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VOTE 18
Labour

**ESTIMATES
OF NATIONAL
EXPENDITURE** **2011**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure

2011

National Treasury

Republic of South Africa

23 February 2011



ISBN: 978-0-621-39863-2

RP: 07/2011

The *Estimates of National Expenditure 2011* e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. More comprehensive coverage of goods and services, donor funding, transfers and subsidies, public entities and lower level institutional information, is provided in this publication where applicable.

The *Estimates of National Expenditure 2011* e-publications are available on www.treasury.gov.za

Foreword

When this publication was introduced in 2001, we stated that “The Estimates of National Expenditure represents a significant step forward in national budget transparency.” Since then, the national budget process has undergone continued reform. The Budget preparation for 2011 saw a shift from budgeting by department to budgeting by function of government, thus enabling a more strategic focus on a smaller number of key outcomes. Using the functional approach, there is better transparency and coordination in budgeting due to participation by stakeholders responsible for delivery across all spheres of government, including the various agencies. Ongoing efforts to reform non-financial performance information have led to a systematic improvement in the veracity of this information. These reforms will lead to greater accountability and control.

Budgets are the link between the outcomes targeted by government and the services that are ultimately delivered. Government’s adoption of the outcomes approach in 2009 started the process of closer cooperation and improved coordination across government departments and agencies towards the attainment of 12 clearly stated outcomes that are of considerable importance to the country’s development. This approach started with the re-organisation of national government departments and was further re-enforced by signed agreements concluded between the president and ministers of national departments.

Budgets proposed for each of the votes in this publication give consideration to the initiatives focused on the 12 outcomes. One of the outcomes warranting a special mention is that of job creation. 2011 has been declared the year of job creation. A key aim of the new growth path is to achieve job creation on a significant scale through economic transformation and inclusive growth.

There is a focus on the reprioritisation of existing budgets, in addition to the allocation of new money made available by the main Budget framework. This publication indicates details per vote of savings amounting to R30.6 billion over the period ahead. This year, specific detail has been included on: the outcomes which institutions contribute towards and the output and other performance measures supporting them; personnel budgets, employee numbers and spending trends; and the purpose and key activities of each sub-programme within a vote. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, public entities, lower level expenditure information and information on donor funding.

The independent Open Budget Index assessment of budget transparency began in 2006. It is conducted every two years to measure the availability and comprehensiveness of key budget documents. In 2010, South Africa achieved first place among all the 94 countries surveyed across the world, scoring 92 per cent. South Africa’s score on the index rose from 86 per cent in 2006 (when 59 countries were surveyed), and 87 per cent in 2008 (when 85 countries surveyed).

The detailed expenditure estimates of departments set out in this publication are the result of an arduous executive and administrative process. Executive approval of additional spending allocations and savings takes place under the political guidance of the ministers’ committee on the Budget and follows a wide ranging intergovernmental consultative process led by a committee of senior officials in central government departments.

A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team, which worked tirelessly to produce a document of which we are rightly proud.



Lesetja Kganyago
Director-General: National Treasury

Introduction

South Africa has once again achieved international recognition for meeting budget transparency and accountability standards. The International Budget Partnership ranks South Africa first among 94 countries in the 2010 Open Budget Survey. The quality and usability of budget documents such as the Estimates of National Expenditure have made a significant contribution to this achievement. Moreover, the Money Bills Amendment Procedure and Related Matters Act (2009) has increased Parliament's oversight over the Budget proposal as it sets out the procedure in terms of which the proposal must be considered for possible amendment. The parliamentary procedure involves canvassing the opinion of civil society groups and lends itself to more participatory budgeting. The increased transparency of budgets and the increased scrutiny make it possible for South African public servants to be held more accountable for their management of resources and performance over the period ahead.

The 2011 Estimates of National Expenditure is a comprehensive publication that provides details of the spending plans of all national departments and agencies for the next three financial years (2011/12 to 2013/14), expenditure outcomes for the past three years (2007/08 to 2009/10), and revised estimates for the current year (2010/11). Information is also provided on legislation, policies, outcomes and performance targets over the seven-year period. Any changes in these areas are explained in relation to trends in planned expenditure. The Estimates of National Expenditure e-publications per vote give more extensive coverage of transfers and subsidies, public entities, goods and services, donor funding and lower level institutional information than does the abridged version of the Estimates of National Expenditure. This more detailed information for each vote is available at www.treasury.gov.za.

In keeping with the ongoing budget reform improvements to the way that public finances are managed and reported, changes have also been made in the 2011 Estimates of National Expenditure. Information on the outcomes that departments and government agencies contribute to and the related outputs included in delivery agreements is briefly discussed in the strategic overview section. Departments will also provide more information on the key functions of each subprogramme on a vote, particularly regarding its transfers and subsidies, personnel complement, volume of work carried out and the composition of spending. A new section on personnel information has been introduced under the expenditure trends section, including a table that provides information on posts funded on budget, vacancies and the number of posts in the department by salary level, as well as by programme and unit cost.

Budgeting for outcomes

Over the past decade, strong growth in public spending has not always been matched with a concomitant improvement in service delivery. If government's development and economic objectives stipulated in the new growth path are to be met, it is stated in the new growth path framework that public service delivery must improve significantly. Better public services require a culture of efficiency, effectiveness and stewardship of public resources, obliging government to become more responsive to the needs of citizens.

This objective is supported by various reform initiatives which have been and continue to be undertaken. At the outset, in 2009 the national macro organisation of the state project effected the reorganisation of national government departments to enhance their efficiency and improve on service delivery. Following on from this, the outcomes approach was adopted and 12 outcome targets were agreed upon for government, and signed ministerial performance agreements and interdepartmental and interagency delivery agreements followed. The outcomes approach provides a platform for achieving greater efficiency in the public service as it is aimed at addressing the weaknesses identified in coordination and cooperation across government. The five major budget priorities over the medium term expenditure framework period are expressed in terms of the 12 government outcomes. Budget decisions are informed by an agreed set of outputs and activities to the extent that they are organised around the 12 government outcomes and elaborated upon in delivery agreements.

Government has taken a different approach in reviewing its spending baseline to realign expenditure with the government outcomes and to make existing resources work with greater efficiency. Government's consumption expenditure (including wages as well as goods and services) has to be managed more efficiently to obtain greater value for money. Over recent years, there have been significant increases in overall personnel costs,

although expenditure on frontline personnel has not increased markedly. Government is targeting the reduction of large administrative budgets in favour of increasing frontline personnel and infrastructure investment, to channel more resources towards the actual delivery of key services.

In developing the 2011 medium term expenditure framework there was a shift towards budgeting by function rather than by department. The functional approach focuses on the purpose (the function) for which funds are to be used, and groups together national, provincial and local government, and government agencies, in terms of the function of government they perform. In this way a consolidated functional expenditure amount can be calculated, and monies transferred from one sphere of government to another can be more easily offset against each other. In support of the reprioritisation of funds in line with outcomes, more effective comparison of allocations with service delivery trends, and assessment of spending proposals, including the trade-offs between different options, are carried out in a given function. This approach provides more transparency and better coordination in the budgeting process. The table below shows the functional classification and, for each function, the national department(s) involved and the outcomes each function supports.

Functional classification of national departments and related outcomes

Functional Classification	Department(s)	Outcome(s)
Economic affairs	Government Communication and Information System [9], Public Enterprises [11], Agriculture, Forestry and Fisheries [26], Economic Development [28], Energy [29], Environmental Affairs [30], Mineral Resources [32], Rural Development and Land Reform [33], Science and Technology [34], Tourism [35], Trade and Industry [36], Transport [37]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p> <p>Outcome 6: An efficient, competitive and responsive economic infrastructure network</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</p>
Housing and community amenities	Human Settlements [31], Water Affairs [38]	<p>Outcome 4: Decent employment through inclusive economic growth</p> <p>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</p> <p>Outcome 8: Sustainable human settlements and improved quality of household life</p> <p>Outcome 9: A responsive, accountable, effective and efficient local government system</p>
Education	Basic Education [15], Higher Education and Training [17]	<p>Outcome 1: Improved quality of basic education</p> <p>Outcome 5: A skilled and capable workforce to support an inclusive growth path</p>
Health	Health [16]	Outcome 2: A long and healthy life for all South Africans
Social protection	Women, Children and People with Disabilities [8], Labour [18], Social Development [19]	
Recreation, culture and sport	Arts and Culture [14], Sport and Recreation South Africa [20]	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship
Public order and safety	Correctional Services [21], Independent Complaints Directorate [23], Justice and Constitutional Development [24], Police [25]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>
Defence	Defence and Military Veterans [22]	<p>Outcome 3: All people in South Africa are and feel safe</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p>
General public service	Presidency [1], Parliament [2], Cooperative Governance and Traditional Affairs [3], Home Affairs [4], International Relations and Cooperation [5], Performance Monitoring and Evaluation [6], Public Works [7], National Treasury [10], Public Service and Administration [12], Statistics South Africa [13], Communications [27]	<p>Outcome 9: A responsive, accountable, effective and efficient local government system</p> <p>Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World</p> <p>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</p>

The functional groups that have been used are derived from the Classification of the Functions of Government published by the United Nations, but are modified for the South African budgeting context. All decisions on savings and spending in relation to each function were reached as part of a broad consultative process between different stakeholders in the sector, including the medium term expenditure committee of senior officials in central government departments which leads this process, the provincial technical and executive forums, the ministers' committee on the budget, Cabinet and Parliament. These decisions comprise the Budget proposal tabled on Budget day for Parliament's consideration.

Savings and reprioritisation of budgets

While the global economy has been showing signs of recovery, international opinion on the economy is still cautious, on the grounds of perceived uncertainties. In addition to the macroeconomic situation, in line with achieving government's outcomes targets the composition of government expenditure needs to change to ensure that there is value for money. To sustain public expenditure in South African in the long run, a moderation in spending growth over the period ahead is necessary. This necessitates a rigorous review of budget baseline expenditure and an assessment of the:

- capacity of departments and public entities to spend and manage resources appropriately
- strength of the link between expenditure and the outcomes approach as well as with government departmental mandates
- expenditure trade-offs between the different budget options proposed
- non-performing/ underperforming projects/ programmes and entities
- sourcing of funds through savings and reprioritisation initiatives
- alternative revenue raising capacity, cost recovery efforts and donor funding availability.

This year's budget preparation focused extensively on finding savings within the departmental and agency budget baselines linked to a given functional grouping. Departments were able to decrease spending on non-core goods and services, restrict expenditure on low priority programmes, reschedule expenditure, effect savings on foreign exchange rate projections, reduce transfers to certain public entities, improve financial management and reduce expenditure on administration. Savings identified per function over the medium term in this exercise are presented in the table below.

Savings realised per function over the medium term

R thousand	2011/12	2012/13	2013/14	Total
Economic affairs	1 387 674	1 645 222	1 232 355	4 265 251
Housing and community amenities	1 970 233	2 618 510	2 314 474	6 903 217
Education	24 157	24 418	25 590	74 165
Health	44 000	44 000	544 000	632 000
Social protection	1 273 468	1 021 306	519 124	2 813 898
Recreation, culture and sport	28 222	25 571	56 858	110 652
Public order and safety	293 940	1 768 802	1 860 911	3 923 653
Defence	404 824	458 919	434 034	1 297 777
General public service	933 163	1 187 437	875 382	2 995 982
Total	6 359 682	8 794 185	7 862 728	23 016 595

Savings realised over the three years on national votes amounted to R23 billion, of which R6.4 billion is in 2011/12, R8.8 billion in 2012/13 and R7.9 billion in 2013/14. Of these savings, R21.6 billion is reprioritised within functional budget baselines towards meeting existing outcomes commitments. The remainder of R1.4 billion is added to the policy reserve for reallocation. The major savings and reprioritisation areas identified over the medium term are presented in the table below.

Major areas of savings and reprioritisation

Function	Savings identified	Savings redirected
Economic affairs	Non-core goods and services (R2 billion) Underperforming programmes (R1.3 billion)	Road maintenance (R950 million) Expansion of public transport infrastructure and system grant (R580 million) Rural development and land reform (R1.3 billion)
Housing and community amenities	Underperforming programmes (R600 million) Non-core goods and services (R478 million) Rescheduling of expenditure (R759 million) Expanded public works programme: Infrastructure (R688 million)	Completion of De Hoop Dam and a portion of bulk distribution system (R1 billion) Regional bulk infrastructure (R600 million) Expanded public works programme Social sector (R825 million)
Social protection	Non-essential items such as catering and consultation fees (R927 million)	Old age grants - means threshold increased (R280 million) Efficient and effective grant payment model (R535 million)
Public order and safety	Non-essential items (R555 million)	Anti-retroviral drugs for prisoners and additional police personnel (R465 million)
Defence	Non-core goods and services (R1.3 billion)	New remuneration dispensation (R1.3 billion)

In addition to the initial exercise, a further reduction of 0.3 per cent on the budgets of provincial and national departments was also effected; this yielded an additional R6 billion in savings.

Policy reserve

In line with the change to functional budgeting, the additional allocation made available through the national Budget framework was divided per function and a policy reserve was also retained. In the 2011 Budget process the policy reserve was created to fund key government priorities over the next three years. Including the initial identified savings of R1.4 billion that was not reprioritised and the R6 billion identified later, a policy reserve amounting to R33 billion was created. The table below shows how the policy reserve was allocated.

Allocation of the policy reserve

R thousand	2011/12	2012/13	2013/14	Total
For various functions				
Job creation and youth employment	2 000 000	3 000 000	4 000 000	9 000 000
Economic affairs				
Economic regulatory capacity	50 000	50 000	50 000	150 000
Green economy: allocated	200 000	-	-	200 000
: unallocated	-	300 000	500 000	800 000
Broadband information and communication technology: universal access	100 000	150 000	200 000	450 000
Rural development and farmer support	150 000	350 000	600 000	1 100 000
Public transport	200 000	400 000	600 000	1 200 000
Agro-Processing Competitiveness Fund	34 000	108 000	108 000	250 000
Khula Direct	55 000	-	-	55 000
Housing and community amenities				
Human settlement upgrading	200 000	400 000	600 000	1 200 000
Water infrastructure and quality	50 000	150 000	200 000	400 000
Education				
School infrastructure	700 000	1 500 000	2 300 000	4 500 000
Further education and training colleges expansion and National Students Financial Aid Scheme	1 949 990	2 714 188	3 075 595	7 739 773
Health				
Public health services	600 000	1 400 000	2 000 000	4 000 000
Public order and safety				
Police capacity and border control	100 000	400 000	900 000	1 400 000
Defence				
Border control	100 000	200 000	300 000	600 000
Total	6 488 990	11 122 188	15 433 595	33 044 773

The largest allocation from the policy reserve amounts to R9 billion and targets job creation and youth employment, which is allocated on the National Treasury vote. It will be allocated to line departments that provide proposals for projects that meet the objectives of the fund. Of the R1 billion allocation for the green economy, R800 million is currently unallocated to any specific vote but will be announced in the 2011 Budget

as available for appropriation over the medium term. Other major allocations in the policy reserve include R7.7 billion for further education and training colleges and the National Student Financial Aid Scheme, R4.5 billion for school infrastructure and R4 billion for public health services.

Additional allocations

Including policy reserve funding, a total addition of R94.1 billion is allocated to government institutions in terms of the revised national Budget framework to fund government's key priorities over the next three years. Of the R94.1 billion, national departments receive R48.8 billion (51.9 per cent): R9.9 billion in 2011/12, R14.7 billion in 2012/13 and R24.2 billion in 2012/13. Provinces and municipalities receive the remainder: R40.2 billion (42.7 per cent) to provinces and R5.1 billion (5.4 per cent) to municipalities over the medium term. Conditional grants to provinces and municipalities are reflected on both national budgets and the budgets of provinces or municipalities, and are included in the discussion below.

A summary of additional allocations in line with government's policy priorities is provided below by national vote. It is important to note that the discussion on increases in the budget excludes all direct charges against the National Revenue Fund and the amounts of the local and provincial equitable share. Details are only provided for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The amounts per vote in the discussion below correspond with those in table 2. They represent the gross additional allocations, before the baseline savings and reprioritisation have been effected. The total amounts may therefore be bigger than the overall net change in the budget of a specific vote. In the discussion below, these gross amounts will be referred to as the allocations received for the coming three year medium term expenditure framework period. In certain instances, the savings on a particular vote exceed the gross total allocation to that vote and the overall net change in the budget of that vote is actually negative.

Economic affairs

Taking into account the policy and practical budgeting considerations within this government function in the South African context, this function has been disaggregated broadly into four areas that are each discussed in turn.

Transport

For the **Department of Transport** for the medium term expenditure framework period, R2.7 billion is provided for the public transport infrastructure and systems conditional grant to municipalities to develop integrated public transport networks. The South African National Roads Agency is allocated R2.7 billion for the maintenance of roads and R1.4 billion is allocated to the Passenger Rail Agency South Africa to upgrade and replace Metrorail's signalling infrastructure.

Energy and environmental protection

Over the medium term, the **Department of Environmental Affairs** receives an additional R191 million to implement measures that will address wildlife trafficking, air quality, waste and coastline management, and oil spill disasters. For climate change mitigation and the establishment of a green fund for South Africa, R1 billion is provided. This will be announced in the 2011 Budget as an amount largely not appropriated to any specific vote, except for the R200 million in funding that is allocated to host the 2011 United Nations Conference on Climate Change in 2011/12.

Industrial development

An allocation to the **Economic Development Department** of R250 million is for the Competition Commission to group its work on anti-competitive practices in four priority sectors and to form a specialised cartel investigation unit.

Agriculture, forestry, fisheries and land affairs

An amount of R1.1 billion is the gross allocation to the **Department of Rural Development and Land Reform** for the comprehensive rural development programme.

The **Department of Agriculture, Forestry and Fisheries** receives R500 million for the comprehensive agriculture support programme grant and the land care programme grant.

Also, a gross allocation of R450 million is made available to the **Department of Communications** for broadband services information and communication technologies infrastructure, and universal access in underdeveloped or rural areas in the country.

Housing and community amenities

This function's budget is dominated by transfer payments. Over the MTEF period, an additional R2.1 billion is allocated to the **Department of Human Settlements** for informal settlements upgrading through the new urban settlements development grant. The Social Housing Regulatory Authority receives R972 million to increase the delivery of affordable rental housing.

The **Department of Water Affairs** is allocated a gross addition of R3.7 billion, of which R1 billion is for the completion of the De Hoop Dam and the provision of some bulk infrastructure pipelines, R952 million is for regional bulk infrastructure, R520 million for the completion of the Nandoni pipeline and R450 million for emergency drought relief in the Nelson Mandela Bay municipality.

Education

This function receives the biggest gross total allocation of R33.9 billion. The **Department of Basic Education** receives R8.2 billion, most of which is for transfers to provinces. The funds are mostly for school buildings for the eradication of inappropriate infrastructure structures and to ensure that more schools have water, sanitation and electricity. For bursaries for mathematics and science teachers, R596 million is allocated.

The **Department of Higher Education and Training** receives R3.6 billion for the National Student Financial Aid Scheme for funding higher education students, R300 million for establishing universities in Mpumalanga and Northern Cape, R3.9 billion for a state bursary scheme that will increase poor learners' access to further education and training colleges, and R1.4 billion to further education and training colleges to increase the number of students they enrol.

Health

The gross total allocation to the health function over the medium term is R18.5 billion. Most of this funding is allocated by means of the provincial equitable share. An amount of R1.4 billion is allocated to the national **Department of Health** towards increasing HIV counselling and circumcisions. To improve health facilities and medical equipment in preparation for national health insurance, the department receives a further R1.6 billion.

Social protection

The **Department of Social Development** is allocated R870 million for the South African Social Security Agency to implement a new grants application process that will reduce beneficiary waiting times and fraud.

Recreation, culture and sport

The **Department of Sport and Recreation South Africa** receives a gross allocation of R136 million to provide increased support to national sporting federations to enhance sports development and transformation, particularly in the participation of previously disadvantaged communities.

For the development of the local film industry R135 million is allocated to the National Film and Video Foundation under the **Department of Arts and Culture's** vote and R37 million is also allocated to capacitate the National Library of South Africa.

Public order and safety

Additional funding of R2.1 billion is made available to this function for the **Department of Police's** vote for the recruitment of additional policing personnel in the areas of visible policing, detective services and crime intelligence services. The number of police personnel will increase to 202 260 in 2013/14.

The **Department of Justice and Constitutional Development** receives additional funding of R490 million for the construction of two new high courts in Nelspruit and Polokwane, which will bring the total number of high courts to 16.

The **Department of Correctional Services** is allocated R460 million over the medium term for the upgrading of information technology that will enhance the functioning of the criminal justice system.

Defence

In this function, an amount of R600 million is allocated to the **Department of Defence** to deploy soldiers to the country's borders and upgrade and improve border facilities and equipment.

General public service

An amount of R500 million is added to the budget of **Statistics South Africa** for the 2011 Census, towards the costs of 120 000 field workers and to ensure greater coverage of the population than in the 2001 Census.

The **Department of Public Works** receives an additional R2.2 billion for municipal and accommodation charges payable.

To deal with the post recovery and reconstruction effects of the flooding disaster, R600 million has been allocated under the **National Treasury** vote. The National Treasury also receives R1.5 billion to fund increases in amounts payable to the Political Office Bearers' Pension Fund, as well as increases in costs related to post-retirement benefits and injury-on-duty benefits.

For the new conditional grants to deal with immediate disaster effects, R1.8 billion is allocated over the medium term under the **Cooperative Governance and Traditional Affairs**' vote. Of this, R675 million is for the provinces and R1.2 billion is allocated to municipalities.

Overview of expenditure

The main Budget, including state debt costs, provides for total expenditure of R888.9 billion in 2011/12, R968.1 billion in 2012/13 and R1.1 trillion in 2013/14, reflecting a nominal growth rate of approximately 9.1 per cent on average over the medium term expenditure framework period. Non-interest expenditure comprises on average 89.3 per cent of total main Budget expenditure, growing at an average annual rate of 7.6 per cent over the period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R4.1 billion in 2011/12, R11.4 billion in 2012/13 and R23.4 billion in 2013/14.

The allocations in the main Budget are detailed in the pages of this publication, with a high level overview provided in the summary tables below.

