408	493	488	434	2.1%	-	541	570	626	13.0%	-
Households											
Social benefits											
Current	3 875	2 647	4 088	1 355	-29.5%	0.3%	354	376	397	-33.6%	-
Employee social benefits	3 875	2 647	4 088	1 355	-29.5%	0.3%	354	376	397	-33.6%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	761 938	806 121	860 375	946 264	7.5%	81.0%	1 050 006	1 042 961	1 099 103	5.1%	81.7%
Communication	4 276	-	-	-	-100.0%	0.1%	-	-	-	-	-
Productivity South Africa	43 119	45 531	59 057	50 341	5.3%	4.8%	53 261	56 244	59 337	5.6%	4.3%
Commission for Conciliation, Mediation and Arbitration	687 096	731 799	770 501	864 090	7.9%	73.3%	963 066	951 152	1 002 245	5.1%	74.7%
National Economic Development and Labour Council	27 447	28 791	30 817	31 833	5.1%	2.9%	33 679	35 565	37 521	5.6%	2.7%

Table 28.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Foreign governments and international organisations											
Current	17 019	20 909	19 719	23 813	11.8%	2.0%	25 218	26 630	28 095	5.7%	2.0%
International Labour Organisation	16 019	19 753	19 719	22 648	12.2%	1.9%	23 984	25 327	26 720	5.7%	1.9%
African Regional Labour Administration Centre	1 000	1 156	–	1 165	5.2%	0.1%	1 234	1 303	1 375	5.7%	0.1%
Departmental agencies and accounts											
Social security funds											
Current	23 752	14 780	19 031	15 917	-12.5%	1.8%	16 107	16 877	17 805	3.8%	1.3%
Compensation Fund	23 752	14 780	19 031	15 917	-12.5%	1.8%	16 107	16 877	17 805	3.8%	1.3%
Total	923 526	1 008 995	1 072 448	1 161 635	7.9%	100.0%	1 273 438	1 280 009	1 349 214	5.1%	100.0%

Personnel information

Table 28.7 Vote personnel numbers and cost by salary level and programme¹

Programmes												Number								
1. Administration												Average growth rate (%)	Average: Salary level/Total (%)							
2. Inspection and Enforcement Services																				
3. Public Employment Services																				
4. Labour Policy and Industrial Relations																				
		Number of posts estimated for 31 March 2018		Number and cost ² of personnel posts filled / planned for on funded establishment																
		Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate		Medium-term expenditure estimate		Medium-term expenditure estimate		2017/18 - 2020/21								
				2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21											
		Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost									
Labour		2 877	16	3 347	1 064.7	0.3	3 525	1 204.6	0.3	3 539	1 317.8	0.4	3 531	1 410.2	0.4	3 545	1 516.0	0.4	0.2%	100.0%
Salary level		2 877	16	3 347	1 064.7	0.3	3 525	1 204.6	0.3	3 539	1 317.8	0.4	3 531	1 410.2	0.4	3 545	1 516.0	0.4	0.2%	100.0%
1 – 6	1379	2	1 599	315.2	0.2	1 665	352.4	0.2	1 696	397.4	0.2	1 701	431.6	0.3	1 712	468.3	0.3	0.9%	47.9%	
7 – 10	1201	3	1 397	478.8	0.3	1 486	546.3	0.4	1 457	579.3	0.4	1 451	620.7	0.4	1 463	675.6	0.5	-0.5%	41.4%	
11 – 12	230	6	261	188.2	0.7	282	217.3	0.8	292	243.3	0.8	289	259.3	0.9	287	278.0	1.0	0.6%	8.1%	
13 – 16	65	5	88	79.8	0.9	90	85.8	1.0	92	94.7	1.0	88	95.4	1.1	81	90.6	1.1	-3.5%	2.5%	
Other	2	–	2	2.7	1.3	2	2.9	1.4	2	3.1	1.5	2	3.3	1.6	2	3.5	1.8	–	0.1%	
Programme		2 877	16	3 347	1 064.7	0.3	3 525	1 204.6	0.3	3 539	1 317.8	0.4	3 531	1 410.2	0.4	3 545	1 516.0	0.4	0.2%	100.0%
Programme 1	952	16	1 570	325.9	0.2	1 684	378.5	0.2	1 632	402.9	0.2	1 626	433.6	0.3	1 642	468.3	0.3	-0.8%	46.6%	
Programme 2	1 251	–	1 138	382.0	0.3	1 182	426.9	0.4	1 259	492.3	0.4	1 262	527.6	0.4	1 262	570.1	0.5	2.2%	35.1%	
Programme 3	495	–	474	272.3	0.6	490	304.9	0.6	466	312.0	0.7	461	328.7	0.7	464	351.1	0.8	-1.8%	13.3%	
Programme 4	179	–	165	84.5	0.5	169	94.3	0.6	182	110.7	0.6	182	120.3	0.7	177	126.5	0.7	1.6%	5.0%	

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

2. Rand million.

Departmental receipts

Table 28.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%) 2014/15 - 2017/18	Average: Receipt item/ Total (%) 2017/18 - 2020/21	Medium-term receipts estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Receipt item/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17					2018/19	2019/20	2020/21		
Departmental receipts	11 155	10 056	11 702	17 168	17 168	15.5%	100.0%	11 839	12 608	13 253	-8.3%	100.0%
Sales of goods and services produced by department	3 928	4 129	4 530	4 441	4 441	4.2%	34.0%	4 510	5 418	5 581	7.9%	36.4%
Sales by market establishments of which:	182	176	164	132	132	-10.2%	1.3%	208	212	210	16.7%	1.4%
Market establishment: Rental dwellings	46	43	43	52	52	4.2%	0.4%	54	56	60	4.9%	0.4%
Market establishment: Rental parking (covered and open)	136	133	121	80	80	-16.2%	0.9%	154	156	150	23.3%	1.0%
Administrative fees of which:	1 853	1 970	2 318	2 165	2 165	5.3%	16.6%	2 166	3 000	3 102	12.7%	19.0%
Occupational health and safety licences	1 853	1 970	2 318	2 164	2 164	5.3%	16.6%	2 166	3 000	3 100	12.7%	19.0%
Requisition information: Access to information act	–	–	–	1	1	–	–	–	–	2	26.0%	–

Table 28.8 Departmental receipts by economic classification

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
R thousand												
Other sales	1 893	1 983	2 048	2 144	2 144	4.2%	16.1%	2 136	2 206	2 269	1.9%	16.0%
of which:												
Services rendered: Commission on insurance and garnishee	1 889	1 980	2 043	2 126	2 126	4.0%	16.0%	2 128	2 200	2 260	2.1%	15.9%
Services rendered: Photocopies and faxes	–	1	–	15	15	–	–	1	1	2	-48.9%	–
Replacement of security cards	4	2	–	3	3	-9.1%	–	7	5	7	32.6%	–
Replacement – lost office property	–	–	5	–	–	–	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	28	12	25	37	37	9.7%	0.2%	29	40	32	-4.7%	0.3%
of which:												
Sales: Scrap	1	3	–	7	7	91.3%	–	9	20	12	19.7%	0.1%
Sales: Waste paper	27	9	25	30	30	3.6%	0.2%	20	20	20	-12.6%	0.2%
Transfers received	–	–	–	244	244	–	0.5%	–	–	–	-100.0%	0.4%
Fines, penalties and forfeits	4	1 009	1 011	1 020	1 020	534.1%	6.1%	80	80	90	-55.5%	2.3%
Interest, dividends and rent on land	1 318	1 303	1 377	1 460	1 460	3.5%	10.9%	1 500	1 500	1 550	2.0%	11.0%
Interest	1 318	1 303	1 377	1 460	1 460	3.5%	10.9%	1 500	1 500	1 550	2.0%	11.0%
Sales of capital assets	1 108	105	29	300	300	-35.3%	3.1%	600	350	300	–	2.8%
Transactions in financial assets and liabilities	4 769	3 498	4 730	9 666	9 666	26.6%	45.3%	5 120	5 220	5 700	-16.1%	46.9%
Total	11 155	10 056	11 702	17 168	17 168	15.5%	100.0%	11 839	12 608	13 253	-8.3%	100.0%

Programme 1: Administration**Programme purpose**

Provide strategic leadership, management and support services to the department.

