

# 20 YEARS OF FREEDOM



## BUDGET 2014 ESTIMATES OF NATIONAL EXPENDITURE

**VOTE 18** LABOUR



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





# **Estimates of National Expenditure**

## **2014**

**National Treasury**

**Republic of South Africa**

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The Estimates of National Expenditure 2014 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za).

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



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“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves.”

**UNION BUILDINGS, PRETORIA, 10 MAY 1994**

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# Foreword

The national development plan, Vision 2030 of the government of South Africa, states that ‘Alongside hard work and effort, capabilities and the opportunities that flow from development enable individuals to live the lives to which they aspire.’ The 2014 Budget has been prepared in the spirit of this statement.

While the medium term expenditure framework (MTEF) contained in the 2014 Budget ushers in the new administration after the May elections, the country faces a markedly different situation from that of 2009. In 2006/07 and 2007/08, South Africa achieved budget surpluses. In 2008, however, the worldwide economic crisis meant budget deficit forecasts were inevitable. It is now clear that the recovery in real economic growth has been less robust than initially anticipated. Despite this, the economy is growing and government revenue collection is broadly on target. The 2009 Budget announced a ‘haircut’ and reprioritisation within budget baselines. At that stage, the reassignment of R19 billion comprised 12 per cent of the total monetary value of amendments to budgets made, of R160.6 billion. By contrast, the reassignment of the R19.6 billion in the 2014 Budget comprises 51 per cent of the total of R38.8 billion in amendments to budgets. The quantum of amendments to the total budget that can be made has clearly decreased substantially over time.

Despite the fiscal environment becoming increasingly constrained, National Treasury has been able to sustain the intensity of the pursuit for budget efficiencies, with most of the fiscal space for improvements to service delivery being made through reprioritisation. This will be reinforced by procurement reform and expenditure review initiatives. While the current fiscal position no longer automatically creates room by making additional funding available, progress towards our country objectives of inclusive economic growth and employment creation must be made in the face of a tough fiscal environment. Therefore the main budget non-interest aggregate expenditure ceiling established in the 2013 Budget remains intact. New priorities and the expansion of existing programmes must be achieved through reprioritisation within the existing resource envelope.

The current fiscal context is necessitating hard trade-offs: difficult choices will need to be made in choosing between spending priorities and in deciding on the sequencing of programme implementation. Given the constraints brought to bear by the expenditure ceiling, all government institutions need to manage any cost pressures that may be related to changes in the inflation rate, exchange rate or any other factors affecting input prices with great efficiency. This means that not everything that we believe must be done, can be done at once. In the reprioritisation of existing funds, certain outputs will have to be delayed, or discontinued.

The issue is what goods and services tax-payers’ monies ‘buy’. In keeping with the ongoing endeavour to improve transparency and reinforce accountability, the focus of the sections on budget programme expenditure trends within each vote in the 2014 Estimates of National Expenditure (ENE) publications has shifted, to an explanation of the interrelationship between the significant changes in spending, performance outputs and outcomes, and in personnel.

National Treasury teams have worked closely with policy and budget teams of national and provincial departments, as well as with public entities and local government, ensuring the alignment of policy developments with the national development plan and scrutinising spending trends and cost drivers, ever mindful of service delivery. Without this cooperation and commitment across government, it would not be possible to submit the credible and comprehensive institutional budgets contained in this publication. The political guidance of the Minister of Finance, his Deputy and the members of the ministers’ committee on the budget, has been indispensable to the medium term expenditure committee of accounting officers of departments at the centre of government, in its task of providing the strategic direction in formulating the budget. I thank you all for your assistance.



**Lungisa Fuzile**  
**Director-General: National Treasury**



# Introduction

## The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications are important accountability documents, which set out the details of planned expenditure and planned performance at the time the Budget is tabled. The 2014 ENE publications largely retain the same layout of information as presented in previous years' publications. This allows information to be easily compared across publications and financial years. As in the past, information is presented for a seven-year period and contains details of all national departmental programmes and subprogrammes. Information is presented in a similar way for the national public entities related to each department. For the first time in the ENE publications, in 2014, information on changes in finances, personnel and performance is brought together with the focus on the significant interrelationships between these changes. This discussion, in the expenditure trends sections of the budget programmes in each chapter, allows the reader to assess the effectiveness of past, as well as of planned, spending.

When compared to the abridged version of the ENE, which includes all national government votes, the ENE e-publications provide more detailed expenditure information for individual votes on goods and services as well as transfers and subsidies. While the abridged version of the ENE contains one additional table at the end of each vote which has information on infrastructure spending, the ENE e-publications' additional tables also contain summaries of: the budgeted expenditure and revised estimate for 2013/14, and the audited outcome for 2012/13, by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; and donor funding. In selected cases more detailed information at the level of the site of service delivery is included. Budget information is also provided for the public entities that are simply listed in the abridged publication.

A separate ENE Overview e-publication is also available, which contains a description at the main budget non-interest level, summarising the Estimates of National Expenditure publication information across votes. The Overview contains this narrative explanation and summary tables; and also has a write-up on interpreting the information that is contained in each section of the publications.



# **Labour**

**National Treasury  
Republic of South Africa**



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# Vote 18

## Labour

### Budget summary

R million	2014/15				2015/16	2016/17
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	787.7	756.5	0.2	31.0	829.9	956.8
Inspection and Enforcement Services	403.2	403.1	0.1	–	433.1	600.2
Public Employment Services	466.5	272.8	193.8	–	489.2	514.7
Labour Policy and Industrial Relations	869.9	121.5	748.3	0.0	926.2	976.4
<b>Total expenditure estimates</b>	<b>2 527.3</b>	<b>1 554.0</b>	<b>942.4</b>	<b>31.0</b>	<b>2 678.4</b>	<b>3 048.1</b>
Executive authority	Minister of Labour					
Accounting officer	Director General of Labour					
Website address	<a href="http://www.labour.gov.za">www.labour.gov.za</a>					

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

### Aim

*Play a significant role in reducing unemployment, poverty and inequality through pursuing the objectives of full and productive employment and decent work for all, including: employment creation and enterprise development; standards and rights at work including equality of opportunities; social protection; and social dialogue.*

### Mandate

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

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

- improving economic efficiency and productivity
- facilitating employment creation
- promoting and enforcing sound labour relations
- eliminating inequality and discrimination in the workplace
- alleviating poverty in employment
- enhancing occupational health and safety awareness and compliance in the workplace
- attaining labour market flexibility to balance the competitiveness of enterprises with the promotion of decent employment.

### Strategic goals

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

- implement the Decent Work country programme
- rebuild the public employment services programme for the effective facilitation of employment

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

## Programme purposes

### Programme 1: Administration

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

### Programme 2: Inspection and Enforcement Services

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

### Programme 3: Public Employment Services

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

### Programme 4: Labour Policy and Industrial Relations

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

## Selected performance indicators

Table 18.1 Labour

Indicator	Programme	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of work places inspected per year	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive economic growth	192 129	193 977	141 731	150 040	183 870	183 870	183 870
Number of complaints resolved within 14 days at registration services per year <sup>1</sup>	Inspection and Enforcement Services		116 131	110 610	73 786	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Number of work seekers registered on the Employment Services of South Africa system per year	Public Employment Services		472 179	553 883	600 259	500 000	550 000	600 000	600 000
Percentage (and number) of work seekers registered on the system provided with employment counselling per year <sup>2</sup>	Public Employment Services		- <sup>2</sup>	40% (222 956)	59% (264 068)	50%	50%	50%	55%
Number of work seekers placed in registered employment opportunities per year	Public Employment Services		12 801	96 505 <sup>3</sup>	16 171	19 000	20 000	21 000	22 000
Number of existing sectoral determinations reviewed	Labour Policy and Industrial Relations		4	5	6	4	4	6	2

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

2. New indicator started in 2011/12.

3. Data for 2011/12 cannot be disaggregated. Includes work seekers referred to the Unemployment Insurance Fund and the Compensation Fund.

## The national development plan

The national development plan prioritises increased employment through economic growth; improved functioning of the labour market through reforms focusing on increasing labour absorption; and enhanced workplace dispute resolution to advance healthy labour relations. In line with the plan's goals of enhancing productivity and eliminating inequality, the department will continue to focus on facilitating increased employment and ensuring decent working conditions. Specifically, this entails widening access to employment; transforming protected employment factories into viable, sustainable businesses; providing citizens' access to work seeker services and employment counselling; enforcing equality and compliance with labour regulations in the workplace; and providing support to the Commission for Conciliation, Mediation and Arbitration to strengthen labour dispute resolution.

Through its employer and work seeker services, the *Public Employment Services* programme aims to contribute to an increase in employment to 11 million jobs by 2030, which is the national development plan's target.

Plans for the medium term are also in place for the implementation of employment schemes for the youth and other vulnerable groups, to facilitate access to employment, contribute to maintaining employment or provide opportunities for self-employment. The department also facilitates the employment of foreign labour with scarce skills, provided that employers will facilitate the transfer of such skills to locals to improve their employability.

## Expenditure estimates

**Table 18.2 Labour**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16			2016/17
R million													
Administration	682.5	704.3	687.7	840.4	840.4	7.2%	35.1%	787.7	829.9	956.8	4.4%	31.9%	
Inspection and Enforcement Services	329.4	375.7	395.6	440.2	439.2	10.1%	18.5%	403.2	433.1	600.2	11.0%	17.5%	
Public Employment Services	289.3	332.2	331.7	400.1	400.1	11.4%	16.3%	466.5	489.2	514.7	8.8%	17.5%	
Labour Policy and Industrial Relations	525.2	594.9	619.7	764.5	765.4	13.4%	30.1%	869.9	926.2	976.4	8.5%	33.1%	
<b>Total</b>	<b>1 826.3</b>	<b>2 007.1</b>	<b>2 034.6</b>	<b>2 445.2</b>	<b>2 445.2</b>	<b>10.2%</b>	<b>100.0%</b>	<b>2 527.3</b>	<b>2 678.4</b>	<b>3 048.1</b>	<b>7.6%</b>	<b>100.0%</b>	
Change to 2013 Budget estimate				30.0	30.0			(106.3)	(107.2)	100.0			

### Economic classification

	1 185.0	1 250.5	1 276.5	1 560.5	1 560.4	9.6%	63.4%	1 554.0	1 644.6	1 959.5	7.9%	62.8%
<b>Current payments</b>												
Compensation of employees	681.5	757.9	820.5	882.0	879.9	8.9%	37.8%	966.5	1 033.4	1 315.5	14.3%	39.2%
Goods and services	503.4	492.6	456.0	678.6	680.5	10.6%	25.7%	587.4	611.2	644.0	-1.8%	23.6%
of which:												
Administration fees	2.2	5.6	5.5	3.9	3.8	20.4%	0.2%	4.5	5.1	5.3	11.4%	0.2%
Advertising	10.9	21.9	10.9	24.2	24.6	31.1%	0.8%	21.8	23.9	25.4	1.1%	0.9%
Assets less than the capitalisation threshold	4.5	3.9	2.1	4.0	3.8	-5.3%	0.2%	4.3	4.4	4.6	6.7%	0.2%
Audit: External	19.0	14.0	14.8	22.8	22.8	6.2%	0.9%	24.5	22.2	23.4	0.9%	0.9%
Bursaries: Employees	3.2	2.5	2.3	3.0	3.0	-2.0%	0.1%	3.1	3.4	3.6	6.1%	0.1%
Catering: Departmental activities	3.1	5.3	4.7	4.1	4.2	10.7%	0.2%	4.4	4.4	4.6	2.9%	0.2%
Communication	47.1	43.2	44.6	40.6	40.6	-4.8%	2.1%	38.1	42.9	45.4	3.8%	1.6%
Computer services	35.0	42.1	71.0	110.0	111.1	47.0%	3.1%	83.7	95.6	100.7	-3.2%	3.7%
Consultants and professional services: Business and advisory services	11.5	12.3	50.5	68.6	67.7	80.4%	1.7%	18.4	19.4	20.7	-32.6%	1.2%
Consultants and professional services: Legal costs	3.5	2.6	-	1.8	1.8	-19.9%	0.1%	1.5	1.5	1.6	-3.6%	0.1%
Contractors	2.0	3.5	-	8.0	6.2	47.1%	0.1%	14.8	14.5	15.3	34.9%	0.5%
Agency and support / outsourced services	3.5	3.2	-	7.7	8.4	33.7%	0.2%	6.7	7.7	8.4	-0.3%	0.3%
Entertainment	0.3	0.3	0.3	0.6	0.6	30.9%	0.0%	1.0	1.0	0.7	5.5%	0.0%
Fleet services (including government motor transport)	0.1	1.0	6.4	8.4	7.7	345.3%	0.2%	8.2	8.4	9.3	6.4%	0.3%
Inventory: Fuel, oil and gas	0.5	-	-	0.1	0.1	-38.5%	0.0%	0.7	0.8	0.9	95.3%	0.0%
Inventory: Learner and teacher support material	0.1	0.1	-	-	-	-100.0%	0.0%	0.1	0.1	0.1	-	0.0%

Table 18.2 Labour

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
	R million					2010/11 - 2013/14						
<i>Inventory: Materials and supplies</i>	0.5	0.4	0.0	0.1	0.0	-57.4%	0.0%	0.4	0.4	0.4	119.5%	0.0%
<i>Inventory: Medical supplies</i>	0.0	0.0	-	0.0	0.0	-41.5%	0.0%	0.0	0.0	0.0	146.6%	0.0%
<i>Inventory: Other supplies</i>	3.5	4.4	0.0	2.2	2.2	-14.5%	0.1%	1.5	1.5	1.6	-9.5%	0.1%
<i>Consumable supplies</i>	-	-	3.2	0.1	0.1	-	0.0%	1.1	1.2	1.2	123.4%	0.0%
<i>Consumable: Stationery, printing and office supplies</i>	20.5	14.8	9.8	22.8	25.2	7.2%	0.8%	25.3	24.1	25.7	0.6%	0.9%
<i>Operating leases</i>	143.5	115.1	47.8	161.3	162.1	4.1%	5.6%	139.4	145.4	153.1	-1.9%	5.6%
<i>Property payments</i>	65.3	44.2	47.7	47.9	46.6	-10.6%	2.5%	53.4	56.0	59.0	8.2%	2.0%
<i>Transport provided: Departmental activity</i>	-	0.0	0.1	-	-	-	0.0%	0.2	0.2	0.2	-	0.0%
<i>Travel and subsistence</i>	106.2	127.0	102.6	88.9	90.4	-5.2%	5.1%	94.8	91.2	95.0	1.7%	3.5%
<i>Training and development</i>	6.5	7.6	11.9	26.0	26.0	58.7%	0.6%	15.1	14.8	15.5	-15.8%	0.7%
<i>Operating payments</i>	5.4	6.9	8.8	6.7	6.5	6.6%	0.3%	6.9	7.1	7.4	4.7%	0.3%
<i>Venues and facilities</i>	5.6	10.4	9.9	14.6	14.9	38.5%	0.5%	13.8	13.8	14.6	-0.6%	0.5%
<i>Rental and hiring</i>	-	0.3	1.0	-	(0.0)	-	0.0%	0.1	0.1	0.1	-461.7%	0.0%
<i>Interest and rent on land</i>	0.1	0.0	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>561.0</b>	<b>641.0</b>	<b>658.4</b>	<b>824.2</b>	<b>824.3</b>	<b>13.7%</b>	<b>32.3%</b>	<b>942.4</b>	<b>1 001.5</b>	<b>1 054.5</b>	<b>8.6%</b>	<b>35.7%</b>
Provinces and municipalities	0.1	0.1	0.2	0.2	0.2	64.2%	0.0%	0.0	0.0	0.0	-79.7%	0.0%
Departmental agencies and accounts	457.9	542.2	554.1	676.2	676.2	13.9%	26.8%	774.9	826.4	870.2	8.8%	29.4%
Foreign governments and international organisations	10.7	14.2	13.7	15.6	15.7	13.6%	0.7%	16.5	17.3	18.3	5.2%	0.6%
Non-profit institutions	89.2	82.7	88.0	131.0	131.0	13.7%	4.7%	150.7	157.4	165.7	8.2%	5.7%
Households	3.1	1.8	2.4	1.2	1.2	-28.3%	0.1%	0.3	0.3	0.3	-34.4%	0.0%
<b>Payments for capital assets</b>	<b>80.2</b>	<b>115.0</b>	<b>93.4</b>	<b>60.6</b>	<b>60.5</b>	<b>-9.0%</b>	<b>4.2%</b>	<b>31.0</b>	<b>32.3</b>	<b>34.0</b>	<b>-17.5%</b>	<b>1.5%</b>
Buildings and other fixed structures	3.1	4.6	8.6	5.5	5.5	20.7%	0.3%	0.0	-	-	-100.0%	0.1%
Machinery and equipment	77.1	110.4	84.8	55.1	55.1	-10.6%	3.9%	31.0	32.3	34.0	-14.8%	1.4%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.7</b>	<b>6.2</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 826.3</b>	<b>2 007.1</b>	<b>2 034.6</b>	<b>2 445.2</b>	<b>2 445.2</b>	<b>10.2%</b>	<b>100.0%</b>	<b>2 527.3</b>	<b>2 678.4</b>	<b>3 048.1</b>	<b>7.6%</b>	<b>100.0%</b>

## Personnel information

Table 18.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Labour	Salary level	Number of posts estimated for 31 March 2014	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost				
		3 371	14	3 158	820.5	0.3	3 292	879.9	0.3	3 289	966.5	0.3	3 289	1 033.4	0.3	3 482	1 315.5	0.4	1.9%	100.0%
1 – 6	1 594	4	1 500	276.6	0.2	1 560	274.6	0.2	1 560	290.8	0.2	1 560	312.5	0.2	1 594	428.6	0.3	0.7%	47.0%	
7 – 10	1 502	6	1 393	370.1	0.3	1 460	425.1	0.3	1 458	469.4	0.3	1 458	501.0	0.3	1 594	642.0	0.4	3.0%	44.7%	
11 – 12	206	1	202	115.6	0.6	206	119.5	0.6	205	135.8	0.7	205	144.7	0.7	206	154.7	0.8	-	6.2%	
13 – 16	69	3	63	56.1	0.9	66	58.5	0.9	66	68.3	1.0	66	72.8	1.1	88	87.7	1.0	10.1%	2.1%	
Other	-	-	-	2.0	-	-	2.1	-	-	2.2	-	-	2.4	-	-	2.5	-	-	-	

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on professionalising the inspectorate in the *Inspection and Enforcement Services* programme to ensure employers adhere to Decent Work principles and vulnerable workers are protected; building capacity in the *Public Employment Services* programme to implement the Employment Services Bill, which aims to provide free public employment services and regulate private employment agencies; and expanding access to the services provided by the Commission for Conciliation, Mediation and Arbitration to meet the increasing demand for dispute resolution services. As such, approximately 62.4 per cent of the department's budget over the medium term has been allocated to spending on

compensation of employees and goods and services, while 26.6 per cent constitutes the transfer payment to the Commission for Conciliation Mediation and Arbitration.