Summary tables

Table 1: Main budget framework 2007/08 to 2013/14

Table 2: Additional allocation to national votes 2011/12 to 2013/14

Table 3: Expenditure by national vote 2007/08 to 2013/14

Table 4: Expenditure by economic classification 2007/08 to 2013/14

Table 5: Amounts to be appropriated from the National Revenue Fund for 2011/12

Table 6a: Conditional grants to provinces 2007/08 to 2013/14

Table 6b: Conditional grants to municipalities 2007/08 to 2013/14

Table 7: Training expenditure per vote 2007/08 to 2013/14

Table 8: Infrastructure expenditure per vote 2007/08 to 2013/14

Table 9: Personnel expenditure per vote 2007/08 to 2013/14

Table 10: Departmental receipts per vote 2007/08 to 2013/14

Table 1 Main budget framework 2007/08 to 2013/14

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Revenue (National Revenue Fund)							
Tax revenue (gross)	572 814.6	625 100.2	598 705.4	672 200.0	741 620.0	827 310.0	927 960.0
Departmental and other receipts, and repayments	12 693.0	12 616.0	8 889.0	12 254.0	10 000.9	11 540.0	12 351.1
Less: Southern Africa Customs Union payments	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-21 763.2	-32 431.8	-35 997.4
Other adjustment ¹	-	-	-	-2 900.0	-	-	-
Total revenue	560 795.1	608 795.5	579 679.0	666 562.7	729 857.6	806 418.2	904 313.7
<i>Percentage of GDP</i>	<i>27.0%</i>	<i>26.3%</i>	<i>23.7%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.2%</i>	<i>25.6%</i>
Expenditure							
State debt cost	52 877.1	54 393.7	57 129.2	66 570.4	76 578.7	90 807.7	104 036.2
<i>Percentage of GDP</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.3%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Current payments ²	88 512.0	103 376.4	117 130.0	135 313.3	147 760.3	156 210.6	166 884.0
Transfers and subsidies	391 929.9	458 702.2	532 182.3	578 332.9	648 496.9	695 554.1	740 738.6
Payments for capital assets ²	7 018.5	8 508.4	9 202.2	8 817.0	11 206.9	13 823.7	17 464.5
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.7	750.1	0.1	0.1
Unallocated	-	-	-	-	40.0	330.0	530.0
Contingency reserve	-	-	-	-	4 090.4	11 405.4	23 375.2
Total expenditure	541 443.4	635 953.3	747 196.8	809 923.3	888 923.3	968 131.7	1 053 028.6
<i>Percentage of GDP</i>	<i>26.0%</i>	<i>27.5%</i>	<i>30.6%</i>	<i>30.4%</i>	<i>30.5%</i>	<i>30.2%</i>	<i>29.8%</i>
Budget deficit³	19 351.6	-27 157.8	-167 517.7	-143 360.6	-159 065.7	-161 713.5	-148 714.9
<i>Percentage of GDP</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-6.9%</i>	<i>-5.4%</i>	<i>-5.5%</i>	<i>-5.1%</i>	<i>-4.2%</i>
GDP	2 078 822.0	2 312 965.0	2 442 593.0	2 666 893.9	2 914 861.7	3 201 299.3	3 536 001.5

1. Payment to SACU partners in respect of a previous error in calculation of the 1969 agreement.

2. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

3. A positive number reflects a surplus and a negative number a deficit.

Table 2 Additional allocation to national votes 2011/12 to 2013/14¹

R million	Medium-term expenditure estimates			Total
	2011/12	2012/13	2013/14	
Central Government Administration	1 948.2	2 277.4	2 923.5	7 149.1
1 The Presidency	90.5	131.3	126.4	348.3
2 Parliament	30.4	31.3	32.4	94.1
3 Cooperative Governance and Traditional Affairs	964.1	873.0	1 250.8	3 087.9
4 Home Affairs	176.9	444.8	600.2	1 221.9
5 International Relations and Cooperation	145.2	162.2	170.1	477.4
6 Performance Monitoring and Evaluation	37.4	97.5	114.5	249.3
7 Public Works	493.7	522.3	609.1	1 625.1
8 Women, Children and People with Disabilities	10.0	15.0	20.0	45.0
Financial and Administrative Services	4 067.9	4 190.0	5 261.1	13 519.0
9 Government Communication and Information System	10.1	10.6	9.9	30.6
10 National Treasury	3 442.3	4 048.0	5 097.8	12 588.1
11 Public Enterprises	44.8	4.6	4.6	53.9
12 Public Service and Administration	34.9	44.2	55.0	134.0
13 Statistics South Africa	535.8	82.7	93.8	712.3
Social Services	4 043.4	7 691.7	14 993.2	26 728.2
14 Arts and Culture	66.9	83.1	105.7	255.8
15 Basic Education	826.4	2 574.4	5 649.7	9 050.4
16 Health	442.0	692.0	2 236.0	3 370.0
17 Higher Education and Training	2 215.3	3 560.3	4 403.6	10 179.2
18 Labour	131.7	170.3	187.3	489.3
19 Social Development	312.1	543.3	2 322.5	3 177.9
20 Sport and Recreation South Africa	49.0	68.3	88.4	205.7
Justice, Crime Prevention and Security	3 740.6	5 760.1	7 583.9	17 084.7
21 Correctional Services	579.9	1 046.7	1 147.8	2 774.3
22 Defence and Military Veterans	1 180.2	1 552.8	1 863.6	4 596.6
23 Independent Complaints Directorate	7.9	9.1	10.1	27.1
24 Justice and Constitutional Development	477.0	1 098.6	1 196.9	2 772.4
25 Police	1 495.7	2 052.9	3 365.5	6 914.2
Economic Services and Infrastructure	6 550.4	8 755.2	10 874.5	26 180.1
26 Agriculture, Forestry and Fisheries	194.1	405.7	512.4	1 112.2
27 Communications	105.7	155.9	206.1	467.7
28 Economic Development	101.6	156.0	166.1	423.7
29 Energy	307.9	29.2	32.6	369.7
30 Environmental Affairs	297.9	146.0	186.4	630.3
31 Human Settlements	657.5	1 215.8	1 757.2	3 630.6
32 Mineral Resources	43.2	53.6	34.1	130.9
33 Rural Development and Land Reform	610.4	838.5	1 113.9	2 562.8
34 Science and Technology	14.6	139.9	404.1	558.6
35 Tourism	52.5	42.4	44.9	139.8
36 Trade and Industry	527.6	621.7	646.3	1 795.6
37 Transport	2 180.8	3 689.9	4 786.2	10 656.9
38 Water Affairs	1 456.6	1 260.4	984.2	3 701.2
Total	20 350.6	28 674.3	41 636.1	90 661.1

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3 Expenditure by national vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Central Government Administration				
1 The Presidency	649.4	308.8	659.1	766.9
2 Parliament	849.8	1 071.5	1 009.0	1 201.6
3 Cooperative Governance and Traditional Affairs	28 359.9	33 386.0	33 661.6	41 748.5
4 Home Affairs	3 241.7	4 666.6	5 195.4	5 834.4
5 International Relations and Cooperation	4 069.7	5 472.3	5 417.4	4 715.8
6 Performance Monitoring and Evaluation	2.0	3.6	10.4	40.5
7 Public Works	3 402.3	4 197.0	5 533.6	7 364.8
8 Women, Children and People with Disabilities	52.5	61.9	77.5	106.2
Financial and Administrative Services				
9 Government Communication and Information System	380.9	427.5	495.4	550.2
10 National Treasury	12 569.3	23 762.8	53 240.6	38 704.9
11 Public Enterprises	4 604.0	3 265.1	3 983.3	555.5
12 Public Service and Administration	609.6	630.6	670.8	658.7
13 Statistics South Africa	1 054.3	1 323.1	1 555.8	2 101.4
Social Services				
14 Arts and Culture	1 585.8	2 114.5	2 224.9	2 441.2
15 Basic Education	4 799.5	6 384.0	7 854.3	10 924.3
16 Health	13 578.6	16 424.5	19 168.6	23 132.5
17 Higher Education and Training	15 999.1	18 767.8	20 684.4	23 776.2
18 Labour	1 431.5	1 507.2	1 698.7	1 835.8
19 Social Development	67 191.4	76 096.7	85 318.2	95 941.1
20 Sport and Recreation South Africa	5 048.0	4 871.4	2 866.4	1 255.5
Justice, Crime Prevention and Security				
21 Correctional Services	11 122.4	12 822.6	13 687.3	15 427.5
22 Defence and Military Veterans	25 180.1	27 801.3	31 324.2	30 442.6
23 Independent Complaints Directorate	80.9	99.3	106.2	131.4
24 Justice and Constitutional Development	7 194.0	8 244.4	9 653.5	10 787.3
25 Police	36 525.9	41 635.2	47 662.5	53 529.7
Economic Services and Infrastructure				
26 Agriculture, Forestry and Fisheries	3 957.2	3 564.9	3 961.8	4 003.9
27 Communications	1 911.8	2 328.6	2 301.9	2 138.0
28 Economic Development	245.1	220.4	314.6	449.8
29 Energy	2 229.8	2 961.7	3 690.9	5 648.7
30 Environmental Affairs	1 564.5	1 789.9	2 124.3	2 438.5
31 Human Settlements	10 503.0	13 269.5	16 407.4	19 305.9
32 Mineral Resources	717.5	768.3	853.8	995.8
33 Rural Development and Land Reform	5 896.6	6 669.8	5 863.8	7 293.4
34 Science and Technology	3 127.3	3 703.5	4 183.9	4 128.0
35 Tourism	1 056.0	1 202.2	1 145.6	1 183.8
36 Trade and Industry	5 050.2	4 836.7	5 923.3	6 194.2
37 Transport	19 155.9	28 161.7	28 664.0	30 380.8
38 Water Affairs	4 802.9	5 797.8	7 188.6	8 203.2
Total appropriation by vote	309 800.8	370 620.6	436 383.5	466 338.6
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.3	4.0	3.8	4.6
Members remuneration (Parliament)	240.7	304.2	398.8	392.7
State debt costs (National Treasury)	52 877.1	54 393.7	57 129.2	67 606.9
Provincial equitable share (National Treasury)	171 053.7	201 795.6	236 890.8	265 139.4
General fuel levy sharing with metros (National Treasury)	-	-	6 800.1	7 542.4
Skills levy and Setas (Higher Education and Training)	6 284.3	7 234.1	7 815.6	8 424.2
Judges and magistrates salaries (Justice and Constitutional Development)	1 184.5	1 601.1	1 774.9	1 929.9
Total direct charges against the National Revenue Fund	231 642.6	265 332.8	310 813.2	351 040.0
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 3 Expenditure by national vote 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
				Central Government Administration
766.9	815.0	887.5	924.2	The Presidency
1 201.6	1 265.3	1 315.9	1 387.6	Parliament
41 748.5	47 933.6	53 842.8	57 120.8	Cooperative Governance and Traditional Affairs
5 834.4	5 464.1	5 249.7	5 864.3	Home Affairs
4 715.8	4 796.8	5 154.9	5 569.3	International Relations and Cooperation
40.5	75.8	141.0	160.4	Performance Monitoring and Evaluation
7 138.7	7 819.3	8 061.2	8 900.1	Public Works
106.2	117.9	129.5	140.8	Women, Children and People with Disabilities
				Financial and Administrative Services
550.2	496.4	524.4	552.0	Government Communication and Information System
38 375.4	22 598.2	23 469.1	25 578.9	National Treasury
555.5	230.2	199.7	210.4	Public Enterprises
656.7	690.1	726.2	774.5	Public Service and Administration
1 741.7	3 240.9	1 698.3	1 717.7	Statistics South Africa
				Social Services
2 339.7	2 468.6	2 625.1	2 784.7	Arts and Culture
9 093.0	13 868.1	16 557.9	20 409.6	Basic Education
22 218.7	25 731.6	27 610.8	30 136.7	Health
23 757.2	28 228.6	31 318.5	33 688.2	Higher Education and Training
1 793.2	1 981.5	2 098.5	2 221.7	Labour
94 841.0	104 732.7	113 524.0	122 075.5	Social Development
1 249.6	802.7	852.3	915.5	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
15 232.5	16 559.2	17 805.0	18 827.8	Correctional Services
30 442.6	34 605.0	37 371.2	39 702.2	Defence and Military Veterans
131.4	151.6	161.0	170.4	Independent Complaints Directorate
10 742.3	11 413.5	12 674.3	13 409.3	Justice and Constitutional Development
53 529.7	58 061.5	62 077.6	66 696.7	Police
				Economic Services and Infrastructure
4 003.9	4 719.7	5 312.0	5 503.2	Agriculture, Forestry and Fisheries
2 138.0	1 889.1	1 721.7	1 851.7	Communications
384.5	594.5	674.7	713.3	Economic Development
5 648.7	6 089.9	5 575.3	4 304.8	Energy
2 359.8	2 846.1	2 399.3	2 643.0	Environmental Affairs
19 305.9	22 578.5	24 875.1	26 674.7	Human Settlements
995.8	1 036.2	1 107.5	1 178.7	Mineral Resources
7 293.4	8 124.2	8 674.1	9 381.1	Rural Development and Land Reform
4 128.0	4 404.6	4 887.4	5 510.1	Science and Technology
1 183.8	1 242.9	1 273.9	1 345.3	Tourism
6 075.5	6 786.9	7 366.9	7 572.4	Trade and Industry
29 989.4	35 084.0	38 204.4	41 198.9	Transport
7 609.7	9 936.2	10 231.5	10 883.5	Water Affairs
459 919.7	499 480.9	538 380.2	578 700.1	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.6	4.8	5.1	5.3	President and Deputy President salary (The Presidency)
392.7	409.6	430.1	453.8	Members remuneration (Parliament)
66 570.4	76 578.7	90 807.7	104 036.2	State debt costs (National Treasury)
265 139.4	288 492.8	305 725.4	323 604.4	Provincial equitable share (National Treasury)
7 542.4	8 573.1	9 039.7	9 613.4	General fuel levy sharing with metros (National Treasury)
8 424.2	9 148.7	9 606.1	10 134.5	Skills levy and Setas (Higher Education and Training)
1 929.9	2 104.2	2 401.9	2 575.7	Judges and magistrates salaries (Justice and Constitutional Development)
350 003.5	385 312.0	418 016.1	450 423.3	Total direct charges against the National Revenue Fund
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 4 Expenditure by economic classification 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation
	2007/08	2008/09	2009/10	2010/11
Current payments				
Compensation of employees	56 221.9	64 819.2	75 276.3	88 740.8
Salaries and wages	46 758.3	53 869.3	62 806.6	74 671.9
Social contributions	9 463.6	10 949.9	12 469.7	14 068.9
Goods and services	32 272.1	38 522.2	41 695.1	47 989.9
Interest and rent on land	52 895.1	54 428.7	57 287.8	67 615.5
Interest (Incl. interest on finance leases)	52 893.9	54 428.5	57 280.1	67 614.7
Rent on land	1.2	0.2	7.7	0.8
Total current payments	141 389.1	157 770.1	174 259.2	204 346.3
Transfers and subsidies to:				
Provinces and municipalities	243 233.6	289 395.9	344 774.7	387 557.9
Provinces	204 668.3	243 851.9	293 163.8	326 000.2
Provincial revenue funds	204 668.3	243 851.9	293 163.8	326 000.2
Municipalities	38 565.4	45 544.0	51 610.8	61 557.8
Municipal bank accounts	38 565.4	45 544.0	51 610.8	61 557.8
Departmental agencies and accounts	44 609.0	53 708.8	57 458.8	56 035.9
Social security funds	8.5	2 508.7	9.7	11.6
Departmental agencies (non-business entities)	44 600.5	51 200.1	57 449.1	56 024.3
Universities and technikons	12 004.1	13 897.7	15 443.5	17 576.1
Foreign governments and international organisations	935.6	1 010.6	1 366.4	1 357.1
Public corporations and private enterprises	19 485.7	20 188.1	21 704.6	20 492.5
Public corporations	14 887.2	14 723.0	19 325.2	18 180.6
Subsidies on products or production	6 293.0	8 060.3	8 477.2	9 836.7
Other transfers to public corporations	8 594.1	6 662.6	10 848.0	8 343.9
Private enterprises	4 598.5	5 465.1	2 379.4	2 311.9
Subsidies on products or production	4 111.4	5 193.5	2 009.5	1 848.5
Other transfers to private enterprises	487.1	271.7	369.9	463.4
Non-profit institutions	1 006.7	1 222.2	1 220.3	1 470.9
Households	70 655.2	79 279.0	90 214.0	98 316.7
Social benefits	65 169.0	73 588.0	84 842.8	92 538.4
Other transfers to households	5 486.3	5 690.9	5 371.2	5 778.3
Total transfers and subsidies	391 929.9	458 702.2	532 182.3	582 807.0
Payments for capital assets				
Buildings and other fixed structures	3 631.3	5 331.6	5 712.2	5 975.7
Buildings	3 356.9	4 860.4	4 598.8	4 757.1
Other fixed structures	274.4	471.2	1 113.4	1 218.5
Machinery and equipment	3 161.5	2 926.7	3 127.6	3 298.6
Transport equipment	1 538.2	1 510.2	1 524.2	1 769.1
Other machinery and equipment	1 623.4	1 416.5	1 603.4	1 529.5
Heritage assets	-	0.1	0.2	-
Specialised military assets	-	-	83.1	19.0
Biological assets	10.6	2.7	2.1	2.0
Land and subsoil assets	27.4	49.0	83.9	0.1
Software and other intangible assets	187.7	198.3	193.2	40.8
Total payments for capital assets	7 018.5	8 508.4	9 202.2	9 336.2
Payments for financial assets	1 105.9	10 972.6	31 553.0	20 889.2
Total	541 443.4	635 953.3	747 196.8	817 378.6
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-1 700.0
Total	541 443.4	635 953.3	747 196.8	815 678.6

Table 4 Expenditure by economic classification 2007/08 to 2013/14

Revised estimate	Medium-term expenditure estimates			R million
	2010/11	2011/12	2012/13	
88 324.0	94 788.4	100 350.8	107 316.5	Current payments
				Compensation of employees
74 278.1	79 661.6	84 435.8	90 409.3	Salaries and wages
14 046.0	15 126.9	15 914.9	16 907.2	Social contributions
46 980.3	52 944.2	55 829.0	59 536.1	Goods and services
66 579.3	76 606.4	90 838.6	104 067.6	Interest and rent on land
66 578.5	76 605.4	90 837.4	104 066.4	Interest (Incl. interest on finance leases)
0.8	1.1	1.2	1.2	Rent on land
201 883.7	224 339.0	247 018.3	270 920.2	Total current payments
384 334.3	428 131.5	457 512.2	486 602.9	Transfers and subsidies to:
				Provinces and municipalities
323 080.3	357 928.6	380 449.6	404 251.4	Provinces
323 080.3	357 928.6	380 449.6	404 251.4	Provincial revenue funds
61 254.0	70 202.9	77 062.5	82 351.5	Municipalities
61 254.0	70 202.9	77 062.5	82 351.5	Municipal bank accounts
55 866.1	68 241.9	73 170.5	78 537.2	Departmental agencies and accounts
11.6	12.4	13.0	13.7	Social security funds
55 854.6	68 229.5	73 157.5	78 523.5	Departmental agencies (non-business entities)
17 571.1	19 365.4	20 766.7	21 953.2	Universities and technikons
1 358.2	1 463.4	1 723.6	1 830.5	Foreign governments and international organisations
20 459.5	23 642.9	25 011.7	25 561.1	Public corporations and private enterprises
18 180.6	20 434.1	21 742.4	22 063.1	Public corporations
9 836.7	9 879.4	9 997.1	8 896.9	Subsidies on products or production
8 343.9	10 554.7	11 745.4	13 166.3	Other transfers to public corporations
2 278.9	3 208.8	3 269.3	3 498.0	Private enterprises
1 813.5	2 718.2	2 663.9	2 856.4	Subsidies on products or production
465.4	490.6	605.4	641.6	Other transfers to private enterprises
1 461.7	1 500.4	1 874.8	2 099.0	Non-profit institutions
97 282.0	106 151.3	115 494.5	124 154.6	Households
91 514.5	101 279.1	110 239.7	118 596.5	Social benefits
5 767.5	4 872.3	5 254.9	5 558.1	Other transfers to households
578 332.9	648 496.9	695 554.1	740 738.6	Total transfers and subsidies
5 615.9	7 845.0	10 560.6	14 057.6	Payments for capital assets
				Buildings and other fixed structures
4 479.1	5 486.6	7 813.1	11 078.5	Buildings
1 136.8	2 358.3	2 747.6	2 979.1	Other fixed structures
3 144.0	3 302.7	3 202.5	3 344.4	Machinery and equipment
1 699.1	1 922.9	1 645.0	1 697.5	Transport equipment
1 444.9	1 379.8	1 557.5	1 646.9	Other machinery and equipment
0.0	-	-	-	Heritage assets
19.0	20.7	21.3	22.4	Specialised military assets
2.0	0.2	0.3	0.3	Biological assets
0.1	-	-	-	Land and subsoil assets
35.9	38.3	39.1	39.9	Software and other intangible assets
8 817.0	11 206.9	13 823.7	17 464.5	Total payments for capital assets
20 889.7	750.1	0.1	0.1	Payments for financial assets
809 923.3	884 792.9	956 396.3	1 029 123.4	Total
-	40.0	330.0	530.0	Unallocated
-	4 090.4	11 405.4	23 375.2	Contingency reserve
-	-	-	-	Projected underspending
809 923.3	888 923.3	968 131.7	1 053 028.6	Total