Expenditure trends and estimates**Table 28.9 Administration expenditure trends and estimates by subprogramme and economic classification**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Ministry	24.3	32.6	32.2	31.2	8.6%	3.8%	34.5	36.6	37.0	5.9%	3.6%
Management	252.0	258.5	255.4	254.7	0.4%	32.6%	255.0	271.8	286.5	4.0%	28.0%
Corporate Services	179.5	180.3	260.2	275.4	15.3%	28.6%	297.4	318.5	340.6	7.3%	32.2%
Office of the Chief Financial Officer	97.5	113.2	105.6	135.1	11.5%	14.4%	124.7	132.1	144.2	2.2%	14.0%
Office Accommodation	122.7	161.1	165.7	191.5	16.0%	20.5%	205.7	218.0	229.9	6.3%	22.1%
Total	676.0	745.6	819.1	887.8	9.5%	100.0%	917.4	977.0	1 038.2	5.4%	100.0%
Change to 2017 Budget estimate				2.2			(14.6)	(15.6)	(17.6)		
Economic classification											
Current payments	636.0	707.3	708.6	815.2	8.6%	91.6%	876.9	935.2	994.2	6.8%	94.8%
Compensation of employees	309.5	325.9	325.9	382.3	7.3%	43.0%	402.9	433.6	468.3	7.0%	44.2%
Goods and services ¹	326.5	381.4	382.7	432.9	9.9%	48.7%	474.0	501.6	525.8	6.7%	50.6%
of which:											
Audit costs: External	15.3	16.5	16.9	20.3	9.9%	2.2%	21.2	22.6	23.9	5.6%	2.3%
Communication	14.5	17.0	21.5	23.6	17.7%	2.4%	22.8	23.9	25.1	2.1%	2.5%
Computer services	69.3	65.9	87.3	88.5	8.5%	9.9%	116.1	122.8	129.6	13.6%	12.0%
Operating leases	103.1	137.5	113.5	135.2	9.5%	15.6%	142.5	151.7	160.2	5.8%	15.4%
Property payments	36.9	44.6	47.9	65.5	21.0%	6.2%	69.3	73.3	77.0	5.5%	7.5%
Travel and subsistence	29.4	37.1	32.0	26.6	-3.2%	4.0%	29.2	31.6	29.9	4.0%	3.1%
Transfers and subsidies ¹	5.8	2.3	2.0	1.5	-37.1%	0.4%	0.8	0.9	1.0	-12.7%	0.1%
Provinces and municipalities	0.5	0.5	0.5	0.5	2.7%	0.1%	0.6	0.6	0.7	12.4%	0.1%
Departmental agencies and accounts	4.4	0.0	0.0	–	-100.0%	0.1%	–	–	–	–	–
Non-profit institutions	0.1	–	–	–	-100.0%	–	–	–	–	–	–
Households	0.9	1.8	1.5	1.0	1.2%	0.2%	0.2	0.3	0.3	-34.5%	–

Table 28.9 Administration expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million											
Payments for capital assets	33.2	35.5	105.8	71.1	28.9%	7.9%	39.6	40.8	43.1	-15.4%	5.1%
Buildings and other fixed structures	1.9	0.5	29.2	14.0	95.7%	1.5%	16.0	16.0	16.9	6.4%	1.6%
Machinery and equipment	31.3	35.0	30.3	57.1	22.2%	4.9%	23.6	24.8	26.2	-22.9%	3.4%
Software and other intangible assets	–	–	46.4	–	–	1.5%	–	–	–	–	–
Payments for financial assets	0.9	0.5	2.6	–	-100.0%	0.1%	–	–	–	–	–
Total	676.0	745.6	819.1	887.8	9.5%	100.0%	917.4	977.0	1 038.2	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	27.9%	28.5%	29.7%	29.1%	–	–	27.8%	28.5%	28.5%	–	–
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4.3	–	–	–	-100.0%	0.1%	–	–	–	–	–
Communication	4.3	–	–	–	-100.0%	0.1%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 2: Inspection and Enforcement Services

Programme purpose

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

Objectives

- Protect vulnerable workers through the inspection and enforcement of labour legislation by ensuring that decent work principles are adhered to by:
 - conducting 218 732 compliance inspections by March 2019
 - serving 80 per cent of non-compliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection.
- Strengthen the health and safety of workers through the enforcement of occupational health and safety regulations by finalising 65 per cent of all reported incidents within 90 days of receipt by 2018/19.

Subprogrammes

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director general, and provides corporate support to line function subprogrammes within the programme.
- *Occupational Health and Safety* promotes health and safety in the workplace by conducting inspections on compliance with the Occupational Health and Safety Act (1993), and regulating dangerous activities and the use of plant and machinery.
- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety, as reported by members of the public, and communicates these to the relevant structures within the *Compliance, Monitoring and Enforcement Services* subprogramme for investigation.
- *Compliance, Monitoring and Enforcement Services* ensures that employers and employees comply with labour legislation by conducting regular inspections and following up on reported incidents.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training within this programme.
- *Statutory and Advocacy Services* gives effect to legislative enforcement requirements and educates stakeholders on labour legislation.

Expenditure trends and estimates

Table 28.10 Inspection and Enforcement Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R million					2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Management and Support Services: Inspection and Enforcement Services	4.5	4.6	6.9	5.3	5.3%	1.1%	6.4	6.8	7.3	11.3%	1.1%
Occupational Health and Safety	22.2	29.3	23.9	29.7	10.2%	5.5%	32.4	34.8	37.3	7.9%	5.5%
Registration: Inspection and Enforcement Services	51.4	52.6	53.6	62.5	6.8%	11.6%	67.3	72.6	78.0	7.6%	11.4%
Compliance, Monitoring and Enforcement Services	340.2	373.0	367.8	419.7	7.3%	79.0%	477.3	508.8	548.1	9.3%	79.6%
Training of Staff: Inspection and Enforcement Services	5.5	6.7	4.7	5.4	-0.6%	1.2%	5.6	6.0	6.3	5.5%	0.9%
Statutory and Advocacy Services	7.1	6.6	7.4	8.6	6.5%	1.6%	9.2	9.9	10.6	7.2%	1.6%
Total	430.9	472.9	464.3	531.2	7.2%	100.0%	598.2	639.0	687.6	9.0%	100.0%
Change to 2017 Budget estimate				(1.5)			(0.0)	0.0	2.9		
Economic classification											
Current payments	426.8	439.8	428.8	496.8	5.2%	94.4%	564.2	604.9	651.7	9.5%	94.4%
Compensation of employees	350.1	375.9	382.0	431.2	7.2%	81.0%	492.3	527.6	570.1	9.8%	82.3%
Goods and services ¹	76.7	63.9	46.9	65.6	-5.1%	13.3%	71.9	77.4	81.6	7.6%	12.1%
<i>of which:</i>											
Minor assets	0.9	0.5	0.5	2.7	43.0%	0.2%	3.8	4.2	4.5	18.8%	0.6%
Fleet services (including government motor transport)	8.7	7.5	8.0	9.0	0.9%	1.7%	9.8	11.3	11.9	10.1%	1.7%
Consumables: Stationery, printing and office supplies	3.6	4.4	3.0	4.5	7.7%	0.8%	4.7	5.1	5.4	6.6%	0.8%
Travel and subsistence	28.8	25.4	22.6	26.5	-2.7%	5.4%	28.2	30.0	31.7	6.2%	4.7%
Training and development	0.9	2.3	1.2	4.4	70.4%	0.5%	4.5	4.8	5.1	5.3%	0.8%
Venues and facilities	1.7	1.3	2.2	4.1	34.9%	0.5%	4.7	4.1	4.3	1.5%	0.7%
Transfers and subsidies¹	1.9	1.2	1.7	0.6	-33.2%	0.3%	0.1	0.1	0.1	-47.8%	-
Provinces and municipalities	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Households	1.9	1.2	1.7	0.6	-32.9%	0.3%	0.1	0.1	0.1	-47.8%	-
Payments for capital assets	2.2	31.9	33.7	33.9	150.6%	5.4%	33.9	33.9	35.8	1.8%	5.6%
Machinery and equipment	2.2	31.9	33.7	33.9	150.6%	5.4%	33.9	33.9	35.8	1.8%	5.6%
Total	430.9	472.9	464.3	531.2	7.2%	100.0%	598.2	639.0	687.6	9.0%	100.0%
Proportion of total programme expenditure to vote expenditure	17.8%	18.1%	16.8%	17.4%	-	-	18.2%	18.6%	18.8%	-	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 3: Public Employment Services