The department receives Cabinet approved additional allocations of R64.5 million in 2016/17 for specialist labour inspector posts in the *Inspection and Enforcement Services* programme, and R35.5 million for IT posts in the *Administration* programme. The department is to effect Cabinet approved reductions on compensation of employees of R106.3 million in 2014/15 and R107.2 million in 2015/16, and the reprioritisation of R537.8 million over the medium term. The reductions will be realised through vacant funded posts not being filled, and this will have a minimal impact on service delivery.

While filled posts are expected to remain at 3 289 and unfunded vacant posts at 82 for the first two years of the MTEF period, the additional allocations are expected to allow the department to increase the number of filled posts to 3 482 in 2016/17.

### Infrastructure spending

Spending on the department's various small infrastructure projects, which are at different stages of completion, decreased by 44.4 per cent, from R9 million in 2012/13 to R5 million in 2013/14. Spending on infrastructure over the medium term is expected to remain low as only fees for consultant and professional services on new projects will be paid.

In 2012/13, the department appointed a new subcontractor to finalise the Rustenburg labour centre project, which was completed in November 2013 and will be occupied once the installation of IT and telephone cables is complete. The project had a total allocated budget of R5 million, of which R718 000 was spent in 2013/14.

Because of its urgency, the project to repair the air conditioning system at Laboria House will be implemented as a separate project funded by the department. The Bloemfontein sheltered employment factory project was completed in 2013/14 and the Silverton sheltered employment factory repair and maintenance programme is in the repair phase and is still valid for one year. The planning for repair and maintenance programmes for all sheltered employment factories has been completed and some will be put out to tender in 2014/15. The Port Elizabeth sheltered employment factory project will be funded by the Department of Public Works and will run for three years.

## Departmental receipts

Table 18.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
<b>Departmental receipts</b>	<b>9 036</b>	<b>7 638</b>	<b>15 670</b>	<b>15 158</b>	<b>15 158</b>	<b>18.8%</b>	<b>100.0%</b>	<b>10 092</b>	<b>10 479</b>	<b>10 941</b>	<b>-10.3%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>2 539</b>	<b>2 576</b>	<b>3 166</b>	<b>3 626</b>	<b>3 626</b>	<b>12.6%</b>	<b>25.1%</b>	<b>3 265</b>	<b>3 359</b>	<b>3 513</b>	<b>-1.0%</b>	<b>29.5%</b>
Sales by market establishments	215	171	173	174	174	-6.8%	1.5%	182	190	202	5.1%	1.6%
of which:												
Rental for non-residential buildings (Institute for the National Development of Learnerships Employment Skills and Labour Assessments)	50	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
Rental for staff dwellings	35	43	43	41	41	5.4%	0.3%	43	45	50	6.8%	0.4%
Rental for parking (covered and open)	130	128	130	133	133	0.8%	1.1%	139	145	152	4.6%	1.2%
Administration fees	1 046	1 002	1 396	1 626	1 626	15.8%	10.7%	1 414	1 425	1 489	-2.9%	12.8%
of which:												
License fees for occupational health and safety	214	258	1 385	1 526	1 526	92.5%	7.1%	1 354	1 415	1 479	-1.0%	12.4%
Inspection fees for the National Development of Learnerships Employment Skills and Labour Assessments' trade tests	832	744	11	100	100	-50.6%	3.6%	60	10	10	-53.6%	0.4%
Other sales	1 278	1 403	1 597	1 826	1 826	12.6%	12.8%	1 669	1 744	1 822	-0.1%	15.1%
of which:												
Boarding services for staff and external persons (The National Development of Learnerships Employment Skills and Labour Assessments)	6	-	-	-	-	-100.0%	-	-	-	-	-	-

Table 18.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2010/11	2011/12	2012/13					2013/14	2014/15	2015/16		
Formal training provided (The National Development of Learnerships Employment Skills and Labour Assessments)	18	-	-	-	-	-100.0%	-	-	-	-	-	-
Commission on insurance and garnishee orders	1 250	1 395	1 594	1 822	1 822	13.4%	12.8%	1 665	1 740	1 818	-0.1%	15.1%
Replacement of security cards	4	4	3	4	4	-	-	4	4	4	-	-
Sale of assets < R5 000	-	4	-	-	-	-	-	-	-	-	-	-
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>12</b>	<b>8</b>	<b>13</b>	<b>25</b>	<b>25</b>	<b>27.7%</b>	<b>0.1%</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>-21.7%</b>	<b>0.1%</b>
of which:												
Sale of scrap	5	2	-	11	2	-26.3%	-	5	5	5	35.7%	-
Sale of waste paper	7	6	13	14	23	48.7%	0.1%	7	7	7	-32.7%	0.1%
<b>Fines, penalties and forfeits</b>	<b>601</b>	<b>993</b>	<b>107</b>	<b>600</b>	<b>107</b>	<b>-43.7%</b>	<b>3.8%</b>	<b>60</b>	<b>50</b>	<b>40</b>	<b>-28.0%</b>	<b>0.6%</b>
<b>Interest, dividends and rent on land</b>	<b>549</b>	<b>1 065</b>	<b>1 780</b>	<b>997</b>	<b>1 780</b>	<b>48.0%</b>	<b>10.9%</b>	<b>1 417</b>	<b>1 480</b>	<b>1 547</b>	<b>-4.6%</b>	<b>13.3%</b>
Interest	549	1 065	1 780	997	1 780	48.0%	10.9%	1 417	1 480	1 547	-4.6%	13.3%
<b>Transactions in financial assets and liabilities</b>	<b>5 335</b>	<b>2 996</b>	<b>10 604</b>	<b>9 910</b>	<b>9 620</b>	<b>21.7%</b>	<b>60.1%</b>	<b>5 338</b>	<b>5 578</b>	<b>5 829</b>	<b>-15.4%</b>	<b>56.5%</b>
<b>Total</b>	<b>9 036</b>	<b>7 638</b>	<b>15 670</b>	<b>15 158</b>	<b>15 158</b>	<b>18.8%</b>	<b>100.0%</b>	<b>10 092</b>	<b>10 479</b>	<b>10 941</b>	<b>-10.3%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 18.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand											
Ministry	13 871	17 116	16 798	15 150	3.0%	2.2%	14 299	16 033	16 883	3.7%	1.8%
Management	383 813	409 019	450 746	427 925	3.7%	57.3%	395 191	415 258	520 479	6.7%	51.5%
Corporate Services	40 109	54 142	47 439	62 074	15.7%	7.0%	62 993	66 202	66 241	2.2%	7.5%
Office of the Chief Financial Officer	63 213	62 881	101 656	138 482	29.9%	12.6%	136 043	145 004	155 838	4.0%	16.8%
Office Accommodation	181 474	161 112	71 056	196 818	2.7%	20.9%	179 168	187 391	197 323	0.1%	22.3%
<b>Total</b>	<b>682 480</b>	<b>704 270</b>	<b>687 695</b>	<b>840 449</b>	<b>7.2%</b>	<b>100.0%</b>	<b>787 694</b>	<b>829 888</b>	<b>956 764</b>	<b>4.4%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				55 000			(45 755)	(47 623)	35 500		

#### Economic classification

	600 146	589 977	587 672	779 311	9.1%	87.7%	756 538	797 366	922 519	5.8%	95.3%
<b>Current payments</b>											
Compensation of employees	239 465	267 115	284 618	272 100	4.4%	36.5%	332 814	356 221	457 654	18.9%	41.5%
Goods and services	360 610	322 832	303 031	507 211	12.0%	51.2%	423 724	441 145	464 865	-2.9%	53.8%
of which:											
Administration fees	1 315	2 955	2 892	2 528	24.3%	0.3%	3 054	3 515	3 690	13.4%	0.4%
Advertising	7 398	16 192	7 877	14 633	25.5%	1.6%	13 492	13 982	14 713	0.2%	1.7%
Assets less than the capitalisation threshold	3 110	2 639	1 772	1 886	-15.4%	0.3%	1 545	1 587	1 671	-4.0%	0.2%
Audit costs: External	19 048	14 014	14 810	22 797	6.2%	2.4%	24 491	22 231	23 409	0.9%	2.7%
Bursaries: Employees	2 843	2 195	2 076	2 065	-10.1%	0.3%	2 130	2 240	2 394	5.1%	0.3%
Catering: Departmental activities	1 677	2 497	1 973	1 949	5.1%	0.3%	1 947	2 031	2 094	2.4%	0.2%
Communication	23 635	16 904	10 936	20 169	-5.1%	2.5%	17 830	20 867	22 200	3.2%	2.4%
Computer services	33 088	39 568	68 503	107 918	48.3%	8.5%	81 880	93 814	98 887	-2.9%	11.2%
Consultants and professional services: Business and advisory services	3 015	5 607	43 541	60 405	171.6%	3.9%	10 970	11 456	12 064	-41.5%	2.8%
Consultants and professional services: Legal costs	3 290	2 571	-	1 775	-18.6%	0.3%	1 190	1 244	1 310	-9.6%	0.2%
Contractors	1 403	2 312	-	7 058	71.3%	0.4%	13 642	14 090	14 889	28.3%	1.5%
Agency and support / outsourced services	2 842	2 284	-	5 499	24.6%	0.4%	5 051	6 001	6 576	6.1%	0.7%
Entertainment	178	205	175	375	28.2%	-	383	387	408	2.9%	-
Fleet services (including government motor transport)	87	78	5 469	5 736	304.0%	0.4%	1 063	1 289	1 358	-38.1%	0.3%
Inventory: Food and food supplies	-	-	-	-	-	-	2	2	2	-	-
Inventory: Fuel, oil and gas	115	-	-	109	-1.8%	-	88	83	87	-7.2%	-

Table 18.5 Administration

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17			2013/14 - 2016/17
	R thousand												
<i>Inventory: Learner and teacher support material</i>	24	-	-	-	-100.0%	-	-	-	-	-	-	-	
<i>Inventory: Materials and supplies</i>	369	378	1	110	-33.2%	-	175	159	169	15.4%	-	-	
<i>Inventory: Medical supplies</i>	2	21	-	2	-	-	25	25	30	146.6%	-	-	
<i>Inventory: Other supplies</i>	805	749	11	955	5.9%	0.1%	965	1 008	1 061	3.6%	0.1%	-	
<i>Consumable: Stationery, printing and office supplies</i>	10 014	8 841	3 904	10 714	2.3%	1.1%	11 260	11 662	12 574	5.5%	1.4%	-	
<i>Operating leases</i>	142 717	113 479	46 306	157 169	3.3%	15.8%	132 972	139 251	146 633	-2.3%	16.9%	-	
<i>Property payments</i>	58 175	34 012	37 587	41 885	-10.4%	5.9%	46 701	49 357	51 973	7.5%	5.6%	-	
<i>Transport provided: Departmental activity</i>	-	16	35	-	-	-	-	-	-	-	-	-	
<i>Travel and subsistence</i>	36 327	42 765	36 228	28 894	-7.3%	4.9%	39 254	30 855	31 883	3.3%	3.8%	-	
<i>Training and development</i>	3 045	3 896	8 274	6 313	27.5%	0.7%	6 670	7 048	7 361	5.3%	0.8%	-	
<i>Operating payments</i>	3 437	3 873	5 587	2 387	-11.4%	0.5%	3 327	3 556	3 616	14.8%	0.4%	-	
<i>Venues and facilities</i>	2 651	4 503	4 459	3 880	13.5%	0.5%	3 617	3 405	3 813	-0.6%	0.4%	-	
<i>Rental and hiring</i>	-	278	615	-	-	-	-	-	-	-	-	-	
<i>Interest and rent on land</i>	71	30	23	-	-100.0%	-	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>2 684</b>	<b>770</b>	<b>1 435</b>	<b>1 173</b>	<b>-24.1%</b>	<b>0.2%</b>	<b>199</b>	<b>208</b>	<b>219</b>	<b>-42.8%</b>	<b>0.1%</b>	-	
Provinces and municipalities	54	50	213	239	64.2%	-	-	-	-	-100.0%	-	-	
Departmental agencies and accounts	-	-	28	35	-	-	-	-	-	-100.0%	-	-	
Households	2 630	720	1 194	899	-30.1%	0.2%	199	208	219	-37.5%	-	-	
<b>Payments for capital assets</b>	<b>79 631</b>	<b>112 850</b>	<b>92 352</b>	<b>59 965</b>	<b>-9.0%</b>	<b>11.8%</b>	<b>30 957</b>	<b>32 314</b>	<b>34 026</b>	<b>-17.2%</b>	<b>4.6%</b>	-	
Buildings and other fixed structures	3 117	4 587	8 637	5 486	20.7%	0.7%	17	-	-	-100.0%	0.2%	-	
Machinery and equipment	76 504	108 263	83 715	54 479	-10.7%	11.1%	30 940	32 314	34 026	-14.5%	4.4%	-	
Software and other intangible assets	10	-	-	-	-100.0%	-	-	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>19</b>	<b>673</b>	<b>6 236</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>682 480</b>	<b>704 270</b>	<b>687 695</b>	<b>840 449</b>	<b>7.2%</b>	<b>100.0%</b>	<b>787 694</b>	<b>829 888</b>	<b>956 764</b>	<b>4.4%</b>	<b>100.0%</b>	-	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>37.4%</b>	<b>35.1%</b>	<b>33.8%</b>	<b>34.4%</b>			<b>31.2%</b>	<b>31.0%</b>	<b>31.4%</b>				

## Details of transfers and subsidies

<b>Provinces and municipalities</b>												
<b>Municipalities</b>												
<b>Municipal bank accounts</b>												
<b>Current</b>	54	50	213	239	64.2%	-	-	-	-	-100.0%	-	-
Vehicle licences	54	50	213	239	64.2%	-	-	-	-	-100.0%	-	-
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	2 630	720	1 194	899	-30.1%	0.2%	199	208	219	-37.5%	-	-
Employee social benefits	2 626	668	893	899	-30.0%	0.2%	199	208	219	-37.5%	-	-
Ex gratia payment	4	52	301	-	-100.0%	-	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	-	-	28	35	-	-	-	-	-	-100.0%	-	-
Communication	-	-	28	35	-	-	-	-	-	-100.0%	-	-

## Personnel information

Table 18.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Administration	Number of posts estimated for 31 March 2014		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment														Number		
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13		2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	1 195	4	1 098	284.6	0.3	1 195	272.1	0.2	1 195	332.8	0.3	1 195	356.2	0.3	1 305	457.7	0.4	3.0%	100.0%
1 - 6	670	-	624	98.1	0.2	670	90.2	0.1	670	110.6	0.2	670	118.5	0.2	670	159.9	0.2	-	54.8%
7 - 10	411	-	362	107.0	0.3	411	104.0	0.3	411	127.5	0.3	411	136.5	0.3	502	192.7	0.4	6.9%	35.5%
11 - 12	80	1	78	48.1	0.6	80	45.4	0.6	80	55.4	0.7	80	59.3	0.7	80	52.9	0.7	-	6.5%
13 - 16	34	3	34	29.4	0.9	34	30.3	0.9	34	37.0	1.1	34	39.6	1.2	53	49.7	0.9	15.9%	3.2%
Other	-	-	-	2.0	-	-	2.1	-	-	2.2	-	-	2.4	-	-	2.5	-	-	-

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on building capacity in the office of the chief information officer in order to establish and enhance the IT operating model. This is funded in part by an additional allocation for IT personnel of R35.5 million in 2016/17, which allows for an increase in the total number of filled posts to 1 305 in that year. The significant growth in spending on computer services between 2010/11 and 2013/14 was driven by the department taking over the provision of IT services at the end of the public private partnership contract in 2012/13. Spending on consultants was equivalent to 22.9 per cent of total spending on compensation of employees in 2013/14, and is projected to constitute 3.4 per cent of spending on compensation of employees over the medium term. Consultants funded through this allocation will be used mainly for specific technical tasks such as the implementation of the new IT operating model, the organisational review and redesign project, and business advisory services to the chief financial officer.

However, the total number of filled posts is expected to remain unchanged in 2014/15 and 2015/16 as the department reduces spending on compensation of employees by R77.4 million over this period. This is to give effect to part of the Cabinet approved reductions to the department's budget. The reductions are not expected to have an impact on service delivery as they are effected on vacant funded posts in 2014/15 and 2015/16. The posts will be reinstated and filled in 2016/17.

The spending focus will also be on implementing the organisational review and redesign project, which aims to improve service delivery by ensuring that all strategic positions are filled, overlaps and duplication of functions are minimised, and reliance on consultants is reduced. The organisational review project aims to ensure that the department works as a single efficient unit optimally positioned for enhanced service delivery. Expenditure on the organisational review and design is reflected in spending on consultants and professional services in the *Management* subprogramme.

