

Vote 28

Labour

Adjusted budget summary

2019/20				
R thousand	Appropriation	Adjustments appropriation		Adjusted appropriation
		Decrease	Increase	
Amount to be appropriated	3 435 133	(21 782)	19 848	3 433 199
of which:				
Current payments	2 065 593	(21 782)	–	2 043 811
Transfers and subsidies	1 309 356	–	19 848	1 329 204
Payments for capital assets	60 184	–	–	60 184
Executive authority	Minister of Labour			
Accounting officer	Director-General of Labour			
Website address	www.labour.gov.za/DOL			

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 the protection of rights at work, including the facilitation of equal opportunities and social dialogue; and the provision of social protection.

Mid-year performance

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20
Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive growth	220 692	107 357	–
Percentage of reported incidents finalised within 90 days	Inspection and Enforcement Services		70%	72.7% (259/356)	–
Number of work seekers registered on the Employment Services South Africa database per year	Public Employment Services		700 000	465 066	–
Number of registered work seekers provided with employment counselling per year	Public Employment Services		210 000	145 858	–
Number of registered employment opportunities filled by registered work seekers per year	Public Employment Services		45 000	33 827	–
Number of employment opportunities registered on the Employment Services South Africa database per year	Public Employment Services		90 000	87 089	–

Mid-year progress

By the end of the first half of 2019/20, the target of 70% for reported incidents finalised within 90 days was exceeded by 2.7 per cent. This was due to inspectors having finalised less complex cases in shorter timeframes. Over the same period, 465 066 work seekers were registered against an annual target of 700 000. This was due to the installation of kiosks at labour centres, the integration of systems and increased advocacy by the department.

Employment counselling was provided to 145 858 work seekers by mid-year against a target of 210 000 for the year. This overachievement was due to the appointment of 9 new principle psychologists, which has positively influenced the coordination of work at the provincial level.

Due to placement being included in the performance agreements of all employment services staff on a weighted basis, by mid-year, 33 827 registered work seekers were placed in registered employment opportunities against a target of 45 000. Over the same period, due to increased advocacy, 87 089 employment opportunities were registered on the Employment Services South Africa database against a target of 90 000.

Adjusted estimates

Programme		2019/20						
		Adjustments appropriation						
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation							
Administration	961 959	–	–	–	–	–	–	961 959
Inspection and Enforcement Services	631 133	–	450	–	–	–	450	631 583
Public Employment Services	611 198	–	8 414	–	–	–	8 414	619 612
Labour Policy and Industrial Relations	1 230 843	–	(8 864)	–	(1 934)	–	(10 798)	1 220 045
Total	3 435 133	–	–	–	(1 934)	–	(1 934)	3 433 199
Economic classification								
Current payments	2 065 593	–	(19 848)	–	(1 934)	–	(21 782)	2 043 811
Compensation of employees	1 393 207	–	(27 548)	–	(1 934)	–	(29 482)	1 363 725
Goods and services	672 386	–	7 700	–	–	–	7 700	680 086
Transfers and subsidies	1 309 356	–	19 848	–	–	–	19 848	1 329 204
Provinces and municipalities	656	–	–	–	–	–	–	656
Departmental agencies and accounts	1 089 039	–	23 230	–	–	–	23 230	1 112 269
Foreign governments and international organisations	26 630	–	(7 700)	–	–	–	(7 700)	18 930
Non-profit institutions	192 648	–	–	–	–	–	–	192 648
Households	383	–	4 318	–	–	–	4 318	4 701
Payments for capital assets	60 184	–	–	–	–	–	–	60 184
Buildings and other fixed structures	16 000	–	–	–	–	–	–	16 000
Machinery and equipment	44 184	–	–	–	–	–	–	44 184
Total	3 435 133	–	–	–	(1 934)	–	(1 934)	3 433 199

Programme 1: Administration

Subprogramme		2019/20						
		Adjustments appropriation						
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation							
Ministry	36 572	—	2 695	—	—	—	2 695	39 267
Management	265 369	—	2 800	—	—	—	2 800	268 169
Corporate Services	311 248	—	(2 995)	—	—	—	(2 995)	308 253
Office of the Chief Financial Officer	130 812	—	(1 500)	—	—	—	(1 500)	129 312
Office Accommodation	217 958	—	(1 000)	—	—	—	(1 000)	216 958
Total	961 959	—	—	—	—	—	—	961 959

Programme 1: Administration (continued)