Programme purpose

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

Objectives

- Provide public employment services by March 2019 by:
 - registering 650 000 work seekers on the Employment Services System of South Africa database
 - providing employment counselling to 200 000 work seekers
 - filling 42 500 registered employment opportunities
 - registering 85 000 work opportunities on the employment services of South Africa database system.
- Contribute to increasing employment opportunities for people with disabilities by providing quarterly funding over the medium term, and monitoring disability organisations on an ongoing basis.

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.
- *Employer Services* registers work opportunities, facilitates the employment of foreign nationals where such skills do not exist in South Africa, oversees placements, responds to companies in distress, provides a social plan and regulates private employment agencies.
- *Work Seeker Services* registers work seekers, retrenched workers and work, learning, training and income generating opportunities on the Employment Services of South Africa system; and facilitates access to employment and income generating opportunities for the unemployed and underemployed.
- *Designated Groups Special Services* facilitates the transfer of subsidies to national councils and workshops for the blind to promote the employment of people with disabilities.
- *Supported Employment Enterprises* promotes work and employment opportunities for persons with disabilities through improved administration, production and financial management of supported employment enterprises.
- *Productivity South Africa* transfers funds to Productivity South Africa, which promotes workplace productivity, competitiveness and social plan interventions.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund.
- *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.
- *Training of Staff: Public Employment Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes.

Expenditure trends and estimates

Table 28.11 Public Employment Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/Total (%)
R million											
Management and Support Services: Public Employment Services	34.6	36.0	89.5	44.1	8.4%	10.0%	47.6	52.0	56.5	8.7%	8.3%
Employer Services	116.8	120.1	81.5	104.2	-3.7%	20.8%	117.7	124.7	132.9	8.4%	19.9%
Work Seeker Services	117.2	116.0	115.1	181.2	15.6%	26.1%	180.0	187.0	198.4	3.1%	31.0%
Designated Groups Special Services	0.3	11.1	11.3	12.7	252.3%	1.7%	13.5	21.5	22.7	21.3%	2.9%
Supported Employment Enterprises	127.8	140.7	148.7	147.5	4.9%	27.8%	153.3	155.7	164.4	3.7%	25.8%
Productivity South Africa	43.1	45.5	59.1	50.3	5.3%	9.7%	53.3	56.2	59.3	5.6%	9.1%
Unemployment Insurance Fund	-	-	-	0.0	-	-	0.0	0.0	0.0	-	-
Compensation Fund	23.8	14.8	19.0	15.9	-12.5%	3.6%	16.1	16.9	17.8	3.8%	2.8%
Training of Staff: Public Employment Services	1.6	0.9	0.7	1.4	-4.9%	0.2%	1.2	1.3	1.4	-0.5%	0.2%
Total	465.3	485.1	524.9	557.4	6.2%	100.0%	582.6	615.4	653.5	5.4%	100.0%
Change to 2017 Budget estimate				(3.7)			(2.6)	(2.7)	(5.2)		
Economic classification											
Current payments	297.5	277.6	294.6	336.5	4.2%	59.3%	351.6	370.5	395.6	5.5%	60.4%
Compensation of employees	265.1	245.7	272.3	304.9	4.8%	53.5%	312.0	328.7	351.1	4.8%	53.8%
Goods and services ¹	32.4	31.8	22.4	31.6	-0.9%	5.8%	39.6	41.7	44.5	12.1%	6.5%
of which:											
Communication	4.9	5.6	1.5	2.1	-24.4%	0.7%	1.5	1.6	1.8	-6.2%	0.3%
Fleet services (including government motor transport)	2.7	3.0	2.8	3.1	4.4%	0.6%	8.3	9.9	11.5	54.7%	1.4%
Consumables: Stationery, printing and office supplies	2.2	1.7	1.5	3.3	14.3%	0.4%	5.0	5.5	6.3	24.3%	0.8%
Operating leases	0.5	0.4	0.3	1.5	46.7%	0.1%	2.7	1.9	1.9	8.4%	0.3%
Travel and subsistence	10.3	9.0	8.9	9.2	-3.8%	1.8%	14.0	14.8	14.3	16.1%	2.2%
Operating payments	1.5	1.1	1.6	1.9	7.8%	0.3%	2.2	2.1	2.2	5.8%	0.3%

Table 28.11 Public Employment Services expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	2020/21
R million	167.3	207.4	229.4	220.3	9.6%	40.6%	229.7	243.6	257.0	5.3%	39.5%
Transfers and subsidies¹	167.3	207.4	229.4	220.3	9.6%	40.6%	229.7	243.6	257.0	5.3%	39.5%
Departmental agencies and accounts	66.9	60.3	78.1	66.3	-0.3%	13.4%	69.4	73.1	77.1	5.2%	11.9%
Non-profit institutions	99.2	146.1	149.9	154.0	15.8%	27.0%	160.2	170.4	179.8	5.3%	27.6%
Households	1.2	0.9	1.4	0.1	-63.4%	0.2%	0.0	0.1	0.1	-3.0%	-
Payments for capital assets	0.5	0.2	0.9	0.5	1.4%	0.1%	1.4	1.3	0.9	16.7%	0.2%
Machinery and equipment	0.5	0.2	0.9	0.5	-2.5%	0.1%	1.4	1.3	0.9	21.4%	0.2%
Software and other intangible assets	-	-	-	0.1	-	-	-	-	-	-100.0%	-
Total	465.3	485.1	524.9	557.4	6.2%	100.0%	582.6	615.4	653.5	5.4%	100.0%
Proportion of total programme expenditure to vote expenditure	19.2%	18.6%	19.0%	18.2%	-	-	17.7%	17.9%	17.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	43.1	45.5	59.1	50.3	5.3%	9.7%	53.3	56.2	59.3	5.6%	9.1%
Productivity South Africa	43.1	45.5	59.1	50.3	5.3%	9.7%	53.3	56.2	59.3	5.6%	9.1%
Non-profit institutions											
Current	99.2	146.1	149.9	154.0	15.8%	27.0%	160.2	170.4	179.8	5.3%	27.6%
Deaf Federation of South Africa	-	-	-	0.3	-	-	0.3	2.7	2.9	119.2%	0.3%
National Council for the Physically Disabled	0.1	0.3	0.3	0.3	32.7%	0.1%	0.3	2.8	2.9	110.0%	0.3%
South African National Council for the Blind	0.2	0.4	0.4	0.4	36.0%	0.1%	0.4	2.9	3.0	98.1%	0.3%
Workshops for the Blind	7.8	10.3	10.6	11.7	14.6%	2.0%	12.4	13.1	13.8	5.6%	2.1%
Work-centres for the disabled	91.1	135.1	138.6	141.3	15.7%	24.9%	146.8	148.9	157.1	3.6%	24.7%
Departmental agencies and accounts											
Social security funds											
Current	23.8	14.8	19.0	15.9	-12.5%	3.6%	16.1	16.9	17.8	3.8%	2.8%
Compensation Fund	23.8	14.8	19.0	15.9	-12.5%	3.6%	16.1	16.9	17.8	3.8%	2.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Programme 4: Labour Policy and Industrial Relations

Programme purpose

Facilitate the establishment of an equitable and sound labour relations environment. Support institutions of social dialogue and promote South Africa's interests in international labour matters. Conduct research and analysis, and evaluate labour policy. Provide statistical data on the labour market.