The R215 million available for reprioritisation comes from the revision to the cost sharing arrangements for services delivered by the department, the Unemployment Insurance Fund and the Compensation Fund. The revised arrangement sees the department's share being reduced as the two funds are expanding their services at provincial offices. The reprioritised amount was thus taken from compensation of employees, and earmarked for spending in 2013/14 and over the medium term to fund strategic priorities elsewhere in the programme and department. These include the creation of posts to manage the departmental fleet, which accounts for the significant growth in spending in the *Office of the Chief Financial Officer* subprogramme in 2013/14; and the implementation of the occupation specific dispensation for registered career counsellors in the *Public Employment Services* programme.

## Programme 2: Inspection and Enforcement Services

### Objectives

- Protect vulnerable workers and ensure adherence to Decent Work principles, by:
  - inspecting 183 870 workplaces in 2014/15
  - settling at least 75 per cent of labour related complaints within 14 days of registration of the complaint.
- Promote equity in the workplace and ensure the transformation of the labour market by increasing the number of workplaces inspected for substantive compliance with employment equity legislation from 269 in 2012/13 to 517 in 2014/15.
- Promote social protection by:
  - reducing accidents and injuries in the high risk sectors (iron and steel, construction, chemicals, and agriculture and forestry) by increasing the number of inspections conducted on compliance of workplaces with the Occupational Health and Safety Act (1993) from 18 000 workplaces inspected in 2012/13 to 20 609 workplaces by 2014/15
  - auditing 150 entities registered in terms of the Occupational Health and Safety Act (1993) to determine compliance with the Act in 2014/15
  - conducting 13 440 workplace audits to determine compliance with the Unemployment Insurance Act (2001) in 2014/15.

- Strengthen the department's institutional capacity by developing and implementing competency and induction programmes for existing and new inspectors over the MTEF period.

## Subprogrammes

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director general: inspection and enforcement services, and provides corporate support to line function subprogrammes in the programme. This subprogramme had a staff complement of 41, including 30 pupil inspector posts, in 2013/14.
- *Occupational Health and Safety* promotes health and safety in the workplace by regulating dangerous activities and the use of plants and machinery, through inspections, to ensure compliance with the Occupational Health and Safety Act (1993). The number of workplaces in high risk industries audited to determine their compliance levels in terms of occupational health and safety legislation was 59 700 in 2013/14, increasing from 26 333 workplaces audited in 2012/13. This subprogramme had a staff complement of 32 in 2013/14.
- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety matters, as reported by members of the public, and communicates these to the relevant structures in the *Compliance, Monitoring and Enforcement* subprogramme for investigation. In 2012/13, 110 252 complaints were received and 67 per cent or 73 786 were settled within 14 days of receipt. This subprogramme had a staff complement of 427 in 2013/14.
- *Compliance, Monitoring and Enforcement* is discussed in more detail below.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes. In 2012/13, 69 client service officers were trained in the basic conditions of employment, occupational health and safety and Compensation for Occupational Injuries and Diseases Act (1993) and 283 shop stewards received training in relation to the Occupational Health and Safety Act (1993) and regulations at a cost of R4.4 million.
- *Statutory and Advocacy Services* gives effect to the legislative enforcement requirements and educates stakeholders on labour legislation. In 2012/13, 4 occupational health and safety awareness raising campaigns in the forestry, hospitality and constructions sectors, which included 5 seminars and 3 training sessions on the regulations for major hazardous installations, were held at a cost of R1.2 million. This subprogramme had a staff complement of 4 in 2013/14.

## Expenditure estimates

**Table 18.7 Inspection and Enforcement Services**

Subprogramme	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11	2013/14	2014/15	2015/16	2016/17		
R thousand											
Management and Support Services: Inspection and Enforcement Services	8 455	13 364	14 365	15 117	21.4%	3.3%	15 281	16 006	17 003	4.0%	3.4%
Occupational Health and Safety	15 851	19 923	17 463	21 514	10.7%	4.9%	22 650	24 325	26 126	6.7%	5.0%
Registration: Inspection and Enforcement Services	61 328	80 219	84 685	102 143	18.5%	21.3%	61 659	64 846	68 931	-12.3%	15.9%
Compliance, Monitoring and Enforcement	240 942	257 746	274 604	283 210	5.5%	68.6%	293 947	317 874	477 509	19.0%	73.1%
Training of Staff: Inspection and Enforcement Services	2 797	4 497	4 457	16 347	80.1%	1.8%	4 926	5 153	5 426	-30.8%	1.7%
Statutory and Advocacy Services	–	–	–	1 859	–	0.1%	4 711	4 889	5 184	40.8%	0.9%
<b>Total</b>	<b>329 373</b>	<b>375 749</b>	<b>395 574</b>	<b>440 190</b>	<b>10.1%</b>	<b>100.0%</b>	<b>403 174</b>	<b>433 093</b>	<b>600 179</b>	<b>10.9%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				(25 000)			(91 243)	(89 446)	64 500		

Table 18.7 Inspection and Enforcement Services

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand	328 588	375 077	394 520	440 134	10.2%	99.8%	403 115	433 031	600 114	10.9%	100.0%
<b>Current payments</b>											
Compensation of employees	248 785	275 972	305 243	342 601	11.3%	76.1%	317 431	343 406	505 739	13.9%	80.4%
Goods and services	79 803	99 105	89 277	97 533	6.9%	23.7%	85 684	89 625	94 375	-1.1%	19.6%
of which:											
Administration fees	524	1 622	1 560	927	20.9%	0.3%	812	804	846	-3.0%	0.2%
Advertising	144	385	386	499	51.3%	0.1%	505	522	550	3.3%	0.1%
Assets less than the capitalisation threshold	392	439	34	1 116	41.7%	0.1%	1 445	1 526	1 608	12.9%	0.3%
Bursaries: Employees	251	239	239	695	40.4%	0.1%	740	875	922	9.9%	0.2%
Catering: Departmental activities	809	1 379	1 380	1 000	7.3%	0.3%	1 284	1 188	1 251	7.8%	0.3%
Communication	14 119	18 194	25 539	15 200	2.5%	4.7%	14 923	16 313	17 177	4.2%	3.4%
Computer services	278	7	7	-	-100.0%	-	-	-	-	-	-
Consultants and professional services: Business and advisory services	1 242	333	333	680	-18.2%	0.2%	750	770	811	6.0%	0.2%
Consultants and professional services: Legal costs	69	49	-	-	-100.0%	-	-	-	-	-	-
Contractors	248	891	-	98	-26.6%	0.1%	252	265	279	41.7%	-
Agency and support / outsourced services	501	368	-	1 181	33.1%	0.1%	1 310	1 325	1 394	5.7%	0.3%
Entertainment	29	26	26	105	53.6%	-	405	455	110	1.6%	0.1%
Fleet services (including government motor transport)	-	853	853	2 498	-	0.3%	5 655	5 711	6 382	36.7%	1.1%
Inventory: Fuel, oil and gas	318	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Learner and teacher support material	2	26	-	-	-100.0%	-	-	-	-	-	-
Inventory: Materials and supplies	70	8	-	2	-69.4%	-	4	7	8	58.7%	-
Inventory: Other supplies	2 614	3 606	-	968	-28.2%	0.5%	-	-	-	-100.0%	0.1%
Consumable supplies	-	-	3 239	-	-	0.2%	957	1 064	1 120	-	0.2%
Consumable: Stationery, printing and office supplies	2 737	2 320	2 321	5 415	25.5%	0.8%	6 145	5 980	6 297	5.2%	1.3%
Operating leases	98	590	399	1 813	164.5%	0.2%	1 910	1 979	2 084	4.8%	0.4%
Property payments	3 931	5 514	5 515	4 359	3.5%	1.3%	4 759	4 644	4 891	3.9%	1.0%
Transport provided: Departmental activity	-	-	33	-	-	-	-	-	-	-	-
Travel and subsistence	47 031	55 662	41 273	37 951	-6.9%	11.8%	33 220	35 075	36 932	-0.9%	7.6%
Training and development	1 773	1 796	1 796	16 347	109.7%	1.4%	4 926	5 153	5 426	-30.8%	1.7%
Operating payments	923	1 521	1 522	1 190	8.8%	0.3%	1 466	1 456	1 535	8.9%	0.3%
Venues and facilities	1 700	3 277	2 630	5 489	47.8%	0.8%	4 216	4 513	4 752	-4.7%	1.0%
Rental and hiring	-	-	192	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>429</b>	<b>583</b>	<b>925</b>	<b>56</b>	<b>-49.3%</b>	<b>0.1%</b>	<b>59</b>	<b>62</b>	<b>65</b>	<b>5.1%</b>	<b>-</b>
Provinces and municipalities	-	1	10	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	1	-	-	-	-	-	-	-	-
Households	429	582	914	56	-49.3%	0.1%	59	62	65	5.1%	-
<b>Payments for capital assets</b>	<b>356</b>	<b>89</b>	<b>129</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	356	89	129	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>329 373</b>	<b>375 749</b>	<b>395 574</b>	<b>440 190</b>	<b>10.1%</b>	<b>100.0%</b>	<b>403 174</b>	<b>433 093</b>	<b>600 179</b>	<b>10.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>18.0%</b>	<b>18.7%</b>	<b>19.4%</b>	<b>18.0%</b>			<b>16.0%</b>	<b>16.2%</b>	<b>19.7%</b>		

## Details of transfers and subsidies

<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
Current	-	1	10	-	-	-	-	-	-	-	-
Vehicle licences	-	1	10	-	-	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
Current	429	582	914	56	-49.3%	0.1%	59	62	65	5.1%	-
Employee social benefits	429	582	914	56	-49.3%	0.1%	59	62	65	5.1%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	-	-	1	-	-	-	-	-	-	-	-
Claims against the state	-	-	1	-	-	-	-	-	-	-	-

## Personnel information

**Table 18.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Number of posts estimated for 31 March 2014		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)					
		2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16				Unit Cost	2016/17		Unit Cost	
Inspection and Enforcement Services		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14 - 2016/17		
Salary level	1 309	5	1 213	305.2	0.3	1 226	341.6	0.3	1 226	317.4	0.3	1 226	343.4	0.3	1 309	505.7	0.4	2.2%	100.0%
1 – 6	740	–	692	144.3	0.2	706	151.3	0.2	706	140.4	0.2	706	152.2	0.2	740	224.7	0.3	1.6%	57.3%
7 – 10	510	5	465	124.8	0.3	465	155.7	0.3	465	144.8	0.3	465	156.4	0.3	510	229.9	0.5	3.1%	38.2%
11 – 12	48	–	47	26.7	0.6	47	27.7	0.6	47	25.7	0.5	47	27.8	0.6	48	40.8	0.9	0.7%	3.8%
13 – 16	11	–	9	9.5	1.1	8	7.0	0.9	8	6.5	0.8	8	7.0	0.9	11	10.3	0.9	11.2%	0.7%

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

2. Rand million.

## Expenditure trends

The spending focus over the MTEF period will be on conducting occupational health and safety inspections, enforcing labour legislation, and registering labour relations and occupational health and safety incidents as reported by members of the public. Spending on compensation of the employees who perform these functions thus constitutes the bulk of expenditure in this programme and is also the main contributor to increases in spending across the seven-year period. The strong growth in spending in the *Training of Staff: Inspection and Enforcement Services* subprogramme arises from the intensive training of labour inspectors on amendments to the labour laws in 2013/14, with a resultant decrease in spending by this subprogramme over the medium term, as the training tapers off. The training will enable the labour inspectors to effectively inspect compliance with current labour laws and amendments thereto.

Spending in the *Registration: Inspection and Enforcement Services* subprogramme increased significantly between 2010/11 and 2013/14 as the department increased capacity to provide efficient registration services for labour relations and occupational health and safety obligations. The decrease in spending in this subprogramme over the medium term is due to the reprioritisation of funds from spending on compensation of employees to the *Public Employment Services* programme. Approximately two-thirds of spending on compensation of employees relates to staff employed in the *Compliance, Monitoring and Enforcement* subprogramme, which is discussed in further detail in the section that follows.

## Subprogramme: Compliance, Monitoring and Enforcement

This subprogramme ensures that employers and employees comply with labour legislation. This is done through regular inspections and follow-ups on reported incidents. In 2012/13, an estimated 141 731 workplace inspections were conducted to ensure compliance with labour legislation. Of these, 240 were employment equity inspections and 87 795 were workplace inspections, compared to 90 000 workplace inspections and 340 employment equity inspections in 2013/14. The department plans to conduct 150 audits on entities to ensure compliance with the Occupational Health and Safety Act (1993) in 2014/15. These entities include diving training schools, asbestos contractors and first aid training organisations.

## Expenditure estimates

**Table 18.9 Compliance, Monitoring and Enforcement**

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17		
<b>Current payments</b>	<b>240 509</b>	<b>257 323</b>	<b>273 846</b>	<b>283 170</b>	<b>5.6%</b>	<b>99.8%</b>	<b>293 905</b>	<b>317 830</b>	<b>477 463</b>	<b>19.0%</b>	<b>100.0%</b>	
Compensation of employees	177 754	187 570	228 201	231 483	9.2%	78.1%	239 760	261 240	417 876	21.8%	83.8%	
Goods and services	62 755	69 753	45 645	51 687	-6.3%	21.8%	54 145	56 590	59 587	4.9%	16.2%	
of which:												
Administration fees	222	805	743	666	44.2%	0.2%	513	471	496	-9.4%	0.2%	
Advertising	144	18	19	29	-41.4%	–	10	12	13	-23.5%	–	
Assets less than the capitalisation threshold	250	405	–	600	33.9%	0.1%	953	1 015	1 069	21.2%	0.3%	

Table 18.9 Compliance, Monitoring and Enforcement

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16			2016/17	2013/14 - 2016/17
	R thousand												
Bursaries: Employees	154	164	164	238	15.6%	0.1%	275	396	417	20.6%	0.1%		
Catering: Departmental activities	599	859	859	589	-0.6%	0.3%	827	715	752	8.5%	0.2%		
Communication	12 830	15 071	15 054	12 089	-2.0%	5.2%	11 772	12 518	13 181	2.9%	3.6%		
Computer services	278	7	7	-	-100.0%	-	-	-	-	-	-		
Consultants and professional services: Business and advisory services	65	13	13	-	-100.0%	-	-	-	-	-	-		
Consultants and professional services: Legal costs	6	49	-	-	-100.0%	-	-	-	-	-	-		
Contractors	166	489	-	60	-28.8%	0.1%	193	205	216	53.3%	-		
Agency and support / outsourced services	438	363	-	592	10.6%	0.1%	633	641	675	4.5%	0.2%		
Fleet services (including government motor transport)	-	654	654	1 640	-	0.3%	3 672	3 579	3 768	32.0%	0.9%		
Inventory: Fuel, oil and gas	181	-	-	-	-100.0%	-	-	-	-	-	-		
Inventory: Learner and teacher support material	2	26	-	-	-100.0%	-	-	-	-	-	-		
Inventory: Materials and supplies	68	8	-	2	-69.1%	-	4	6	6	44.2%	-		
Inventory: Other supplies	582	367	-	730	7.8%	0.2%	-	-	-	-100.0%	0.1%		
Consumable supplies	-	-	-	-	-	-	684	765	805	-	0.2%		
Consumable: Stationery, printing and office supplies	2 369	1 829	1 830	2 755	5.2%	0.8%	2 931	3 040	3 201	5.1%	0.9%		
Operating leases	28	271	81	1 150	245.0%	0.1%	1 218	1 254	1 320	4.7%	0.4%		
Property payments	3 879	4 870	4 871	3 769	-1.0%	1.6%	3 996	4 196	4 419	5.4%	1.2%		
Transport provided: Departmental activity	-	-	33	-	-	-	-	-	-	-	-		
Travel and subsistence	38 884	40 987	19 274	24 365	-14.4%	11.7%	23 737	24 920	26 240	2.5%	7.2%		
Operating payments	727	1 074	1 075	744	0.8%	0.3%	1 013	976	1 028	11.4%	0.3%		
Venues and facilities	883	1 424	777	1 669	23.6%	0.4%	1 714	1 881	1 981	5.9%	0.5%		
Rental and hiring	-	-	191	-	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>331</b>	<b>352</b>	<b>653</b>	<b>40</b>	<b>-50.6%</b>	<b>0.1%</b>	<b>42</b>	<b>44</b>	<b>46</b>	<b>4.8%</b>	<b>-</b>		
Provinces and municipalities	-	-	9	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	1	-	-	-	-	-	-	-	-		
Households	331	352	643	40	-50.6%	0.1%	42	44	46	4.8%	-		
<b>Payments for capital assets</b>	<b>102</b>	<b>71</b>	<b>105</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Machinery and equipment	102	71	105	-	-100.0%	-	-	-	-	-	-		
<b>Total</b>	<b>240 942</b>	<b>257 746</b>	<b>274 604</b>	<b>283 210</b>	<b>5.5%</b>	<b>100.0%</b>	<b>293 947</b>	<b>317 874</b>	<b>477 509</b>	<b>19.0%</b>	<b>100.0%</b>		
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>73.2%</b>	<b>68.6%</b>	<b>69.4%</b>	<b>64.3%</b>			<b>72.9%</b>	<b>73.4%</b>	<b>79.6%</b>				

## Personnel information

Table 18.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Compliance, Monitoring and Enforcement	Number of posts estimated for 31 March 2014	Number of funded posts	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2012/13	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17											
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
				907	228.2	0.3	921	230.5	0.3	921	239.8	0.3	921	261.2	0.3	952	417.9	0.4	1.1%	100.0%
Salary level	952	-	-																	
1-6	535	-	-	505	102.7	0.2	548	91.1	0.2	548	87.6	0.2	548	96.6	0.2	535	173.1	0.3	-0.8%	58.7%
7-10	409	-	-	394	120.9	0.3	367	119.8	0.3	367	116.9	0.3	367	127.5	0.3	409	205.6	0.5	3.7%	40.6%
11-12	7	-	-	7	4.0	0.6	5	13.0	2.6	5	28.4	5.7	5	30.0	6.0	7	31.6	4.5	11.9%	0.6%
13-16	1	-	-	1	0.6	0.6	1	6.5	6.5	1	6.9	6.9	1	7.2	7.2	1	7.6	7.6	-	0.1%

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on strengthening the department's capacity to conduct inspections and enforce compliance with labour regulations. This explains the projected increase in the number of filled labour inspector posts and travel expenses related to workplace inspections. This, in turn, explains the expected increase in spending on compensation of employees, fleet services and travel and subsistence over the

medium term. In focusing spending this way, the department expects to increase the number of workplace inspections from 150 040 in 2013/14 to 183 870 in each year of the MTEF period. Rising fuel prices and the introduction of the e-tolling system are expected to increase travel related expenditure over the medium term, which is expected to reduce the number of inspections the department can perform within the constraints of the allocated budget.