Economic classification		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Current payments	919 203	–	(3 650)	–	–	–	(3 650)	915 553
Compensation of employees	422 590	–	(3 650)	–	–	–	(3 650)	418 940
Goods and services	496 613	–	–	–	–	–	–	496 613
Transfers and subsidies	913	–	3 650	–	–	–	3 650	4 563
Provinces and municipalities	656	–	–	–	–	–	–	656
Households	257	–	3 650	–	–	–	3 650	3 907
Payments for capital assets	41 843	–	–	–	–	–	–	41 843
Buildings and other fixed structures	16 000	–	–	–	–	–	–	16 000
Machinery and equipment	25 843	–	–	–	–	–	–	25 843
Total	961 959	–	–	–	–	–	–	961 959

Programme 2: Inspection and Enforcement Services

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Management and Support Services: Inspection and Enforcement Services	6 653	–	–	–	–	–	–	6 653
Occupational Health and Safety	34 499	–	–	–	–	–	–	34 499
Registration: Inspection and Enforcement Services	72 620	–	–	–	–	–	–	72 620
Compliance, Monitoring and Enforcement Services	501 849	–	450	–	–	–	450	502 299
Training of Staff: Inspection and Enforcement Services	5 606	–	–	–	–	–	–	5 606
Statutory and Advocacy Services	9 906	–	–	–	–	–	–	9 906
Total	631 133	–	450	–	–	–	450	631 583
Economic classification								
Current payments	614 092	–	–	–	–	–	–	614 092
Compensation of employees	522 570	–	–	–	–	–	–	522 570
Goods and services	91 522	–	–	–	–	–	–	91 522
Transfers and subsidies	76	–	450	–	–	–	450	526
Households	76	–	450	–	–	–	450	526
Payments for capital assets	16 965	–	–	–	–	–	–	16 965
Machinery and equipment	16 965	–	–	–	–	–	–	16 965
Total	631 133	–	450	–	–	–	450	631 583

Programme 3: Public Employment Services

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Management and Support Services: Public	51 962	–	–	–	–	–	–	51 962
Employment Services								
Employer Services	124 735	–	(4 370)	–	–	–	(4 370)	120 365
Work Seeker Services	184 436	–	(10 446)	–	–	–	(10 446)	173 990
Designated Groups Special Services	21 525	–	–	–	–	–	–	21 525
Supported Employment Enterprises	155 733	–	–	–	–	–	–	155 733
Productivity South Africa	54 610	–	–	–	–	–	–	54 610
Unemployment Insurance Fund	1	–	–	–	–	–	–	1
Compensation Fund	16 877	–	23 230	–	–	–	23 230	40 107
Training of Staff: Public Employment Services	1 319	–	–	–	–	–	–	1 319
Total	611 198	–	8 414	–	–	–	8 414	619 612
Economic classification								
Current payments	367 956	–	(14 966)	–	–	–	(14 966)	352 990
Compensation of employees	327 729	–	(14 966)	–	–	–	(14 966)	312 763
Goods and services	40 227	–	–	–	–	–	–	40 227
Transfers and subsidies	241 986	–	23 380	–	–	–	23 380	265 366
Departmental agencies and accounts	71 488	–	23 230	–	–	–	23 230	94 718
Non-profit institutions	170 448	–	–	–	–	–	–	170 448
Households	50	–	150	–	–	–	150	200
Payments for capital assets	1 256	–	–	–	–	–	–	1 256
Machinery and equipment	1 256	–	–	–	–	–	–	1 256
Total	611 198	–	8 414	–	–	–	8 414	619 612

Programme 4: Labour Policy and Industrial Relations

Subprogramme		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Management and Support Services: Labour Policy and Industrial Relations	17 472	–	(368)	–	(72)	–	(440)	17 032
Strengthen Civil Society	22 147	–	–	–	–	–	–	22 147
Collective Bargaining	17 216	–	(7)	–	(975)	–	(982)	16 234
Employment Equity	15 011	–	(154)	–	(137)	–	(291)	14 720
Employment Standards	33 286	–	2 368	–	–	–	2 368	35 654
Commission for Conciliation, Mediation and Arbitration	976 810	–	–	–	–	–	–	976 810
Research, Policy and Planning	10 063	–	(1 452)	–	(88)	–	(1 540)	8 523
Labour Market Information and Statistics	48 488	–	(1 551)	–	(216)	–	(1 767)	46 721
International Labour Matters	49 609	–	(7 700)	–	(446)	–	(8 146)	41 463
National Economic Development and Labour Council	40 741	–	–	–	–	–	–	40 741
Total	1 230 843	–	(8 864)	–	(1 934)	–	(10 798)	1 220 045

Programme 4: Labour Policy and Industrial Relations (continued)