Objectives

- Improve employment equity implementation and compliance monitoring mechanisms in the labour market by:
 - publicising the 2017/18 employment equity annual report and public register by June 2018
 - developing the 2018/19 employment equity annual report and public register by March 2019
 - finalising the amendments to the Employment Equity Act (1998) to set sectoral employment equity targets to expedite transformation in the labour market by March 2019.
- Extend protection to vulnerable workers by publishing the national minimum wage for all sectors by 1 May annually.
- Promote sound labour relations and centralised collective bargaining through the extension of collective agreements and 100 per cent registration of qualifying labour and employer organisations by March 2019.
- Monitor and evaluate the impact of labour legislation to promote an evidence-based labour policy framework through the production of 4 research reports and 4 labour market trend reports by March 2019.

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.

- *Strengthen Civil Society* transfers funds to various civil society organisations that protect vulnerable workers by providing resources, support and expertise to improve the independence and self-reliance of workers, to contribute to a stable and well functioning labour market.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) through policies and practices that promote sound labour relations by: registering labour organisations and deregistering those that are non-compliant; publishing and extending collective agreements; supporting and advancing participation in collective bargaining structures; participating in the governance structures of the Commission for Conciliation, Mediation and Arbitration; and participating in relevant National Economic Development and Labour Council activities.
- *Employment Equity* promotes equity in the labour market through the elimination of unfair discrimination and the promotion of equitable representation in the workplace.
- *Employment Standards* protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997).
- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes social justice and fairness in the workplace through dispute prevention and resolution services.
- *Research, Policy and Planning* monitors and evaluates the impact of labour legislation and policies that affect the South African labour market.
- *Labour Market Information and Statistics* collects, collates, analyses and disseminates internal and external labour market statistics regarding changes in the South African labour market that affect employment legislation.
- *International Labour Matters* contributes to global policy formulation and facilitates compliance with international obligations through multilateral and bilateral relations.
- *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.

Expenditure trends and estimates

Table 28.12 Labour Policy and Industrial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average: Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/ Total (%)
R million											
Management and Support Services: Labour Policy and Industrial Relations	10.1	12.6	13.9	15.6	15.5%	1.4%	16.5	17.8	14.5	-2.5%	1.4%
Strengthen Civil Society	17.3	17.9	18.9	19.8	4.6%	2.0%	21.0	22.1	23.4	5.6%	1.8%
Collective Bargaining	13.5	12.6	13.2	15.8	5.4%	1.5%	16.1	17.4	19.7	7.7%	1.5%
Employment Equity	9.9	14.3	12.9	16.4	18.3%	1.4%	14.4	15.4	18.0	3.1%	1.4%
Employment Standards	11.0	11.0	11.2	15.8	12.7%	1.3%	29.2	33.1	34.3	29.4%	2.4%
Commission for Conciliation, Mediation and Arbitration	687.1	731.8	770.5	864.1	7.9%	80.6%	963.1	951.2	1 002.2	5.1%	79.6%
Research, Policy and Planning	6.7	7.1	7.9	10.4	15.8%	0.8%	9.8	10.5	10.4	0.2%	0.9%
Labour Market Information and Statistics	33.9	35.9	36.2	41.6	7.0%	3.9%	45.0	48.7	52.4	8.1%	4.0%
International Labour Matters	30.8	36.4	38.0	48.0	16.0%	4.0%	48.3	49.9	57.0	5.9%	4.3%
National Economic Development and Labour Council	27.4	28.8	30.8	31.8	5.1%	3.1%	33.7	35.6	37.5	5.6%	2.9%
Total	847.8	908.4	953.4	1 079.4	8.4%	100.0%	1 197.1	1 201.7	1 269.5	5.6%	100.0%
Change to 2017 Budget estimate				(7.0)			46.0	(0.3)	(1.0)		

Table 28.12 Labour Policy and Industrial Relations expenditure trends and estimates by subprogramme and economic classification

Economic classification	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2014/15	2015/16	2016/17		2014/15 - 2017/18	Average Expenditure/ Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average Expenditure/ Total (%)
R million											
Current payments	98.0	108.4	113.2	138.8	12.3%	12.1%	154.0	166.1	178.1	8.7%	13.4%
Compensation of employees	73.0	78.1	84.5	94.3	8.9%	8.7%	110.7	120.3	126.5	10.3%	9.5%
Goods and services ¹	24.9	30.3	28.7	44.5	21.3%	3.4%	43.3	45.7	51.6	5.1%	3.9%
of which:											
Advertising	2.4	5.6	3.3	5.4	30.2%	0.4%	5.8	6.0	7.2	10.1%	0.5%
Consultants: Business and advisory services	3.0	3.1	3.8	5.5	22.7%	0.4%	4.6	4.9	4.0	-10.2%	0.4%
Consumables: Stationery, printing and office supplies	4.0	2.8	2.8	4.8	6.7%	0.4%	5.1	5.7	6.1	8.4%	0.5%
Operating leases	0.8	1.2	1.7	2.3	43.3%	0.2%	2.3	2.5	3.4	13.3%	0.2%
Travel and subsistence	8.7	10.9	8.7	12.8	13.6%	1.1%	10.6	11.7	14.3	3.7%	1.0%
Venues and facilities	2.2	1.9	2.3	4.4	25.7%	0.3%	5.5	5.0	5.5	7.4%	0.4%
Transfers and subsidies¹	749.6	799.5	840.1	940.1	7.8%	87.9%	1 043.0	1 035.5	1 091.3	5.1%	86.6%
Departmental agencies and accounts	714.5	760.6	801.3	895.9	7.8%	83.7%	996.7	986.7	1 039.8	5.1%	82.5%
Foreign governments and international organisations	17.0	20.9	19.7	23.8	11.8%	2.1%	25.2	26.6	28.1	5.7%	2.2%
Non-profit institutions	17.3	17.9	18.9	19.9	4.7%	2.0%	21.0	22.2	23.4	5.6%	1.8%
Households	0.8	0.1	0.1	0.5	-13.8%	-	-	-	-	-100.0%	-
Payments for capital assets	0.2	0.5	0.1	0.5	32.9%	-	0.1	0.1	0.1	-38.7%	-
Machinery and equipment	0.2	0.5	0.1	0.5	32.9%	-	0.1	0.1	0.1	-38.7%	-
Total	847.8	908.4	953.4	1 079.4	8.4%	100.0%	1 197.1	1 201.7	1 269.5	5.6%	100.0%
Proportion of total programme expenditure to vote expenditure	35.0%	34.8%	34.5%	35.3%	-	-	36.3%	35.0%	34.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	714.5	760.6	801.3	895.9	7.8%	83.7%	996.7	986.7	1 039.8	5.1%	82.5%
Commission for Conciliation, Mediation and Arbitration	687.1	731.8	770.5	864.1	7.9%	80.6%	963.1	951.2	1 002.2	5.1%	79.6%
National Economic Development and Labour Council	27.4	28.8	30.8	31.8	5.1%	3.1%	33.7	35.6	37.5	5.6%	2.9%
Foreign governments and international organisations											
Current	17.0	20.9	19.7	23.8	11.8%	2.1%	25.2	26.6	28.1	5.7%	2.2%
International Labour Organisation	16.0	19.8	19.7	22.6	12.2%	2.1%	24.0	25.3	26.7	5.7%	2.1%
African Regional Labour Administration Centre	1.0	1.2	-	1.2	5.2%	0.1%	1.2	1.3	1.4	5.7%	0.1%
Non-profit institutions											
Current	17.3	17.9	18.9	19.8	4.6%	2.0%	21.0	22.1	23.4	5.6%	1.8%
Various civil and labour organisations	17.3	17.9	18.9	19.8	4.6%	2.0%	21.0	22.1	23.4	5.6%	1.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Entities¹

Compensation Fund

Mandate

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.