Table 5 Amounts to be appropriated from the National Revenue Fund for 2011/12

R million	Appropriated (including direct charges) 2010/11	Current payments	Transfers and subsidies	Payments for capital assets 2011/12	Payments for financial assets	To be appropriated	Increase/ Decrease	
Central Government Administration								
1	The Presidency	706.8	417.5	387.8	14.5	-	819.8	113.0
2	Parliament	1 571.9	1 383.1	287.9	3.9	-	1 674.9	103.0
3	Cooperative Governance and Traditional Affairs	41 096.9	691.3	47 222.4	19.8	0.1	47 933.6	6 836.7
4	Home Affairs	5 719.6	4 437.4	1 000.1	26.7	-	5 464.1	-255.5
5	International Relations and Cooperation	4 824.4	3 703.1	809.9	283.7	-	4 796.8	-27.7
6	Performance Monitoring and Evaluation	20.4	72.8	-	3.0	-	75.8	55.4
7	Public Works	6 446.3	2 265.4	4 010.3	1 543.6	-	7 819.3	1 372.9
8	Women, Children and People with Disabilities	97.8	60.5	55.2	2.3	-	117.9	20.2
Financial and Administrative Services								
9	Government Communication and Information System	546.2	334.8	159.2	2.4	-	496.4	-49.8
10	National Treasury	378 589.1	78 015.4	317 463.8	13.7	750.0	396 242.8	17 653.7
11	Public Enterprises	350.6	188.1	40.8	1.4	-	230.2	-120.4
12	Public Service and Administration	651.5	396.5	290.9	2.7	-	690.1	38.6
13	Statistics South Africa	1 973.4	3 188.8	10.5	41.7	-	3 240.9	1 267.5
Social Services								
14	Arts and Culture	2 406.7	392.9	2 069.3	6.4	-	2 468.6	61.9
15	Basic Education	10 918.5	2 136.9	11 025.3	706.0	-	13 868.1	2 949.7
16	Health	22 967.9	1 209.3	24 489.3	32.9	-	25 731.6	2 763.6
17	Higher Education and Training	32 144.9	455.8	36 913.4	8.1	-	37 377.3	5 232.4
18	Labour	1 783.9	1 349.9	599.4	32.1	-	1 981.5	197.6
19	Social Development	95 929.1	543.7	104 177.1	11.9	-	104 732.7	8 803.6
20	Sport and Recreation South Africa	1 245.6	222.5	574.1	6.0	-	802.7	-442.9
Justice, Crime Prevention and Security								
21	Correctional Services	15 129.0	15 342.1	31.3	1 185.8	-	16 559.2	1 430.2
22	Defence and Military Veterans	30 715.3	27 278.4	6 978.0	348.6	-	34 605.0	3 889.6
23	Independent Complaints Directorate	129.3	147.6	0.1	4.0	-	151.6	22.3
24	Justice and Constitutional Development	12 180.4	10 933.7	1 791.1	792.9	-	13 517.7	1 337.3
25	Police	52 556.4	54 596.4	464.6	3 000.5	-	58 061.5	5 505.1
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	3 708.0	2 039.4	2 567.8	112.5	-	4 719.7	1 011.8
27	Communications	2 114.0	585.2	1 299.6	4.3	-	1 889.1	-224.9
28	Economic Development	418.6	123.2	464.8	6.5	-	594.5	175.9
29	Energy	5 535.4	297.2	5 784.9	7.8	-	6 089.9	554.5
30	Environmental Affairs	2 557.8	1 119.1	1 219.0	508.0	-	2 846.1	288.3
31	Human Settlements	19 215.6	642.2	21 700.6	235.7	-	22 578.5	3 362.9
32	Mineral Resources	1 030.0	587.6	438.4	10.1	-	1 036.2	6.2
33	Rural Development and Land Reform	6 769.6	2 524.1	5 564.7	35.4	-	8 124.2	1 354.7
34	Science and Technology	4 615.5	369.7	4 031.6	3.3	-	4 404.6	-210.9
35	Tourism	1 151.8	268.2	968.0	6.7	-	1 242.9	91.0
36	Trade and Industry	6 150.1	1 172.4	5 600.4	14.1	-	6 786.9	636.8
37	Transport	30 178.0	841.8	34 238.0	4.1	-	35 084.0	4 906.0
38	Water Affairs	7 996.6	4 005.2	3 767.2	2 163.9	-	9 936.2	1 939.6
Total	812 142.9	224 339.0	648 496.9	11 206.9	750.1	884 792.9	72 650.0	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a Conditional grants to provinces 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3	–	29.7	–	214.4	214.4	305.0	180.0	190.0
7	836.6	889.3	1 466.0	2 252.9	2 181.3	2 270.9	2 504.8	2 778.5
Financial and Administrative Services								
10	–	–	4 200.0	–	–	–	–	–
Social Services								
14	163.2	344.6	440.6	512.7	512.7	543.4	570.8	602.2
15	4 012.9	5 215.6	6 460.1	8 683.6	7 107.4	10 546.4	11 330.6	11 953.7
16	12 368.6	14 988.7	17 523.8	21 363.7	20 483.0	23 947.7	25 746.5	28 175.2
17	2 435.3	3 005.8	3 155.3	3 804.0	3 804.0	4 326.0	4 705.1	5 262.4
20	194.0	293.7	402.3	426.4	426.4	452.0	474.6	500.7
Economic Services and Infrastructure								
26	761.7	898.0	973.7	1 166.9	1 166.9	1 487.1	1 683.9	1 866.9
31	6 988.5	8 727.6	10 819.3	13 032.1	13 032.1	14 941.5	15 599.4	16 457.4
37	5 853.7	7 663.3	10 832.1	9 404.1	9 012.8	10 615.9	11 928.5	12 860.0
Total	33 614.6	42 056.3	56 273.0	60 860.7	57 940.8	69 435.8	74 724.2	80 647.0

1. Detail provided in the Division of Revenue Act (2011).

Table 6b Conditional grants to municipalities 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Central Government Administration								
3	7 167.2	7 186.4	8 988.3	9 726.7	9 726.7	12 132.9	14 474.2	15 272.1
7	–	–	100.5	623.0	551.4	679.6	665.7	779.5
Financial and Administrative Services								
10	716.5	361.5	808.1	1 394.6	1 186.6	1 184.6	1 279.3	1 326.1
Social Services								
20	4 605.0	4 295.0	2 168.7	512.6	512.6	–	–	–
Economic Services and Infrastructure								
29	462.5	589.1	1 074.6	1 240.1	1 240.1	1 376.6	1 151.4	1 214.8
31	2 948.3	3 572.4	4 418.2	5 157.6	5 157.6	6 267.0	7 409.5	8 126.8
37	1 174.0	2 928.7	2 431.0	3 709.9	3 709.9	4 838.8	5 037.2	5 602.9
38	732.9	994.6	902.4	990.5	966.3	1 010.8	399.0	420.9
Total	17 806.4	19 927.6	20 891.8	23 354.9	23 051.2	27 490.3	30 416.4	32 743.1

1. Detail provided in the Division of Revenue Act (2011).

Table 7 Training expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Central Government Administration							
1 The Presidency	2.3	1.4	1.9	2.1	2.4	2.5	2.8
2 Parliament	10.6	11.9	10.1	10.4	14.2	15.0	16.8
3 Cooperative Governance and Traditional Affairs	2.3	1.7	1.8	2.4	5.0	5.2	5.5
4 Home Affairs	32.4	34.0	26.4	48.5	37.2	37.5	39.6
5 International Relations and Cooperation	13.1	8.1	12.4	19.6	16.6	17.8	20.0
7 Public Works	15.2	15.2	22.0	27.5	24.8	24.8	26.1
8 Women, Children and People with Disabilities	–	–	–	0.2	0.3	0.4	0.5
Financial and Administrative Services							
9 Government Communication and Information System	4.7	4.2	4.4	4.9	4.8	5.0	5.3
10 National Treasury	16.1	16.9	10.0	20.0	10.8	11.6	12.2
11 Public Enterprises	1.3	2.3	2.2	3.3	2.9	3.1	3.4
12 Public Service and Administration	2.2	3.7	2.6	3.4	3.2	3.4	3.7
13 Statistics South Africa	11.9	14.0	21.2	38.5	21.4	22.5	23.7
Social Services							
14 Arts and Culture	3.1	4.5	2.1	2.3	1.6	1.7	1.8
15 Basic Education	2.8	6.5	1.7	2.8	1.9	2.0	2.1
16 Health	9.5	1.8	4.5	5.5	4.0	4.5	4.9
17 Higher Education and Training	2.5	2.9	1.9	2.4	1.3	1.3	1.3
18 Labour	6.5	8.9	8.3	8.9	11.8	12.0	12.7
19 Social Development	1.7	1.8	2.3	2.5	2.7	2.9	3.0
20 Sport and Recreation South Africa	0.9	0.9	1.1	1.2	1.6	1.6	1.5
Justice, Crime Prevention and Security							
21 Correctional Services	125.6	76.0	89.5	64.0	100.5	105.6	111.0
22 Defence and Military Veterans	87.4	117.7	113.6	145.6	131.9	133.0	141.2
23 Independent Complaints Directorate	0.6	0.4	0.7	1.2	1.2	1.3	1.4
24 Justice and Constitutional Development	18.3	37.5	86.4	78.9	83.6	89.4	94.0
25 Police	966.0	1 124.0	1 253.4	1 386.6	1 449.0	1 514.2	1 590.0
Economic Services and Infrastructure							
26 Agriculture, Forestry and Fisheries	20.3	24.2	16.4	20.0	13.1	14.9	25.5
27 Communications	3.7	6.0	9.0	5.9	6.7	7.3	7.7
28 Economic Development	–	–	–	0.1	0.8	0.9	1.0
29 Energy	0.7	1.6	2.1	2.1	2.7	2.9	3.3
30 Environmental Affairs	2.1	2.2	2.3	2.5	4.1	4.2	4.3
31 Human Settlements	1.2	2.9	2.3	14.1	4.0	4.3	4.5
32 Mineral Resources	1.7	3.8	9.1	3.5	3.9	4.1	4.4
33 Rural Development and Land Reform	9.0	9.4	11.9	12.6	13.3	13.9	–
34 Science and Technology	1.7	2.0	3.2	5.1	5.4	5.6	5.9
35 Tourism	1.4	1.5	1.0	1.0	1.0	1.1	1.1
36 Trade and Industry	1.0	2.5	9.3	11.0	13.4	14.1	14.9
37 Transport	3.2	1.8	3.9	4.0	2.9	3.1	3.5
38 Water Affairs	38.9	40.8	50.6	56.7	62.4	68.6	75.5
Total	1 421.9	1 595.3	1 801.5	2 021.3	2 069.6	2 164.4	2 277.3

Table 8 Infrastructure expenditure per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	
Central Government Administration								
3	Cooperative Governance and Traditional Affairs	6 967.2	6 969.0	8 727.5	9 514.7	11 500.2	13 983.1	14 752.2
4	Home Affairs	122.9	136.0	102.0	131.1	209.8	215.8	248.0
5	International Relations and Cooperation	649.9	926.7	165.3	267.9	250.9	318.2	319.2
7	Public Works	488.0	988.4	1 253.6	1 376.0	1 443.9	1 474.7	1 724.7
Financial and Administrative Services								
10	National Treasury	41.2	373.5	578.1	1 155.0	853.6	880.0	855.0
Social Services								
14	Arts and Culture	281.2	448.6	449.7	447.8	455.6	483.0	509.5
15	Basic Education	2 636.0	3 101.5	3 884.7	4 832.3	6 398.3	8 408.2	11 617.3
16	Health	5 507.8	3 361.4	3 720.5	5 403.0	5 838.1	6 156.9	5 989.0
18	Labour	64.4	37.6	26.9	28.5	44.2	10.5	7.6
20	Sport and Recreation South Africa	4 605.0	4 295.0	2 168.7	512.6	-	-	-
Justice, Crime Prevention and Security								
21	Correctional Services	1 005.3	948.5	833.6	950.9	968.3	1 016.8	1 072.7
22	Defence and Military Veterans	8.1	621.3	665.0	732.7	1 058.4	1 085.7	1 118.0
24	Justice and Constitutional Development	361.1	479.5	590.1	631.4	759.4	1 105.0	1 161.7
25	Police	732.5	991.2	1 070.1	1 118.2	1 235.3	1 544.6	1 629.5
Economic Services and Infrastructure								
26	Agriculture, Forestry and Fisheries	105.3	110.3	131.7	181.7	260.1	239.3	141.0
27	Communications	646.0	750.0	920.0	540.9	404.0	317.0	376.1
29	Energy	1 435.6	1 739.9	2 400.3	4 239.9	4 334.4	4 533.5	3 200.3
30	Environmental Affairs	603.7	405.4	477.5	637.7	647.8	149.7	187.5
31	Human Settlements	9 936.8	12 300.0	15 087.4	18 155.9	21 440.0	23 488.4	25 101.5
33	Rural Development and Land Reform	5.6	6.3	2.8	6.9	21.2	11.3	4.2
34	Science and Technology	272.0	408.0	699.3	236.9	254.2	473.1	595.2
36	Trade and Industry	911.0	967.5	1 407.3	1 224.4	827.4	839.6	629.9
37	Transport	10 889.1	13 915.3	16 955.1	19 747.4	23 128.1	25 592.1	27 901.4
38	Water Affairs	930.4	1 904.1	2 212.8	2 764.0	4 123.8	4 455.1	5 064.6
Total		49 206.1	56 185.0	64 530.2	74 837.7	86 457.1	96 781.5	104 206.1

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9 Personnel expenditure per vote 2007/08 to 2013/14

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government and Administration									
1	The Presidency	117.1	141.7	181.9	209.5	209.5	237.4	251.4	275.6
2	Parliament	517.3	651.0	784.6	868.1	868.1	936.1	990.2	1 046.8
3	Cooperative Governance and Traditional Affairs	128.1	153.8	165.7	232.1	232.1	232.9	245.9	258.1
4	Home Affairs	1 087.0	1 296.0	1 637.1	1 971.1	1 971.1	2 206.6	2 317.5	2 443.5
5	International Relations and Cooperation	1 293.2	1 683.4	1 833.3	1 858.6	1 858.6	1 704.5	1 811.9	2 034.5
6	Performance Monitoring and Evaluation	1.6	2.6	3.4	22.5	22.5	50.9	84.0	102.7
7	Public Works	721.5	801.0	976.1	1 200.9	1 200.9	1 242.1	1 241.2	1 305.1
8	Women, Children and People with Disabilities	4.8	5.9	9.8	24.1	24.1	34.6	39.9	46.3
Financial and Administrative Services									
9	Government Communication and Information System	116.2	114.0	138.7	150.7	150.7	165.4	173.4	183.2
10	National Treasury	272.7	321.0	402.1	552.6	511.2	605.9	637.7	672.2
11	Public Enterprises	56.0	70.4	75.2	90.3	90.3	96.5	101.0	106.2
12	Public Service and Administration	115.8	129.1	156.8	183.6	183.6	208.8	229.5	250.5
13	Statistics South Africa	472.0	700.7	879.2	978.7	931.6	1 531.0	1 165.0	1 185.0
Social Services									
14	Arts and Culture	107.2	126.8	146.3	152.9	152.9	164.8	174.3	183.7
15	Basic Education	150.4	186.3	225.2	271.1	271.1	325.6	349.3	371.7
16	Health	258.6	292.5	333.0	385.0	385.0	424.0	465.0	492.0
17	Higher Education and Training	146.2	174.8	201.8	251.6	249.6	301.5	334.1	359.7
18	Labour	497.9	491.3	576.5	744.8	701.9	786.3	865.8	915.2
19	Social Development	133.6	184.1	220.1	254.9	254.9	267.8	285.1	300.4
20	Sport and Recreation South Africa	43.4	54.5	61.3	75.8	74.3	79.9	84.0	88.4
Justice, Crime Prevention and Security									
21	Correctional Services	6 799.2	8 077.8	9 065.5	10 247.5	10 247.5	10 964.9	11 522.8	12 191.7
22	Defence and Military Veterans	9 735.9	10 620.0	12 705.6	16 219.0	16 219.0	16 770.7	17 700.5	18 787.8
23	Independent Complaints Directorate	45.7	58.0	65.1	75.8	75.8	86.6	91.8	97.2
24	Justice and Constitutional Development	4 250.9	5 326.2	6 028.1	7 262.9	7 224.1	7 631.2	8 382.2	8 850.6
25	Police	25 610.6	29 147.4	33 771.5	38 416.1	38 416.1	41 070.3	43 643.2	47 181.7
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	811.1	931.3	1 082.2	1 199.6	1 199.6	1 273.0	1 395.3	1 474.5
27	Communications	97.7	108.0	129.6	164.6	164.6	171.7	179.3	188.0
28	Economic Development	–	–	7.9	57.7	33.7	79.2	91.8	96.5
29	Energy	85.5	103.0	133.3	147.9	147.9	181.7	192.4	218.3
30	Environmental Affairs	182.5	197.7	254.0	333.1	333.1	405.2	426.6	451.1
31	Human Settlements	103.5	134.2	166.9	289.0	289.0	319.0	331.9	346.8
32	Mineral Resources	210.1	231.0	275.1	343.7	343.7	377.6	401.0	421.8
33	Rural Development and Land Reform	476.4	614.2	760.9	1 196.8	1 196.8	1 395.7	1 523.3	1 608.9
34	Science and Technology	102.1	141.6	167.5	223.7	223.7	225.3	237.6	259.6
35	Tourism	130.8	106.4	89.6	101.1	101.1	141.9	158.4	169.4
36	Trade and Industry	327.5	383.1	437.7	569.8	533.3	602.2	644.2	676.4
37	Transport	131.3	182.6	228.1	266.2	266.2	294.4	309.9	326.5
38	Water Affairs	880.5	875.6	899.8	1 147.3	964.8	1 195.4	1 272.4	1 348.8
Total		56 221.9	64 819.2	75 276.3	88 740.8	88 324.0	94 788.4	100 350.8	107 316.5

Table 10 Departmental receipts per vote 2007/08 to 2013/14¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14	
Central Government Administration									
1	The Presidency	0.3	0.2	0.6	0.5	0.5	0.3	0.3	0.3
2	Parliament	43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
3	Cooperative Governance and Traditional Affairs	0.7	0.8	0.5	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	421.1	355.7	442.2	455.3	455.3	482.6	506.7	557.4
5	International Relations and Cooperation	65.1	43.6	23.2	22.0	31.2	22.9	24.0	25.3
6.	Performance Monitoring and Evaluation	-	-	-	-	-	-	-	-
7	Public Works	95.8	28.5	39.6	30.9	30.9	38.7	40.6	42.6
8	Women, Children and People with Disabilities	-	-	-	-	-	-	-	-
Financial and Administrative Services									
9	Government Communication and Information System	3.1	3.3	2.9	3.0	2.7	2.5	2.6	2.6
10	National Treasury	5 095.8	5 270.4	2 543.6	3 204.2	2 842.2	1 233.2	2 391.4	2 746.0
11	Public Enterprises	0.1	0.8	1.2	1.2	1.2	0.1	0.1	0.1
12	Public Service and Administration	2.7	1.0	2.2	0.7	0.7	0.7	0.8	0.8
13	Statistics South Africa	17.7	2.8	8.5	2.2	2.2	2.4	2.5	2.7
Social Services									
14	Arts and Culture	0.4	3.6	1.1	0.8	0.8	0.8	0.9	1.1
15	Basic Education	1.9	1.5	0.7	1.2	1.5	1.0	1.1	1.2
16	Health	41.2	31.2	45.2	31.5	31.5	32.8	32.9	36.2
17	Higher Education and Training	6.9	6.7	6.7	7.9	7.9	7.9	8.0	8.0
18	Labour	8.4	28.9	12.9	16.1	16.1	22.4	24.3	25.5
19	Social Development	237.0	16.5	30.6	218.3	0.2	10.1	10.1	10.1
20	Sport and Recreation South Africa	0.0	0.3	0.2	0.3	0.3	0.4	0.4	0.4
Justice, Crime Prevention and Security									
21	Correctional Services	136.3	80.5	108.5	143.4	120.4	126.1	132.3	139.2
22	Defence and Military Veterans	551.9	629.4	699.9	902.5	902.5	803.5	843.7	885.9
23	Independent Complaints Directorate	0.4	0.1	0.2	0.2	0.1	0.1	0.2	0.2
24	Justice and Constitutional Development	317.0	356.8	382.9	377.6	377.6	399.8	422.5	443.7
25	Police	345.1	376.5	347.6	272.9	280.3	263.9	258.7	257.1
Economic Services and Infrastructure									
26	Agriculture, Forestry and Fisheries	121.1	254.0	250.5	119.3	119.3	121.5	118.2	123.6
27	Communications	3 007.4	3 520.1	1 344.8	1 398.7	898.9	913.4	928.0	943.4
28	Economic Development	229.3	244.4	456.0	230.0	366.3	243.8	250.0	263.8
29	Energy	1.2	3.3	4.4	3.7	3.7	3.9	4.1	4.2
30	Environmental Affairs	4.7	8.5	2.1	4.1	4.1	2.8	2.8	2.8
31	Human Settlements	0.7	2.4	0.7	1.2	1.2	0.5	0.6	0.6
32	Mineral Resources	267.1	261.3	212.7	99.0	99.0	27.6	28.0	28.3
33	Rural Development and Land Reform	176.4	64.2	44.0	41.7	41.7	69.0	64.5	68.3
34	Science and Technology	0.2	0.3	1.6	0.4	0.7	0.1	0.1	0.1
35	Tourism	-	-	0.7	1.5	1.5	-	-	-
36	Trade and Industry	94.2	64.9	52.6	108.3	90.3	115.0	120.3	121.5
37	Transport	362.5	215.8	106.1	266.7	266.7	137.4	144.3	151.5
38	Water Affairs	0.1	26.6	76.3	42.1	42.1	22.9	24.3	25.9
Total departmental receipts as per Estimates of National Expenditure		11 657.1	11 950.7	7 291.9	8 025.3	7 057.5	5 122.8	6 401.5	6 932.4
Less: Parliament (retained departmental receipts)		43.4	45.9	38.5	15.5	15.5	11.9	11.5	11.2
Plus: Direct receipts into the National Revenue Fund (National Treasury) ²		1 020.9	-	1 000.0	-	600.0	-	-	-
Plus: South African Revenue Service departmental receipts collection		58.0	711.4	635.1	4 255.0	4 612.0	4 890.0	5 150.0	5 430.0
Total departmental receipts as per Budget Review		12 692.6	12 616.2	8 888.5	12 264.8	12 254.0	10 000.9	11 540.0	12 351.1

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

2. Direct receipts into the National Revenue Fund in this instance refer to Levy accounts/exchange control forfeits collected by the South African Reserve Bank.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the Appropriation Bill, which is tabled on the same day.

The main divisions of the Appropriation Bill are divided into votes. A vote generally specifies the total amount appropriated per department, but more than one department may be contained within a single vote. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the Appropriation Bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions. In the functional budgeting approach linked to the outcomes approach which has been adopted, these groupings are disaggregated further.