Economic classification		2019/20						
R thousand	Appropriation	Adjustments appropriation						Adjusted appropriation
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Current payments	164 342	–	(1 232)	–	(1 934)	–	(3 166)	161 176
Compensation of employees	120 318	–	(8 932)	–	(1 934)	–	(10 866)	109 452
Goods and services	44 024	–	7 700	–	–	–	7 700	51 724
Transfers and subsidies	1 066 381	–	(7 632)	–	–	–	(7 632)	1 058 749
Departmental agencies and accounts	1 017 551	–	–	–	–	–	–	1 017 551
Foreign governments and international organisations	26 630	–	(7 700)	–	–	–	(7 700)	18 930
Non-profit institutions	22 200	–	–	–	–	–	–	22 200
Households	–	–	68	–	–	–	68	68
Payments for capital assets	120	–	–	–	–	–	–	120
Machinery and equipment	120	–	–	–	–	–	–	120
Total	1 230 843	–	(8 864)	–	(1 934)	–	(10 798)	1 220 045

Details of adjustments to the 2019 Estimates of National Expenditure**Virements and shifts within the vote**

Programmes					
1. Administration					
2. Inspection and Enforcement Services					
3. Public Employment Services					
4. Labour Policy and Industrial Relations					
From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(3 650)	Programme 1		3 650
Compensation of employees	Vacant posts ¹	(3 650)	Households	Leave gratuities	3 650
Shifts within the programme as a percentage of the programme budget		0.4%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 3		(14 966)	Programme 3		14 966
Compensation of employees	Vacant posts ¹	(150)	Households	Leave gratuities	150
	Vacant posts ²	(14 816)	Departmental agencies and accounts	Civil servant injury on duty claims ²	14 816
Shifts within the programme as a percentage of the programme budget		2.4%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 4		(16 632)	Programme 3		8 414
Compensation of employees	Vacant posts ²	(8 414)	Departmental agencies and accounts	Civil servant injury on duty claims ²	8 414
	Vacant posts ¹	(68)	Programme 4		68
	Vacant posts ¹	(450)	Households	Leave gratuities	68
			Programme 2		450
			Households	Leave gratuities	450
			Programme 4		7 700
Foreign governments and international organisations	Recalculation of exchange rate ¹	(7 700)	Goods and services	National minimum wage communications strategy and marketing of Mpima hotline ¹	7 700
Shifts within the programme as a percentage of the programme budget		0.6%			
Virements to other programmes as a percentage of the programme budget		0.7%			
Total		(35 248)			35 248

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement.

Declared unspent funds – R1.934 million

Programme 4: Labour Policy and Industrial Relations

R1.934 million in unspent funds has been declared on compensation of employees due to vacant posts that were not filled.

Expenditure outcome for 2018/19 and actual expenditure for 2019/20

2018/19						2019/20			
Programme		Outcome						Actual expenditure	
		Apr 18 - Sep 18		Apr 18 - Mar 19				Apr 19 - Sep 19	
	Adjusted appropriation	Apr 18 - Sep 18	% of adjusted appropriation	Apr 18 - Mar 19	% of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 19 - Sep 19	% of adjusted appropriation
R thousand									
Administration	906 631	335 801	37.0	804 917	88.8	961 959	28.0	403 963	42.0
Inspection and Enforcement Services	592 223	244 948	41.4	549 211	92.7	631 583	18.4	267 986	42.4
Public Employment Services	580 574	250 608	43.2	542 817	93.5	619 612	18.0	285 815	46.1
Labour Policy and Industrial Relations	1 203 442	570 457	47.4	1 189 746	98.9	1 220 045	35.5	579 524	47.5
Total	3 282 870	1 401 814	42.7	3 086 691	94.0	3 433 199	100.0	1 537 288	44.8
Economic classification									
Current payments	1 885 315	765 116	40.6	1 700 607	90.2	2 043 811	59.5	865 034	42.3
Compensation of employees	1 293 058	556 018	43.0	1 149 681	88.9	1 363 725	39.7	614 192	45.0
Goods and services	592 257	209 098	35.3	550 926	93.0	680 086	19.8	250 842	36.9
Transfers and subsidies	1 287 983	628 944	48.8	1 296 766	100.7	1 329 204	38.7	651 284	49.0
Provinces and municipalities	618	360	58.3	752	121.7	656	0.0	485	73.9
Departmental agencies and accounts	1 078 416	546 493	50.7	1 103 547	102.3	1 112 269	32.4	561 899	50.5
Foreign governments and international organisations	25 218	–	–	20 278	80.4	18 930	0.6	100	0.5
Non-profit institutions	181 212	79 981	44.1	167 877	92.6	192 648	5.6	84 953	44.1
Households	2 519	2 110	83.8	4 312	171.2	4 701	0.1	3 847	81.8
Payments for capital assets	109 572	6 641	6.1	87 909	80.2	60 184	1.8	20 742	34.5
Buildings and other fixed structures	16 000	3 474	21.7	10 886	68.0	16 000	0.5	3 640	22.8
Machinery and equipment	93 572	3 167	3.4	77 023	82.3	44 184	1.3	17 102	38.7
Payments for financial assets	–	1 113	–	1 409	–	–	–	228	–
Total	3 282 870	1 401 814	42.7	3 086 691	94.0	3 433 199	100.0	1 537 288	44.8