¹ This section has been compiled with the latest available information from the entities concerned.

Selected performance indicators

Table 28.13 Compensation Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of active registered non-exempt employers assessed annually by 31 March ¹	Compensation for Occupational Injuries and Diseases Act (1993) services	Outcome 13: An inclusive and responsive social protection system	- ²	46% (208 613/ 457 588)	57% (268 218/ 472 808)	75%	75%	90% ³	90%
Percentage of approved claims paid within 5 working days	Compensation for Occupational Injuries and Diseases Act (1993) services		- ²	95% (135 531/ 143 200)	100% (999 949)	95% ⁴	98% ⁴	100% ⁴	100% ⁴
Percentage of registered compensation claims adjudicated within specified number of working days of receipt	Compensation for Occupational Injuries and Diseases Act (1993) services		- ²	76% within 60 days (77 916/ 103 055)	90% Within 60 days (130 800/ 145 922)	85% Within 60 days ⁴	90% Within 40 days ⁴	90% Within 30 days ⁴	90% within 30 days ⁴
Percentage of medical claims finalised per year within specified number of working days of receipt of invoice	Medical benefits		- ²	97% within 60 days (512 976/ 529 785)	89% Within 60 days (612 960/ 686 385)	85% within 60 days ⁴	85% Within 60 days ⁴	85% within 40 days ⁴	85% within 30 days ⁴
Percentage of pre-authorisations responded to within 10 working days	Medical benefits		- ²	- ²	- ²	85%	85%	85%	85%
Percentage of compliant requests for assistive devices responded to within 30 working days of receipt	Orthotic and medical rehabilitation		- ²	- ²	- ²	85%	85%	85%	85%

1. Old indicator selected for publication in the Estimate of National Expenditure.

2. No historical data available.

3. Targets aligned with the fund's strategic plan.

4. Actual figures cannot be supplied as it is not possible for the fund to anticipate the number of claims, pre-authorisations or requests for assistive devices that will be received, approved, adjudicated or finalised per year.

Expenditure analysis

Over the medium term, the Compensation Fund will focus on improving access to social insurance for the working age population with the aim of preventing or alleviating poverty and providing protection against vulnerability, and on the rehabilitation, reintegration and return to work of workers who have been injured or contracted work-related diseases. The fund is committed to providing an efficient and effective safety net that protects vulnerable workers and strengthens social protection, while improving its capacity to deliver services as part of its contribution to outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework. To enhance service delivery, the fund has implemented an action plan aimed at improving performance, administration and operational efficiency, and restoring the reputation of the fund.

The compensation for occupational injuries and diseases programme promotes the rehabilitation, reintegration and return to work of injured and diseased workers by ensuring the timeous payment of compensation benefits. Over the medium term, this programme plans to improve the adjudication of registered claims from 85 per cent within 60 days in 2017/18 to 90 per cent within 30 days in 2020/21. The fund's new structure provides for a programme dedicated to the rehabilitation of injured employees and their return to work as soon as possible. The fund collaborates closely with medical service providers and employers to ensure a seamless transition from acute care to full reintegration. R18.5 billion has been allocated over the medium term to support this programme.

The medical benefits programme adjudicates medical claims and processes medical accounts. This programme plans to improve the turnaround time for the processing and payment of medical invoices over the medium term from 85 per cent within 60 days in 2017/18 to 85 per cent within 40 days by 2019/20. In each year over the medium term, the fund plans to respond to 85 per cent of compliant requests for assistive devices within 30 working days of receipt. As a result, spending in the medical benefits programme is projected to increase from R65.1 million in 2017/18 to R3.4 billion in 2020/21, accounting for a projected 21.7 per cent of the fund's total budget over the medium term.

Expenditure on claims and pensions benefits paid is set to increase due to additional personnel dealing with backlogs as part of efforts to process all outstanding claims, as well as IT enhancements and other improvements to the claims process. To ensure that the fund has adequate capacity to deal with the

anticipated increase in claims and to provide timeous responses to claimants, the number of personnel is expected to increase from 1 059 in 2017/18 to 1 187 in 2020/21, resulting in a projected increase in spending on compensation of employees from R653.5 million in 2017/18 to R967.4 million in 2020/21.

The cost of administering the fund, paying compensation benefits and medical expenses, and rehabilitating and reintegrating injured and diseased workers will be funded through levies paid by registered employers and revenue earned from investments. Total revenue in 2018/19 is estimated at R16.6 billion, increasing to a projected R18.2 billion in 2020/21 at an average annual rate of 14.8 per cent. This revenue is used to pay benefits and the cost of administering the fund. The payment of benefits is projected to increase from R7.8 billion in 2017/18 to R9.9 billion in 2020/21.

Programmes/Objectives/Activities

Table 28.14 Compensation Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	1 986.0	821.5	1 020.7	1 431.2	-10.3%	16.0%	2 023.0	1 884.7	1 998.8	11.8%	16.8%
Compensation for Occupational Injuries and Diseases Act (1993) services	6 038.6	8 914.3	5 562.3	7 810.8	9.0%	83.6%	5 903.1	6 158.3	6 466.2	-6.1%	61.5%
Medical benefits	22.5	32.0	38.5	65.1	42.4%	0.5%	3 106.7	3 273.7	3 437.0	275.1%	21.7%
Orthotic and medical rehabilitation	-	-	-	-	-	-	2.5	2.6	2.7	-	0.0%
Total	8 047.1	9 767.8	6 621.5	9 307.1	5.0%	100.0%	11 035.3	11 319.2	11 904.7	8.6%	100.0%

Statements of historical financial performance and position

Table 28.15 Compensation Fund statements of historical financial performance and position