More detailed information for each vote is available on www.treasury.gov.za. More comprehensive coverage of vote specific information, particularly about goods and services, transfers, donor funding, public entities and lower level institutional information is provided.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the three-year MTEF period.

R million	2011/12					2012/13	2013/14
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2011/12 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2011/12 and corresponds with the information in the 2011 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by a department for its operational requirements.

Transfers and subsidies are payments made by a department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in votes where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2012/13** and **2013/14**, are also shown. These estimates are not included in the 2011 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for under any programme on a particular vote and include, for example, state debt costs.

Total expenditure estimates are the sum of the expenditure on programmes and direct charges, classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

The last lines of the table provide accountability information: the vote's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or administrative functions, and corresponds with the aim stated in the Appropriation Bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the Appropriation Bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2007/08 – 2013/14

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments, legislative changes, a discussion on how the department will contribute towards the achievement of outcomes that are attributed to it and the related outputs listed in the service delivery agreements, as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effectiveness measures

In this section, departments discuss details of the reprioritisation of budgets and savings and cost reduction measures to be effected over the MTEF period.

These typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance. It should, however, contain key performance indicators that form part of the service delivery agreements.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the vote programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2010 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes any changes made to the appropriation voted in the main 2010 Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments were included in the Adjustments Appropriation Bill, which Parliament approved before expenditure could take place, and the details were published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2010/11 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2010/11 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **medium-term expenditure estimates** are shown for 2011/12, 2012/13 and 2013/14. The spending figures for 2011/12 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main Appropriation Bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2012/13 and 2013/14 are indicative allocations, and will form the basis for planning the 2012 Budget.

Direct charges against the National Revenue Fund are amounts spent in terms of statutes and do not require parliamentary approval and thus are not contained in the Appropriation Bill. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2007/08 to 2013/14 are described. Trends are generally represented over the MTEF period between 2010/11 and 2013/14, or over the entire period between 2007/08 and 2013/14.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates after consideration of savings, cost reduction and reprioritisation opportunities.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Personnel information

A brief summary of the personnel posts per programme by salary level is given.

Infrastructure spending

Expenditure on existing, new and mega infrastructure is discussed.

Departmental receipts

Departmental anticipated (non-tax) receipts for the MTEF period are described in relation to receipts for 2010/11.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes and activities of the subprogrammes that form that programme. Key functions, activities and transfers are highlighted by subprogramme. The work carried out by the subprogramme is explained in relation to the personnel responsible, the spending allocation of the funding, and outputs achieved.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services. The Ministry subprogramme includes spending on the ministerial and deputy ministerial offices.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve the provision of specified services and products to eligible citizens and residents (strategic intent/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2010/11 to 5 days in 2013/14 (progress measure).

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2010 Budget estimate							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates as well as the outcomes and related outputs as stated in service delivery agreements
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key achievements during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and, if applicable, an analysis of some of the more important items on the entity's balance sheet that relate to the key activities being carried out
- reprioritisation, savings and cost effectiveness measures implemented
- personnel expenditure by salary level
- a list of other entities for which more detail appears on www.treasury.gov.za appears at the end of each chapter together with a short description of what the entity does and its total budget.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure and the revised estimate for 2010/11 as well as the audited outcome for 2009/10.

Details of approved establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the **number of personnel posts filled/planned for on funded establishment** in the department at different salary levels **per programme** as at 30 September 2010.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided for within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training as a proportion of compensation of employees, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

A signed project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Unitary charge or fee refers to the total payment made to the private party for the provision of the various services.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Project monitoring cost is associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Departmental infrastructure refers to direct spending by a department on infrastructure assets which the department will own.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government institutions for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all expenditure and revenue tables a dash (-) indicates that information is unavailable or zero.

Labour

**National Treasury
Republic of South Africa**



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Vote 18

Labour

Budget summary

R thousand	2011/12				2012/13	2013/14
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	697 228	665 416	168	31 644	725 003	766 403
Inspection and Enforcement Services	386 726	386 676	50	–	427 410	453 177
Public Employment Services	296 146	194 255	101 891	–	313 519	330 625
Labour Policy and Industrial Relations	601 358	103 560	497 293	505	632 546	671 490
Total expenditure estimates	1 981 458	1 349 907	599 402	32 149	2 098 478	2 221 695
Executive authority	Minister of Labour					
Accounting officer	Director General of Labour					
Website address	www.labour.gov.za					

Aim

Regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at: improved economic efficiency and productivity; employment creation; sound labour relations; eliminating inequality and discrimination in the workplace; alleviating poverty in employment; enhancing occupational health and safety awareness and compliance in the workplace; and nurturing the culture of acceptance that worker rights are human rights.

Programme purposes

Programme 1: Administration

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

Programme 2: Inspection and Enforcement Services

Purpose: Ensure the implementation of and compliance with Department of Labour policies and programmes through monitoring, evaluation and inspections.

Programme 3: Public Employment Services

Purpose: Assist companies and workers to adjust to changing labour market conditions. Regulate private employment agencies.

Programme 4: Labour Policy and Industrial Relations

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

Strategic overview: 2007/08 – 2013/14

Creating employment and fighting against poverty, inequality and discrimination continue to be the most pressing development challenges for the South African government in general and the Department of Labour in particular. The department is therefore arranging its priorities to effectively address these challenges.

Outcomes and related outputs

In relation to government's 12 outcomes, the department is focusing on decent employment through inclusive economic growth (outcome 4). Policies and programmes will be put in place to promote job creation, reduce poverty by increasing employment, and eliminate inequality and discrimination in the workplace. The department contributes to the following outputs: making growth more labour absorbing, reducing youth unemployment, raising the country's international competitiveness, reviewing support for small business, and supporting the expanded public works programme.

Strategic priorities

Amending legislation

To contribute to the creation of decent employment, the department will, after consultation with stakeholders, present amended bills to Parliament in 2011/12 for the following legislation: the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), the Labour Relations Act (1995), the Unemployment Insurance Act (2001), and the new Employment Services Bill.

Labour market policies and programmes

In the interest of realising decent work, the department is continuing to regulate non-employment and employment conditions through inspection and enforcement, to ensure that employer organisations comply with all labour market policies. In this way the department will be contributing to an environment that encourages investment and is conducive to economic growth and the reduction of poverty. Effective compliance monitoring and enforcement mechanisms will be developed and implemented to ensure compliance with all legislation and to give effect to the Decent Work agenda.

The new Employment Services Bill and accompanying regulations will be promulgated in 2011/12. The bill is aimed at facilitating the entry and re-entry of job seekers into the labour market by assisting companies and workers to adjust to changing labour market conditions and by regulating private employment agencies and labour migration. Systems and programmes will be put in place to ensure that all job seekers registering on the national database of job seekers are assessed and profiled within 60 days of registration, and that the database is maintained. Life skills support programmes will be provided to Unemployment Insurance Fund beneficiaries that have been identified to participate in small business and cooperatives. The department will also develop and implement youth training and employment creation innovation programmes for at least 100 000 youth in 2011/12.

The department will undertake a review of small business determination to improve support to small business and cooperatives.

It will also approve and implement the policy framework for rehabilitating and reintegrating injured workers into the labour market

Decent Work country programme

In September 2010, the social partners at the National Economic Development and Labour Council, and the International Labour Organisation finalised and signed the Decent Work country programme for South Africa. The main goal of the programme is to promote opportunities for people to obtain decent and productive work in conditions of freedom, equity, security and human dignity. The four pillars of the Decent Work agenda are: the fundamental principles of rights at work and international labour standards; employment and income opportunities; social dialogue and tripartism (collaboration between government, trade unions and employers); and social protection and social security. To ensure compliance with the Decent Work country programme, the labour inspection system will need to be strengthened in line with international standards. The department will work with the International Labour Organisation to ensure that the organisation's interventions are responsive to South Africa's needs.

Labour market information systems

The department will enhance all its labour market information systems to produce relevant, accurate, and updated information. This information will assist policy makers and any other stakeholders interested in changes in labour market trends to review policies and propose new interventions in the labour market. Completing and implementing the department's executive dashboard system remains a key strategic priority for improving service delivery in the department, along with the integrated client database, where information on employees and organisations is kept and managed.

Savings and cost effectiveness measures

The department has identified efficiency savings of R28.5 million and implemented cost containment initiatives in goods and services expenditure across all programmes over the MTEF period. This includes travel and subsistence, inventory, computer services, and consultants and contractors. Of the R28.5 million, R17.5 million is reprioritised to the National Economic Development and Labour Council and R10.9 million to the Commission for Conciliation, Mediation and Arbitration to address strategic funding pressures. Further savings of R17 million over the MTEF period as required by Cabinet were made on external audit costs and venues and facilities.

Selected performance indicators

Table 18.1 Labour

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of reported occupational health and safety incidents investigated per year	Inspection and Enforcement Services	4 106	2 956	1 888	2 000	2 000	2 000	2 000
Number of registered job seekers on the Employment Services for South Africa system per year	Public Employment Services	169 059	421 686	636 140	450 000	600 000	700 000	800 000
Number of registered job seekers placed in employment opportunities per year	Public Employment Services	5 578	17 115	260 817	300 000	450 000	560 000	680 000
Number of employers on Employment Services for South Africa system that registers vacancies on the database per year	Public Employment Services	-1	-1	-1	1 500	2 000	3 000	4 000
Number of private placement agencies registered and licensed per year	Public Employment Services	-1	-1	-1	1 000	1 500	2 000	2 500
Number of youth placed in training and income generating opportunities per year	Public Employment Services	-1	89 420	71 366	50 000	100 000	150 000	200 000
Number of JSE Securities Exchange listed companies assessed for employment equity per year	Labour Policy and Industrial Relations	7	11	67	60 ²	30	40	40

1. New indicators. Reporting will begin in 2011/12.

2. Includes employers that had been previously assessed but were followed up to ensure implementation of the director general's recommendations. 2011/12 data is new employers.

Expenditure estimates

Table 18.2 Labour

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Administration	572 489	567 928	669 153	656 320	648 370	697 228	725 003	766 403
Inspection and Enforcement Services	259 591	259 166	290 044	366 642	337 363	386 726	427 410	453 177
Public Employment Services	210 013	297 579	264 831	277 902	275 780	296 146	313 519	330 625
Labour Policy and Industrial Relations	389 424	382 543	474 662	534 959	531 704	601 358	632 546	671 490
Total	1 431 517	1 507 216	1 698 690	1 835 823	1 793 217	1 981 458	2 098 478	2 221 695
Change to 2010 Budget estimate				51 934	9 328	114 908	155 985	172 366

Table 18.2 Labour (continued)

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand								
Economic classification								
Current payments	1 037 177	1 036 680	1 164 974	1 285 402	1 236 417	1 349 907	1 437 493	1 520 149
Compensation of employees	497 893	491 335	576 457	744 808	701 901	786 294	865 826	915 237
Goods and services	539 284	545 345	588 517	540 594	534 516	563 613	571 667	604 912
<i>of which:</i>								
<i>Administrative fees</i>	766	997	416	567	461	390	401	413
<i>Advertising</i>	25 683	35 468	25 502	16 633	16 543	18 409	18 543	20 380
<i>Assets less than the capitalisation threshold</i>	5 684	4 922	26 757	5 663	5 403	6 160	3 527	3 667
<i>Audit cost: External</i>	18 245	29 918	–	22 542	22 547	23 257	23 559	25 150
<i>Bursaries: Employees</i>	2 372	2 438	2 639	1 739	1 698	3 106	3 271	3 442
<i>Catering: Departmental activities</i>	4 560	3 829	4 885	4 506	4 411	5 877	5 645	6 003
<i>Communication</i>	48 555	44 193	46 039	38 849	38 705	43 305	37 434	39 408
<i>Computer services</i>	88 122	112 048	29 247	31 634	31 425	31 484	29 378	30 857
<i>Consultants and professional services: Business and advisory services</i>	2 336	1 765	4 646	15 632	14 217	14 849	16 433	17 725
<i>Consultants and professional services: Infrastructure and planning</i>	2 434	1 330	1 550	104	104	–	–	–
<i>Consultants and professional services: Legal costs</i>	1 243	2 308	4 275	1 501	1 546	1 445	1 296	1 367
<i>Contractors</i>	40 374	15 123	4 079	13 430	13 349	13 220	13 091	13 800
<i>Agency and support / outsourced services</i>	24 993	19 297	8 524	5 925	5 788	6 380	6 821	7 200
<i>Entertainment</i>	340	271	313	580	548	722	759	749
<i>Inventory: Food and food supplies</i>	2	–	5	–	–	–	–	–
<i>Inventory: Fuel, oil and gas</i>	68	995	389	861	547	1 375	1 418	1 391
<i>Inventory: Learner and teacher support material</i>	–	61	101	208	196	–	–	–
<i>Inventory: Materials and supplies</i>	24	257	834	357	352	237	229	237
<i>Inventory: Medical supplies</i>	2	13	9	12	14	3	1	1
<i>Inventory: Other consumables</i>	149	2 062	2 412	6 916	7 076	5 386	2 715	3 420
<i>Inventory: Stationery and printing</i>	24 990	25 447	29 687	27 293	25 384	27 963	25 206	27 024
<i>Lease payments</i>	77 764	87 420	198 180	162 303	162 098	204 364	221 782	233 388
<i>Property payments</i>	33 854	20 776	63 769	65 107	64 970	42 147	46 858	50 829
<i>Transport provided: Departmental activity</i>	424	40	38	180	180	171	174	181
<i>Travel and subsistence</i>	105 364	107 181	102 004	87 929	89 831	80 907	79 078	82 987
<i>Training and development</i>	10 530	8 851	10 335	9 991	9 015	11 814	11 984	12 689
<i>Operating expenditure</i>	5 015	2 469	8 305	4 136	3 930	6 593	8 263	7 554
<i>Venues and facilities</i>	15 391	15 866	13 577	15 996	14 178	14 049	13 801	15 050
Transfers and subsidies	382 210	457 248	516 275	537 299	539 780	599 402	630 893	669 901
Provinces and municipalities	–	–	1	39	39	–	–	–
Departmental agencies and accounts	316 529	323 173	411 485	457 990	457 990	515 684	543 001	577 174
Foreign governments and international organisations	7 416	10 377	8 618	9 633	10 720	10 211	10 722	11 312
Non-profit institutions	56 280	119 179	92 112	69 280	69 280	73 258	76 906	81 136
Households	1 985	4 519	4 059	357	1 751	249	264	279
Payments for capital assets	9 816	9 036	16 924	13 122	17 020	32 149	30 092	31 645
Buildings and other fixed structures	6 260	2 724	225	3 771	3 771	3 996	15	16
Machinery and equipment	3 556	6 312	16 694	9 351	13 210	28 153	30 077	31 629
Heritage assets	–	–	–	–	39	–	–	–
Software and other intangible assets	–	–	5	–	–	–	–	–
Payments for financial assets	2 314	4 252	517	–	–	–	–	–
Total	1 431 517	1 507 216	1 698 690	1 835 823	1 793 217	1 981 458	2 098 478	2 221 695

Expenditure trends

Spending over the medium term will focus on protecting vulnerable workers, reintegrating work seekers into the labour market and ensuring decent work. The *Labour Policy and Industrial Relations* programme will focus its spending on addressing financial constraints at the Commission for Conciliation, Mediation and Arbitration and the National Economic Development and Labour Council, in addition to promulgating the labour amendment bills. The *Inspection and Enforcement Services* programme will focus spending on professionalising the labour inspectorate, while the *Public Employment Services* programme will focus on providing an efficient work seeker registration and job matching process.

Expenditure grew from R1.4 billion in 2007/08 to R1.8 billion in 2010/11, at an average annual rate of 8.6 per cent. The increase was mainly due to increased spending in compensation of employees, which grew by R246.9 million over the period as a result of the 10.5 per cent public servants salary increase received in 2009/10, as well as additional allocations for upgrading labour inspectors' salaries and for appointing career counsellors.

Expenditure is projected to grow to R2.2 billion over the MTEF period, at an average annual rate of 6.6 per cent, and will provide for increased spending on transfers and subsidies due to additional allocations to the National Economic Development and Labour Council and the Commission for Conciliation, Mediation and Arbitration.

A function shift in 2010/11 resulted in the skills development services function moving from the Department of Labour to the Department of Higher Education and Training.

The 2011 Budget provides additional allocations of R131.8 million in 2011/12, R170.3 million in 2012/13 and R187.3 million in 2013/14, mainly for:

- the Commission for Conciliation, Mediation and Arbitration (R94.7 million, R103.2 million and R113.1 million) for a case management system and for increases in operational costs
- the National Economic Development and Labour Council (R6.5 million, R5.3 million and R5.7 million) for increases in operational costs
- the employment of additional specialist inspectors in the *Inspection and Enforcement Services* programme (R28.0 million in 2012/13 and R32.0 million in 2013/14)
- improved conditions of service (R25.6 million, R26.7 million and R27.6 million)
- increased municipal and accommodation charges costs (R4.9 million, R7.1 million and R8.9 million).

The ratio of administrative cost to line function cost in the department is 1:3.

Infrastructure spending

All the Department of Labour's infrastructure spending was on small projects relating to labour centres, including new centres in Taung, Rustenburg and Mount Ayliff. These projects will provide safe working conditions for staff and improve access to services for the public. The total cost of is envisaged to be R44.5 million. R9.2 million has been spent, and a further R4 million will be spent over the MTEF period. The slow spending on infrastructure is due to the fact that only one new labour centre in Rustenburg is in the construction phase. This site was handed over in October 2010 and no payments had been received as at the end of December 2010. 43 construction projects are in the site identification phase, 2 are in the planning phase, and 1 contract will be awarded in early 2011.

Over the medium term, spending on infrastructure projects will focus on the completion of the Rustenburg and Taung labour centres and consultant fees to get the 43 requested sites cleared and the planning phase completed. After that, the other projects will be advertised for construction and funds will be requested. This will prevent bottlenecks and will also enable the Department of Labour to activate other projects if a planned project cannot continue due to unforeseen delays.

The only building on the repairs and maintenance programme is Laboria House, which is in the second year of maintenance. The aim is to upgrade the building to comply with occupational health and safety regulations. The total cost is projected at R21.1 million. R6.2 million has been spent, with a further R14.7 million projected to be spent from 2010/11 and over the MTEF period. The project is expected to conclude in 2013/14.

R113.5 million has already been spent on repair and maintenance projects at the sheltered employment factories and various labour centres to upgrade them to be compliant with occupational health and safety regulations. Repair and maintenance programmes for three sheltered employment factories are in planning.

Personnel information

The department has an establishment of 3 490 posts, of which 3 467 are funded and 24 are additional to the establishment. Filled posts decreased from 3 459 in 2007/08 to 3 092 in 2010/11, and are expected to grow to 3 655 in 2013/14. The decrease between 2007/08 and 2010/11 is attributed to the transfer of 372 posts from the Department of Labour to the Department of Higher Education and Training in 2010/11. The increase over the MTEF period is part of the departmental strategy to professionalise the labour inspectorate in order to improve the quality of delivery and effectively meet clients' requirements.

There are 375 vacancies in the department, of which most are in the *Administration* and *Inspection and Enforcement Services* programmes on salary levels 5, 6 and 9. The 83 vacant posts on salary level 5 are mainly due to vacant posts for client service officers, who are frontline staff at labour centres. A number of these posts are in the process of being filled through internal promotions. The 69 vacant posts at salary level 6 are mainly due to labour inspector posts that have been upgraded from salary level 5, which also accounts for the decrease in the number of salary level 5 posts in 2009/10. The 65 vacant posts at salary level 9 are due to expired two-year contracts for research interns from Wits University.

The ratio of support staff to line staff in the department is 1:36, and that of consultants to department personnel is 1:249 employees.

Departmental receipts

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

Transactions in financial assets and liabilities grew significantly in 2008/09, due to the recovery of R15.3 million for compensation of employees from the Compensation Fund. Receipts from fines and forfeitures resulting from prosecutions in terms of labour legislation are channelled through the Department of Justice and Constitutional Development. Over the medium term, departmental receipts are expected to increase from R16.1 million in 2010/11 to R25.5 million in 2013/14, at an average annual rate of 16.6 per cent, due to an increase in the number of garnishee orders, issuing and renewal of occupational health and safety licenses, and increased interest from staff debt and the recovery of staff debt.