Expenditure trends for the first half of 2019/20

Total expenditure in 2018/19 was R3.1 billion, 94 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2018/19 was R1.4 billion, 42.7 per cent of the 2018/19 adjusted appropriation, whereas expenditure in the first half of 2019/20 was R1.5 billion, 44.8 per cent of the adjusted appropriation for the year. Compared to the first half of 2018/19, expenditure over the same period in 2019/20 increased by R135.5 million, 9.7 per cent. This was mainly due to increases in the transfer payment to the Commission for

Conciliation Mediation and Arbitration because of additional allocations in the 2019 Budget to address higher caseloads. Other reasons for increased expenditure included an increase in spending on transfers to households due to the minister's retirement, the purchase of an IT server and higher operating leases.

Departmental receipts

R thousand	2018/19					2019/20				
	Adjusted estimate	Outcome				Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts	
		Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate	Apr 18 - Mar 19	Apr 18 - Mar 19 % of adjusted estimate				Apr 19 - Sep 19	Apr 19 - Sep 19 % of adjusted estimate
Departmental receipts	10 521	5 777	54.9	10 781	102.5	12 414	19 561	100.0	7 984	40.8
Sales of goods and services produced by department	4 446	2 266	51.0	4 640	104.4	4 142	9 144	46.7	2 601	28.4
Sales of scrap, waste, arms and other used current goods	39	16	41.0	25	64.1	22	17	0.1	10	58.8
Fines, penalties and forfeits	2 070	1 416	68.4	1 988	96.0	3 200	1 700	8.7	853	50.2
Interest, dividends and rent on land	1 000	469	46.9	1 233	123.3	1 500	1 600	8.2	755	47.2
Sales of capital assets	300	64	21.3	76	25.3	50	500	2.6	374	74.8
Transactions in financial assets and liabilities	2 666	1 546	58.0	2 819	105.7	3 500	6 600	33.7	3 391	51.4
Total	10 521	5 777	54.9	10 781	102.5	12 414	19 561	100.0	7 984	40.8

Revenue trends for the first half of 2019/20

Mid-year revenue in 2018/19 was R5.8 million, 54.9 per cent of the 2018/19 adjusted estimate, whereas revenue in the first half of 2019/20 was R7.9 million, 40.8 per cent of the adjusted estimate for the year. Compared to the first half of 2018/19, revenue over the same period in 2019/20 increased by R2.2 million, 38.2 per cent. This was mainly due to an increase in the recovery of interest-bearing debts, an increase in other capital assets due to the sale of damaged fleet vehicles, the reversal of some government payroll transactions, and credit notes received from a travel agent.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

Summary of changes to transfers and subsidies per programme								
		2019/20						
R thousand	Appropriation	Adjustments appropriation					Adjusted appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		Total adjustments appropriation
Administration								
Households								
Social benefits								
Current	257	—	3 650	—	—	—	3 650	3 907
Employee social benefits	257	—	3 650	—	—	—	3 650	3 907
Inspection and Enforcement								
Services								
Households								
Social benefits								
Current	76	—	450	—	—	—	450	526
Employee social benefits	76	—	450	—	—	—	450	526

Summary of changes to transfers and subsidies per programme (continued)

2019/20								
R thousand	Appropriation	Adjustments appropriation					Adjusted appropriation	
		Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		Total adjustments appropriation
Public Employment Services								
Departmental agencies and accounts								
Social security funds								
Current	16 877	–	23 230	–	–	–	23 230	40 107
Compensation Fund	16 877	–	23 230	–	–	–	23 230	40 107
Households								
Social benefits								
Current	50	–	150	–	–	–	150	200
Employee social benefits	50	–	150	–	–	–	150	200
Labour Policy and Industrial Relations								
Foreign governments and international organisations								
Current	25 327	–	(7 700)	–	–	–	(7 700)	17 627
International Labour Organisation	25 327	–	(7 700)	–	–	–	(7 700)	17 627
Households								
Social benefits								
Current	–	–	68	–	–	–	68	68
Employee social benefits	–	–	68	–	–	–	68	68