Statement of financial performance									
R million	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
Revenue									
Non-tax revenue	2 807.5	6 254.3	3 434.5	3 869.8	4 055.8	4 561.9	4 262.7	2 765.3	119.9%
Other non-tax revenue	2 807.5	6 254.3	3 434.5	3 869.8	4 055.8	4 561.9	4 262.7	2 765.3	119.9%
Transfers received	8 208.8	8 432.3	7 852.0	7 566.9	8 244.6	8 852.3	8 755.8	9 289.0	103.3%
Total revenue	11 016.3	14 686.6	11 286.5	11 436.7	12 300.4	13 414.2	13 018.5	12 054.3	108.3%
Expenses									
Current expenses	1 017.7	2 017.0	878.4	1 857.8	845.9	1 095.2	935.2	1 515.1	176.4%
Compensation of employees	448.2	410.1	481.3	501.3	256.5	636.4	286.8	653.5	149.5%
Goods and services	565.8	1 585.6	382.1	1 338.4	547.3	416.8	603.5	816.6	198.1%
Depreciation	3.6	21.1	14.7	12.4	41.9	41.9	44.6	44.6	114.4%
Interest, dividends and rent on land	0.2	0.2	0.2	5.8	0.3	0.2	0.3	0.5	729.0%
Transfers and subsidies	4 191.0	6 030.0	3 927.8	7 910.0	8 855.6	5 526.3	9 298.3	7 791.9	103.8%
Total expenses	5 208.7	8 047.1	4 806.1	9 767.8	9 701.4	6 621.5	10 233.5	9 307.1	112.7%
Surplus/(Deficit)	5 808.0	6 640.0	6 480.0	1 669.0	2 599.0	6 793.0	2 785.0	2 747.0	
Statement of financial position									
Carrying value of assets	101.9	159.7	97.8	150.0	101.7	241.1	106.8	106.8	161.1%
of which:									
Acquisition of assets	(8.3)	(34.5)	(30.4)	(1.9)	(14.2)	(101.8)	(14.5)	(1.6)	207.6%
Investments	37 876.2	49 753.0	43 113.8	51 472.2	44 966.6	55 537.4	47 214.9	47 214.9	117.8%
Inventory	-	2.7	2.9	2.4	3.0	1.8	3.2	3.2	111.1%
Receivables and prepayments	4 566.4	3 231.8	3 404.5	3 531.1	3 574.8	6 187.0	3 753.5	3 753.5	109.2%
Cash and cash equivalents	1 170.6	35.5	3.8	87.4	4.0	588.8	4.2	4.2	60.5%
Total assets	43 715.1	53 182.8	46 622.7	55 243.1	48 650.0	62 556.1	51 082.5	51 082.5	116.8%
Accumulated surplus/(deficit)	24 110.6	-	17 547.5	20 381.8	18 158.8	26 959.2	19 066.7	19 066.7	84.2%
Capital and reserves	-	154.6	60.1	163.9	61.3	200.0	64.3	64.3	313.8%
Finance lease	-	4.4	-	1 042.4	-	1 100.7	-	-	-
Accrued interest	-	55.3	-	1.3	-	0.7	-	-	-
Trade and other payables	1 136.9	720.5	1 149.4	1 378.1	1 195.4	1 171.3	1 255.1	1 255.1	95.5%
Capitalised value of pensions	13 275.3	23 061.2	18 765.8	-	19 516.4	-	20 297.0	20 297.0	60.3%
Provisions	5 192.3	29 186.9	9 099.9	12 533.6	9 718.2	12 467.3	10 399.2	10 399.2	187.7%
Derivatives financial instruments	-	-	-	19 742.0	-	20 657.0	-	-	-
Total equity and liabilities	43 715.1	53 182.8	46 622.7	55 243.1	48 650.0	62 556.1	51 082.5	51 082.5	116.8%

Statements of estimates of financial performance and position

Table 28.16 Compensation Fund statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate			2018/19	2019/20	2020/21	2017/18 - 2020/21	
R million	2017/18	2014/15 - 2017/18						
Revenue								
Non-tax revenue	2 765.3	-23.8%	33.3%	6 872.4	7 192.0	7 540.7	39.7%	36.7%
Other non-tax revenue	2 765.3	-23.8%	33.3%	6 872.4	7 192.0	7 540.7	39.7%	36.7%
Transfers received	9 289.0	3.3%	66.7%	9 737.6	10 224.5	10 684.6	4.8%	63.3%
Total revenue	12 054.3	-6.4%	100.0%	16 609.9	17 416.5	18 225.3	14.8%	100.0%
Expenses								
Current expenses	1 515.1	-9.1%	19.2%	2 042.5	1 932.2	2 048.3	10.6%	17.3%
Compensation of employees	653.5	16.8%	6.7%	843.4	902.4	967.4	14.0%	7.7%
Goods and services	816.6	-19.8%	12.1%	1 086.6	912.3	957.6	5.5%	8.7%
Depreciation	44.6	28.3%	0.4%	112.0	117.0	122.9	40.2%	0.9%
Interest, dividends and rent on land	0.5	29.3%	0.0%	0.5	0.5	0.5	3.1%	0.0%
Transfers and subsidies	7 791.9	8.9%	80.8%	8 992.8	9 387.0	9 856.3	8.1%	82.7%
Total expenses	9 307.1	5.0%	100.0%	11 035.3	11 319.2	11 904.7	8.6%	100.0%
Surplus/(Deficit)	2 747.0			5 575.0	6 097.0	6 321.0		
Statement of financial position								
Carrying value of assets	106.8	-12.6%	0.3%	112.1	118.4	124.3	5.2%	0.2%
<i>of which:</i>								
Acquisition of assets	(1.6)	-64.0%	-0.1%	(1.7)	(1.8)	(1.8)	4.7%	-0.0%
Investments	47 214.9	-1.7%	92.0%	49 575.6	52 351.9	54 969.5	5.2%	92.4%
Inventory	3.2	5.3%	0.0%	3.3	3.5	3.7	5.2%	0.0%
Receivables and prepayments	3 753.5	5.1%	7.4%	3 941.2	4 161.9	4 370.0	5.2%	7.3%
Cash and cash equivalents	4.2	-51.1%	0.3%	4.4	4.6	4.8	5.2%	0.0%
Total assets	51 082.5	-1.3%	100.0%	53 636.6	56 640.2	59 472.3	5.2%	100.0%
Accumulated surplus/(deficit)	19 066.7	-	29.3%	20 302.1	21 439.0	22 511.0	5.7%	37.7%
Capital and reserves	64.3	-25.3%	0.3%	65.8	69.4	72.9	4.3%	0.1%
Trade and other payables	1 255.1	20.3%	2.0%	1 317.9	1 391.7	1 461.3	5.2%	2.5%
Capitalised value of pensions	20 297.0	-4.2%	20.8%	21 108.9	22 291.0	23 405.6	4.9%	39.5%
Provisions	10 399.2	-29.1%	29.5%	10 841.9	11 449.0	12 021.5	5.0%	20.2%
Total equity and liabilities	51 082.5	-1.3%	100.0%	53 636.6	56 640.2	59 472.3	5.2%	100.0%

Personnel information

Table 28.17 Compensation Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018			Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
Compensation Fund			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	1 187	1 187	1 053	636.4	0.6	1 059	653.5	0.6	1 100	843.4	0.8	1 150	902.4	0.8	1 187	967.4	0.8	14.0%	100.0%
1 - 6	700	700	606	234.3	0.4	605	309.4	0.5	625	378.1	0.6	663	659.3	1.0	700	713.5	1.0	32.1%	57.6%
7 - 10	448	448	416	373.3	0.9	422	309.4	0.7	439	429.4	1.0	448	206.7	0.5	448	226.2	0.5	-9.9%	39.1%
11 - 12	22	22	17	13.2	0.8	18	16.5	0.9	20	16.5	0.8	22	14.2	0.6	22	2.6	0.1	-45.8%	1.8%
13 - 16	17	17	14	15.6	1.1	14	18.1	1.3	16	19.4	1.2	17	22.2	1.3	17	25.1	1.5	11.4%	1.4%

1. Rand million.

Unemployment Insurance Fund

Mandate

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).