Table 18.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2007/08	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Departmental receipts	8 448	28 863	12 916	16 113	16 113	22 419	24 320	25 536
Sales of goods and services produced by department	3 968	4 608	5 247	9 150	9 150	9 699	10 220	10 731
Sales of scrap, waste, arms and other used current goods	87	46	43	100	100	106	200	210
Fines, penalties and forfeits	395	436	537	558	558	954	1 100	1 155
Interest, dividends and rent on land	1 283	3 905	821	2 701	2 701	4 240	5 000	5 250
Transactions in financial assets and liabilities	2 715	19 868	5 937	3 604	3 604	7 420	7 800	8 190
Total	8 448	28 863	12 916	16 113	16 113	22 419	24 320	25 536

Programme 1: Administration

Expenditure estimates

Table 18.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand							
Ministry ¹	13 995	13 972	14 234	11 887	12 737	14 349	15 147
Management	359 468	334 596	387 239	391 873	391 216	400 698	423 111
Corporate Services	44 289	47 248	50 339	44 506	49 328	52 039	54 946
Office of the Chief Financial Officer	70 320	77 713	78 293	70 263	69 378	73 852	77 602
Office Accommodation	84 417	94 399	139 048	137 791	174 569	184 065	195 597
Total	572 489	567 928	669 153	656 320	697 228	725 003	766 403
Change to 2010 Budget estimate				6 323	6 593	8 994	11 014

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown. Before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies

Economic classification

	560 162	553 068	649 551	647 086	665 416	694 848	734 590
Current payments							
Compensation of employees	168 931	151 467	208 052	260 942	258 803	272 599	287 409
Goods and services	391 231	401 601	441 499	386 144	406 613	422 249	447 181
<i>of which:</i>							
Administrative fees	766	909	387	319	190	201	212
Advertising	13 135	19 943	19 208	10 620	10 172	10 264	10 828
Assets less than the capitalisation threshold	3 998	3 982	25 296	3 709	3 073	1 382	1 491
Audit cost: External	18 245	29 918	–	22 542	23 257	23 559	25 150
Bursaries: Employees	1 378	1 823	2 095	838	1 787	1 912	1 965
Catering: Departmental activities	1 870	1 860	2 418	2 141	2 421	2 051	2 145
Communication	25 713	23 899	23 684	19 120	20 861	18 452	19 410
Computer services	87 239	111 620	28 808	29 828	30 257	28 192	29 742
Consultants and professional services: Business and advisory services	545	1 365	2 728	1 753	3 262	3 668	4 133
Consultants and professional services: Infrastructure and planning	521	13	–	104	–	–	–
Consultants and professional services: Legal costs	1 236	2 291	3 206	1 024	1 225	1 064	1 122
Contractors	39 877	14 328	2 669	13 039	12 015	11 906	12 560
Agency and support / outsourced services	11 981	10 926	5 432	2 652	4 816	5 196	5 483
Entertainment	284	233	250	345	474	496	478
Inventory: Food and food supplies	2	–	1	–	–	–	–
Inventory: Fuel, oil and gas	68	652	173	96	173	183	193
Inventory: Learner and teacher support material	–	9	2	15	–	–	–
Inventory: Materials and supplies	19	163	695	257	120	105	106
Inventory: Medical supplies	–	9	8	7	2	–	–
Inventory: Other consumables	86	1 336	1 466	1 398	1 786	1 406	1 486
Inventory: Stationery and printing	14 673	16 028	14 174	14 698	13 806	13 395	14 145
Lease payments	75 685	86 034	197 369	160 895	201 163	217 976	229 902
Property payments	27 026	19 166	55 667	58 658	35 473	39 937	43 556
Transport provided: Departmental activity	214	–	38	–	–	–	–
Travel and subsistence	50 855	42 505	40 853	30 356	28 911	29 933	31 574
Training and development	5 545	4 691	5 052	4 315	4 143	4 029	4 300
Operating expenditure	3 775	1 431	4 717	1 592	2 058	2 066	2 174
Venues and facilities	6 495	6 467	5 103	5 823	5 168	4 876	5 026

Table 18.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Transfers and subsidies	1 049	2 200	2 472	202	168	178	188
Provinces and municipalities	–	–	1	39	–	–	–
Households	1 049	2 200	2 471	163	168	178	188
Payments for capital assets	8 964	8 408	16 613	9 032	31 644	29 977	31 625
Buildings and other fixed structures	6 260	2 724	225	3 771	3 996	15	16
Machinery and equipment	2 704	5 684	16 383	5 261	27 648	29 962	31 609
Software and other intangible assets	–	–	5	–	–	–	–
Payments for financial assets	2 314	4 252	517	–	–	–	–
Total	572 489	567 928	669 153	656 320	697 228	725 003	766 403
Details of transfers and subsidies							
Households							
Households social benefits							
Current	1 049	994	2 471	163	168	178	188
Households	1 049	994	2 471	163	168	178	188
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	–	–	1	39	–	–	–
Vehicle licences	–	–	1	39	–	–	–
Households							
Households other transfers							
Current	–	1 206	–	–	–	–	–
Gifts and donations	–	1 206	–	–	–	–	–

Expenditure trends

Expenditure increased at an average annual rate of 4.7 per cent, from R572.5 million in 2007/08 to R656.3 million in 2010/11. Between 2007/08 and 2010/11, spending on transfers and subsidies decreased at an average annual rate of 42.3 per cent, mainly due to decreased spending on retirement packages. Spending on payments for capital assets is projected to increase at an average annual rate of 51.9 per cent over the MTEF period, which can be attributed to the planned purchase of mobile labour centres to increase access to services in remote areas.

Spending is projected to increase by 5.3 per cent over the MTEF period to reach R766.4 million in 2013/14. This is mostly due to increased spending in the *Office Accommodation* subprogramme, which grows from R138.0 million in 2010/11 to R196.0 million in 2013/14 as a result of additional allocations for increased municipal charges. In 2010/11, R13 million was spent on contractors for the repairs and maintenance programme at labour centres.

Programme 2: Inspection and Enforcement Services

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director general of inspection and enforcement services, and provides corporate support to line function subprogrammes in the programme. There are 40 staff posts in this subprogramme, including 24 pupil inspector posts. 79.4 per cent of the budget is used for salaries and other personnel related costs.
- *Occupational Health and Safety* promotes health and safety in the workplace by regulating dangerous activities and the use of plant and machinery through inspections to ensure compliance with the Occupational Health and Safety Act (1993). There are 17 staff posts in this subprogramme, and 56 per cent of its budget is used for salaries and other personnel related costs. The number of occupational health and

safety incidents was reduced by 1 538 incidents, through advocacy activities, from 5 326 in 2008/09 to 3 788 in 2009/10.

- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety matters as reported by members of the public, and communicates these to the relevant structures in the *Compliance, Monitoring and Enforcement* subprogramme for investigation. There are 1 464 staff posts in this subprogramme, and 29 per cent of its budget is used for salaries and other personnel related costs. In 2009/10, this section registered 184 589 labour complaints at a cost of R66.3 million.
- *Compliance, Monitoring and Enforcement* ensures that employers and employees comply with labour legislation through regular inspections and following up on reported incidents. There are 1 556 inspection services posts and 143 provincial management posts. Inspection services gets 60 per cent of the programme's budget, and provincial management gets 7 per cent, for salaries and other personnel related costs. Over 150 831 of the 184 589 labour complaints received were investigated in 2009/10, at a cost of approximately R188.3 million.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training within this programme in order to easily identify it for reporting purposes.

Objectives and measures

- Protect vulnerable workers by:
 - inspecting 130 000 workplaces to achieve 80 per cent compliance with labour legislation by employers and employees inspected (proactive and reactive), within 90 days of receiving the complaint, with a specific focus on vulnerable sectors (private security, agriculture, forestry, hospitality, and domestic workers) to ensure that Decent Work principles are adhered to
 - settling at least 70 per cent of labour related complaints within 14 days of registering the complaint.
- Promote equity in the workplace by inspecting 140 designated employers or companies and 60 JSE Securities Exchange listed companies to achieve 80 per cent compliance with employment equity legislation by 2011/12 to ensure the transformation of the labour market.
- Promote social protection by:
 - reducing accidents and injuries in the 4 high risk sectors (iron and steel, construction, chemicals, and agriculture and forestry) by conducting 20 audits per sector and 4 blitz inspections per year
 - increasing the promotion of knowledge and awareness of occupational health and safety to employers and workers in the agriculture sector by rolling out the roving safety representative project to North West and Free State provinces during 2011/12
 - reducing the overexposure of workers to silica dust by conducting inspections in 200 Gauteng workplaces in the following industries: foundries (40), ceramics (20), sandstone (20), construction (30), refractories (80) and sandblasting (10) in 2011/12.
- Strengthen the department's institutional capacity by developing and implementing competency and induction programmes for existing and new inspectors by 2011/12.

Expenditure estimates

Table 18.5 Inspection and Enforcement Services

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management Support Services:	5 966	9 461	10 617	16 275	13 313	14 086	14 917
Inspection and Enforcement Services							
Occupational Health and Safety	9 664	12 621	12 439	14 278	13 519	14 751	15 498
Registration: Inspection and Enforcement Services	62 992	61 118	66 348	70 398	88 002	90 827	95 855

Table 18.5 Inspection and Enforcement Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compliance, Monitoring and Enforcement	177 932	173 340	199 193	261 869	267 349	302 934	321 830
Training of Staff: Inspection and Enforcement Services	3 037	2 626	1 447	3 822	4 543	4 812	5 077
Total	259 591	259 166	290 044	366 642	386 726	427 410	453 177
Change to 2010 Budget estimate				10 039	6 420	35 474	39 685
Economic classification							
Current payments	258 450	257 934	289 610	366 472	386 676	427 357	453 121
Compensation of employees	190 291	183 561	210 659	285 040	311 070	350 735	372 288
Goods and services	68 159	74 373	78 951	81 432	75 606	76 622	80 833
<i>of which:</i>							
Administrative fees	-	-	17	46	190	190	190
Advertising	1 060	4 426	1 465	1 616	917	663	707
Assets less than the capitalisation threshold	860	367	619	656	960	986	1 045
Bursaries: Employees	812	511	399	547	1 094	1 126	1 236
Catering: Departmental activities	1 174	855	1 274	1 110	1 129	1 156	1 221
Communication	14 943	12 072	14 202	13 156	15 083	15 024	15 851
Computer services	-	32	19	-	-	-	-
Consultants and professional services: Business and advisory services	1 508	135	1 716	1 041	565	713	777
Consultants and professional services: Infrastructure and planning	1 482	1 317	1 550	-	-	-	-
Consultants and professional services: Legal costs	7	17	13	4	-	-	-
Contractors	237	335	1 174	85	-	-	-
Agency and support / outsourced services	358	3 520	1 129	1 342	1 229	1 299	1 382
Entertainment	19	15	24	92	90	90	90
Inventory: Food and food supplies	-	-	4	-	-	-	-
Inventory: Fuel, oil and gas	-	168	154	639	850	796	811
Inventory: Learner and teacher support material	-	28	12	13	-	-	-
Inventory: Materials and supplies	-	54	110	90	82	83	87
Inventory: Medical supplies	-	1	1	-	-	-	-
Inventory: Other consumables	26	554	798	5 186	647	877	925
Inventory: Stationery and printing	3 715	4 668	4 085	6 544	5 539	6 100	6 473
Lease payments	870	276	168	475	2 077	2 300	2 459
Property payments	2 585	748	3 793	3 519	3 724	3 824	4 034
Transport provided: Departmental activity	153	3	-	-	-	-	-
Travel and subsistence	29 809	37 150	38 342	36 761	31 329	30 740	32 126
Training and development	3 037	2 626	1 447	3 409	4 543	4 812	5 077
Operating expenditure	532	417	1 200	1 220	975	1 008	1 234
Venues and facilities	4 972	4 078	5 236	3 881	4 583	4 835	5 108
Transfers and subsidies	710	1 106	418	163	50	53	56
Provinces and municipalities	-	-	-	-	-	-	-
Households	710	1 106	418	163	50	53	56
Payments for capital assets	431	126	16	7	-	-	-
Machinery and equipment	431	126	16	7	-	-	-
Total	259 591	259 166	290 044	366 642	386 726	427 410	453 177

Table 18.5 Inspection and Enforcement Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Households							
Households other transfers							
Current	710	1 106	418	163	50	53	56
Households	710	1 106	418	163	50	53	56

Expenditure trends

The spending focus over the MTEF period will be on professionalising the inspectorate. The labour inspectorate system will be strengthened to monitor and enforce compliance with legislation through the employment of appropriately qualified and experienced inspectors to ensure that decent work principles are adhered to and that vulnerable workers are protected.

Expenditure increased from R259.6 million in 2007/08 to R366.6 million in 2010/11, at an average annual rate of 12.2 per cent. The increase is due to increased spending in compensation of employees to retain inspectors by improving their remuneration. This also accounts for the 31.5 per cent increase in expenditure in the *Compliance, Monitoring and Enforcement* subprogramme in 2010/11.

The average annual decrease of 38.8 per cent in spending on transfers and subsidies between 2007/08 and 2010/11 can be attributed to lower expenditure on retirement packages due to fewer staff retiring, and also accounts for the average annual decrease of 30 per cent over the MTEF period. The average annual decrease of 74.7 per cent in payments for capital assets from 2007/08 to 2010/11 is due to lower expenditure on purchasing office furniture. The department does not envisage replacing any furniture over the MTEF period, which accounts for the 100 per cent decrease in projected expenditure on this item.

Over the medium term, expenditure is expected to increase from R366.6 million in 2010/11 to R453.2 million in 2013/14, at an average annual rate of 7.3 per cent, mainly due to additional allocations of R28 million in 2012/13 and R32 million in 2013/14 for the creation of new specialist inspector posts in the Occupational Health and Safety subprogramme.

The ratio of administrative cost to line function cost in this programme is 1:26.6.

Programme 3: Public Employment Services

- *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. There are 66 staff posts in this subprogramme, and 61 per cent of its budget is used for salaries and other personnel related costs.
- *Employer Services* facilitates the registration of employers, responds to companies in distress and regulates private employment agencies, among other activities. There are 455 staff posts in this subprogramme, and 78 per cent of its budget is used for salaries and other personnel related costs.
- *Registration and Placement Services: Public Employment Services* registers work seekers, retrenched workers, work vacancies, and training and income generating opportunities on the employment services system; and facilitates access to employment and income generating opportunities for the unemployed and under-employed. Employers register their vacancies on the department's employment services database, and work seekers register themselves. Placement officers interview work seekers and match them to vacancies or refer them to career guidance or training programmes. There are 117 staff posts in this subprogramme, and 93 per cent of its budget is used for salaries and other personnel related costs. In 2009/10, 636 140 job seekers were registered on the database at an estimated cost of R18.1 million.
- *Designated Groups Special Services* transfers funds to national councils which promote the employment of people with disabilities, the youth and women, in collaboration with sheltered employment factories and other relevant bodies. 100 per cent of the subprogramme's budget is used for the transfers.

- *Sheltered Employment Factories and Subsidies to Designated Workshops* transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities, and aims to improve the administration, production and financial control of sheltered employment factories and workshops by employing appropriately skilled staff and implementing and monitoring the relevant policies. There are 13 posts in this subprogramme, and 3 per cent of its budget is used for salaries and other personnel related costs.
- *Productivity South Africa* transfers funds to Productivity South Africa, which promotes improvements in workplace productivity and competitiveness. 100 per cent of this subprogramme's budget is used for the transfers.
- *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 occupational related illnesses, and provides for the funding of possible requests from the Compensation Fund.
- *Training of Staff: Public Employment Services* facilitates the training and development of staff within the programme, to comply with the 1 per cent payroll Skills Development Levies Act (1999). 100 per cent of the budget is used for this.

Objectives and measures

- Reduce unemployment by registering and placing unemployed people in decent work through:
 - providing free recruitment and selection services for at least 70 per cent of reported government posts at levels 2 to 9 and selected positions in state owned enterprises and municipalities annually
 - filling at least 50 per cent of job opportunities on the employment services database within 60 days of their registration on the system
 - supporting a multi-pronged strategy to reduce youth unemployment through youth training and employment creation innovation programmes for at least 100 000 youth by March 2012
 - making and submitting 200 recommendations to the Department of Home Affairs on migrant corporate and general work permit applications by March 2012
 - providing career counselling and employability enhancement programmes for 50 per cent of referred work seekers by 2011/12.
- Contribute to the implementation of the framework for South Africa's response to the international economic crisis by:
 - approving, within 30 days, 80 per cent of recommended applications received from the Commission for Conciliation, Mediation and Arbitration and sector education and training authorities for the training layoff scheme and the social plan programme
 - disbursing funding for at least 50 per cent of approved applications within 30 days of approval.
- Facilitate the employment of 500 veterans and people with disabilities per year by ensuring that service products (sheltered employment factories) orders and sales are increased by 30 per cent per year.
- Facilitate the achievement of employment equity targets for disability by training 600 learners with disabilities per year for employment in the mainstream economy.

Expenditure estimates

Table 18.6 Public Employment Services

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management and Support Services:	7 102	6 864	16 074	15 942	19 785	21 780	21 856
Public Employment Services							
Employer Services	102 693	116 229	111 273	124 201	143 880	155 726	163 913

Table 18.6 Public Employment Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Registration and Placement Services:	18 136	20 512	18 114	39 229	26 998	25 416	28 176
Public Employment Services							
Designated Groups Special Services	511	500	488	681	722	758	800
Sheltered Employment Factories and Subsidies to Designated Workshops	48 052	105 571	80 330	56 382	59 766	62 741	66 191
Productivity South Africa	26 637	41 138	29 476	31 155	34 059	35 762	37 729
Unemployment Insurance Fund	–	–	–	1	1	1	1
Compensation Fund	5 898	6 366	6 013	8 949	9 605	10 085	10 640
Training of Staff: Public Employment Services	984	399	3 063	1 362	1 330	1 250	1 319
Total	210 013	297 579	264 831	277 902	296 146	313 519	330 625
Change to 2010 Budget estimate				(2 518)	3 739	4 717	4 839
Economic classification							
Current payments	130 562	146 182	150 603	178 820	194 255	206 534	217 755
Compensation of employees	94 621	111 688	109 771	140 863	152 312	175 785	185 315
Goods and services	35 941	34 494	40 832	37 957	41 943	30 749	32 440
<i>of which:</i>							
<i>Administrative fees</i>	–	–	–	195	–	–	–
<i>Advertising</i>	182	492	110	306	215	120	936
<i>Assets less than the capitalisation threshold</i>	589	509	508	1 133	1 967	990	953
<i>Bursaries: Employees</i>	182	100	145	290	225	233	241
<i>Catering: Departmental activities</i>	1 369	872	986	1 070	2 091	2 189	2 376
<i>Communication</i>	6 524	6 755	6 825	5 189	6 001	2 524	2 636
<i>Computer services</i>	320	265	278	380	423	338	220
<i>Consultants and professional services: Business and advisory services</i>	257	–	–	400	79	82	87
<i>Consultants and professional services: Infrastructure and planning</i>	431	–	–	–	–	–	–
<i>Contractors</i>	205	203	191	300	1 099	1 073	1 122
<i>Agency and support / outsourced services</i>	–	2 969	215	1 849	163	145	145
<i>Entertainment</i>	3	4	–	90	69	79	82
<i>Inventory: Fuel, oil and gas</i>	–	118	55	91	26	96	24
<i>Inventory: Learner and teacher support material</i>	–	–	1	–	–	–	–
<i>Inventory: Materials and supplies</i>	–	26	26	10	5	9	11
<i>Inventory: Medical supplies</i>	2	2	–	5	1	1	1
<i>Inventory: Other consumables</i>	31	136	85	274	2 876	351	923
<i>Inventory: Stationery and printing</i>	2 131	1 854	7 858	2 955	5 624	2 551	3 071
<i>Lease payments</i>	766	201	188	638	760	1 122	622
<i>Property payments</i>	3 869	634	2 414	2 471	2 146	2 249	2 344
<i>Transport provided: Departmental activity</i>	53	37	–	180	171	174	181
<i>Travel and subsistence</i>	15 295	16 044	14 364	12 883	11 353	8 577	8 918
<i>Training and development</i>	984	399	3 063	1 362	2 010	1 964	2 068
<i>Operating expenditure</i>	321	340	1 615	901	3 039	4 639	3 566
<i>Venues and facilities</i>	2 427	2 534	1 905	4 985	1 600	1 243	1 913
Transfers and subsidies	79 179	151 256	114 105	95 037	101 891	106 985	112 870
Departmental agencies and accounts	32 535	47 504	35 489	40 105	43 665	45 848	48 370
Foreign governments and international organisations	139	–	–	–	–	–	–
Non-profit institutions	46 361	103 276	78 317	54 901	58 195	61 104	64 465
Households	144	476	299	31	31	33	35
Payments for capital assets	272	141	123	4 045	–	–	–
Machinery and equipment	272	141	123	4 045	–	–	–
Total	210 013	297 579	264 831	277 902	296 146	313 519	330 625

Table 18.6 Public Employment Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	26 637	41 138	29 476	31 155	34 059	35 762	37 729
Productivity South Africa	26 637	41 138	29 476	31 155	34 059	35 762	37 729
Foreign governments and international organisations							
Current	139	-	-	-	-	-	-
Foreign Government and International Organisation	139	-	-	-	-	-	-
Households							
Households other transfers							
Current	144	476	299	31	31	33	35
Households	144	476	299	31	31	33	35
Departmental agencies and accounts							
Social security funds							
Current	5 898	6 366	6 013	8 950	9 606	10 086	10 641
Unemployment Insurance Fund	-	-	-	1	1	1	1
Compensation Fund	5 898	6 366	6 013	8 949	9 605	10 085	10 640
Non-profit institutions							
Current	46 361	103 276	78 317	54 901	58 195	61 104	64 465
Deaf Federation of South Africa	97	105	111	183	200	210	222
National Council for the Physically Disabled	182	159	199	223	235	245	260
South African National Council for the Blind	232	236	178	275	287	303	318
Subsidised Workshops for the Blind	7 042	7 365	7 733	8 196	8 688	9 122	9 578
Subsidised Work-Centres for the Disabled	38 808	95 411	70 096	46 024	48 785	51 224	54 087

Expenditure trends

The spending focus over the MTEF period will support government's multi-pronged strategy to reduce youth unemployment and increase job creation by: registering and placing work seekers in decent employment; increasing the registering of job opportunities to support job matching and placement services; and training and placing 450 000 youth in employment creation innovation programmes.

Expenditure increased at an average annual rate of 9.8 per cent, from R210 million in 2007/08 to R277.9 million in 2010/11, mainly due to additional allocations to employ career counsellors to implement the employment services programme in the provinces. Expenditure on the *Management and Support Services: Public Employment Services* subprogramme grew at an average annual rate of 30.9 per cent from 2007/08 to 2010/11, mainly due to an increase in spending on additional capacity for this new programme.

Between 2007/08 to 2010/11, spending on payments for capital assets grew at an average annual rate of 145.9 per cent due to the purchase of office furniture and equipment. The department does not envisage replacing these items over the MTEF period, resulting in the decreased spending at an average annual rate of 100 per cent over the MTEF period.

Over the medium term, expenditure is expected to grow to R330.6 million in 2013/14, at an average annual rate of 6 per cent. Compensation of employees comprises the bulk of this spending, which provides for the expansion of the employment services system to implement the new Employment Services Bill.

The ratio of administrative cost to line function cost in this programme is 1:8.3.