The decrease in spending on travel and subsistence between 2010/11 and 2013/13 is mainly a result of fewer workplace inspections conducted in 2012/13 as 31 labour inspector posts were vacant. In an effort to strengthen capacity to enforce compliance with labour regulations, 14 vacant posts were filled in 2013/14, which increased spending on compensation of employees in that year.

To give effect to Cabinet approved budget reductions, the department has cut the allocation for spending on compensation of employees by R69.6 million in 2014/15 and R67.6 million in 2015/16. As the cuts have been made on vacant funded positions, inspections will continue as planned. An additional R69 million in 2016/17 will allow for these posts to be reinstated and filled.

## Programme 3: Public Employment Services

### Objectives

- Reduce unemployment by registering and placing unemployed people in decent work by:
  - increasing the number of registered work seekers matched and placed from 16 171 in 2012/13 to 20 000 in 2014/15
  - increasing the percentage of targeted registered work seekers with competencies to secure employment through employment counselling interventions from 50 per cent in 2013/14 to 55 per cent in 2014/15
  - protecting vulnerable work seekers through the regulation of private employment agencies in 2014/15.
- Contribute to increasing employment opportunities for people with disabilities by 1 450 in 2014/15 by providing funding to the Deaf Federation of South Africa, the National Council for Persons with Physical Disabilities, the South African National Council for the Blind, the Pretoria Workshop for the Blind, the Natal Society for the Blind, the Natal Blind and Deaf Society, the Cape Town Society for the Blind and the Worcester Society for the Blind.
- Protect employment by providing financial support to Productivity South Africa to promote increased productivity, competitiveness and social plan interventions on an ongoing basis.
- Contribute to reducing unemployment by ensuring that South African citizens receive employment preference over migrants through the ongoing assessment of migrant applicants' skills levels and making recommendations to the Department of Home Affairs in the issuing of corporate and individual work visas.

### Subprogrammes

- *Management and Support Services: Public Employment Services* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes. In 2013/14, this subprogramme had a staff complement of 83, including senior managers in the *Employer Services* and *Work Seeker Services* subprogrammes.
- *Employer Services* facilitates the registration of vacancies, disseminates scarce skills information, issues immigrant corporate and work permits, tracks the numbers of migrating skilled South Africans, oversees the placements of work seekers, responds to companies in distress, facilitates a social plan aimed at companies in distress, and regulates private employment agencies. In 2012/13, 153 applications for work permits were received and responded to within 30 working days. This subprogramme had a staff complement of 265 in 2013/14.
- *Work Seeker Services* is discussed in more detail below.
- *Designated Groups Special Services* facilitates the funding of transfers to national councils to provide employment for people with disabilities. This subprogramme's total budget is transferred in quarterly tranches to the South African National Council for the Blind, the Deaf Federation of South Africa and the National Council for Persons with Physical Disabilities in South Africa.

- *Sheltered Employment Factories and Subsidies to Designated Workshops* provides subsidies to sheltered employment factories to assist in providing employment for people with disabilities who cannot be placed in the mainstream economy.
- *Transfers to Workshops for the Blind* assists in providing employment for blind people to work in supported employment enterprises. This subprogramme's total budget is transferred in quarterly tranches to non-profit institutions.
- *Productivity South Africa* transfers funding to Productivity South Africa to promote workplace productivity, competitiveness and social plan interventions. This subprogramme's total budget is transferred in quarterly tranches to Productivity South Africa.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund.
- *Compensation Fund* provides for costs incurred through claims from civil servants for injuries sustained on duty or occupation related illnesses and diseases, and provides for the funding of claims from the Compensation Fund. In 2012/13, spending on the administration costs of civil servants' claims amounted to R14 million for 3 569 363 claims.
- *Training of Staff: Public Employment Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes. In 2012/13, 300 staff members were trained in various courses, including project management, minute taking, report writing and office administration at a cost of R1.3 million.

## Expenditure estimates

**Table 18.11 Public Employment Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17	2013/14 - 2016/17
R thousand											
Management and Support Services: Public Employment Services	19 220	21 001	21 812	31 098	17.4%	6.9%	32 952	34 731	36 571	5.6%	7.2%
Employer Services	128 688	143 673	148 517	91 382	-10.8%	37.9%	116 968	123 285	129 820	12.4%	24.7%
Work Seeker Services	22 927	23 523	32 763	99 645	63.2%	13.2%	114 179	119 944	125 926	8.1%	24.6%
Designated Groups Special Services	482	198	77	801	18.4%	0.1%	850	889	936	5.3%	0.2%
Sheltered Employment Factories and Subsidies to Designated Workshops	76 943	72 407	76 229	119 290	15.7%	25.5%	139 164	145 669	153 389	8.7%	29.8%
Productivity South Africa	31 155	34 059	37 052	40 285	8.9%	10.5%	43 119	45 531	47 944	6.0%	9.5%
Unemployment Insurance Fund	-	-	-	1	-	-	1	1	1	-	-
Compensation Fund	8 908	36 105	14 085	15 640	20.6%	5.5%	17 278	18 073	19 031	6.8%	3.7%
Training of Staff: Public Employment Services	935	1 228	1 116	1 975	28.3%	0.4%	2 022	1 069	1 126	-17.1%	0.3%
<b>Total</b>	<b>289 258</b>	<b>332 194</b>	<b>331 651</b>	<b>400 117</b>	<b>11.4%</b>	<b>100.0%</b>	<b>466 533</b>	<b>489 192</b>	<b>514 744</b>	<b>8.8%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				-			28 368	27 360	-		

### Economic classification

Current payments	174 138	192 031	207 237	229 440	9.6%	59.3%	272 764	286 071	300 858	9.5%	58.2%
Compensation of employees	138 703	154 514	169 064	196 250	12.3%	48.7%	237 378	250 103	262 983	10.2%	50.6%
Goods and services	35 435	37 517	38 173	33 190	-2.2%	10.7%	35 386	35 968	37 875	4.5%	7.6%
of which:											
Administration fees	133	492	423	-	-100.0%	0.1%	140	143	151	-	-
Advertising	88	263	263	759	105.1%	0.1%	567	601	627	-6.2%	0.1%
Assets less than the capitalisation threshold	879	745	305	362	-25.6%	0.2%	858	884	909	35.9%	0.2%
Bursaries: Employees	96	28	29	225	32.8%	-	243	258	272	6.5%	0.1%
Catering: Departmental activities	464	619	653	731	16.4%	0.2%	818	863	907	7.5%	0.2%
Communication	7 585	6 625	6 620	4 099	-18.5%	1.8%	3 810	4 037	4 267	1.3%	0.9%
Computer services	93	1 365	1 363	1 217	135.7%	0.3%	822	802	843	-11.5%	0.2%
Consultants and professional services: Business and advisory services	-	-	-	86	-	-	-	-	-	-100.0%	-
Contractors	224	164	-	852	56.1%	0.1%	113	123	144	-44.7%	0.1%
Agency and support / outsourced services	122	10	-	1 065	105.9%	0.1%	338	378	397	-28.0%	0.1%
Entertainment	23	21	19	77	49.6%	-	82	86	91	5.7%	-
Fleet services (including government motor transport)	-	70	70	-	-	-	1 154	1 230	1 331	-	0.2%
Inventory: Fuel, oil and gas	56	-	-	11	-41.9%	-	428	440	542	266.6%	0.1%

Table 18.11 Public Employment Services

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2013/14	2010/11 - 2013/14	2014/15	2015/16	2016/17		
R thousand											
<i>Inventory: Learner and teacher support material</i>	1	-	-	-	-100.0%	-	-	-	-	-	-
<i>Inventory: Materials and supplies</i>	43	19	-	6	-48.1%	-	203	213	223	233.7%	-
<i>Inventory: Medical supplies</i>	8	-	-	-	-100.0%	-	-	-	-	-	-
<i>Inventory: Other supplies</i>	71	56	-	314	64.1%	-	514	540	568	21.8%	0.1%
<i>Consumable: Stationery, printing and office supplies</i>	4 951	1 277	1 250	3 893	-7.7%	0.8%	3 653	3 628	3 820	-0.6%	0.8%
<i>Operating leases</i>	208	217	216	1 955	111.0%	0.2%	2 577	2 710	2 851	13.4%	0.5%
<i>Property payments</i>	2 751	4 077	4 077	1 107	-26.2%	0.9%	1 313	1 378	1 448	9.4%	0.3%
<i>Transport provided: Departmental activity</i>	-	8	8	-	-	-	150	157	164	-	-
<i>Travel and subsistence</i>	15 164	17 278	18 586	9 964	-13.1%	4.5%	10 761	11 529	12 169	6.9%	2.4%
<i>Training and development</i>	900	1 233	1 152	1 975	29.9%	0.4%	2 022	1 069	1 126	-17.1%	0.3%
<i>Operating payments</i>	710	1 218	1 246	2 245	46.8%	0.4%	1 458	1 543	1 617	-10.4%	0.4%
<i>Venues and facilities</i>	865	1 732	1 738	2 247	37.5%	0.5%	3 262	3 236	3 266	13.3%	0.6%
<i>Rental and hiring</i>	-	-	155	-	-	-	100	120	142	-	-
<b>Transfers and subsidies</b>	<b>114 958</b>	<b>138 158</b>	<b>123 625</b>	<b>170 427</b>	<b>14.0%</b>	<b>40.4%</b>	<b>193 769</b>	<b>203 121</b>	<b>213 886</b>	<b>7.9%</b>	<b>41.8%</b>
Provinces and municipalities	-	-	3	-	-	-	-	-	-	-	-
Departmental agencies and accounts	40 063	70 164	51 137	55 926	11.8%	16.1%	60 398	63 605	66 976	6.2%	13.2%
Non-profit institutions	74 817	67 671	72 228	114 466	15.2%	24.3%	133 334	139 477	146 868	8.7%	28.6%
Households	78	323	257	35	-23.4%	0.1%	37	39	42	6.3%	-
<b>Payments for capital assets</b>	<b>162</b>	<b>2 005</b>	<b>789</b>	<b>250</b>	<b>15.6%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Buildings and other fixed structures	-	15	-	-	-	-	-	-	-	-	-
Machinery and equipment	162	1 990	789	250	15.6%	0.2%	-	-	-	-100.0%	-
<b>Total</b>	<b>289 258</b>	<b>332 194</b>	<b>331 651</b>	<b>400 117</b>	<b>11.4%</b>	<b>100.0%</b>	<b>466 533</b>	<b>489 192</b>	<b>514 744</b>	<b>8.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>15.8%</b>	<b>16.6%</b>	<b>16.3%</b>	<b>16.4%</b>			<b>18.5%</b>	<b>18.3%</b>	<b>16.9%</b>		

## Details of transfers and subsidies

<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	-	-	3	-	-	-	-	-	-	-	-
Vehicle licences	-	-	3	-	-	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	78	323	257	35	-23.4%	0.1%	37	39	42	6.3%	-
Employee social benefits	78	323	257	35	-23.4%	0.1%	37	39	42	6.3%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	31 155	34 059	37 052	40 285	8.9%	10.5%	43 119	45 531	47 944	6.0%	9.5%
Productivity South Africa	31 155	34 059	37 052	40 285	8.9%	10.5%	43 119	45 531	47 944	6.0%	9.5%
<b>Departmental agencies and accounts</b>											
<b>Social security funds</b>											
<b>Current</b>	8 908	36 105	14 085	15 641	20.6%	5.5%	17 279	18 074	19 032	6.8%	3.7%
Unemployment Insurance Fund	-	-	-	1	-	-	1	1	1	-	-
Compensation Fund	8 908	36 105	14 085	15 640	20.6%	5.5%	17 278	18 073	19 031	6.8%	3.7%
<b>Non-profit institutions</b>											
<b>Current</b>	74 817	67 671	72 228	114 466	15.2%	24.3%	133 334	139 477	146 868	8.7%	28.6%
Deaf Federation of South Africa	86	68	-	223	37.4%	-	238	249	262	5.5%	0.1%
National Council for the Physically Disabled	207	56	59	260	7.9%	-	275	287	302	5.1%	0.1%
South African National Council for the Blind	189	74	18	318	18.9%	-	337	353	372	5.4%	0.1%
Subsidised Workshops for the Blind	8 196	8 688	9 122	9 578	5.3%	2.6%	10 152	10 619	11 181	5.3%	2.2%
Subsidised Work Centres for the Disabled	66 139	58 785	63 029	104 087	16.3%	21.6%	122 332	127 969	134 751	9.0%	26.1%

## Personnel information

Table 18.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Number of posts estimated for 31 March 2014		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Public Employment Services		674	169.1	0.3	674	196.3	0.3	674	237.4	0.4	674	250.1	0.4	674	263.0	0.4	-	100.0%	
Salary level	674	4	674	169.1	0.3	674	196.3	0.3	674	237.4	0.4	674	250.1	0.4	674	263.0	0.4	-	100.0%
1 – 6	162	4	162	29.0	0.2	162	29.0	0.2	162	35.0	0.2	162	36.8	0.2	162	38.6	0.2	-	24.0%
7 – 10	451	-	451	101.7	0.2	451	128.6	0.3	451	155.5	0.3	451	164.1	0.4	451	172.7	0.4	-	66.9%
11 – 12	49	-	49	27.8	0.6	49	28.3	0.6	49	34.3	0.7	49	36.0	0.7	49	37.8	0.8	-	7.3%
13 – 16	12	-	12	10.5	0.9	12	10.4	0.9	12	12.6	1.0	12	13.2	1.1	12	13.8	1.2	-	1.8%

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on enhancing the department's capacity to implement the Employment Services Bill once it is promulgated and on managing the implementation of the turnaround strategy for sheltered employment factories. To this end, spending in the *Sheltered Employment Factories* and *Subsidies to Designated Workshops* subprogramme grew significantly between 2010/11 and 2013/14 due to additional funding allocated in the 2013 Budget for the turnaround strategy for sheltered employment factories. In addition, the employment services system was improved to include online registration for employers, work seekers and mobile self-registration centres. The mobile self-registration centres intervention is aimed at increasing job creation and facilitating placements in decent employment. The number of work seekers placed in registered employment opportunities per year increased from 16 171 in 2012/13 to 19 000 in 2013/14.

The *Management and Support Services: Public Employment Services* subprogramme increased the department's capacity to provide employer, registration and placement services. This subprogramme accounts for the increased spending on compensation of employees between 2010/11 and 2013/14. Over the seven-year period, spending on transfers to non-profit institutions is set to grow substantially as the department implements its approved 2013 policy on transfers to non-profit institutions in an effort to facilitate access to employment for people with disabilities.

Over the medium term, this programme receives additional funds of R83.4 million through a reprioritisation of funds from spending on compensation of employees in the *Inspection and Enforcement Services* programme to spending on compensation of employees in this programme. The reprioritisation is to fund the occupation specific dispensation for career counsellors from 1 April 2014 and improved conditions of service. This will lead to increased spending on compensation of employees over this period. R15.9 million over the medium term has also been reprioritised within spending on goods and services, from communication, property payments and travel and subsistence to provide employment services projects.

## Subprogramme: Work Seeker Services

This subprogramme registers work seekers, retrenched workers, work vacancies, and training and income generating opportunities on the employment services system; and facilitates access to employment and income generating opportunities for the unemployed and underemployed. In 2012/13, 600 259 work seekers were registered on the Employment Services of South Africa system.