Selected performance indicators**Table 28.18 Unemployment Insurance Fund performance indicators by programme/objective/activity and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of total mandated socially responsible investments committed	Administration		85% (R7.9bn/ R9.3bn)	68% (R7.7bn/ R11.3bn)	85% (R20.9bn/ R24.7bn)	80%	80%	80%	80%
Percentage of valid unemployment benefit claims with complete information approved or rejected within specified timeframe ¹	Business operations		89% (471 002/ 532 116)	84% (494 599/ 589 756)	89% (493 141/ 556 331)	90% within 15 working days	90% within 15 working days	90% within 10 working days	90% within 10 working days
Percentage of valid in-service benefit claims with complete information approved or rejected within specified timeframe ¹	Business operations	Outcome 13: An inclusive and responsive social protection system	92% (93 827/ 102 162) within 5 weeks	88% (100 227/ 114 404) within 5 weeks	87% (96 891/ 111 186) within 5 weeks	90% within 10 working days	90% within 20 working days	90% within 15 working days	90% within 10 working days
Percentage of valid death benefit claims approved or rejected within specified timeframe per year ¹	Business operations		91% (82 683/ 91 268)	82% (13 522/ 16 469)	89% (85 384/ 95 421)	90% within 15 working days	80% within 10 working days	85% within 10 working days	95% within 10 working days
Number of Unemployment Insurance Fund beneficiaries provided with learning and/or workplace experience per year	Labour activation programmes		→	→	→	→	450 000	1 000 000	2 000 000

1. Indicator revised.

2. No historical data available.

Expenditure analysis

Over the medium term, the Unemployment Insurance Fund will continue to expand access to social security by paying benefits to those who qualify; fast-tracking the processing of claims; increasing the period during which qualifying beneficiaries can claim; improving employers' compliance with the Unemployment Insurance Act (2001); ensuring investment in job creation projects to boost employment; and implementing labour activation schemes that involve education and skills development to assist unemployed workers registered with the fund. This is in line with outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework.

The amended Unemployment Insurance Act (2016) introduced a number of improvements to the benefits framework. They include: an extension from 238 days to 365 days for which the contributor is eligible for benefits; an extension of the period during which dependants can claim deceased contributors' benefits from 6 months to 18 months; an extension of the period during which unemployment and maternity benefits can be claimed from 6 months to 12 months; the provision of full benefits to women who miscarry; and a reduction in the period for claiming illness benefits from 14 days to 7 days. As a result, the fund anticipates an increase in the amount paid in benefits from R25.2 billion between 2014/15 and 2016/17 to R53.4 billion over the medium term, at an average annual rate of 19.2 per cent.

The fund's plan to improve its services includes reducing the time taken to process: 90 per cent of valid benefit claims from within 15 working days in 2017/18 to within 10 working days by 2020/21; 90 per cent of in-service benefits such as maternity, illness and adoption claims from within 20 working days in 2018/19 to within 10 working days in 2020/21; and valid deceased benefit claims from 80 per cent within 10 working days in 2018/19 to 95 per cent within 10 working days in 2020/21. The fund also aims to make its services more accessible by offering free Wi-Fi at its 126 labour centres and 400 visitor sites. An estimated 96 provincial sites are expected to be upgraded by 2018/19, and 126 sites by 2020/21, at a cost of R9.5 million over the medium term. The planned upgrades include improvements to staff capacity, IT infrastructure and operating systems.

To enhance the employability of the fund's beneficiaries, learning and/or work opportunities are set to be provided to 450 000 beneficiaries in 2018/19, reaching 2 000 000 beneficiaries in 2020/21. The fund expects to achieve this significantly higher target by ensuring that all of its 126 labour centres and 400 visitor sites provide skills development and training opportunities, enterprise development, and funding for small, medium and micro enterprises (SMMEs), with a particular focus on initiatives targeted at unemployed youth.

In an effort to retain an estimated 10 000 jobs per year, the fund has allocated R250 million over the medium term to Productivity South Africa's turnaround solutions programme to assist between 150 and 200 companies in distress. This is expected to help reduce the number of beneficiary claims as fewer contributors are expected to be unemployed.

A total of R27.3 billion, accounting for 20 per cent of the fund's investment portfolio, has been set aside for socially responsible investment in agriculture, education, renewable energy, financial services, health, housing, agro-processing, mining and beneficiation, construction, petroleum, student accommodation, road infrastructure and technology. This investment is managed by the Public Investment Corporation.

The fund is financed through contributions from employees and employers, as legislated in the Unemployment Insurance Contributions Act (2002), and from returns on investments. Over the medium term, the fund expects to receive, on average, 64.5 per cent (R68 billion) of its total revenue from unemployment contributions. Income earned from returns on investments is expected to increase from R10.9 billion in 2017/18 to R13.2 billion in 2020/21.

Programmes/Objectives/Activities

Table 28.19 Unemployment Insurance Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	538.6	4 873.2	3 423.1	1 622.1	44.4%	18.9%	1 925.8	2 038.0	2 154.6	9.9%	9.9%
Business operations	8 341.4	9 231.4	10 685.2	11 942.0	12.7%	78.9%	17 493.1	18 680.2	19 952.0	18.7%	85.3%
Labour activation programmes	97.8	82.0	146.6	892.6	109.0%	2.2%	951.9	952.2	952.6	2.2%	4.8%
Total	8 977.8	14 186.6	14 255.0	14 456.7	17.2%	100.0%	20 370.8	21 670.4	23 059.3	16.8%	100.0%

Statements of historical financial performance and position

Table 28.20 Unemployment Insurance Fund statements of historical financial performance and position

Statement of financial performance	Budget		Audited outcome		Budget		Audited outcome		Budget		Revised estimate		Average: Outcome/ Budget (%) 2014/15 - 2017/18
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2019/20	2020/21			
R million	2014/15		2015/16		2016/17		2017/18		2017/18		2018/19		2014/15 - 2017/18
Revenue													
Non-tax revenue	6 173.7	12 248.0	9 609.1	8 171.4	9 357.6	9 628.7	10 109.6	10 912.6					116.2%
Sale of goods and services other than capital assets	2.7	1.9	6.4	2.2	2.4	3.4	2.6	1.9					67.7%
<i>of which:</i>													
<i>Sales by market establishment</i>	2.3	1.9	6.4	2.2	2.4	3.4	2.5	1.9					70.3%
<i>Other sales</i>	0.3	-	0.1	-	0.1	-	0.1	0.0					1.5%
Other non-tax revenue	6 171.0	12 246.1	9 602.7	8 169.2	9 355.2	9 625.3	10 107.0	10 910.7					116.2%
Transfers received	15 975.2	15 754.1	16 636.9	16 701.2	17 560.3	17 838.8	18 701.7	19 590.8					101.5%
Total revenue	22 148.9	28 002.1	26 246.0	24 872.7	26 917.9	27 467.5	28 811.3	30 503.4					106.5%
Expenses													
Current expenses	1 760.0	1 573.7	2 171.1	6 022.6	2 576.0	4 662.7	2 867.6	3 283.1					165.8%
Compensation of employees	899.8	880.0	1 026.0	941.9	1 188.7	1 065.9	1 444.0	1 495.0					96.1%
Goods and services	846.5	684.9	1 045.4	5 065.0	1 259.2	3 546.4	1 249.9	1 604.8					247.7%
Depreciation	13.7	8.5	99.7	15.7	128.1	50.4	173.6	183.4					62.1%
Interest, dividends and rent on land	0.0	0.3	-	-	-	-	-	-					4 983.3%
Transfers and subsidies	10 070.1	7 404.1	10 508.1	8 163.9	9 272.6	9 592.3	9 823.4	11 173.6					91.6%
Total expenses	11 830.2	8 977.8	12 679.2	14 186.6	11 848.6	14 255.0	12 690.9	14 456.7					105.8%
Surplus/(Deficit)	10 319.0	19 024.0	13 567.0	10 686.0	15 069.0	13 213.0	16 120.0	16 047.0					
Statement of financial position													
Carrying value of assets	96.4	96.6	259.3	217.4	147.2	253.6	273.2	251.2					105.5%
<i>of which:</i>													
<i>Acquisition of assets</i>	(21.6)	(27.1)	(263.0)	(151.5)	(145.2)	(211.4)	(271.2)	(222.5)					87.4%
Investments	91 566.8	111 780.0	125 717.0	120 441.0	152 173.1	135 668.0	170 029.6	153 305.2					96.6%
Receivables and prepayments	185.0	10.7	44.5	227.9	92.9	1 736.4	96.3	60.2					485.9%
Cash and cash equivalents	1 712.5	1 692.1	1 575.3	3 812.9	3 818.6	1 297.4	3 812.9	1 395.4					75.1%
Total assets	93 560.7	113 579.4	127 596.1	124 699.2	156 231.8	138 955.5	174 212.0	155 012.0					96.5%