Programme 4: Labour Policy and Industrial Relations

- *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. The staff complement is 18, and 67.3 per cent of the budget is used for salaries and other personnel related costs.
- *Strengthen Civil Society* makes transfers to various civil society organisations which provide resources, support and expertise to improve the independence and self-reliance of workers and employers, with the aim of strengthening the capacity of workers and employers to contribute to a stable and smoothly functioning labour market. There are no staff in this subprogramme, and 100 per cent of the budget is transferred to civil society organisations.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) through developing policies and practices that promote sound labour relations. There are 32 staff posts for overseeing the legal compliance of various bargaining and statutory councils, registered trade unions, and registered employer organisations. This subprogramme uses 83.5 per cent of its budget for salaries and other personnel related costs, and 16.5 per cent to: register labour organisations and de-register those that are non-compliant; publish and extend collective agreements; support and advance participation in collective bargaining structures; participate in the governance structures of the Commission for Conciliation, Mediation and Arbitration; and participate in relevant National Economic Development and Labour Council activities. During the third quarter of 2010/11, 17 collective agreements were published at a cost of R400 000.
- *Employment Equity and Standards* promotes equity in the labour market through improving the enforcement of the Employment Equity Act (1998), and protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997). The number of staff is 35, and 26 per cent of the budget is used to amend legislation, conduct income differential assessments, publish employment equity compliance information, and market the employment equity online reporting facility. Employment equity implementation and enforcement mechanisms were strengthened during 2010/11 at a cost of R1 million.
- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration; which promotes fairness in the workplace through dispute prevention and dispute resolution services. There are no staff in this subprogramme, and 100 per cent of the budget is transferred to the Commission for Conciliation, Mediation and Arbitration.
- *Research, Policy and Planning* supports policy formulation in the department through conducting research; managing commissioned research projects; monitoring and evaluating working conditions and policies affecting the labour market in South Africa and elsewhere; and identifying relevant labour market interventions and policy options. There is 12 staff, and 33.5 per cent of the budget is used for compensation of employees and 59 per cent for commissioning research. The latest research, monitoring and evaluation agenda was implemented in the last quarter of 2009/10 and will finish by mid-2011/12, at a total cost of R11.2 million.
- *Labour Market Information and Statistics* collects, collates, analyses and disseminates internal and external labour market statistics to show the changes in the South African labour market that impact on labour legislation, and triggers further research. There are 14 staff at head office and 87 at the provincial offices, with 76.9 per cent of the budget used for salaries and other personnel related costs. The draft industrial action report was released for comment, and will have been submitted to the Minister of Labour in February 2011 for approval. The publication cost for the report is R50 000.
- *International Labour Matters* facilitates bilateral and multilateral cooperation between the department and its partners internationally to exchange information and best practices on labour market issues. There are 12 staff and 52.4 per cent of the budget is transferred to the International Labour Organisation and the African Regional Labour Administration Centre for South Africa's membership fees.
- *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. The subprogramme has 1 staff member, with 98 per cent of the budget transferred to the National Economic Development and Labour Council.

Objectives and measures

- Improve the status of vulnerable workers by:
 - reviewing 9 sectoral determinations on appropriate minimum wages and conditions of employment by March 2016
 - investigating the feasibility of establishing a medical aid scheme for the private security sector by March 2013 to bring it in line with other sectors
 - investigating the feasibility of establishing a provident fund for the domestic worker and agricultural sectors by March 2013 to bring them in line with other sectors.
- Contribute to efforts to stimulate employment creation in the small business sector by reviewing the small business ministerial determination by March 2012.
- Address income disparities along racial and gender lines by:
 - developing a report on the norms and benchmarks for proportionate income differentials by March 2012, to provide an objective analysis of income trends
 - strengthening employment equity by conducting 30 income differential assessments by March 2012.
- Manage the implementation of the Labour Relations Act (1995) by extending collective agreements and registering or de-registering labour organisations within 90 days of receiving a completed application.

Expenditure estimates

Table 18.7 Labour Policy and Industrial Relations

Subprogramme	Audited outcome			Adjusted appropriation 2010/11	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Management and Support Services:	7 306	8 078	8 503	9 200	10 599	10 946	11 550
Labour Policy and Industrial Relations							
Strengthen Civil Society	9 919	15 903	13 795	14 379	15 063	15 802	16 671
Collective Bargaining	9 005	9 321	9 525	10 660	11 152	11 683	12 213
Employment Equity and Standards	23 370	23 613	17 877	18 838	24 703	25 967	27 388
Commission for Conciliation, Mediation and Arbitration	270 646	261 710	356 442	402 017	448 104	473 265	503 499
Research, Policy and Planning	15 021	4 785	8 497	18 060	15 661	16 691	17 593
Labour Market Information and Statistics	23 799	22 399	22 375	28 384	31 759	33 066	34 869
International Labour Matters	17 010	22 407	17 655	17 053	19 873	20 684	21 817
National Economic Development and Labour Council	13 348	14 327	19 993	16 368	24 444	24 442	25 890
Total	389 424	382 543	474 662	534 959	601 358	632 546	671 490
Change to 2010 Budget estimate				38 090	98 156	106 800	116 828
Economic classification							
Current payments	88 003	79 496	75 210	93 024	103 560	108 754	114 683
Compensation of employees	44 050	44 619	47 975	57 963	64 109	66 707	70 225
Goods and services	43 953	34 877	27 235	35 061	39 451	42 047	44 458
<i>of which:</i>							
Administrative fees	–	88	12	7	10	10	11
Advertising	11 306	10 607	4 719	4 091	7 105	7 496	7 909
Assets less than the capitalisation threshold	237	64	334	165	160	169	178
Bursaries: Employees	–	4	–	64	–	–	–
Catering: Departmental activities	147	242	207	185	236	249	261
Communication	1 375	1 467	1 328	1 384	1 360	1 434	1 511
Computer services	563	131	142	1 426	804	848	895

Table 18.7 Labour Policy and Industrial Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Economic classification							
<i>Consultants and professional services:</i>	26	265	202	12 438	10 943	11 970	12 728
<i>Business and advisory services</i>							
<i>Consultants and professional services:</i>	–	–	1 056	473	220	232	245
<i>Legal costs</i>							
<i>Contractors</i>	55	257	45	6	106	112	118
<i>Agency and support / outsourced services</i>	12 654	1 882	1 748	82	172	181	190
<i>Entertainment</i>	34	19	39	53	89	94	99
<i>Inventory: Fuel, oil and gas</i>	–	57	7	35	326	343	363
<i>Inventory: Learner and teacher support material</i>	–	24	86	180	–	–	–
<i>Inventory: Materials and supplies</i>	5	14	3	–	30	32	33
<i>Inventory: Medical supplies</i>	–	1	–	–	–	–	–
<i>Inventory: Other consumables</i>	6	36	63	58	77	81	86
<i>Inventory: Stationery and printing</i>	4 471	2 897	3 570	3 096	2 994	3 160	3 335
<i>Lease payments</i>	443	909	455	295	364	384	405
<i>Property payments</i>	374	228	1 895	459	804	848	895
<i>Transport provided: Departmental activity</i>	4	–	–	–	–	–	–
<i>Travel and subsistence</i>	9 405	11 482	8 445	7 929	9 314	9 828	10 369
<i>Training and development</i>	964	1 135	773	905	1 118	1 179	1 244
<i>Operating expenditure</i>	387	281	773	423	521	550	580
<i>Venues and facilities</i>	1 497	2 787	1 333	1 307	2 698	2 847	3 003
Transfers and subsidies	301 272	302 686	399 280	441 897	497 293	523 677	556 787
Departmental agencies and accounts	283 994	275 669	375 996	417 885	472 019	497 153	528 804
Foreign governments and international organisations	7 277	10 377	8 618	9 633	10 211	10 722	11 312
Non-profit institutions	9 919	15 903	13 795	14 379	15 063	15 802	16 671
Households	82	737	871	–	–	–	–
Payments for capital assets	149	361	172	38	505	115	20
Machinery and equipment	149	361	172	38	505	115	20
Total	389 424	382 543	474 662	534 959	601 358	632 546	671 490
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	283 994	275 669	375 996	417 885	472 019	497 153	528 804
Commission for Conciliation, Mediation and Arbitration	270 646	261 710	356 442	402 017	448 104	473 265	503 499
National Economic Development and Labour Council	13 348	13 959	19 554	15 868	23 915	23 888	25 305
Households							
Households social benefits							
Current	82	737	871	–	–	–	–
Households	82	737	871	–	–	–	–
Foreign governments and international organisations							
Current	7 277	10 377	8 618	9 633	10 211	10 722	11 312
International Labour Organisation	6 836	9 778	8 152	9 035	9 577	10 056	10 609
African Regional Labour Administration Centre	441	599	466	598	634	666	703
Non-profit institutions							
Current	9 919	15 903	13 795	14 379	15 063	15 802	16 671
Strengthen Civil Society	9 919	15 903	13 795	14 379	15 063	15 802	16 671

Expenditure trends

The spending focus over the MTEF period will be on: protecting vulnerable workers through the review and extension of sectoral determinations; promoting sound labour relations and promoting equity in the labour market through employment equity assessments and reviews of directors general; and strengthening the capacity of labour market institutions to contribute to employment creation.

Expenditure increased from R389.4 million in 2007/08 to R535.0 million in 2010/11, at an average annual rate of 11.2 per cent. This was mainly due to additional funding of R61.6 million in 2010/11 to the Commission for Conciliation, Mediation and Arbitration to fund the increased demand for its services.

Expenditure is expected to increase at an average annual rate of 7.9 per cent over the MTEF period to reach R671.5 million in 2013/14. This is mainly due to additional funding of R311 million allocated to the Commission for Conciliation, Mediation and Arbitration over the MTEF period for its case management system and an increase in operational costs.

The ratio of administrative cost to line function cost in this programme is 1:7.8.

Public entities and other agencies

Unemployment Insurance Fund

Strategic overview: 2007/08 – 2013/14

The Unemployment Insurance Fund was established in terms of section 4(1) of the Unemployment Insurance Act (2001). The fund contributes to the alleviation of poverty in South Africa by providing short term unemployment insurance to all workers who qualify for unemployment related benefits, as legislated in the act, as amended. The fund is financed by a dedicated tax on the wage bill, as legislated in the Unemployment Insurance Contributions Act (2002). Over the medium term, the fund will focus on the implementation of the Department of Labour's new service delivery model of decentralisation and integrated service delivery. A service delivery improvement plan that embraces the principles of good governance and Batho Pele will help to ensure the plan's success.

Key priorities for the short to medium term include: reintegrating unemployed workers back into the labour market; assisting with job creation projects; restructuring the fund's benefits and coverage; combating fraud and corruption; improving the capacity and efficacy of the fund; improving service delivery, revenue inflows, and customer awareness and satisfaction; funding poverty alleviation schemes; improving governance; strengthening the fund's institutional capacity; and encouraging compliance through enhanced service delivery and improved stakeholder relations.

The fund is a key stakeholder in the country's social security reform process. The fund's management and actuaries have explored various scenarios on improving benefits that will contribute significantly to government's objective of a comprehensive social security scheme.

Savings and cost effectiveness measures

The fund saved 36 per cent in administrative expenditure, which comprises R241.2 million on operating expenditure and R164.8 million on employee costs. Savings in operating expenditure include: decreased spending on advertising; decreased spending on consultants and contractors as a result of the suspension of system developments; and initiatives to reduce air travel, car rental and accommodation.

Selected performance indicators

Table 18.8 Unemployment Insurance Fund

Indicator	Programme	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Percentage increase in revenue collection compared to previous year	Encourage compliance through enhanced service delivery	13.8% (R9.1bn)	12.7% (R10.3bn)	4.1% (R10.8bn)	Linked to consumer price index			
Number of weeks to process claims	Encourage compliance through enhanced service delivery	6	5	5	5	5	5	5
Percentage of benefit claims finalised within allocated period	Encourage compliance through enhanced service delivery	76.5% (403 836)	62% (476 705)	51.5% (412 572)	80%	80%	82.5%	85%
Number of unemployed people registered on the Unemployment Insurance Fund database reintegrated into employment	Fund unemployment alleviation schemes	- ¹	- ¹	774	800	1 200	2 000	2 000
Percentage of the Unemployment Insurance Fund's total investments used for mandated direct social responsibility investments	Fund unemployment alleviation schemes	- ²	- ²	- ²	60%	70%	80%	90%
Percentage increase in the value of overpayment recoveries	Encourage compliance through enhanced service delivery	74% (R16.4m)	35.6% (R22.2m)	33% (R37.2m)	15%	18%	20%	22%

1. New indicator.

2. This investment programme began in 2010/11.

Details of programmes/activities/objectives

Table 18.9 Unemployment Insurance Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Unemployment Benefits	2 030 877	2 834 157	4 536 397	4 583 914	5 243 998	5 999 134	6 863 009
Illness Benefits	187 381	211 639	231 834	414 090	473 718	541 934	619 973
Maternity Benefits	460 237	537 071	623 837	962 813	1 101 458	1 260 068	1 441 517
Adoption Benefits	670	503	656	1 628	1 862	2 131	2 437
Dependants Benefits	242 295	263 867	317 264	560 781	651 829	745 692	853 071
Other Objectives	1 565 950	817 539	2 178 919	1 797 555	2 139 314	2 238 758	2 289 257
Total expense	4 487 410	4 664 776	7 888 907	8 320 781	9 612 179	10 787 717	12 069 264

The fund's ultimate goal is to provide a social safety net to qualifying workers who become unemployed, through further job training, job creation, job retention and devising social plans.

In 2009/10, the fund paid R5.7 billion in claims to 779 604 beneficiaries, of which:

- R4.5 billion was paid to 628 595 claimants for unemployment benefits
- R231 million was paid to 24 720 claimants for illness benefits
- R624 million was paid to 104 529 claimants for maternity and adoption benefits
- R317 million was paid to 21 760 claimants for dependant benefits.

In 2009/10, the fund registered 47 106 new employers on its database, raising the total number of registered employers to 1 280 950; and it added 166 453 employees, raising the total to 7 757 241 registered employees. Through the improvement of the fund's business processes and a communication drive, a benefit approval rate of 97.31 per cent was obtained.

Expenditure estimates

Table 18.10 Unemployment Insurance Fund

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	2 271 524	3 528 559	4 099 527	3 001 441	3 353 659	3 663 274	3 911 167
Sale of goods and services other than capital assets <i>of which:</i>	1 848	2 024	2 282	2 883	4 151	4 404	3 647
<i>Sales by market establishments</i>	1 801	2 015	2 094	1 837	2 228	2 364	2 494
<i>Other sales</i>	47	9	188	1 046	1 923	2 040	1 153
<i>Other non-tax revenue</i>	2 269 676	3 526 535	4 097 245	2 998 558	3 349 508	3 658 870	3 907 520
Transfers received	9 082 846	10 223 924	10 643 021	11 404 552	12 202 871	13 057 072	13 971 067
Total revenue	11 354 370	13 752 483	14 742 548	14 405 993	15 556 530	16 720 346	17 882 234
Expenses							
Current expense	1 259 606	757 532	848 049	1 271 522	1 283 850	1 320 619	1 393 705
Compensation of employees	335 110	349 014	416 734	620 924	657 443	697 546	735 912
Goods and services	919 496	405 091	426 584	643 640	618 906	614 500	647 834
Depreciation	4 568	3 400	4 723	6 948	7 494	8 566	9 952
Interest, dividends and rent on land	432	27	8	10	7	7	7
Transfers and subsidies	3 227 804	3 907 244	7 040 858	7 049 259	8 328 329	9 467 098	10 675 559
Total expenses	4 487 410	4 664 776	7 888 907	8 320 781	9 612 179	10 787 717	12 069 264
Surplus / (Deficit)	6 866 960	9 087 707	6 853 641	6 085 212	5 944 351	5 932 629	5 812 970

Expenditure trends

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

The fund generates revenue from unemployment contributions and from non-tax revenue, which is mostly driven by interest on investments. Total revenue is expected to grow at an average annual rate of 6.3 per cent over the seven-year period, from R11.4 billion in 2007/08 to R17.9 billion in 2013/14. Most of this revenue is from unemployment insurance contributions.

Expenditure grew from R4.5 billion in 2007/08 to R8.3 billion in 2010/11, at an average annual rate of 22.9 per cent, and is expected to grow at an average annual rate of 13.2 per cent over the medium term to reach R12.1 billion in 2013/14. This is as a result of an increase in expenditure in compensation of employees, due to the appointment of additional regional staff and payroll auditors, general salary adjustments, the decentralisation of staff for functions in the provinces, the organisational restructuring of the fund and an increase in transfers and subsidies paid to the fund's beneficiaries.

The 55.9 per cent decrease in spending on goods and services in 2008/09 was mainly due to adjustments to fair value of assets of R520.1 million. Transfers and subsidies, or unemployment insurance claims paid, increased by 80.2 per cent in 2009/10 due to increased retrenchments arising from the global economic crisis. This trend is expected to continue over the medium term.

The accumulated surplus is projected to reach R48.7 billion in 2013/14. The fund has reserved R16.2 billion for outstanding and future claims, as recommended by the fund's actuaries. Surpluses over the seven-year period are due to expenditure on claims being less than revenue received.

Personnel information

Table 18.11 Unemployment Insurance Fund

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Executive management	1	1	–	1	1	1	1	1	1	1
Senior management	11	10	–	8	9	9	8	20	20	20
Middle management	26	24	3	20	22	21	24	53	53	53
Professionals	49	48	5	42	42	44	44	101	101	101
Semi-skilled	103	96	16	79	78	81	90	191	191	191
Very low skilled	260	260	25	225	228	245	260	193	193	193
Total	450	439	49	375	380	401	427	559	559	559
Compensation (R thousand)				335 110	349 014	416 734	620 924	657 443	697 546	735 912
Unit cost (R thousand)				894	918	1 039	1 454	1 176	1 248	1 316

1. As at 30 September 2010.

The entity has an establishment of 450 posts, of which 439 are funded. The number of filled posts increased from 375 in 2007/08 to 427 in 2010/11, and is expected to grow to 559 over the medium term. This is as a result of the fund's organisational restructuring to align its structure to its key business processes, taking into account the decentralisation drive to improve service delivery and the implementation of the virtual office concept.

There are 49 vacancies within the fund, of which 25 are at the very low skilled level, 16 are in the semi-skilled level, 3 are in middle management, and 5 are in the professional level. These posts remain vacant pending the finalisation of the organisational restructuring process.

Compensation Fund

Strategic overview: 2007/08 – 2013/14

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act (1993), as amended. In terms of the act, the fund's main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases.

The fund generates its revenue from levies paid by employers, which consist mainly of annual assessments paid by registered employers on the basis of a percentage or fixed rate of the annual earnings of their employees as well as interest earned from investments. The act, however, makes provision for a minimum assessment to ensure that the assessment is not less than the administration costs incurred.

Over the past few years, there has been progress in reducing the service delivery challenges experienced by the fund and its clients. For example, services to beneficiaries were improved by shorter turnaround times. Access to beneficiaries was also improved, as was communication with stakeholders. To meet its key strategic priority of improving the health profile of the country, the fund will focus on the following:

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

To ensure equity of access to the fund's services, the fund has, as a pilot project, decentralised certain claims functions to four provinces (Limpopo, KwaZulu-Natal, Eastern Cape and Free State). The functions that have been decentralised include the registration of claims, adjudication on liability, and the payment of medical claims. Decentralising operations to the point of contact with clients, enhancing accessibility for client segments, and forming strategic partnerships will continue to be a central part of improving the fund's capacity to deliver quality services. To further the equity of access objective, the fund will decentralise some of its services to Gauteng, North West, Western Cape and Mpumalanga by the end of March 2011. More medical

professionals will be employed on a per session basis to support the receipt and processing of applications in provinces.

Savings and cost effectiveness measures

The fund has identified efficiency savings over the MTEF period through implementing the following cost cutting measures: telephone lines are disconnected after 16h00, with the call centre providing after hour services; the number of meetings have been reduced and are scheduled at the offices to reduce travel; as a result of the decentralisation project, most project staff have been deployed to the provinces, thus minimising travelling costs; business travel is also scrutinised; and workshops are held in-house.

Selected performance indicators

Table 18.12 Compensation Fund

Indicator	Programme/ Activity	Past			Current	Projected		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of new claims registered	Compensation Claims	209 830	203 711	200 559	346 962	353 901	360 979	368 189
Percentage of registered claims finalised	Compensation Claims	70% (165 585)	70% (158 481)	60% (143 066)	70% (75 677)	70% (88 475)	70% (90 245)	70% (92 047)
Percentage of medical claims finalised within a three-month period	Medical Claims	70% (194 330)	70% (203 761)	70% (195 312)	70% (205 005)	70% (207 665)	70% (212 583)	70% (217 510)
Percentage growth in assessment revenue	Administration/Operations	70%	100%	7%	3%	4%	5%	6%
Percentage increase in the number of registered employers	Administration/Operations	1.9%	6%	5%	5%	5%	5%	5%
Percentage of debtors revenue collected each year	Administration/Operations	-	-	0%	0.5%	0.5%	0.5%	0.5%

Details of programmes/activities/objectives

Table 18.13 Compensation Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Administration/Operations	602 234	439 403	495 530	641 115	518 453	518 403	532 502
Medical Claims	1 287 188	1 540 340	1 451 517	1 864 846	2 275 262	2 423 154	2 556 427
Compensation Claims	652 000	1 389 133	1 142 512	844 439	1 533 460	1 633 135	1 722 957
Claims Provisions	1 863 000	1 292 070	836 023	1 867 492	2 221 669	2 319 674	2 394 773
Other Objectives	1 618 794	782 172	932 248	-	-	-	-
Total expense	6 023 216	5 443 118	4 857 830	5 217 892	6 548 844	6 894 366	7 206 659

The Compensation Fund provides medical care and income benefits to workers who are injured on the job or who develop occupational diseases, including survivor benefits to families of victims of employment related fatalities and funding for the rehabilitation of disabled workers. The turnaround time on medical payments in 2009/10 averaged 78 days for 739 549 claims. This translates into an 8 per cent improvement in the turnaround time for medical payments compared to 2008/09. Processes, capacity, and systems are being improved to decrease this turnaround time further. In 2009/10, 84 per cent of medical claims, totalling R1.4 billion, were paid within 3 months of receiving full documentation, compared to R1.5 billion in 2008/09.

Expenditure estimates

Table 18.14 Compensation Fund

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Revenue							
Non-tax revenue	1 752 537	2 580 358	2 609 718	2 427 839	2 104 333	2 209 549	2 320 028
Other non-tax revenue	1 752 537	2 580 358	2 609 718	2 427 839	2 104 333	2 209 549	2 320 028
Transfers received	3 556 263	4 035 398	4 506 740	4 601 770	4 923 894	5 219 328	5 532 487
Total revenue	5 308 800	6 615 756	7 116 458	7 029 609	7 028 227	7 428 877	7 852 515

Table 18.14 Compensation Fund (continued)

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Expenses							
Current expense	602 234	439 847	495 530	903 217	944 507	912 055	960 631
Compensation of employees	148 643	129 985	152 485	323 969	494 503	526 646	555 611
Goods and services	453 144	304 757	334 889	576 294	445 687	381 052	400 114
Depreciation	447	5 058	3 699	2 461	3 709	3 709	3 894
Interest, dividends and rent on land	–	47	4 457	493	608	648	1 011
Transfers and subsidies	5 420 982	5 003 271	4 362 300	4 314 675	5 604 337	5 982 311	6 246 029
Total expenses	6 023 216	5 443 118	4 857 830	5 217 892	6 548 844	6 894 366	7 206 659
Surplus / (Deficit)	(714 416)	1 172 638	2 258 628	1 811 717	479 383	534 511	645 856

Expenditure trends

The Compensation Fund will focus its spending over the medium term on restructuring the fund, implementing the early return to work policy, and decentralising its services for ease of access and efficient processing of claims.