## Expenditure estimates

Table 18.13 Work Seeker Services

Economic classification	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%) 2010/11 - 2013/14	Expenditure/total: Average (%) 2010/11 - 2013/14	Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%) 2013/14 - 2016/17
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
R thousand	22 892	23 473	32 696	99 610	63.3%	99.9%	114 142	119 905	125 884	8.1%	33.5%
<b>Current payments</b>											
Compensation of employees	21 246	20 355	29 627	86 964	60.0%	88.4%	101 065	106 090	111 288	8.6%	29.5%
Goods and services	1 646	3 118	3 069	12 646	97.3%	11.4%	13 077	13 815	14 596	4.9%	3.9%
of which:											
Administration fees	6	13	12	–	-100.0%	–	70	70	75	–	–
Advertising	63	–	–	273	63.0%	0.2%	187	200	206	-9.0%	0.1%
Assets less than the capitalisation threshold	38	23	23	170	64.8%	0.1%	209	218	228	10.3%	0.1%
Bursaries: Employees	17	14	14	47	40.4%	0.1%	50	52	55	5.4%	–
Catering: Departmental activities	4	15	15	147	232.5%	0.1%	154	161	169	4.8%	–
Communication	302	1 173	1 173	2 262	95.7%	2.7%	1 875	1 993	2 115	-2.2%	0.6%
Contractors	16	48	–	22	11.2%	–	23	23	24	2.9%	–
Agency and support / outsourced services	3	–	–	73	189.8%	–	77	80	84	4.8%	–
Entertainment	–	–	–	7	–	–	8	8	9	8.7%	–
Fleet services (including government motor transport)	–	63	63	–	–	0.1%	532	577	646	–	0.1%
Inventory: Fuel, oil and gas	39	–	–	–	-100.0%	–	208	209	300	–	0.1%
Inventory: Other supplies	–	–	–	26	–	–	91	93	99	56.2%	–
Consumable: Stationery, printing and office supplies	36	32	30	1 386	237.7%	0.8%	1 355	1 427	1 507	2.8%	0.4%
Operating leases	–	75	75	64	–	0.1%	117	120	134	27.9%	–
Property payments	15	425	425	770	271.6%	0.9%	809	849	893	5.1%	0.2%
Travel and subsistence	1 037	1 122	1 123	5 264	71.9%	4.8%	5 274	5 587	5 930	4.1%	1.6%
Operating payments	58	101	103	653	124.1%	0.5%	786	820	858	9.5%	0.2%
Venues and facilities	12	14	13	1 482	398.0%	0.9%	1 252	1 328	1 264	-5.2%	0.4%
<b>Transfers and subsidies</b>	<b>35</b>	<b>35</b>	<b>67</b>	<b>35</b>	<b>–</b>	<b>0.1%</b>	<b>37</b>	<b>39</b>	<b>42</b>	<b>6.3%</b>	<b>–</b>
Households	35	35	67	35	–	0.1%	37	39	42	6.3%	–
<b>Payments for capital assets</b>	<b>–</b>	<b>15</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Buildings and other fixed structures	–	15	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>22 927</b>	<b>23 523</b>	<b>32 763</b>	<b>99 645</b>	<b>63.2%</b>	<b>100.0%</b>	<b>114 179</b>	<b>119 944</b>	<b>125 926</b>	<b>8.1%</b>	<b>33.5%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>7.9%</b>	<b>7.1%</b>	<b>9.9%</b>	<b>24.9%</b>			<b>24.5%</b>	<b>24.5%</b>	<b>24.5%</b>		

## Personnel information

Table 18.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Number of posts estimated for 31 March 2014		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment														Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2012/13	Unit Cost	Cost	2013/14	Unit Cost	Cost	2014/15		2015/16		2016/17				2013/14 - 2016/17			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Work Seeker Services</b>																			
Salary level	327	–	316	29.6	0.1	327	87.0	0.3	327	101.1	0.3	327	106.1	0.3	327	111.3	0.3	–	100.0%
1 – 6	111	–	109	7.9	0.1	111	20.5	0.2	111	21.6	0.2	111	22.8	0.2	111	24.0	0.2	–	33.9%
7 – 10	212	–	203	19.6	0.1	212	64.3	0.3	212	77.1	0.4	212	80.8	0.4	212	84.7	0.4	–	64.8%
11 – 12	4	–	4	2.2	0.6	4	2.2	0.6	4	2.3	0.6	4	2.5	0.6	4	2.6	0.7	–	1.2%

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

2. Rand million.

## Expenditure trends

The spending focus of this subprogramme is on increasing the number of work seekers registered and facilitating access to employment and income generating opportunities. The aim is to reduce unemployment and contribute to the national employment target of 11 million jobs created by 2030. Spending on compensation of employees between 2010/11 and 2013/14 grew at an average annual rate of 60 per cent, due to the transfer of staff to this subprogramme from the *Employer Services* subprogramme to enhance the effectiveness of this subprogramme. Spending on compensation of employees is expected to stabilise at 8.6 per cent over the

medium term due to salary adjustments for career counsellors. Increased spending on advertising, travel and the hiring of venues and facilities in respect of roadshows for the registration of work seekers accounts for the 97.3 per cent growth in spending on goods and services between 2010/11 and 2013/14, and is expected to moderate to 4.9 per cent over the MTEF period.

The subprogramme's expenditure, which includes items such as communication, travel and subsistence, is expected to increase to R125.9 million in 2016/17 to provide for the implementation of projects emanating from the Employment Services Bill. These include the development of systems and regulations for private employment agencies responsible for job matching and placing work seekers, enhancements to the Employment Services of South Africa system to facilitate an increase in the number of employment opportunities registered, and the rollout of employment schemes to enhance work seekers' employment opportunities and their employability. The targets for the number of work seekers registered on the Employment Services of South Africa system is expected to increase from 500 000 in 2013/14 to 600 000 in 2016/17.

The subprogramme receives R24 million for improved conditions of service over the medium term, from the reprioritisation from spending on compensation of employees in the *Administration* programme. As at 31 March 2013, the programme had a funded and filled establishment of 316 posts, which increased to 327 posts in 2013/14 and is expected to remain stable over the medium term.

## Programme 4: Labour Policy and Industrial Relations

### Objectives

- Improve the status of vulnerable workers by:
  - reviewing 8 sectoral determinations on appropriate minimum wages and conditions of employment by March 2017; 2 determinations in the contract cleaning and the domestic worker sectors by March 2015; 4 determinations in the farm worker, forestry, private security and wholesale and retail sectors by March 2016; and 2 determinations in the hospitality and the taxi sectors by March 2017
  - investigating 3 new sectors (funeral undertaking, abattoir sector and gardening services) by March 2017.
- Promote equity in the workplace by addressing income disparities along racial and gender lines by:
  - promoting the relevant provisions of the Amended Employment Equity Act (1998) and its employment equity regulations, endorsing the principle of equal pay for work of equal value across all occupational levels of the workforce through the assessment of 30 companies on income differentials by March 2015
  - assisting employers in identifying income disparities based on race and gender by conducting 7 income differential assessments per quarter.
- Manage the implementation of the Labour Relations Act (1995) by extending 18 collective agreements within 60 days from the day of receipt, and registering labour organisations within 90 days of receiving a completed application.
- Implement a research, monitoring and evaluation agenda in specific areas identified in the labour market by conducting at least 4 research projects by September 2014 and releasing 4 reports on labour market information and statistical analysis by September 2014.

### Subprogrammes

- *Management and Support Services: Labour Policy and Industrial Relations* manages delegated administrative and financial responsibilities, coordinates all planning, monitoring and evaluation functions, and provides corporate support to line function subprogrammes. This entails managing the proper implementation of all human resources related matters, ensuring effective and efficient procurement of goods and services, as well as dealing with budget planning and expenditure control. This subprogramme had a staff complement of 16 in 2013/14.
- *Strengthen Civil Society* makes transfers to various civil society organisations that provide resources, support and expertise to improve the independence and self-reliance of workers and employers, with the aim of strengthening the capacity of workers and employers to contribute to a stable and smoothly functioning labour market. Portions of this subprogramme's total budget are transferred to various civil society

organisations such as the Ditsela Workers' Education Institute, Workers College Natal and the Confederation of South African Trade Unions.

- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) by developing policies and practices that promote sound labour relations. This entails extending collective agreements and registering labour organisations within 90 days. By the end of September 2013, 10 collective agreements were extended with an average turnaround time of 52 days and the applications of 78 labour organisations were processed within 48 days. This subprogramme had a staff complement of 30 in 2013/14.
- *Employment Equity* promotes equity in the labour market by strengthening the implementation, monitoring and enforcement mechanisms of the Employment Equity Act (1998). In 2013/14, 30 income differential assessments were conducted, 8 each for the first and second quarters, and 7 each for the third and fourth quarters, at a total cost of R1 million. This subprogramme had a staff complement of 19 in 2013/14.
- *Employment Standards* protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997). In 2013/14, hospitality and taxi sector determinations were reviewed at a cost of R1.4 million. In addition, a feasibility study on establishing a funeral sector determination was done in 2013/14 at a cost of R250 000. This subprogramme had a staff complement of 17 in 2013/14.
- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes fairness in the workplace through dispute prevention and dispute resolution services. This subprogramme's total budget is transferred in full to the commission.
- *Research, Policy and Planning* supports the department's policy formulation and legislation drafting functions. This entails conducting research and managing commissioned research projects that are aimed at monitoring and evaluating working conditions and policies affecting the labour market in South Africa and elsewhere, and identifying relevant labour market interventions and policy options. In 2013/14, R7.2 million was spent on the following research projects: the extent of utilisation of bargaining council agreements exemption by businesses; progress made towards the reduction of working hours to a 40-hour week; assessing knowledge levels about the work of the Department of Labour and its communication campaigns; investigating employment counselling approaches for designated groups; and attitudes of unemployed work-seekers towards certain jobs. This subprogramme had a staff complement of 10 in 2013/14.
- *Labour Market Information and Statistics* collects, collates, analyses, and disseminates internal and external labour market statistics about changes in the South African labour market that impact on legislation; and triggers further research on labour matters. By June 2013, the report on job opportunities and unemployment in the South African labour market and the annual labour market bulletin had been completed. The reports on industrial action and annual administrative statistics will be completed by March 2014. In 2013/14, this subprogramme had a staff complement of 95 across provinces, including the head office.
- *International Labour Matters* facilitates bilateral and multilateral cooperation between the department and its partners internationally to exchange information and best practices on labour market issues. This subprogramme transferred the following funds in lieu of South Africa's affiliation fees for 2013/14: R681 843 to the African Regional Labour Administration Centre and R15 million to the International Labour Organisation. This subprogramme had a staff complement of 19 in 2013/14.
- *National Economic Development and Labour Council* transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity through social dialogue. This subprogramme had a staff complement of 1 in 2013/14.

## Expenditure estimates

Table 18.15 Labour Policy and Industrial Relations

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
Management and Support Services: Labour Policy and Industrial Relations	8 467	9 561	12 320	13 406	16.6%	1.7%	13 585	13 691	14 269	2.1%	1.6%
Strengthen Civil Society	14 379	15 063	15 802	16 504	4.7%	2.5%	17 318	17 929	18 879	4.6%	2.0%
Collective Bargaining	9 746	10 216	11 234	13 356	11.1%	1.8%	14 504	14 549	15 477	5.0%	1.6%
Employment Equity	9 656	10 999	9 907	12 849	10.0%	1.7%	14 484	15 247	16 148	7.9%	1.7%
Employment Standards	6 506	9 758	8 422	13 297	26.9%	1.5%	12 706	14 906	16 054	6.5%	1.6%
Commission for Conciliation, Mediation and Arbitration	402 017	448 104	478 745	594 418	13.9%	76.8%	687 096	733 999	772 901	9.1%	78.8%
Research, Policy and Planning	12 345	10 598	5 262	12 668	0.9%	1.6%	11 736	12 625	13 696	2.6%	1.4%
Labour Market Information and Statistics	26 403	29 307	30 291	34 301	9.1%	4.8%	36 466	38 562	41 001	6.1%	4.3%
International Labour Matters	19 338	26 870	22 962	27 414	12.3%	3.9%	33 907	35 238	36 895	10.4%	3.8%
National Economic Development and Labour Council	16 342	24 433	24 707	26 278	17.2%	3.7%	28 089	29 472	31 043	5.7%	3.2%
<b>Total</b>	<b>525 199</b>	<b>594 909</b>	<b>619 652</b>	<b>764 491</b>	<b>13.3%</b>	<b>100.0%</b>	<b>869 891</b>	<b>926 218</b>	<b>976 363</b>	<b>8.5%</b>	<b>100.0%</b>
Change to 2013 Budget estimate				-			2 380	2 509	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>82 168</b>	<b>93 427</b>	<b>87 055</b>	<b>111 640</b>	<b>10.8%</b>	<b>14.9%</b>	<b>121 546</b>	<b>128 131</b>	<b>135 977</b>	<b>6.8%</b>	<b>14.1%</b>
Compensation of employees	54 577	60 282	61 540	71 005	9.2%	9.9%	78 893	83 641	89 129	7.9%	9.1%
Goods and services	27 591	33 145	25 515	40 635	13.8%	5.1%	42 653	44 490	46 848	4.9%	4.9%
of which:											
Administration fees	225	578	637	423	23.4%	0.1%	521	597	611	13.0%	0.1%
Advertising	3 271	5 023	2 342	8 270	36.2%	0.8%	7 209	8 805	9 535	4.9%	1.0%
Assets less than the capitalisation threshold	101	57	19	662	87.1%	-	424	427	431	-13.3%	0.1%
Bursaries: Employees	3	1	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	139	781	651	406	42.9%	0.1%	375	308	318	-7.8%	-
Communication	1 788	1 514	1 538	1 156	-13.5%	0.2%	1 531	1 648	1 742	14.6%	0.2%
Computer services	1 516	1 156	1 156	823	-18.4%	0.2%	963	975	1 017	7.3%	0.1%
Consultants and professional services: Business and advisory services	7 277	6 385	6 608	7 478	0.9%	1.1%	6 694	7 202	7 849	1.6%	0.8%
Consultants and professional services: Legal costs	129	-	-	20	-46.3%	-	274	285	300	146.6%	-
Contractors	85	110	-	23	-35.3%	-	758	5	6	-36.1%	-
Agency and support / outsourced services	72	584	-	3	-65.3%	-	38	8	8	38.7%	-
Entertainment	40	54	56	50	7.7%	-	110	93	101	26.4%	-
Fleet services (including government motor transport)	-	15	17	152	-	-	309	182	193	8.3%	-
Inventory: Fuel, oil and gas	28	-	-	-	-100.0%	-	164	262	265	-	-
Inventory: Learner and teacher support material	39	34	-	-	-100.0%	-	54	57	60	-	-
Inventory: Materials and supplies	34	-	-	1	-69.1%	-	9	24	23	184.4%	-
Inventory: Other supplies	33	17	-	-	-100.0%	-	-	-	-	-	-
Consumable supplies	-	-	-	77	-	-	164	119	129	18.8%	-
Consumable: Stationery, printing and office supplies	2 797	2 325	2 363	2 777	-0.2%	0.4%	4 224	2 864	3 012	2.7%	0.4%
Operating leases	507	861	869	403	-7.4%	0.1%	1 891	1 485	1 504	55.1%	0.1%
Property payments	394	552	552	574	13.4%	0.1%	604	657	686	6.1%	0.1%
Travel and subsistence	7 642	11 273	6 477	12 070	16.5%	1.5%	11 547	13 761	13 980	5.0%	1.5%
Training and development	789	682	682	1 375	20.3%	0.1%	1 448	1 516	1 596	5.1%	0.2%
Operating payments	285	279	428	906	47.0%	0.1%	629	540	672	-9.5%	0.1%
Venues and facilities	397	864	1 120	2 986	95.9%	0.2%	2 713	2 670	2 810	-2.0%	0.3%
<b>Transfers and subsidies</b>	<b>442 967</b>	<b>501 441</b>	<b>532 440</b>	<b>652 508</b>	<b>13.8%</b>	<b>85.0%</b>	<b>748 324</b>	<b>798 065</b>	<b>840 363</b>	<b>8.8%</b>	<b>85.9%</b>
Provinces and municipalities	-	-	1	-	-	-	2	2	2	-	-
Departmental agencies and accounts	417 885	472 019	502 904	620 246	14.1%	80.4%	714 543	762 790	803 218	9.0%	82.0%
Foreign governments and international organisations	10 703	14 211	13 692	15 594	13.4%	2.2%	16 461	17 344	18 264	5.4%	1.9%
Non-profit institutions	14 379	15 063	15 802	16 504	4.7%	2.5%	17 318	17 929	18 879	4.6%	2.0%
Households	-	148	41	164	-	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>64</b>	<b>41</b>	<b>157</b>	<b>343</b>	<b>75.0%</b>	<b>-</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>-59.4%</b>	<b>-</b>
Machinery and equipment	64	41	157	343	75.0%	-	21	22	23	-59.4%	-
<b>Total</b>	<b>525 199</b>	<b>594 909</b>	<b>619 652</b>	<b>764 491</b>	<b>13.3%</b>	<b>100.0%</b>	<b>869 891</b>	<b>926 218</b>	<b>976 363</b>	<b>8.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>28.8%</b>	<b>29.6%</b>	<b>30.5%</b>	<b>31.3%</b>			<b>34.4%</b>	<b>34.6%</b>	<b>32.0%</b>		

Table 18.15 Labour Policy and Industrial Relations

Details of transfers and subsidies	Audited outcome			Adjusted appropriation 2013/14	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2013/14 - 2016/17	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13		2010/11 - 2013/14	2014/15	2015/16	2016/17			
R thousand											
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	-	-	1	-	-	-	2	2	2	-	-
Vehicle licences	-	-	1	-	-	-	2	2	2	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	10 703	14 211	13 692	15 594	13.4%	2.2%	16 461	17 344	18 264	5.4%	1.9%
International Labour Organisation	10 246	13 672	13 072	14 891	13.3%	2.1%	15 716	16 565	17 443	5.4%	1.8%
African Regional Labour Administration Centre	457	539	620	703	15.4%	0.1%	745	779	821	5.3%	0.1%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	-	148	41	164	-	-	-	-	-	-100.0%	-
Employee social benefits	-	148	41	164	-	-	-	-	-	-100.0%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	417 885	472 019	502 904	620 246	14.1%	80.4%	714 543	762 790	803 218	9.0%	82.0%
Commission for Conciliation, Mediation and Arbitration	402 017	448 104	478 745	594 418	13.9%	76.8%	687 096	733 999	772 901	9.1%	78.8%
National Economic Development and Labour Council	15 868	23 915	24 159	25 828	17.6%	3.6%	27 447	28 791	30 317	5.5%	3.2%
<b>Non-profit institutions</b>											
<b>Current</b>	14 379	15 063	15 802	16 504	4.7%	2.5%	17 318	17 929	18 879	4.6%	2.0%
Strengthen civil society	14 379	15 063	15 802	16 504	4.7%	2.5%	17 318	17 929	18 879	4.6%	2.0%

## Personnel information

Table 18.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Labour Policy and Industrial Relations	Number of posts estimated for 31 March 2014		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15		2015/16		2016/17				2013/14 - 2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	193	1	173	61.5	0.4	197	69.9	0.4	194	78.9	0.4	194	83.6	0.4	194	89.1	0.5	-0.5%	100.0%
1 - 6	22	-	22	5.2	0.2	22	4.2	0.2	22	4.7	0.2	22	5.0	0.2	22	5.4	0.2	-	11.3%
7 - 10	130	1	115	36.5	0.3	133	36.9	0.3	131	41.5	0.3	131	44.0	0.3	131	46.8	0.4	-0.5%	67.5%
11 - 12	29	-	28	13.0	0.5	30	18.0	0.6	29	20.4	0.7	29	21.6	0.7	29	23.1	0.8	-1.1%	15.0%
13 - 16	12	-	8	6.8	0.8	12	10.8	0.9	12	12.3	1.0	12	13.0	1.1	12	13.9	1.2	-	6.2%

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

2. Rand million.

## Expenditure trends

The spending focus over the medium term will be on protecting vulnerable workers by reviewing and making sectoral determinations, promoting sound labour relations and equity in the labour market, as well as enforcing and monitoring the Employment Equity Act (1998). This focus is reflected in the transfers to the Commission for Conciliation, Mediation and Arbitration and the National Economic and Labour Council, as well as under goods and services in travel, advertising and venues and facilities. The focus on promoting sound labour relations will continue, with a particular emphasis on the resolution of industrial action and the reduction of tension and violence in the labour market. The bulk of the programme's budget continues to be transferred to the Commission for Conciliation, Mediation and Arbitration for dispute prevention and resolution services. In the 2013 Budget, the commission was allocated additional funds to address increasing caseloads arising from amendments to the labour laws; the rollout of a web based case management system; expansion of access to dispute resolution services as well as a job saving unit and the aforementioned accounts for the increased spending on the transfer to the Commission between 2010/11 and 2013/14.