Table 28.20 Unemployment Insurance Fund statements of historical financial performance and position

Statement of financial position	Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/Budget (%)
	2014/15		2015/16		2016/17		2017/18		2017/18		2017/18		
	R million												
Accumulated surplus/(deficit)	67 434.3	90 292.8	102 791.6	98 503.4	127 252.7	110 216.2	143 438.2	133 337.4					98.1%
Capital and reserves	16 143.9	19 145.9	20 312.9	21 621.4	24 144.7	23 121.2	25 671.3	14 873.2					91.3%
Trade and other payables	87.3	274.0	276.3	313.6	316.3	350.6	319.5	8.6					94.7%
Benefits payable	9 859.1	3 840.6	4 189.2	4 234.9	4 492.2	5 202.8	4 756.9	6 765.0					86.0%
Provisions	21.6	26.1	26.1	25.8	25.8	27.7	26.1	27.7					107.8%
Derivatives financial instruments	14.6	-	-	-	-	37.0	-	-					253.6%
Total equity and liabilities	93 560.7	113 579.4	127 596.1	124 699.2	156 231.8	138 955.5	174 212.0	155 012.0					96.5%

Statements of estimates of financial performance and position

Table 28.21 Unemployment Insurance Fund statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)			
				2017/18	2014/15 - 2017/18	2018/19			2019/20	2020/21	2017/18 - 2020/21
				R million							
Revenue											
Non-tax revenue	10 912.6	-3.8%	36.9%	11 629.9	12 394.4	13 209.2	6.6%	35.5%			
Sale of goods and services other than capital assets	1.9	-0.2%	0.0%	2.0	2.1	2.2	5.2%	0.0%			
<i>of which:</i>											
<i>Sales by market establishment</i>	1.9	-0.3%	0.0%	2.0	2.1	2.2	5.2%	0.0%			
<i>Other sales</i>	0.0	-	0.0%	0.0	0.0	0.0	7.7%	0.0%			
Other non-tax revenue	10 910.7	-3.8%	36.8%	11 627.9	12 392.3	13 206.9	6.6%	35.5%			
Transfers received	19 590.8	7.5%	63.1%	21 057.9	22 615.2	24 287.6	7.4%	64.5%			
Total revenue	30 503.4	2.9%	100.0%	32 687.8	35 009.6	37 496.8	7.1%	100.0%			
Expenses											
Current expenses	3 283.1	27.8%	28.9%	3 670.0	3 891.4	4 122.2	7.9%	19.1%			
Compensation of employees	1 495.0	19.3%	8.6%	1 579.9	1 684.1	1 793.6	6.3%	8.4%			
Goods and services	1 604.8	32.8%	19.8%	1 896.7	2 002.9	2 113.1	9.6%	9.7%			
Depreciation	183.4	178.7%	0.5%	193.5	204.3	215.5	5.5%	1.0%			
Transfers and subsidies	11 173.6	14.7%	71.1%	16 700.8	17 779.0	18 937.1	19.2%	80.9%			
Total expenses	14 456.7	17.2%	100.0%	20 370.8	21 670.4	23 059.3	16.8%	100.0%			
Surplus/(Deficit)	16 047.0			12 317.0	13 339.0	14 438.0					
Statement of financial position											
Carrying value of assets	251.2	37.5%	0.2%	225.0	-	-	-100.0%	0.1%			
<i>of which:</i>											
<i>Acquisition of assets</i>	(222.5)	101.7%	-0.1%	(212.5)	-	-	-100.0%	-0.1%			
Investments	153 305.2	11.1%	97.9%	166 772.0	181 344.0	196 739.5	8.7%	99.0%			
Receivables and prepayments	60.2	77.9%	0.4%	142.4	231.7	328.9	76.1%	0.1%			
Cash and cash equivalents	1 395.4	-6.2%	1.6%	1 402.7	1 410.5	1 418.9	0.6%	0.8%			
Total assets	155 012.0	10.9%	100.0%	168 542.2	182 986.2	198 487.3	8.6%	100.0%			
Accumulated surplus/(deficit)	133 337.4	13.9%	81.0%	148 210.6	160 555.0	173 812.8	9.2%	87.3%			
Capital and reserves	14 873.2	-8.1%	15.1%	12 344.4	13 257.7	14 314.0	-1.3%	7.8%			
Trade and other payables	8.6	-68.4%	0.2%	11.1	11.7	12.5	13.1%	0.0%			
Benefits payable	6 765.0	20.8%	3.7%	7 948.2	9 134.0	10 320.3	15.1%	4.8%			
Provisions	27.7	2.1%	0.0%	27.7	27.7	27.7	-	0.0%			
Total equity and liabilities	155 012.0	10.9%	100.0%	168 542.2	182 986.2	198 487.3	8.6%	100.0%			

Personnel information

Table 28.22 Unemployment Insurance Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Unemployment Insurance Fund	3 721	3 721	3 233	1 065.9	0.3	3 233	1 495.0	0.5	3 233	1 579.9	0.5	3 233	1 684.1	0.5	3 233	1 793.6	0.6	6.3%	100.0%
Salary level																			
1 – 6	93	93	89	18.0	0.2	89	25.7	0.3	89	28.0	0.3	89	29.8	0.3	89	31.7	0.4	7.3%	2.8%
7 – 10	3 424	3 424	2 965	918.7	0.3	2 965	1 301.3	0.4	2 965	1 374.6	0.5	2 965	1 465.3	0.5	2 965	1 560.6	0.5	6.2%	91.7%
11 – 12	167	167	148	94.2	0.6	148	128.5	0.9	148	135.7	0.9	148	144.7	1.0	148	154.1	1.0	6.2%	4.6%
13 – 16	37	37	31	35.0	1.1	31	39.4	1.3	31	41.6	1.3	31	44.4	1.4	31	47.3	1.5	6.2%	1.0%

1. Rand million.

Other entities

Comprehensive coverage of the following entities is provided with more detailed information for the vote at www.treasury.gov.za under the budget information link.

- The **Commission for Conciliation, Mediation and Arbitration** aims to promote social justice and economic development in the world of work, and to be the best dispute management and dispute resolution organisation. The commission's total budget for 2018/19 is R988.2 million.
- The **National Economic Development and Labour Council** requires organised labour, organised business, community-based organisations and government to work as a collective to promote the goals of economic growth, and social and economic equity. The council's total budget for 2018/19 is R34.4 million.
- **Productivity South Africa** aims to improve the productive capacity of the economy through interventions that encourage social dialogue and collaboration between government, labour and business. The entity's total budget for 2018/19 is R287.6 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2014/15	2015/16		2016/17	2017/18
Departmental infrastructure								
Small projects (total project cost of less than R250 million over the project life cycle)								
Rustenburg labour centre: Construction of building Security: Wendy houses	Construction of new labour centre	Construction	16.0	0.5	–	–	–	–
	Labour centres security: Construction of wendy houses	Handed over	0.0	–	–	–	–	–
Construction of new office buildings, upgrade of the Ulundi and Prospecton labour centres and the installation of water tanks	New labour centre	Construction	74.0	–	29.2	14.0	16.0	16.0
Total			90.0	0.5	29.2	14.0	16.0	16.0
								16.9