The fund generates revenue from assessed levies on employers. Between 2007/08 and 2010/11, total revenue increased from R5.3 billion to R7.0 billion at an average annual rate of 9.8 per cent, due to increased compliance by employers in submitting annual assessments and increased return on investments. Total revenue is expected to increase at a slower average annual rate of 3.8 per cent over the MTEF period to reach R7.9 billion in 2013/14, with the assessment fees levied on employers comprising 69 per cent of total revenue.

Expenditure decreased from R6 billion in 2007/08 to R5.2 billion in 2010/11, at an average annual rate of 4.7 per cent, due to the clearing of backlog claims in 2007/08. By the end of the second quarter of 2010/11, 65 per cent of current claims were processed and paid within 90 days of receiving complete documentation. Expenditure is expected to grow at a strong average annual rate of 11.4 per cent over the medium term to reach R7.2 billion in 2013/14, due to computer system enhancements, repairs and maintenance of the fund's buildings, and increased transfers paid for claims. Surpluses from 2008/09 to 2013/14 are due to expenditure on claims being less than the revenue received.

Personnel information

Table 18.15 Compensation Fund

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Executive management	1	1	–	1	1	1	1	1	1	1
Senior management	12	12	–	3	6	12	12	25	25	25
Middle management	52	37	–	21	19	52	264	207	207	207
Semi-skilled	212	184	–	199	179	212	212	820	820	820
Very low skilled	432	409	–	656	379	432	432	609	609	609
Total	709	643	–	880	584	709	921	1 662	1 662	1 662
Compensation (R thousand)				148 643	129 985	152 485	323 969	494 503	526 646	555 611
Unit cost (R thousand)				169	223	215	352	298	317	334

1. As at 30 September 2010.

The fund has an establishment of 709 posts, of which 643 are funded. The number of filled posts increased from 880 in 2007/08 to 921 in 2010/11 and is expected to grow to 1 662 in 2011/12 due to decentralisation of functions.

Commission for Conciliation, Mediation and Arbitration

Strategic overview: 2011/12 – 2013/14

The Commission for Conciliation, Mediation and Arbitration is an independent and autonomous organisation established in terms of the Labour Relations Act (1995) to deliver services to ensure that fair labour practices

are observed in South Africa. The commission's core mandate is to advance economic development, social justice, labour peace and the democratisation of the workplace.

The commission has developed a new strategy, Siyaphambili, which sets out the road map for 2010-2015. The strategy aims to position the commission to impartially promote social justice and economic development in the world of work. This will be achieved by ensuring that the commission's services are of a high quality and that its processes and operations are effective and efficient.

The global economic crisis has adversely affected the South African labour market, resulting in significant job losses and business closures. In 2009/10 and 2010/11, the commission witnessed an increase in its workload, a direct result of the crisis. To deal with the dramatic increase in the demand for its services, the commission had to develop innovative solutions.

Savings and cost effectiveness measures

The commission has identified efficiency savings through implementing initiatives to reduce costs and keep them in line with prior years. The commission expects to save: in excess of R1.5 million in 2010/11 from discontinuing the practice of paying senior commissioner fees on less complicated matters; R4 million from using level A commissioners or restricting senior commissioners to claiming a level A fee; R1.2 million from revising the travel policy to pay allowances in line with the South African Revenue Service requirements and requiring a cost benefit analysis before a travel booking is made; R500 000 from enforcing the guidelines on saving energy and recycling paper; and R4.2 million from postponing the filling of non-critical vacancies to 2011/12.

Selected performance indicators

Table 18.16 Commission for Conciliation, Mediation and Arbitration

Indicator	Programme/Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of jurisdiction referrals	Cconciliation, Mediation and Arbitration of Cases	90 982	85 847	118 842	119 362	131 298	144 428	158 871
Percentage of pre-conciliations heard	Cconciliation, Mediation and Arbitration of Cases	13% (12 256)	14% (11 603)	14% (16 283)	15% (18 205)	10% (20 026)	10% (22 028)	10% (24 231)
Percentage of pre-conciliations settled (of jurisdiction cases)	Cconciliation, Mediation and Arbitration of Cases	7% (5 988)	7% (5 661)	6% (7 256)	7% (8 533)	7% (9 386)	7% (10 325)	7% (11 357)
Percentage of con-arbs heard (of jurisdiction referrals)	Cconciliation, Mediation and Arbitration of Cases	45% (40 703)	43% (36 572)	40% (47 375)	41% (49 222)	50% (54 144)	50% (59 559)	50% (65 514)
Percentage of con-arbs finalised of jurisdiction referrals	Cconciliation, Mediation and Arbitration of Cases	37% (33 982)	45% (30 033)	32% (47 375)	34% (41 086)	40% (45 195)	40% (49 714)	40% (54 685)
Number of cases settled (based on finalised cases)	Cconciliation, Mediation and Arbitration of Cases	48 983	45 834	65 004	71 976	79 174	87 091	95 800

Details of programmes/activities/objectives

Table 18.17 Commission for Conciliation, Mediation and Arbitration

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Deliver excellent service rooted in social justice ensuring balance between quality and quantity	94 751	123 643	154 253	170 777	194 548	201 940	211 086
Build skills to achieve professionalism	11 488	12 960	12 325	12 737	14 596	15 735	16 965
Enhance and entrench internal processes and systems for optimal deployment of resources	54 153	68 895	86 429	91 930	98 492	103 474	111 507
Align the structure that will enable optimal implementation of the strategy	103 390	116 640	110 925	114 629	131 364	141 618	152 686
Enrich the role of CCMA in labour market	1 149	1 296	4 483	2 428	5 000	6 000	7 000
Other objectives	3 267	4 263	12 402	16 016	16 000	17 120	18 318
Total expense	268 198	327 697	380 817	408 517	460 000	485 887	517 562

One of the main functions of the Commission for Conciliation, Mediation and Arbitration is the conciliation of workplace disputes and the arbitration of disputes that remain unresolved after conciliation. This is the responsibility of the capacity building and outreach department and the mediation department. The number of

disputes or cases referred increased from 140 366 in 2008/09 to 153 657 in 2009/10. The increase is as a result of the impact of the global economic crisis. The number of cases over the medium term will depend on economic and labour market conditions.

The commission is also responsible for accrediting and considering applications for subsidies by bargaining councils and private agencies. The discretionary statutory functions include supervising ballots for unions and employer organisations, and providing training and information relating to the primary objectives of the Labour Relations Act (1995).

In addition, the commission manages the training layoff scheme on behalf of government. The aim of the scheme is to curb retrenchments during the economic downturn by the temporary suspension of work of a worker or group of workers, during which time the worker will undergo training, forfeiting a salary in lieu of a training allowance, with the employer continuing to pay benefits.

Expenditure estimates

Table 18.18 Commission for Conciliation, Mediation and Arbitration

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2010/11	2011/12	2012/13
	2007/08	2008/09	2009/10				
Revenue							
Non-tax revenue	10 624	12 001	9 135	6 500	11 896	12 622	14 063
Sale of goods and services other than capital assets	627	4 661	3 136	1 500	1 633	1 747	1 870
of which:							
Other sales	627	4 661	3 136	1 500	1 633	1 747	1 870
Other non-tax revenue	9 997	7 340	5 999	5 000	10 263	10 875	12 193
Transfers received	259 312	278 746	356 442	402 017	448 104	473 265	503 499
Total revenue	269 936	290 747	365 577	408 517	460 000	485 887	517 562
Expenses							
Current expense	268 198	327 697	380 817	408 517	460 000	485 887	517 562
Compensation of employees	114 878	129 600	123 250	127 366	145 960	157 353	169 649
Goods and services	146 495	191 204	251 435	274 026	308 790	326 006	345 735
Depreciation	6 825	6 893	6 132	7 125	5 250	2 528	2 178
Total expenses	268 198	327 697	380 817	408 517	460 000	485 887	517 562
Surplus / (Deficit)	1 738	(36 950)	(15 240)	-	-	-	-

Expenditure trends

Over the medium, the spending focus of the commission will be on the implementation of its case management system at all Department of Labour offices and on employing the requisite staff to enable the organisation to provide an efficient service to the public.

The commission generates revenue from interest received and user charges. Total revenue grew from R269.9 million in 2007/08 to R408.5 million in 2010/11, at an average annual rate of 14.8 per cent, due to an additional allocation of R61.6 million in 2010/11 from the Department of Labour to fund an increase in demand for the commission's services brought about by the global economic crisis. Over the medium term, total revenue is expected to increase at an average annual rate of 8.2 per cent to reach R517.6 million in 2013/14, due to additional allocations totalling R311 million for a new case management system, which is projected to bring in an additional 45 000 cases per year, as well as due to increased operational costs.

Between 2007/08 and 2013/14, expenditure grew significantly at an average annual rate of 9.8 per cent, from R268.2 million in 2007/08 to R408.5 million in 2010/11, mainly due to an average annual increase of 23.2 per cent on goods and services for case disbursements as a result of increased caseloads. Compensation of employees is projected to increase over the medium term at an average annual rate of 10 per cent from R127.4 million in 2010/11 to R169.6 million in 2013/14, as a result of increased caseloads and higher operational expenditure respectively, relating to the case management system.

Personnel information

Table 18.19 Commission for Conciliation Mediation and Arbitration

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹ 2010/11	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Executive management	8	8	–	8	8	8	8	10	10	10
Senior management	10	10	–	10	10	10	10	10	10	10
Middle management	19	19	–	14	14	14	19	20	20	20
Semi-skilled	438	438	–	441	441	441	441	447	447	447
Total	475	475	–	473	473	473	478	487	487	487
Compensation (R thousand)				114 878	129 600	123 250	127 366	145 960	157 353	169 649
Unit cost (R thousand)				243	274	261	266	300	323	348

1. As at 30 September 2010

The commission has an establishment of 475 posts, all of which are funded. The number of filled posts remained constant at 473 between 2007/08 and 2009/10, but is expected to increase from 478 in 2010/11 to 487 over the medium term in order to meet the increased demand for the commission's services. There are no vacant posts.

The ratio of support staff to line function staff is 1:2.

National Economic Development and Labour Council

Strategic overview: 2007/08 – 2013/14

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

Over the medium term, the council will continue to focus on the implementation of the national framework for South Africa's response to the global economic crisis, and on policy work on trade, investment and industrial development matters.

Savings and cost effectiveness measures

Despite experiencing operating budget pressures, the council contains costs by focusing on improved meeting planning and logistics in order to save on travel, printing and venue hire.

Expenditure estimates

Table 18.20 National Economic Development and Labour Council

Statement of financial performance	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Revenue							
Non-tax revenue	680	580	576	809	874	951	1 032
<i>Other non-tax revenue</i>	680	580	576	809	874	951	1 032
Transfers received	13 348	13 959	19 554	15 868	23 915	23 888	25 305
Total revenue	14 028	14 539	20 130	16 677	24 789	24 839	26 337

Table 18.20 National Economic Development and Labour Council (continued)

Statement of financial performance				Revised estimate 2010/11	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10				
Expenses							
Current expense	15 974	17 059	23 664	16 677	24 789	24 839	26 337
Compensation of employees	4 318	4 832	5 127	5 500	5 620	5 888	6 500
Goods and services	11 705	11 864	18 194	10 854	18 818	18 607	19 464
Depreciation	(49)	363	343	323	351	344	373
Total expenses	15 974	17 059	23 664	16 677	24 789	24 839	26 337
Surplus / (Deficit)	(1 946)	(2 520)	(3 534)	-	-	-	-

Expenditure trends

The National Economic Development and Labour Council's spending focus over the MTEF period will be on a review of the growth and development summit agreements and to engage and reach consensus with stakeholders on the social security and retirement fund legislative framework.

The council's main source of revenue is transfers from the Department of Labour, which grow at an average annual rate of 16.8 per cent over the medium term from R15.9 million in 2010/11 to R25.3 million in 2013/14. Total revenue is expected to grow at an average annual rate of 16.5 per cent over the same period, from R16.7 million in 2010/11 to R26.3 million in 2013/14.

Between 2010/11 and 2013/14, expenditure is expected to increase from R16.7 million to R26.3 million, at an average annual rate of 16.5 per cent, due to increased spending on goods and services. This is as a result of reprioritising R17.5 million from departmental savings to fund additional operational expenditure over the medium term.

The operating deficits of R1.9 million in 2007/08 and R2.5 million in 2008/09 were due to the electricity summit and other conferences and summits held to assess and plan for the adverse global economic conditions. The deficit of R3.5 million in 2009/10 was due to an increased demand for the council's services. The entity has adequate cash and accumulated reserves to fund these deficits.

Personnel information

Table 18.21 National Economic Development and Labour Council

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹ 2010/11	Medium-term estimate		
				2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
Executive management	1	1	-	1	1	1	1	1	1	1
Senior management	2	2	1	1	1	1	1	2	2	2
Professionals	6	6	1	4	5	5	5	6	6	6
Semi-skilled	10	10	-	8	10	11	10	10	10	10
Very low skilled	4	4	-	4	4	4	4	4	4	4
Total	23	23	2	18	21	22	21	23	23	23
Compensation (R thousand)				4 318	4 832	5 127	5 500	5 620	5 888	6 500
Unit cost (R thousand)				240	230	233	262	244	256	283

1. As at 30 September 2010.

The council has an establishment of 23 approved posts, all of which are funded. The number of filled posts increased from 18 in 2007/08 to 21 in 2010/11 and is expected to grow to 23 in 2011/12, due to the increased demand for the council's services.

There are 2 vacant posts, of which 1 post is at the senior management level and the other is at the professional level.

The ratio of support staff to line function staff is 1:1.

Productivity South Africa

Strategic overview: 2007/08 – 2013/14

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

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

Key priorities for the medium term include promoting productivity knowledge and awareness, skills development, accelerating productivity improvement, productivity interventions within the non-formal economy, industry sector collaborations and strategies, and turnaround solutions for companies through implementing turnaround solutions and establishing future forums. Future forums are proactive collaborations between the management, support staff and workers of a company to facilitate discussions of any problems and challenges experienced by any of the parties relating to possible retrenchments or job losses by employees.

Savings and cost effectiveness measures

Productivity South Africa has identified efficiency savings and implemented cost effectiveness measures by strengthening its internal capacity, which has enabled it to outsource only those functions that are not core to the organisation, such as the legal and human resource functions. Productivity South Africa also visited model companies in Japan to learn best practices. Training in productivity competencies is done by training the trainer (as opposed to training individuals), resulting in a cost effective broader reach. Partnerships with private and public sector organisations in relation to recruiting companies for interventions, and the sponsorship of venues and catering are resulting in significant cost savings.

Selected performance indicators

Table 18.22 Productivity South Africa

Indicator	Programme/ Activity	Past			Current	Projections		
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Number of education, training and development service providers trained as productivity trainers each year	Administration/Operations	676	480	500	600	700	800	850
Number of ETD service providers and productivity trainers accredited / Licensing of external service providers	Administration/Operations	- ¹	30	- ²	26	30	35	40
Number of emerging entrepreneurs trained in productivity improvement and competencies each year	Administration/Operations	1 181	1 800	2 500	3 000	3 500	4 000	4 500
Number of skills development facilitators trained in productivity each year	Administration/Operations	121	120	200	250	300	400	500
Number of managers and workers trained each year to enhance productivity competencies and mindsets in private and public enterprises	Administration/Operations	495	530	600	620	720	780	840
Number of future forums established each year at companies with turnaround solutions	Administration/Operations	100	120	120	140	160	180	200

1. Indicator only introduced in 2008/09.

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

Expenditure estimates

Table 18.23 Productivity South Africa

Statement of financial performance	Audited outcome			Revised estimate 2010/11	Medium-term estimate		
	2007/08	2008/09	2009/10		2011/12	2012/13	2013/14
R thousand							
Revenue							
Non-tax revenue	10 014	12 320	5 675	5 930	6 309	7 003	7 488
Sale of goods and services other than capital assets <i>of which:</i>	9 653	12 033	5 446	5 702	6 067	6 746	7 216
<i>Sales by market establishments</i>	9 653	12 033	5 446	5 702	6 067	6 746	7 216
<i>Other non-tax revenue</i>	361	287	229	228	242	257	271
Transfers received	57 157	75 127	71 002	91 752	98 651	108 194	114 145
Total revenue	67 171	87 447	76 677	97 682	104 960	115 197	121 633
Expenses							
Current expense	73 132	78 883	77 864	97 445	104 707	114 930	121 350
Compensation of employees	29 164	27 334	29 822	31 402	33 130	34 786	36 526
Goods and services	43 062	50 308	47 373	65 442	70 953	79 501	84 146
Depreciation	904	748	621	550	571	584	616
Interest, dividends and rent on land	2	493	48	51	54	58	61
Transfers and subsidies	250	–	–	237	253	268	283
Total expenses	73 382	78 883	77 864	97 682	104 960	115 197	121 633
Surplus / (Deficit)	(6 211)	8 564	(1 187)	–	–	–	–

Expenditure trends

Productivity South Africa will focus its spending over the MTEF period on: the development of competitive value chains within industries, through the value chain competitiveness programme; the establishment of sheltered employment factories as pilot sites for the Japanese productivity project; and the implementation of turnaround strategies at sheltered employment factories.

Transfers from the Department of Labour are the organisation's main source of revenue and make up 91.3 per cent of its total income over the seven-year period. Revenue is expected to grow at an average annual rate of 7.6 per cent over the medium term, from R97.7 million in 2010/11 to R121.6 million in 2013/14. Non-tax revenue decreased by 53.9 per cent in 2009/10, due to Productivity South Africa's narrowed mandate, derived from the amended Skills Development Act (1999), and to a renewed focus on national priorities.

Expenditure is driven mainly by spending on goods and services, which makes up 65.2 per cent of total expenditure over the seven-year period. Over the medium term, total expenditure is projected to grow at an average annual rate of 7.6 per cent, from R97.7 million to R121.6 million in 2013/14. The deficit of R1.2 million in 2009/10 was mainly as a result of the utilisation of funds rolled over from 2008/09 for operational expenditure.

Personnel information

Table 18.24 Productivity South Africa

	Post status as at 30 September 2010			Number of posts filled on funded establishment						
	Number of posts on approved establishment	Number of funded posts (establishment)	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Executive management	6	6	–	6	6	6	6	6	6	6
Senior management	1	1	–	2	2	2	1	1	1	1
Middle management	19	19	–	19	19	19	19	19	19	19
Professionals	23	23	–	18	30	27	23	23	23	23
Semi-skilled	27	27	–	27	27	27	27	27	27	27
Very low skilled	15	15	–	10	10	10	15	15	15	15
Total	91	91	–	82	94	91	91	91	91	91
Compensation (R thousand)				29 164	27 334	29 822	31 402	33 130	34 786	36 526
Unit cost (R thousand)				356	291	328	345	364	382	401

1. As at 30 September 2010.

Productivity South Africa has an establishment of 91 posts, all of which are funded. The number of filled posts increased from 82 in 2007/08 to 91 in 2010/11, and is projected to remain constant over the medium term.

The ratio of support staff to line function staff is 1:1.2.