R16 million over the medium term has been reprioritised from goods and services in the *Research, Policy and Planning* subprogramme due to the overlap of research projects, which reduced the number of planned projects in a year. Of the R16 million, R14.3 million will be used in the *International Labour Matters* subprogramme to provide for the rising affiliation fees for the International Labour Organisation subprogramme, to cover the cost of implementing amendments to the Labour Relations Act (1995) and work relating to labour tenants in terms of amendments to the Basic Conditions of Employment Act (1997) in the *Employment Standards* subprogramme. Of the 27 conventions ratified by South Africa, 25 are in force, 2 have been denounced, and 3 have been ratified in the past 12 months. In addition, R7.5 million over the medium term is reprioritised from the *Inspection and Enforcement Services* programme to this programme for 4 additional posts, of which 3 will be in the *International Labour Matters* subprogramme.

The total number of personnel in this programme is expected to increase from 173 posts in 2012/13 to 194 filled posts in 2016/17, with a corresponding increase in spending on compensation of employees. This forms part of the effort to capacitate the programme to promote sound labour relations and equity in the labour market.

Spending on consultants was equivalent to 10.6 per cent of total expenditure on compensation of employees in 2013/14, and is expected to grow from R6.7 million in 2014/15 to R7.8 million in 2016/17 due to the commissioning of six research reports. As research topics and requirements vary from year to year, it is more cost-efficient for the department to engage external research specialists as consultants than to employ permanent staff. In 2013/14, this programme contracted three consulting companies to undertake three research projects.

## Public entities and other agencies

### Commission for Conciliation, Mediation and Arbitration

#### Mandate and goals

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

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

- enhance the role of the commission in the labour market through the provision of effective dispute resolution under the auspices of the bargaining councils and private agencies
- provide support and assistance to local, regional and international organisations
- facilitate social dialogue and economic development on identified labour market issues locally and internationally
- deliver excellent service rooted in social justice, ensuring a balance between quality and quantity
- enhance and entrench internal processes and systems for optimal deployment of resources
- entrench an organisational culture that supports delivery of its mandate.

#### Selected performance indicators

**Table 18.17 Commission for Conciliation, Mediation and Arbitration**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of jurisdiction referrals per year	Social services	Outcome 4: Decent	119 362	131 298	130 978	143 652	158 017	197 170	207 029
Percentage (and numbers) of pre-conciliations heard per year	Social services	employment through	15% (18 205)	10% (20 026)	17% (22 438)	10% (14 365)	10% (15 801)	10% (19 717)	10% (20 702)
Percentage (and numbers) of pre-conciliations settled (of jurisdiction cases) per year	Social services	inclusive economic growth	7% (8 533)	7% (9 386)	9% (11 419)	7% (10 056)	7% (11 061)	7% (13 802)	7% (14 492)

**Table 18.17 Commission for Conciliation, Mediation and Arbitration**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage (and numbers) of con-arbs heard (of jurisdiction referrals) per year	Social services	Outcome 4: Decent employment through inclusive economic growth	41% (49 222)	50% (54 144)	41% (53 060)	50% (71 826)	50% (79 009)	50% (98 585)	50% (103 515)
Percentage (and numbers) of con-arbs finalised of jurisdiction referrals per year	Social services		34% (41 086)	40% (45 195)	36% (47 241)	35% (50 278)	35% (55 306)	35% (69 010)	35% (72 460)
Number of cases settled (based on finalised cases) per year	Social services		71 976	79 174	83 917	100 556	110 612	115 918	121 714

## Programmes/activities/objectives

**Table 18.18 Commission for Conciliation, Mediation and Arbitration**

R thousand	Audited outcome			Revised estimate 2013/14	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
Administration	199 024	249 377	291 678	283 835	12.6%	53.6%	309 906	336 154	363 024	8.5%	45.4%
Institutional development	8 489	13 871	17 069	38 959	66.2%	3.8%	41 894	45 037	48 272	7.4%	6.1%
Corporate governance	2 277	1 849	1 819	906	-26.5%	0.4%	956	1 007	1 062	5.4%	0.1%
Social services	171 556	162 826	197 909	284 459	18.4%	42.2%	348 768	366 950	376 450	9.8%	48.3%
<b>Total expense</b>	<b>381 346</b>	<b>427 923</b>	<b>508 475</b>	<b>608 159</b>	<b>16.8%</b>	<b>100.0%</b>	<b>701 524</b>	<b>749 149</b>	<b>788 808</b>	<b>9.1%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 18.19 Commission for Conciliation, Mediation and Arbitration**

R thousand	Audited outcome			Revised estimate 2013/14	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>11 208</b>	<b>12 051</b>	<b>18 038</b>	<b>13 741</b>	<b>7.0%</b>	<b>2.8%</b>	<b>14 428</b>	<b>15 150</b>	<b>15 907</b>	<b>5.0%</b>	<b>2.1%</b>
Sale of goods and services other than capital assets	1 506	2 755	2 466	2 589	19.8%	0.5%	2 719	2 855	2 997	5.0%	0.4%
of which:											
Other sales	1 506	2 755	2 466	2 589	19.8%	0.5%	2 719	2 855	2 997	5.0%	0.4%
Other non-tax revenue	9 702	9 296	15 572	11 152	4.8%	2.3%	11 710	12 295	12 910	5.0%	1.7%
<b>Transfers received</b>	<b>402 017</b>	<b>448 104</b>	<b>481 637</b>	<b>594 418</b>	<b>13.9%</b>	<b>97.2%</b>	<b>687 096</b>	<b>733 999</b>	<b>772 901</b>	<b>9.1%</b>	<b>97.9%</b>
<b>Total revenue</b>	<b>413 225</b>	<b>460 155</b>	<b>499 675</b>	<b>608 159</b>	<b>13.7%</b>	<b>100.0%</b>	<b>701 524</b>	<b>749 149</b>	<b>788 808</b>	<b>9.1%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>381 346</b>	<b>427 923</b>	<b>508 475</b>	<b>608 159</b>	<b>16.8%</b>	<b>100.0%</b>	<b>701 524</b>	<b>749 149</b>	<b>788 808</b>	<b>9.1%</b>	<b>100.0%</b>
Compensation of employees	130 867	143 753	163 929	184 123	12.1%	32.6%	204 561	227 062	249 769	10.7%	30.4%
Goods and services	249 863	282 342	336 267	414 404	18.4%	66.4%	486 802	511 376	527 750	8.4%	68.2%
Depreciation	616	1 828	8 279	9 632	150.0%	1.0%	10 162	10 710	11 289	5.4%	1.5%
<b>Total expenses</b>	<b>381 346</b>	<b>427 923</b>	<b>508 475</b>	<b>608 159</b>	<b>16.8%</b>	<b>100.0%</b>	<b>701 524</b>	<b>749 149</b>	<b>788 808</b>	<b>9.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>31 879</b>	<b>32 232</b>	<b>(8 800)</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Personnel information

**Table 18.20 Commission for Conciliation, Mediation and Arbitration**

Number of funded posts	Number of posts estimated for 31 March 2014		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of posts on approved establishment	Number of posts on funded establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2012/13			2013/14			2014/15			2015/16					2016/17		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	488	488	441	163.9	0.4	488	184.1	0.4	494	204.6	0.4	494	227.1	0.5	494	249.8	0.5	10.7%	100.0%
1 – 6	94	94	82	11.9	0.1	94	13.5	0.1	95	14.9	0.2	95	16.7	0.2	95	18.6	0.2	11.3%	19.2%
7 – 10	315	315	290	98.4	0.3	315	109.8	0.3	318	122.0	0.4	318	135.0	0.4	318	149.4	0.5	10.8%	64.4%
11 – 12	66	66	58	35.8	0.6	66	40.7	0.6	68	45.2	0.7	68	50.4	0.7	68	53.9	0.8	9.8%	13.7%
13 – 16	13	13	11	17.8	1.6	13	20.2	1.6	13	22.4	1.7	13	25.0	1.9	13	27.9	2.1	11.3%	2.6%

1. Rand million.

## **Expenditure trends**

The spending focus over the medium term will be on improving service delivery, as well as expanding access to dispute resolution services. Increased spending from 2013/14 and over the medium term is attributed to additional allocations approved in the 2013 Budget for increasing caseloads arising from labour law amendments, expanded access to the commission's services through the rollout of the web based case management system to labour centres and bargaining councils, the establishment of a dedicated employment security unit to take forward the training layoff scheme, and the opening of new offices in the Vaal triangle area in Gauteng and in Welkom in Free State. The latter two developments account for the growth in spending in the institutional development programme, at an average annual rate of 128.2 per cent between 2012/13 and 2013/14.

Spending by the commission is driven by the number of cases referred to it. The increase in the number of jurisdiction case referrals from 143 652 cases in 2013/14 to 207 029 cases in 2016/17 accounts for the increased spending on goods and services and compensation of employees over this period. The growth in spending on compensation of employees between 2010/11 and 2012/13 is attributed to the filling of existing vacant posts to improve service delivery, more back office support, and inflationary salary adjustments. Spending in the social services programme grew at a rate of 18.4 per cent between 2010/11 and 2013/14 due to project costs for the implementation of the labour legislation amendments, and is set to grow strongly over the medium term due to increasing caseloads arising from these labour legislation amendments.

The commission's main source of revenue is the annual transfer it receives from the department. Total revenue grew at an average annual rate of 13.7 per cent from 2010/11 to 2013/14 due to an increase in transfers to provide for the heavier case load and the expansion of services. The increase in revenue, driven by the increase in transfers, also allowed the commission to open two new offices, roll out the web based case management system to bargaining councils and labour centres and hear more labour dispute cases. Revenue is set to moderate to 9.1 per cent over the medium term.

Between 2010/11 and 2013/14, revenue from other sales grew at an average annual rate of 19.8 per cent, mainly driven by the demand for Commission of Conciliation, Mediation and Arbitration gazetted services available to the public, such as the resolution of disputes with pre-dismissal arbitration, and the oversight of elections or ballots held by trade unions or employers' organisations. Between 2011/12 and 2013/14, other non-tax revenue fluctuated as a result of changes in the rate at which interest is earned on investments.

The commission aims to reduce its operational overheads by cutting printing and electricity costs through raising awareness of its greening project, identifying cost savings for travel and accommodation and monitoring spending at cost centres against approved budgets. Spending in the corporate governance programme between 2010/11 and 2012/13 decreased at an average annual rate of 26.5 per cent due to cost saving measures implemented on communication and travel and accommodation.

The number of personnel in this entity is expected to increase from 441 in 2012/13 to 494 in 2014/15, mainly due to funding allocated to address the increasing case loads and the establishment of new offices. This also accounts for the significant increase on compensation of employees and goods and services in respect of case disbursement costs especially the payment of part-time commissioners in this period. The number of personnel is set to stabilise at 494 over the medium term.

## **Compensation Fund**

### **Mandate and goals**

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

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

- provide an efficient social safety net
- enhance the quality of, and access to, services provided in terms of the act through the decentralisation of these services to all provinces, and conduct campaigns to educate employees about the act
- improve revenue collection

- integrate the fund with government's comprehensive social security reforms
- strengthen corporate governance
- intensify the implementation of the rehabilitation and reintegration policy framework.

## Selected performance indicators

**Table 18.21 Compensation Fund**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Percentage growth in assessment revenue per year	Administration	Outcome 4: Decent employment through inclusive economic growth	8.3% (R4.9bn)	2.3% (R5bn)	5% (R5.3bn)	5% (R5.6bn)	5% (R5.8bn)	5% (R6.1bn)	5% (R6.4bn)
Percentage increase in the number of registered employers per year	Administration		5% (422 371)	5% (443 490)	5% (488 947)	5% (513 395)	5% (539 064)	5% (566 017)	5% (594 318)
Number of new claims registered per year	Operations related to the Compensation for Occupational Injuries and Diseases Act (1993)		215 493	449 742	196 509	369 000	805 905	846 200	896 972
Percentage of registered claims finalised per year	Operations related to the Compensation for Occupational Injuries and Diseases Act (1993)		67% (144 081)	33% (148 403)	65.8% (129 405)	77% (295 200)	86% (693 078)	86% (727 732)	95% (741 456)
Percentage of medical claims finalised per year within a 3-month period	Operations related to the Compensation for Occupational Injuries and Diseases Act (1993)		64% (226 382)	45% (107 475)	65% (89 345)	70% (71 923)	84% (287 538)	84% (642 818)	90% (675 678)
Percentage increase in the number of registered employers per year	Operations related to the Compensation for Occupational Injuries and Diseases Act (1993)		5% (443 490)	2% (452 084)	8% (488 947)	5% (513 395)	5% (539 065)	5% (566 017)	5% (594 320)

## Programmes/activities/objectives

**Table 18.22 Compensation Fund**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
Administration	525 369	639 178	887 772	821 906	16.1%	16.5%	814 450	847 169	930 954	4.2%	16.7%
Compensation for Occupational Injuries and Diseases Act (1993) operations	3 368 198	5 767 510	3 028 206	3 282 224	-0.9%	83.4%	4 371 770	4 659 918	4 889 449	14.2%	82.9%
Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993) operations	-	-	-	19 308	-	0.1%	22 523	23 784	25 139	9.2%	0.4%
<b>Total expense</b>	<b>3 893 567</b>	<b>6 406 688</b>	<b>3 915 978</b>	<b>4 123 438</b>	<b>1.9%</b>	<b>100.0%</b>	<b>5 208 743</b>	<b>5 530 871</b>	<b>5 845 542</b>	<b>12.3%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 18.23 Compensation Fund**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
<b>Revenue</b>											
Non-tax revenue	2 671 362	3 476 757	4 877 386	2 702 913	0.4%	35.5%	2 807 543	2 916 447	3 029 802	3.9%	25.4%
Other non-tax revenue	2 671 362	3 476 757	4 877 386	2 702 913	0.4%	35.5%	2 807 543	2 916 447	3 029 802	3.9%	25.4%
Transfers received	4 865 989	4 978 266	7 375 337	7 817 857	17.1%	64.5%	8 208 750	8 619 188	9 050 147	5.0%	74.6%
<b>Total revenue</b>	<b>7 537 351</b>	<b>8 455 023</b>	<b>12 252 723</b>	<b>10 520 770</b>	<b>11.8%</b>	<b>100.0%</b>	<b>11 016 293</b>	<b>11 535 635</b>	<b>12 079 949</b>	<b>4.7%</b>	<b>100.0%</b>
<b>Expenses</b>											
Current expenses	675 445	781 388	1 013 490	874 948	9.0%	19.2%	1 017 726	1 076 178	1 157 848	9.8%	20.0%
Compensation of employees	184 654	211 973	336 506	400 145	29.4%	6.6%	448 162	448 374	497 398	7.5%	8.7%
Goods and services	487 014	565 963	674 044	471 174	-1.1%	12.5%	565 788	624 059	656 554	11.7%	11.2%
Depreciation	1 833	1 882	2 810	3 472	23.7%	0.1%	3 611	3 576	3 719	2.3%	0.1%
Interest, dividends and rent on land	1 944	1 570	130	157	-56.8%	0.0%	165	169	177	4.1%	0.0%
Transfers and subsidies	3 218 122	5 625 300	2 902 488	3 248 490	0.3%	80.8%	4 191 017	4 469 043	4 687 694	13.0%	80.0%
<b>Total expenses</b>	<b>3 893 567</b>	<b>6 406 688</b>	<b>3 915 978</b>	<b>4 123 438</b>	<b>1.9%</b>	<b>100.0%</b>	<b>5 208 744</b>	<b>5 545 221</b>	<b>5 845 541</b>	<b>12.3%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>3 643 784</b>	<b>2 048 335</b>	<b>8 336 745</b>	<b>6 397 332</b>	<b>20.6%</b>		<b>5 807 549</b>	<b>5 990 414</b>	<b>6 234 408</b>	<b>-0.9%</b>	

## Personnel information

**Table 18.24 Compensation Fund**

Number of posts estimated for 31 March 2014		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					2013/14 - 2016/17
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	1 334	1 334	1 334	336.5	0.3	772	400.1	0.5	1 334	448.2	0.3	1 334	448.4	0.3	1 334	497.4	0.4	7.5%	100.0%
1 – 6	740	740	740	148.7	0.2	670	135.5	0.2	740	140.9	0.2	740	138.0	0.2	740	153.2	0.2	4.2%	63.3%
7 – 10	514	514	514	155.0	0.3	59	190.9	3.2	514	221.7	0.4	514	223.5	0.4	514	248.2	0.5	9.1%	30.8%
11 – 12	54	54	54	10.4	0.2	30	36.3	1.2	54	42.1	0.8	54	42.7	0.8	54	47.2	0.9	9.2%	4.0%
13 – 16	26	26	26	22.5	0.9	13	37.4	2.9	26	43.4	1.7	26	44.1	1.7	26	48.7	1.9	9.2%	1.9%

1. Rand million.

## Expenditure trends

The Compensation Fund's main source of revenue is the levies payable by employers based on a determined percentage of the annual earnings of their employees. The Compensation for Occupational Injuries and Diseases Act (1993), however, makes provision for a minimum assessment to ensure that the assessment is not less than the administration costs incurred. The increase in total revenue between 2010/11 and 2013/14, is as a result of increased compliance by employers in submitting their annual return on earnings for assessments, revenue from debt collection and increased return on investments. Total revenue collected is expected to slow to an average annual rate of 5 per cent over the medium term.