Additional tables

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2009/10		2009/10	2010/11			2010/11
Administration	635 656	670 093	669 153	649 997	6 323	656 320	648 370
Inspection and Enforcement Services	334 777	319 474	290 044	356 603	10 039	366 642	337 363
Public Employment Services	274 241	258 856	264 831	280 420	(2 518)	277 902	275 780
Labour Policy and Industrial Relations	426 347	460 787	474 662	496 869	38 090	534 959	531 704
Total	1 671 021	1 709 210	1 698 690	1 783 889	51 934	1 835 823	1 793 217
Economic classification							
Current payments	1 208 945	1 208 194	1 164 974	1 259 947	25 455	1 285 402	1 236 417
Compensation of employees	669 910	632 632	576 457	738 405	6 403	744 808	701 901
Goods and services	539 035	575 562	588 517	521 542	19 052	540 594	534 516
Transfers and subsidies	427 750	463 130	516 275	515 165	22 134	537 299	539 780
Provinces and municipalities	-	-	1	-	39	39	39
Departmental agencies and accounts	343 968	391 244	411 485	429 790	28 200	457 990	457 990
Foreign governments and international organisations	9 295	9 295	8 618	9 633	-	9 633	10 720
Non-profit institutions	74 317	60 522	92 112	75 502	(6 222)	69 280	69 280
Households	170	2 069	4 059	240	117	357	1 751
Payments for capital assets	34 326	37 886	16 924	8 777	4 345	13 122	17 020
Buildings and other fixed structures	27 600	29 363	225	3 771	-	3 771	3 771
Machinery and equipment	6 726	8 523	16 694	5 006	4 345	9 351	13 210
Heritage assets	-	-	-	-	-	-	39
Software and other intangible assets	-	-	5	-	-	-	-
Payments for financial assets	-	-	517	-	-	-	-
Total	1 671 021	1 709 210	1 698 690	1 783 889	51 934	1 835 823	1 793 217

Table 18.B Detail of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Department	3 490	3 467	24	3 459	2 765	3 100	3 092	3 577	3 655	3 655
Salary level 1 – 6	1 771	1 771	-	1 921	1 512	1 627	1 582	1 756	1 756	1 756
Salary level 7 – 10	1 541	1 530	11	1 379	1 113	1 320	1 359	1 490	1 542	1 542
Salary level 11 – 12	117	113	5	109	98	99	102	256	282	282
Salary level 13 – 16	61	53	8	51	41	53	49	75	75	75
Administration	1 197	1 194	3	1 226	1 017	1 014	1 068	1 194	1 194	1 194
Salary level 1 – 6	685	685	-	743	599	577	615	685	685	685
Salary level 7 – 10	431	431	-	400	349	358	384	431	431	431
Salary level 11 – 12	48	48	-	45	43	44	42	48	48	48
Salary level 13 – 16	33	30	3	38	26	34	27	30	30	30
Inspection and Enforcement Services	1 430	1 431	-	1 479	1 154	1 425	1 291	1 520	1 598	1 598
Salary level 1 – 6	889	889	-	934	762	885	795	894	894	894
Salary level 7 – 10	518	518	-	525	371	518	474	573	625	625
Salary level 11 – 12	16	17	-	17	15	16	15	44	70	70
Salary level 13 – 16	7	7	-	3	6	6	7	9	9	9
Public Employment Services	650	635	15	543	435	474	539	650	650	650
Salary level 1 – 6	169	169	-	211	128	139	144	149	149	149
Salary level 7 – 10	448	443	5	318	293	320	375	342	342	342
Salary level 11 – 12	22	17	5	13	13	13	15	133	133	133
Salary level 13 – 16	11	6	5	1	1	2	5	26	26	26

Table 18.B Detail of approved establishment and personnel numbers according to salary level¹ (continued)

	Personnel post status as at 30 September 2010			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Labour Policy and Industrial Relations	213	207	6	212	159	187	194	213	213	213
Salary level 1 – 6	28	28	–	33	23	26	28	28	28	28
Salary level 7 – 10	144	138	6	135	100	124	126	144	144	144
Salary level 11 – 12	31	31	–	34	27	26	30	31	31	31
Salary level 13 – 16	10	10	–	9	8	11	10	10	10	10

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

2. As at 30 September 2010.

Table 18.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Compensation of employees (R thousand)	497 893	491 335	576 457	744 808	786 294	865 826	915 237
Training expenditure (R thousand)	6 516	8 895	8 263	8 894	11 814	11 984	12 689
Training as percentage of compensation	1.3%	1.8%	1.4%	1.2%	1.5%	1.4%	1.4%
Total number trained in department (head count)	3 167	2 005	4 423	3 557			
<i>of which:</i>							
Employees receiving bursaries (head count)	144	238	196	242			
Learnerships trained (head count)	250	–	–	19			
Internships trained (head count)	313	–	68	72			
Households receiving bursaries (R thousand)	–	–	–	–	–	–	–
Households receiving bursaries (head count)	–	–	–	–			

Table 18.D Summary of departmental public private partnership (PPP) projects

Project description: Siemens business services - IT agreement	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
R thousand		2010/11	2011/12	2012/13	2013/14
Projects signed in terms of Treasury Regulation 16	40 833	76 726	83 696	86 877	–
PPP unitary charge	40 833	76 726	83 696	86 877	–
Total	40 833	76 726	83 696	86 877	–

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Public private partnership agreement between the Department of Labour and Siemens Business Services for the provision of IT services.
Brief description	The IT PPP agreement is regarded by the department as a way of achieving its objectives against the background of the requirements of the specialised knowledge and expertise needed to develop and manage a modern IT service.
Date PPP agreement was signed	30 November 2002
Duration of PPP agreement	10 years
Escalation index for unitary fee	Annual increases by CPIX as well as increases based on the number of computer users.
Net present value of all payment obligations discounted at appropriate duration government bond yield	Net present value calculated at R117 987 322 utilising the government bond yield of 8.55%.
Variations / amendments to PPP agreement	The PPP agreement makes provision for a change management process that deals with changes to the agreement and unitary fee.
Cost implications of variations/amendments	The change management notes that have an impact on the unitary fee are listed under item 2 of remarks by the CIO.

Table 18.E Summary of departmental public private partnership (PPP) projects

Project description: National fleet project	Project annual unitary fee at time of contract	Budgeted expenditure 2010/11	Medium-term expenditure estimate		
			2011/12	2012/13	2013/14
R thousand					
Projects signed in terms of Treasury Regulation 16	103 246	31 656	33 239	-	-
PPP unitary charge ¹	103 246	31 656	33 239	-	-
Total	103 246	31 656	33 239	-	-

1. Phavis fleet services public private partnership. Disclosure notes for this project can be viewed in the public private partnership table of the Department of Transport's chapter.

34 Table 18.F Summary of expenditure on infrastructure

Project name R thousand	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Departmental infrastructure										
Taung labour centre: construction of building	New labour centre	Design	4 212	-	-	-	-	-	-	-
Rustenburg labour centre: construction of building	New labour centre	Construction	15 384	1 055	-	-	1 838	3 981	-	-
Mount Aylif labour centre: construction of building	New labour centre	Design	15 216	-	-	-	1 933	-	-	-
Durban labour centre: repairs	Electrical and mechanical repairs	Various	2 690	-	2 690	-	-	-	-	-
Other labour centres	Various construction, such as electrical repairs	Various	6 970	5 205	-	226	-	15	15	16
Maintenance										
Pretoria head office, Laboria House: follow-on repair and maintenance programme	Maintaining head office building to be occupational health and safety compliant	Construction	21 128	-	622	5 585	5 140	4 406	2 139	3 000
Sheltered employment factories: repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Various	95 648	9 485	12 934	14 752	10 964	22 104	-	-
Kimberley sheltered employment factory: second follow-on repair and maintenance programme	Maintaining sheltered employment factory to be occupational health and safety compliant	Tender	8 317	6 303	978	651	3 150	3 984	3 984	319
Bloemfontein: sheltered employment factory: second follow-on repair and maintenance programme	Maintaining sheltered employment factory to be occupational health and safety compliant	Tender	3 558	7 419	3 601	1 770	134	375	1 854	2 100
Pretoria, Silverton: sheltered employment factory head office: second follow-on on repair and maintenance programme	Maintaining sheltered employment head office to be occupational health and safety compliant	Tender	9 210	1 174	739	232	757	5 976	2 477	2 200
Potchefstroom sheltered employment factory: repair and maintenance programme	Maintaining sheltered employment factory to be occupational health and safety compliant	Completed	1 649	1 075	330	-	-	-	-	-
Uppington and Kuruman labour centre, Kimberley sheltered employment factory: repair and maintenance programme	Maintaining sheltered employment factory and labour centre to be occupational health and safety compliant	Completed	8 829	2 300	2 972	57	-	-	-	-
George labour centre: repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Completed	1 426	793	423	-	-	-	-	-
East London labour centre and sheltered employment factory: repair and maintenance programme	Maintaining sheltered employment factory and labour centre to be occupational health and safety compliant	Completed	7 527	3 332	754	-	-	-	-	-
Pietermaritzburg sheltered employment factory: repair and maintenance programme	Maintaining sheltered employment factory to be occupational health and safety compliant	Completed	4 881	2 240	533	-	-	-	-	-

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

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand										
Pretoria sheltered employment factory and labour centre: repair and maintenance programme	Maintaining sheltered employment factory and labour centre to be occupational health and safety compliant	Completed	9 031	211	69	1 641	3 702	3 408	-	-
Phalaborwa, Hoedspruit and Seshego labour centres: repair and maintenance programme	Maintaining labour centres to be occupational health and safety compliant	Completed	5 220	2 376	340	204	-	-	-	-
Witbank, Lydenburg and Komatipoort labour centres: repair and maintenance programme	Maintaining labour centres to be occupational health and safety compliant	Completed	9 634	7 282	1 097	19	-	-	-	-
Western Cape labour centres and sheltered employment factories: repair and maintenance programme	Maintaining sheltered employment factories and labour centres to be occupational health and safety compliant	Completed	21 324	8 942	2 899	541	-	-	-	-
Durban Masonic Grove: emergency repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Completed	6 084	2 002	1 632	-	-	-	-	-
Gauteng south: repair and maintenance programme	Maintaining sheltered employment factories and labour centres to be occupational health and safety compliant	Completed	20 458	3 201	5 026	1 200	920	-	-	-
Total			278 396	64 395	37 639	26 878	28 538	44 249	10 469	7 635

Table 17.G Expenditure by labour center per province

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
R thousand							
Eastern Cape	83 879	74 330	86 014	97 442	95 766	100 487	106 207
<i>Provincial Office: East London</i>	28 264	21 246	26 869	24 256	24 405	25 608	27 065
<i>Aliwal North</i>	1 740	1 792	2 302	2 531	2 539	2 664	2 816
<i>Butterworth</i>	2 002	2 022	2 124	2 708	2 238	2 348	2 482
<i>Cradock</i>	2 065	1 733	1 872	1 950	1 908	2 002	2 116
<i>East London</i>	8 091	7 314	8 622	10 833	10 802	11 335	11 980
<i>Fort Beaufort</i>	1 716	1 688	1 756	1 819	1 864	1 956	2 067
<i>Graaff-Reinet</i>	1 955	1 652	2 056	2 027	2 026	2 126	2 247
<i>Grahamstown</i>	2 302	2 121	2 397	2 528	2 533	2 657	2 809
<i>King Williamstown</i>	3 663	4 021	4 218	5 389	5 429	5 696	6 021
<i>Lusikisiki</i>	2 155	2 244	2 449	3 135	2 691	2 824	2 985
<i>Maclear</i>	2 170	2 018	2 265	2 726	2 238	2 348	2 482
<i>Mdantsane</i>	2 033	1 971	2 127	2 397	2 415	2 534	2 679
<i>Mount Ayliff</i>	1 882	2 001	2 182	2 478	1 937	2 033	2 148
<i>Port Elizabeth</i>	11 737	10 188	11 126	15 327	15 368	16 126	17 044
<i>Queenstown</i>	3 323	3 450	3 931	4 947	4 912	5 155	5 448
<i>Uitenhage</i>	4 598	4 439	4 789	6 317	6 341	6 654	7 033
<i>Mthatha</i>	4 183	4 430	4 929	6 074	6 120	6 422	6 788
Free State	48 434	46 280	57 031	59 018	66 376	65 437	68 562
<i>Provincial Office: Bloemfontein</i>	19 373	22 099	19 908	17 543	20 404	20 116	21 076
<i>Bethlehem</i>	1 970	1 609	2 709	2 997	3 482	3 433	3 597
<i>Bloemfontein</i>	7 476	6 471	9 179	9 737	11 081	10 924	11 446
<i>Ficksburg</i>	1 449	1 302	2 012	2 350	2 759	2 720	2 850
<i>Harrismith</i>	1 591	1 504	2 308	2 163	2 496	2 460	2 578
<i>Petrusburg</i>	2 294	1 616	2 443	2 033	2 326	2 293	2 402
<i>Kroonstad</i>	1 418	1 904	1 982	3 037	3 022	2 980	3 122
<i>Phuthaditjhaba</i>	2 141	2 127	2 671	3 316	3 804	3 750	3 929
<i>Sasolburg</i>	2 365	2 208	3 209	3 859	3 539	3 489	3 655
<i>Botshabelo</i>	1 772	1 515	2 263	2 537	2 598	2 562	2 684
<i>Welkom</i>	5 028	2 647	6 588	7 440	8 593	8 471	8 876
<i>Zastron</i>	1 557	1 278	1 759	2 005	2 272	2 240	2 347
Gauteng North	26 867	26 631	30 901	38 469	39 054	39 414	41 941
<i>Provincial Office: Pretoria</i>	-	-	-	-	-	-	-
<i>Atteridgeville</i>	1 191	1 269	1 803	2 006	1 666	1 682	1 789
<i>Bronkhorstspuit</i>	1 397	1 714	2 372	2 539	2 637	2 661	2 832
<i>Garankuwa</i>	1 800	1 871	2 272	2 613	2 754	2 780	2 958
<i>Krugersdorp</i>	3 366	3 470	3 840	4 782	4 722	4 765	5 071
<i>Mamelodi</i>	2 034	2 066	2 754	2 306	2 431	2 453	2 611
<i>Pretoria</i>	9 973	9 387	9 836	14 691	15 257	15 398	16 385
<i>Randfontein</i>	2 677	2 212	2 722	3 512	3 683	3 717	3 955
<i>Soshanguve</i>	1 938	2 374	2 766	2 741	2 882	2 908	3 095
<i>Temba</i>	2 491	2 268	2 536	3 279	3 022	3 050	3 245
Gauteng South	77 471	80 396	118 336	118 670	124 531	125 682	133 737
<i>Provincial Office: Johannesburg</i>	23 086	22 945	54 623	38 677	42 650	43 044	45 803
<i>Alberton</i>	2 171	2 192	2 259	2 849	2 964	2 991	3 183
<i>Benoni</i>	3 148	3 176	3 460	4 931	5 009	5 055	5 379
<i>Boksburg</i>	2 162	2 517	2 803	3 660	3 355	3 386	3 604
<i>Brakpan</i>	1 501	1 790	2 094	2 754	2 947	2 974	3 165
<i>Carletonville</i>	1 622	1 340	2 072	3 019	3 197	3 226	3 433

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<i>Germiston</i>	6 453	6 572	7 175	9 815	10 132	10 226	10 881
<i>Johannesburg</i>	15 057	15 341	16 908	19 385	20 296	20 484	21 797
<i>Kempton Park</i>	2 950	3 340	3 805	5 271	4 904	4 950	5 267
<i>New Canada</i>	–	–	–	–	–	–	–
<i>Nigel</i>	1 400	1 424	1 645	1 924	1 956	1 974	2 100
<i>Randburg</i>	1 481	2 021	2 228	2 566	2 826	2 852	3 035
<i>Roodepoot</i>	2 451	2 099	2 155	2 790	2 992	3 020	3 213
<i>Sandton</i>	3 291	3 739	4 054	5 062	5 340	5 389	5 735
<i>Sebokeng</i>	1 367	1 699	1 803	1 780	1 853	1 870	1 990
<i>Soweto</i>	2 640	3 669	3 474	4 396	4 202	4 241	4 513
<i>Springs</i>	1 986	1 884	2 575	3 528	3 337	3 368	3 584
<i>Vanderbijlpark</i>	1 979	2 110	2 322	2 460	2 523	2 547	2 710
<i>Vereeniging</i>	2 726	2 538	2 881	3 803	4 048	4 085	4 347
Kwa-Zulu Natal	85 925	83 848	93 636	108 031	114 548	121 683	128 864
<i>Provincial Office: Durban</i>	19 609	20 803	24 250	21 727	22 863	24 287	25 721
<i>Dundee</i>	1 796	1 530	1 892	2 412	2 253	2 393	2 534
<i>Durban</i>	19 848	17 917	18 968	25 471	27 430	29 138	30 858
<i>Estcourt</i>	2 160	2 036	2 213	1 985	2 232	2 371	2 511
<i>Kokstad</i>	1 584	2 108	2 432	2 794	2 570	2 731	2 892
<i>Ladysmith</i>	2 322	1 857	2 315	3 055	2 947	3 131	3 315
<i>Newcastle</i>	1 783	2 084	2 666	2 776	3 028	3 216	3 406
<i>Pietermaritzburg</i>	9 065	8 333	9 586	12 132	13 125	13 943	14 765
<i>Pinetown</i>	3 613	3 122	3 262	4 171	4 481	4 760	5 041
<i>Port Shepstone</i>	3 558	2 652	2 985	3 093	3 263	3 467	3 671
<i>Prospecton</i>	4 195	4 581	4 492	5 302	5 637	5 988	6 342
<i>Richards Bay</i>	4 077	3 963	4 268	6 156	6 731	7 151	7 573
<i>Richmond</i>	1 918	1 944	2 047	2 025	2 148	2 282	2 417
<i>Stanger</i>	2 054	2 371	2 512	3 713	3 646	3 873	4 102
<i>Ulundi</i>	4 373	4 461	4 619	6 151	6 721	7 140	7 561
<i>Verulam</i>	2 009	2 258	2 637	2 566	2 821	2 996	3 173
<i>Vryheid</i>	1 961	1 828	2 492	2 501	2 651	2 816	2 982
Limpopo	46 080	45 077	54 971	59 280	61 673	63 844	66 835
<i>Provincial Office: Polokwane</i>	14 690	14 489	17 322	17 167	18 483	19 134	20 030
<i>Lephalale</i>	1 813	1 781	2 880	2 767	2 137	2 212	2 316
<i>Giyani</i>	1 818	2 022	2 436	2 612	2 392	2 476	2 592
<i>Jane Furse</i>	2 332	1 742	2 963	2 928	3 164	3 275	3 428
<i>Lebowakgomo</i>	2 232	2 033	2 281	2 555	2 769	2 866	3 001
<i>Makhado</i>	2 250	2 036	2 363	3 308	3 116	3 225	3 376
<i>Modimolle</i>	1 994	2 034	2 487	2 411	2 213	2 291	2 398
<i>Mokopane</i>	2 386	2 473	3 254	3 281	3 517	3 640	3 811
<i>Phalaborwa</i>	2 313	2 064	2 754	2 747	3 035	3 142	3 289
<i>Polokwane</i>	6 294	6 562	6 924	8 769	9 534	9 869	10 332
<i>Seshego</i>	1 686	2 102	1 874	1 747	1 890	1 956	2 048
<i>Thoyoyandou</i>	3 777	3 165	4 471	4 963	5 490	5 684	5 950
<i>Tzaneen</i>	2 495	2 574	2 962	4 025	3 934	4 073	4 264
Mpumalanga	49 638	50 825	56 245	63 661	66 476	67 750	71 464
<i>Provincial Office: Witbank</i>	22 842	22 591	24 884	18 539	20 051	20 436	21 556
<i>Barberton</i>	1 893	1 248	1 157	1 690	1 858	1 893	1 997
<i>Bethal</i>	1 225	1 008	1 321	1 912	2 091	2 131	2 248
<i>Carolina</i>	1 054	1 900	1 958	3 969	3 440	3 506	3 698

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
<i>Eerstehoek</i>	-	-	-	-	-	-	-
<i>Ermelo</i>	1 609	1 519	1 593	2 089	2 249	2 292	2 417
<i>Groblersdal</i>	1 243	1 442	1 602	1 852	1 984	2 022	2 133
<i>Kamhushwa</i>	1 269	1 282	1 609	2 514	2 690	2 742	2 892
<i>Kwamhlanga</i>	1 270	1 393	1 600	2 465	2 717	2 769	2 921
<i>Lydenburg</i>	1 174	1 343	1 441	2 068	2 088	2 128	2 244
<i>Middelburg</i>	2 053	2 158	2 763	3 741	4 018	4 095	4 320
<i>Nelspruit</i>	3 237	3 186	3 583	4 798	5 138	5 237	5 524
<i>Piet Retief</i>	1 868	2 179	2 063	3 180	3 109	3 168	3 342
<i>Sabie</i>	1 163	1 445	1 646	1 983	2 091	2 131	2 248
<i>Secunda</i>	1 991	1 977	2 353	3 521	3 751	3 823	4 033
<i>Standerton</i>	1 375	1 315	1 527	2 399	2 098	2 138	2 255
<i>Witbank</i>	4 372	4 839	5 145	6 940	7 103	7 239	7 636
North West	44 890	46 535	51 570	55 049	57 384	58 582	61 766
<i>Provincial Office: Mmabatho</i>	20 932	19 979	21 011	18 619	20 832	21 267	22 423
<i>Brits</i>	3 261	2 499	3 179	4 451	4 554	4 649	4 902
<i>Christiana</i>	1 448	1 894	1 971	1 998	2 119	2 163	2 281
<i>Klerksdorp</i>	3 834	4 343	5 066	6 118	6 370	6 503	6 857
<i>Lichtenburg</i>	2 224	2 362	2 690	3 431	3 169	3 236	3 412
<i>Mafikeng</i>	2 928	3 350	4 057	5 033	5 344	5 455	5 752
<i>Mogwase</i>	1 499	1 991	1 973	2 027	2 089	2 132	2 248
<i>Potchefstroom</i>	1 767	2 455	2 322	3 134	2 939	3 001	3 164
<i>Rustenburg</i>	3 573	3 077	4 384	5 224	5 308	5 419	5 713
<i>Taung</i>	1 605	2 584	2 926	2 138	2 156	2 201	2 321
<i>Vryburg</i>	1 819	2 001	1 991	2 876	2 503	2 555	2 694
Northern Cape	28 599	28 545	34 929	38 776	39 656	40 564	42 687
<i>Provincial Office: Kimberley</i>	14 582	12 800	15 254	16 369	16 881	17 267	18 171
<i>Calvinia</i>	1 345	1 544	2 134	2 148	2 332	2 385	2 510
<i>De Aar</i>	1 453	1 737	1 918	2 276	1 909	1 952	2 054
<i>Kimberley</i>	4 557	4 692	5 944	7 310	7 600	7 774	8 180
<i>Kuruman</i>	1 701	2 007	2 568	2 610	2 710	2 772	2 917
<i>Postmasburg</i>	1 407	1 637	1 900	2 288	2 671	2 732	2 875
<i>Springbok</i>	1 736	1 918	2 173	2 548	2 228	2 279	2 399
<i>Upington</i>	1 818	2 210	3 038	3 227	3 326	3 402	3 580
Western Cape	65 595	65 588	69 403	77 545	80 495	81 404	85 846
<i>Provincial Office: Cape Town</i>	20 692	22 645	21 799	20 923	21 819	22 066	23 270
<i>Cape Town</i>	7 141	11 298	12 988	14 505	15 138	15 309	16 144
<i>Beaufort West</i>	12 935	1 867	1 775	2 156	2 370	2 396	2 527
<i>Bellville</i>	1 975	7 432	7 977	10 227	10 417	10 534	11 109
<i>George</i>	4 887	3 712	5 016	5 785	6 147	6 216	6 555
<i>Knysna</i>	1 527	1 923	2 054	2 264	2 384	2 411	2 542
<i>Mossel Bay</i>	1 789	1 880	1 801	2 180	2 369	2 395	2 526
<i>Oudtshoorn</i>	2 394	1 601	1 784	2 666	2 440	2 467	2 602
<i>Paarl</i>	2 669	2 686	2 845	3 119	3 273	3 310	3 491
<i>Somerset West</i>	2 669	3 000	3 041	3 888	4 070	4 116	4 341
<i>Vredenburg</i>	3 073	2 442	2 796	3 404	3 210	3 247	3 424
<i>Worcester</i>	2 114	2 828	2 977	3 392	3 611	3 651	3 851
<i>Mitchell's Plein</i>	1 730	2 274	2 550	3 036	3 249	3 285	3 465
Total	557 378	548 055	653 036	715 941	745 959	764 847	807 909



**ESTIMATES
OF NATIONAL
EXPENDITURE** **2011**

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