The spending focus over the medium term will be on making timeous payments to all deserving and qualifying beneficiaries as stipulated in the Compensation for Occupational Injuries and Diseases Act (1993), as well as finalising the decentralisation project aimed at ensuring easy access to compensation fund services throughout South Africa, which began in 2010.

Spending on compensation of employees increased significantly between 2010/11 to 2013/14, due to the restructuring process taking place within the fund. The process involves employing more skilled personnel and finalising the decentralisation project to provinces. In 2012/13, the fund processed and paid 325 502 claims compared to 205 150 in 2011/12 and the increase was mainly due to these improvements. At the end of November 2013, there were 772 filled posts against a funded establishment of 1 334 posts.

The notable decrease on payment of interest, interest, dividends, and rent on land between 2010/11 and 2013/14 is as a result of the timeous payment of invoices by the fund. Goods and services spending grows much higher than inflation over the seven year-period, mainly due to the concomitant costs of filling vacant posts and increased relocation and resettlement costs arising from the transfer of staff to various provinces. The expenditure increase over the medium term is in line with performance projections of the fund, in terms of which the number of claims registered and finalised per year is estimated to grow from 295 200 in 2013/14 to 741 456 by 2016/17. The projected strong growth in transfers and subsidies paid over the medium term is as a result of the fund contracting a service provider for the processing of claims.

Over the medium term, spending on benefits paid or transfers and subsidies is estimated to grow at an average annual rate of 13.0 per cent due to:

- a review and adjustments to existing benefit structures including a 6 per cent increase to monthly compensation pension
- a 7 per cent increase to the salary ceiling from R292 032 to R312 480 per annum for assessment purposes
- the minimum earnings increasing by 7 per cent from R3 406 to R3 645 per month for the lump sum payments of temporary total disablement benefits and permanent disablement benefits
- maximum earnings increasing by 7 per cent from R24 336 to R26 040
- the minimum payment being increased to R1 000 per month for all pensioners, widowers and widows.

The fund is continuously implementing effective cost control measures that target administrative costs such as catering, venues and facilities and travel. The fund is finalising the permanent deployment of staff to all provinces, which will also decrease the amount of expenses related to travel and subsistence.

The fund plans to fill 75 per cent of vacant posts over the medium term as services are decentralised to the provinces.

## Unemployment Insurance Fund

### Mandate and strategic goals

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

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

- improve governance and strengthen the institutional capacity of the fund
- meet all the targeted service levels and turnaround times in the processing of applications
- contribute to government anti-poverty initiatives through investing mandated funds in socially responsible investments and expanding poverty alleviation programmes
- improve stakeholder relations.

### Selected performance indicators

**Table 18.25 Unemployment Insurance Fund**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections	
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage (and amount) increase in revenue contributions per year	Business operations	Outcome 4: Decent employment through inclusive economic growth	5.3% (R10.8 bn)	6% (R11.3bn)	10% (R13.5bn)	6%	6%	6%
Percentage (and number) of claims finalised within 5 weeks of application per year	Business operations		73% (547 399)	80% (578 014)	86%	85%	90%	95%
Percentage (and number) increase in number of employers using u-filing system per year	Business operations		73% (11 152)	56% (14 167)	18.4% (6 619)	30%	25%	30%
Percentage of rand value of overpayment balance collected	Business operations		22% (R58m)	18% (R72m)	18.4% (R62.6m)	20%	25%	30%
Number of initiatives approved by the Unemployment Insurance Fund per year	Labour activation programmes		2	3	2	3	9	9
Percentage of total mandated social responsibility investment invested per year	Labour activation programmes		47% (R1.0bn)	70% (R2.5bn)	109.44% (R3.6bn)	80%	80%	80%

### Programmes/activities/objectives

**Table 18.26 Unemployment Insurance Fund**

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
R thousand						2010/11 - 2013/14						
Administration	303 164	353 539	404 719	634 144	27.9%	5.7%	701 206	727 194	768 505	6.6%	5.6%	
Business operations	5 684 041	6 469 288	6 722 310	7 920 062	11.7%	92.3%	10 518 956	13 402 309	14 435 892	22.2%	89.1%	
Labour activation programmes	48 229	22 733	32 071	610 000	133.0%	2.1%	610 000	695 000	731 835	6.3%	5.3%	
<b>Total expense</b>	<b>6 035 434</b>	<b>6 845 560</b>	<b>7 159 100</b>	<b>9 164 206</b>	<b>14.9%</b>	<b>100.0%</b>	<b>11 830 162</b>	<b>14 824 503</b>	<b>15 936 233</b>	<b>20.3%</b>	<b>100.0%</b>	

## Expenditure estimates

**Table 18.27 Unemployment Insurance Fund**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2010/11 - 2013/14	2014/15		
R thousand											
<b>Revenue</b>											
<b>Non-tax revenue</b>	4 293 094	6 398 804	9 666 887	5 408 020	8.0%	32.5%	6 173 704	6 965 046	7 840 339	13.2%	28.5%
Sale of goods and services other than capital assets	2 250	1 934	2 122	3 027	10.4%	0.0%	2 682	2 827	2 977	-0.6%	0.0%
<i>of which:</i>											
<i>Sales by market establishment</i>	2 212	1 934	2 068	2 107	-1.6%	0.0%	2 335	2 461	2 592	7.1%	0.0%
<i>Other sales</i>	38	-	54	920	189.3%	0.0%	347	366	385	-25.2%	0.0%
Other non-tax revenue	4 290 844	6 396 870	9 664 765	5 404 993	8.0%	32.5%	6 171 022	6 962 219	7 837 362	13.2%	28.5%
<b>Transfers received</b>	11 204 252	12 284 294	13 498 517	15 024 450	10.3%	67.5%	15 975 245	16 927 568	17 900 935	6.0%	71.5%
<b>Total revenue</b>	15 497 346	18 683 098	23 165 404	20 432 470	9.7%	100.0%	22 148 949	23 892 614	25 741 274	8.0%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	1 017 898	1 145 037	1 253 912	1 630 547	17.0%	17.2%	1 760 018	1 847 754	1 953 094	6.2%	14.3%
Compensation of employees	515 009	575 517	649 677	828 167	17.2%	8.8%	899 790	957 377	1 017 691	7.1%	7.4%
Goods and services	497 307	562 664	599 971	791 213	16.7%	8.4%	846 484	885 847	932 763	5.6%	6.9%
Depreciation	5 582	6 856	4 264	11 160	26.0%	0.1%	13 737	4 525	2 633	-38.2%	0.1%
Interest, dividends and rent on land	-	-	-	7	-	0.0%	6	6	7	-	0.0%
<b>Transfers and subsidies</b>	5 017 536	5 700 523	5 905 188	7 533 659	14.5%	82.8%	10 070 144	12 976 749	13 983 139	22.9%	85.7%
<b>Total expenses</b>	6 035 434	6 845 560	7 159 100	9 164 206	14.9%	100.0%	11 830 162	14 824 503	15 936 233	20.3%	100.0%
<b>Surplus/(Deficit)</b>	9 461 912	11 837 538	16 006 304	11 268 264	6.0%		10 318 787	9 068 111	9 805 041	-4.5%	

## Personnel information

**Table 18.28 Unemployment Insurance Fund**

Number of posts estimated for 31 March 2014		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13		2013/14		2014/15			2015/16			2016/17			2013/14 - 2016/17				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost
Salary level	1 706	1 706	1 706	649.7	0.4	1 718	828.2	0.5	1 718	899.8	0.5	1 718	957.4	0.6	1 718	1 017.7	0.6	7.1%	100.0%
1 - 6	990	990	990	316.0	0.3	990	402.7	0.4	990	437.6	0.4	990	465.6	0.5	990	495.0	0.5	7.1%	57.6%
7 - 10	624	624	624	264.6	0.4	628	337.3	0.5	628	366.5	0.6	628	389.9	0.6	628	414.5	0.7	7.1%	36.6%
11 - 12	75	75	75	50.6	0.7	78	64.6	0.8	78	70.2	0.9	78	74.7	1.0	78	79.4	1.0	7.1%	4.5%
13 - 16	17	17	17	18.5	1.1	22	23.5	1.1	22	25.5	1.2	22	27.2	1.2	22	28.9	1.3	7.1%	1.3%

1. Rand million.

## Expenditure trends

Over the seven-year period, the Unemployment Insurance Fund receives 68.9 per cent of its total revenue from unemployment contributions. The fund projects that over the medium term it will generate on average 71.5 per cent of its revenue from unemployment contributions due to an anticipated increase in contributors to the fund as the economy recovers, and 28.5 per cent from non-tax revenue in the form of interest from investments.

Over the medium term, the fund will focus its spending on paying benefits to qualifying persons and implementing poverty alleviation schemes to assist unemployed workers registered on the fund's database.

Spending on compensation of employees grew at an average annual rate of 17.2 per cent between 2010/11 and 2012/13, mainly due to the implementation of the new organisational structure, the appointment of payroll auditors and general salary adjustments. The new organisational structure will allow the fund to reduce spending on consultants over the medium term as a greater proportion of functions, such as IT services, internal audit and risk management, are to be done in-house. These changes account for the expected increase in spending on compensation of employees over this period.

Between 2010/11 and 2013/14, spending on goods and services grew at an average annual rate of 16.7 per cent, mainly due to increased spending on lease payments at service delivery points in provincial offices as the fund decentralises its services; increased commission paid to the South African Revenue Service for collection of Unemployment Insurance Fund contributions, which is in line with increases in revenue collected; and the provision of in-house IT services following the termination of the IT public private partnership in November 2012.

Unemployment insurance claims grew between 2010/11 and 2012/13, due to increased retrenchments arising from the prevailing unfavourable economic conditions in the country. Transfers and subsidies or benefits paid over the medium term are projected to grow at an average annual rate of 22.9 per cent, compared to growth of 14.5 per cent between 2010/11 and 2013/14. This growth is a result of the recommended benefit improvements contained in the draft Unemployment Insurance Fund Amendment Bill of 2012. The bill proposes a number of benefit improvements, including the extension of the number of credit days from 243 to 365 days; the extension of the claim period of death benefits from 6 to 18 months; the provision of full benefits to women who miscarry; the extension of the period from 6 to 18 months during which dependants can claim deceased contributors' benefits; and a reduction of the number of days for the claiming of illness benefits from 14 to 7 days.

The fund fulfilled its mandate in 2012/13 and paid R6 billion in claims to 731 131 beneficiaries of which:

- R4.7 billion was paid to 581 074 claimants for unemployment benefits
- R254.2 million was paid to 20 986 claimants for illness benefits
- R765.9 million was paid to 106 339 claimants for maternity and adoption benefits
- R320.6 million was paid to 22 732 claimants for dependant benefits.

The fund continued with cost saving measures in 2013/14 to reduce air travel, the use of shuttle services, car rental, accommodation, catering costs and the number of meetings held. Further measures have led to less audit work being done externally and consequent savings realised on audit fees.

The fund has an approved funded establishment of 1 706 posts, which increased to 1 718 posts from 2013/14 onwards. 96 posts were vacant at the semi-skilled and skilled levels at the end of November 2013 as a result of recently created prioritised new posts. To reduce delays in appointments, the fund has amended its recruitment and selection processes to ensure that appointments are made immediately once internal processes are completed. Six consulting firms were used for IT services, internal audit and risk management in 2013/14 but this will be reduced over the medium term as in-house capacity is built.

## **National Economic Development and Labour Council**

### **Mandate and goals**

The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act (1994). Its mandate is to promote the act's goals of economic growth and social equity by getting organised labour, organised business and government to work as a collective. The council's work programme is determined by the legislative and policy programme of government, as well as issues tabled by its constituent chambers.

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

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

## Selected performance indicators

**Table 18.29 National Economic Development and Labour Council**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of research reports concluded and signed-off by management committee per year	Administration	Outcome 4: Decent employment through inclusive economic growth	1	1	1	2	3	3	3
Number of months taken to finalise reports on draft legislation in the development chamber from date of tabling per year	Core operations		12	12	12	12	12	12	12
Number of months taken to finalise reports on draft legislation in the public finance and monetary policy chamber from date of tabling per year	Core operations		1	1	1	6	6	6	6
Number of special sessions on the National Budget and the Medium Term Budget Policy Statement held per year	Core operations		2	2	2	2	2	2	2
Number of months taken to finalise reports on draft legislation in the trade and industry chamber from date of tabling per year	Core operations		8	8	8	6	6	6	6
Number of funds for industrial development research in growth and equity research reports completed per year	Core operations		1	1	4	2	2	2	2
Number of months taken to finalise reports on draft legislation in the labour market chamber from date of tabling per year	Core operations		8	8	8	6	6	6	6
Number of days taken to resolve bargaining council demarcation disputes and applications referred by the Commission for Conciliation, Mediation and Arbitration per year	Core operations		1	1	21	21	21	21	21
Number of months taken to resolve section 77 notices in terms of the section 77 protocol as and when these may arise per year	Core operations		12	12	12	4	4	4	4

## Programmes/activities/objectives

**Table 18.30 National Economic Development and Labour Council**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
Administration	12 740	14 665	13 558	26 889	28.3%	74.0%	26 635	20 295	21 492	-7.2%	74.1%
Core operations	2 198	3 426	3 531	3 803	20.1%	14.8%	4 260	5 281	5 420	12.5%	14.8%
Capacity building funds	1 971	2 624	2 212	3 075	16.0%	11.2%	3 382	3 720	3 917	8.4%	11.1%
<b>Total expense</b>	<b>16 909</b>	<b>20 715</b>	<b>19 301</b>	<b>33 767</b>	<b>25.9%</b>	<b>100.0%</b>	<b>34 277</b>	<b>29 296</b>	<b>30 829</b>	<b>-3.0%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 18.31 National Economic Development and Labour Council**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14	2010/11 - 2013/14		2014/15	2015/16	2016/17	2013/14 - 2016/17	
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>810</b>	<b>943</b>	<b>1 376</b>	<b>745</b>	-2.7%	4.2%	<b>380</b>	<b>380</b>	<b>380</b>	-20.1%	1.7%
Other non-tax revenue	810	943	1 376	745	-2.7%	4.2%	380	380	380	-20.1%	1.7%
<b>Transfers received</b>	<b>16 048</b>	<b>24 015</b>	<b>24 259</b>	<b>25 934</b>	<b>17.3%</b>	<b>95.8%</b>	<b>27 559</b>	<b>28 916</b>	<b>30 449</b>	<b>5.5%</b>	<b>98.3%</b>
<b>Total revenue</b>	<b>16 858</b>	<b>24 958</b>	<b>25 635</b>	<b>26 679</b>	<b>16.5%</b>	<b>100.0%</b>	<b>27 939</b>	<b>29 296</b>	<b>30 829</b>	<b>4.9%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>16 909</b>	<b>20 715</b>	<b>19 301</b>	<b>33 767</b>	<b>25.9%</b>	<b>100.0%</b>	<b>34 277</b>	<b>29 296</b>	<b>30 829</b>	<b>-3.0%</b>	<b>100.0%</b>
Compensation of employees	5 277	6 676	7 246	10 993	27.7%	33.4%	11 655	12 362	13 021	5.8%	37.7%
Goods and services	10 818	13 291	11 045	21 601	25.9%	62.3%	21 552	16 024	16 898	-7.9%	59.1%
Depreciation	814	748	1 010	1 173	13.0%	4.3%	1 070	910	910	-8.1%	3.2%
<b>Total expenses</b>	<b>16 909</b>	<b>20 715</b>	<b>19 301</b>	<b>33 767</b>	<b>25.9%</b>	<b>100.0%</b>	<b>34 277</b>	<b>29 296</b>	<b>30 829</b>	<b>-3.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(51)</b>	<b>4 243</b>	<b>6 334</b>	<b>(7 088)</b>	<b>418.0%</b>		<b>(6 338)</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	

## Personnel information

**Table 18.32 National Economic Development and Labour Council**

Number of posts estimated for 31 March 2014		Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2012/13			2013/14			2014/15			2015/16			2016/17					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2013/14 - 2016/17
Salary level	29	29	24	7.1	0.3	29	11.0	0.4	29	11.7	0.4	29	12.4	0.4	29	13.0	0.4	5.8%	100.0%
1 – 6	6	6	6	0.5	0.1	6	0.6	0.1	6	0.6	0.1	6	0.6	0.1	6	0.7	0.1	5.8%	20.7%
7 – 10	13	13	10	2.5	0.2	13	4.2	0.3	13	4.5	0.3	13	4.8	0.4	13	5.0	0.4	5.9%	44.8%
11 – 12	7	7	5	1.7	0.3	7	3.3	0.5	7	3.5	0.5	7	3.7	0.5	7	3.9	0.6	5.8%	24.1%
13 – 16	3	3	3	2.4	0.8	3	2.9	1.0	3	3.1	1.0	3	3.3	1.1	3	3.5	1.2	5.7%	10.3%

1. Rand million.

## Expenditure trends

The National Economic Development and Labour Council receives 97.2 per cent of its revenue from transfers from the department for operations and the balance from investment income and rental. The decrease in other non-tax revenue from 2013/14 to 2014/15 is attributed to the use of accumulated surplus funds to refurbish and renovate the council's building and from loss of rental due to the termination of the lease agreement with Productivity South Africa. Total revenue over the medium term is projected to grow at the rate of inflation.

The council's spending focus over the medium term is on capacity building within its four constituencies; the ongoing funding of work required in terms of section 77 of the Labour Relations Act (1995), which requires the council to resolve the reasons for contemplated protest action; and capacity building within the organisation and its chambers. The number of months taken to resolve section 77 notices in terms of the section 77 protocol as and when these may arise decreased from 12 months in 2012/13 to 4 months in 2013/14.

Increased spending on compensation of employees between 2010/11 and 2013/14 went to salary adjustments to ensure that the entity attracts and retains qualified personnel, has enough employees to ensure the segregation of duties, and fills key vacancies.

Accumulated surplus funds were used to pay for projects related to legislative amendments under consideration, and this accounts for the increased spending on goods and services between 2010/11 and 2012/13. The budget deficit in 2013/14 and 2014/15 is attributed to the spending of accumulated surplus funds on upgrading the council's building and interior, as well as the payment of consultant fees, increased external audit fees and increased internal audit fees. The audit fee payments also account for the increase in administrative costs over the medium term. Consultants' fees covered the short term appointment of external legislation researchers, as the council cannot employ people in that capacity on a permanent basis.

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

The council has 29 funded posts, of which 24 were filled in 2012/13, increasing to 29 in 2013/14 and set to remain stable over the medium term. The council has experienced significant staffing challenges in recent years as a number of vacancies in the secretariat were not filled. 5 new positions had to be created in 2012/13 to meet the demands placed on the entity, and to comply with legislation and sound governance. Due to additional staff being employed in 2013/14, the target for the number of months taken to finalise council reports on draft legislation in the trade and industry chamber, as well as in the labour market chamber, from their date of tabling at the council, decreased from eight months in 2012/13 to six months in 2013/14. At the end of November 2013, the council had 2 vacant positions due to delays in the recruitment process. It aims to fill these positions before the end of March 2014.

## Productivity South Africa

### Mandate and strategic goals

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

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

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

### Selected Performance Indicators

**Table 18.33 Productivity South Africa**

Indicator	Programme/Activity/Objective	Outcome	Past			Current	Projections		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Number of education, training and development service providers trained as productivity trainers per year	Productivity organisational solution	Outcome 4: Decent employment through inclusive economic growth	600	679	647	850	900	950	1 000
Number of education, training and development service providers and productivity trainers accredited and external service providers licenced per year	Productivity organisational solution		26	60	35	40	45	50	55
Number of emerging entrepreneurs trained in productivity improvement and competencies per year	Productivity organisational solution		3 000	3 791	3 884	4 500	5 000	5 500	6 000
Number of skills development facilitators trained in productivity per year	Productivity organisational solution		250	64	212	500	550	600	650
Number of managers and workers trained each year to enhance productivity competencies and mindsets in private and public enterprises	Productivity organisational solution		620	867	780	840	950	1 060	1 160
Number of future forums established each year at companies with turnaround solutions	Turnaround solutions: turning around distressed organisations		140	160	180	200	220	240	260

### Programmes/activities/objectives

**Table 18.34 Productivity South Africa**

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13	2013/14				2014/15	2015/16	2016/17		
Administration	45 300	50 938	41 299	62 139	11.1%	61.3%	67 979	69 399	58 508	-2.0%	55.6%	
Productivity organisational solution	2 654	2 183	8 180	8 911	49.7%	6.4%	9 749	10 429	11 002	7.3%	8.6%	
Value chain competitiveness	1 975	2 331	16 283	15 233	97.6%	10.3%	16 371	17 360	32 829	29.2%	17.3%	
Workplace challenge	4 505	12 350	6 812	10 004	30.5%	10.3%	10 514	11 029	11 614	5.1%	9.3%	
Turnaround solutions	15 130	6 016	5 574	10 795	-10.6%	11.8%	8 982	11 216	11 810	3.0%	9.2%	
<b>Total expense</b>	<b>69 564</b>	<b>73 818</b>	<b>78 148</b>	<b>107 082</b>	<b>15.5%</b>	<b>100.0%</b>	<b>113 595</b>	<b>119 434</b>	<b>125 763</b>	<b>5.5%</b>	<b>100.0%</b>	

## Expenditure estimates

Table 18.35 Productivity South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
	R thousand										
<b>Revenue</b>											
<b>Non-tax revenue</b>	2 051	2 833	6 631	3 145	15.3%	4.6%	3 306	3 469	3 653	5.1%	2.9%
Sale of goods and services other than capital assets	1 917	2 470	6 409	2 754	12.8%	4.3%	2 895	3 037	3 198	5.1%	2.6%
of which:											
Sales by market establishment	1 917	2 470	6 409	2 754	12.8%	4.3%	2 895	3 037	3 198	5.1%	2.6%
Other non-tax revenue	134	363	222	391	42.9%	0.4%	411	432	455	5.2%	0.4%
<b>Transfers received</b>	77 433	57 233	73 629	103 936	10.3%	95.4%	110 289	115 965	122 111	5.5%	97.1%
<b>Total revenue</b>	79 484	60 066	80 260	107 081	10.4%	100.0%	113 595	119 434	125 764	5.5%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	69 564	73 818	78 148	107 082	15.5%	100.0%	113 595	119 434	125 763	5.5%	100.0%
Compensation of employees	32 263	35 555	43 586	49 135	15.1%	49.1%	52 378	55 311	58 408	5.9%	46.2%
Goods and services	36 763	37 569	34 038	57 393	16.0%	50.2%	60 639	63 514	66 714	5.1%	53.3%
Depreciation	530	622	519	548	1.1%	0.7%	578	609	641	5.4%	0.5%
Interest, dividends and rent on land	8	72	5	6	-9.1%	0.0%	-	-	-	-100.0%	0.0%
<b>Total expenses</b>	69 564	73 818	78 148	107 082	15.5%	100.0%	113 595	119 434	125 763	5.5%	100.0%
<b>Surplus/(Deficit)</b>	9 920	(13 752)	2 112	-	-100.0%		-	-	-	-	

## Personnel information

Table 18.36 Productivity South Africa

Salary level	Number of funded posts	Number of posts on approved establishment	Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)				
			2012/13		Unit Cost	2013/14		Unit Cost	2014/15		2015/16		2016/17						
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost	2013/14 - 2016/17		
	175	175	181	43 586	240.8	175	49 135	280.8	112	52 378	467.7	112	55 311	493.8	112	58 408	521.5	5.9%	100.0%
1 – 6	78	78	93	3 889	41.8	78	3 248	41.6	13	1 626	125.1	13	1 717	132.1	13	1 813	139.5	-17.7%	19.8%
7 – 10	68	68	60	19 611	326.9	68	24 383	358.6	70	26 966	385.2	70	28 475	406.8	70	30 071	429.6	7.2%	56.6%
11 – 12	16	16	19	12 006	631.9	16	10 141	633.8	16	11 319	707.4	16	11 954	747.1	16	12 621	788.8	7.6%	13.0%
13 – 16	13	13	9	8 080	897.8	13	11 363	874.1	13	12 467	959.0	13	13 165	1 012.7	13	13 903	1 069.5	7.0%	10.6%

1. Rand thousand.

## Expenditure trends

Productivity South Africa receives on average 97.1 per cent of its total revenue over the medium term from the transfer from the department, and the balance from sales of goods and services. Between 2010/11 and 2013/14, non-tax revenue grew at an average annual rate of 15.3 per cent, mainly due to interest earned from investments and sales of goods and services, as well as operating revenue which is utilised for the operations and programmes of this entity.

The spending focus over the medium term will be on interventions to turn companies around. This work involves: financial assessments; nurturing companies, where the entity engages with stressed companies to decide on the viability of their applications for intervention based on set criteria; future forums, which require the establishment of committees involving management, employees and unions on matters relating to job retention and company performance; training; and the actual implementation of turnaround strategies at identified companies. Over the MTEF period, total revenue is estimated to grow at the rate of inflation. Transfers received grew at an average annual rate of 10.3 per cent between 2010/11 and 2013/14, driven largely by increased funding for the workplace challenge and turnaround solutions programmes.

Between 2010/11 and 2013/14, spending on compensation of employees grew at an average annual rate of 15.1 per cent, due to inflation and the benchmarking of salaries for certain categories of employees. Spending

on goods and services grew at an average annual rate of 16 per cent between 2010/11 and 2013/14, due to increased lease payments, communication relating to the entity's programmes, the rollout of the workplace challenge programme, and training and staff development. Spending on this item over the medium term is set to grow at the rate of inflation. The targets for the number of future forums established per year at companies with turnaround solutions, and the number of enterprises participating in the workplace challenge programme per year, is expected to grow from 180 and 200 in 2012/13, to 260 and 400 in 2016/17, with funding provided by the Unemployment Insurance Fund and the Department of Trade and Industry in terms of a memorandum of understanding. On average, 60 per cent of the companies involved in the turnaround solutions programme showed improvements.

The entity has implemented cost effectiveness measures by strengthening its internal capacity. It has done this by training its own staff in productivity competencies using a train-the-trainer approach, so that spending on consultants declines. In addition, it is involved in a number of cost saving measures, including forming partnerships with private and public sector organisations that help to recruit companies requiring productivity interventions; and client sponsorships to cover the costs of catering and the use of venues.

Productivity South Africa has an establishment of 175 posts. The number of filled posts is projected to decrease from 181 in 2012/13 to 112 by 2016/17. Consultants are currently used to run the turnaround solutions and future forum programmes because of the specialised skills required.

## Additional tables

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Adjustments	Adjusted	
R thousand	2012/13		2012/13	2013/14			2013/14
Administration	732 606	764 585	687 695	785 449	55 000	840 449	840 449
Inspection and Enforcement Services	429 181	400 376	395 574	465 190	(25 000)	440 190	439 190
Public Employment Services	322 021	334 331	331 651	400 117	–	400 117	400 117
Labour Policy and Industrial Relations	635 918	640 274	619 652	764 491	–	764 491	765 444
<b>Total</b>	<b>2 119 726</b>	<b>2 139 566</b>	<b>2 034 572</b>	<b>2 415 247</b>	<b>30 000</b>	<b>2 445 247</b>	<b>2 445 200</b>

### Economic classification

	1 446 931	1 446 710	1 276 484	1 562 194	(1 669)	1 560 525	1 560 394
<b>Current payments</b>							
Compensation of employees	883 331	847 541	820 465	982 905	(100 949)	881 956	879 888
Goods and services	563 600	599 143	455 996	579 289	99 280	678 569	680 506
Interest and rent on land	–	26	23	–	–	–	–
<b>Transfers and subsidies</b>	<b>639 284</b>	<b>656 369</b>	<b>658 425</b>	<b>818 733</b>	<b>5 431</b>	<b>824 164</b>	<b>824 265</b>
Provinces and municipalities	–	88	227	–	239	239	239
Departmental agencies and accounts	551 391	554 040	554 070	676 172	35	676 207	676 207
Foreign governments and international organisations	10 722	12 722	13 692	11 312	4 282	15 594	15 695
Public corporations and private enterprises	–	13	–	–	–	–	–
Non-profit institutions	76 906	88 711	88 030	130 970	–	130 970	130 970
Households	265	795	2 406	279	875	1 154	1 154
<b>Payments for capital assets</b>	<b>33 511</b>	<b>36 487</b>	<b>93 427</b>	<b>34 320</b>	<b>26 238</b>	<b>60 558</b>	<b>60 541</b>
Buildings and other fixed structures	3 416	3 416	8 637	5 486	–	5 486	5 486
Machinery and equipment	30 095	33 071	84 790	28 834	26 238	55 072	55 055
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>6 236</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>2 119 726</b>	<b>2 139 566</b>	<b>2 034 572</b>	<b>2 415 247</b>	<b>30 000</b>	<b>2 445 247</b>	<b>2 445 200</b>

**Table 18.B Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
Compensation of employees (R thousand)	681 530	757 883	820 465	881 956	966 516	1 033 371	1 315 505
Training expenditure (R thousand)	6 507	7 607	11 904	14 310	14 999	14 926	15 732
Training spend as percentage of compensation	1.0%	1.0%	1.5%	1.6%	1.6%	1.4%	1.2%
Total number trained (headcount)	3 557	5 927	2 280	2 764			
<i>of which:</i>							
<i>Employees receiving bursaries (headcount)</i>	242	243	370	261			
<i>Leamerships (headcount)</i>	19	–	–	–			
<i>Internships (headcount)</i>	72	119	187	150			

Table 18.C Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
<b>Departmental infrastructure</b>										
Rustenburg labour centre: Construction of building	New labour centre	Construction	16 000	1 592	1 889	7 477	4 871	-	-	-
Mount Ayliff : Site clearance	New labour centre	Various	15 216	292	81	-	234	-	-	-
Ga-rankuwa: Site clearance	New labour centre	Various	279	31	-	-	131	-	-	-
Middelburg: Site clearance	New labour centre	Various	512	-	-	121	-	-	-	-
Athlone: Site Clearance	New labour centre	Various	1 602	-	-	-	-	-	-	-
Cape Town: Site clearance	New labour centre	Various	13 029	-	-	66	-	-	-	-
Swellendam: Site clearance	New labour centre	Various	533	-	-	-	-	-	-	-
Vredenburg: Site Clearance	New labour centre	Various	1 596	-	-	-	-	-	-	-
Somerset West: Site clearance	New labour centre	Various	2 129	-	-	-	-	-	-	-
Knysna: Site clearance	New labour centre	Various	1 497	-	-	-	-	-	-	-
Bellville: Site clearance	New labour centre	Various	445	-	-	-	-	-	-	-
Vredendal: Site clearance	New labour centre	Various	445	-	-	-	-	-	-	-
Ceres: Site clearance	New labour centre	Various	540	-	-	-	-	-	-	-
Volksrust: Site clearance	New labour centre	Various	445	-	-	93	-	-	-	-
Carltonville: Site Clearance	New labour centre	Various	37	-	-	-	-	-	-	-
Secunda: Site clearance	New labour centre	Various	1 959	-	-	220	-	-	-	-
Taung: Site clearance	New labour centre	Various	450	186	260	-	-	-	-	-
Security: Wendy houses	Labour centres security Wendy houses	Various	62	12	-	-	16	17	-	-
Security: Wendy houses at minister's parking	Security: Wendy houses at minister's parking at Laboria House	Various	40	17	-	-	-	-	-	-
Brokhorstspuit: Site clearance	New labour centre	Various	300	200	-	81	-	-	-	-
Lusikisiki: Site clearance	New labour centre	Various	260	66	185	-	-	-	-	-
Lebowakgomo: Site clearance	New labour centre	Various	765	148	231	382	-	-	-	-
Sabie: Site clearance	New labour centre	Various	470	191	254	21	-	-	-	-
Carolina: Site clearance	New labour centre	Various	490	191	256	38	-	-	-	-
Kwamhlanga: Site clearance	New labour centre	Various	525	191	261	69	-	-	-	-
Durban labour centre: Repairs	Electrical and mechanical repairs	Various	2 690	-	-	69	-	-	-	-
Other labour centres	Various construction, such as electrical repairs	Various	1 160	-	1 155	-	-	-	-	-
Temba labour centre: Site clearance	New labour centre	Design	434	-	-	-	234	-	-	-
Pretoria, Silverton: Sheltered employment factory head office: Second follow-on repair and maintenance programme	Maintaining sheltered employment head office to be occupational health and safety compliant	Various	13 576	757	71	-	-	-	-	-
Pretoria head office: Laboria House: First follow-on repair and maintenance programme	Maintaining head office building to be occupational health and safety compliant	Construction	15 431	5 140	2 333	-	-	-	-	-
Gauteng South :Roodeplort, Carltonville, Krugersdorp and Sandton: Repair and maintenance programme	Maintaining Labour centre to be occupational health and safety compliant	Design	6 700	-	-	-	-	-	-	-

**Table 18.C Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
R thousand										
Emalahleni and Mashishing labour centre: Repair and maintenance programme	Maintaining Labour centre to be occupational health and safety compliant	Design	7 600	-	-	-	-	-	-	-
Phalaborwa, Hoedspruit and Seshego labour centres: Repair and maintenance programme	Maintaining Labour centre to be occupational health and safety compliant	Design	4 700	-	-	-	-	-	-	-
Upington and Kuruman labour centres: Repair and maintenance programme	Maintaining Labour centre to be occupational health and safety compliant	Design	4 000	-	-	-	-	-	-	-
Durban Masonic Grove: Repair and maintenance programme	Maintaining Labour centre to be occupational health and safety compliant	Design	8 706	-	-	-	-	-	-	-
East London Provincial Office: Repair and maintenance programme	Maintaining Labour centre to be occupational health and safety compliant	Design	4 900	-	-	-	-	-	-	-
Cape Town and Atlantis labour centre: Repair and maintenance programme	Maintaining Labour centre to be occupational health and safety compliant	Design	8 705	-	-	-	-	-	-	-
Kimberley sheltered employment factory: Second follow-on repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Various	8 763	3 150	-	-	-	-	-	-
Bloemfontein sheltered employment factory: Second follow-on repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Various	5 880	134	85	-	-	-	-	-
Pretoria sheltered employment factory and labour centre: Repair and maintenance programme	Maintaining labour centres and sheltered employment factories to be occupational health and safety compliant	Various	9 031	3 702	-	-	-	-	-	-
Emalahleni, Lydenburg and Komatipoort labour centre: Repair and maintenance programme	Maintaining Labour centre to be occupational health and safety compliant	Various	9 634	-	-	-	-	-	-	-
Western Cape labour centre and sheltered employment factory: Repair and maintenance programme	Maintaining labour centres and sheltered employment factories to be occupational health and safety compliant	Various	21 324	-	-	-	-	-	-	-
Sheltered employment factories: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Various	95 648	-	-	-	-	-	-	-
Gauteng South: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Various	20 458	920	-	-	-	-	-	-
<b>Total</b>			<b>308 966</b>	<b>16 920</b>	<b>7 061</b>	<b>8 637</b>	<b>5 486</b>	<b>17</b>	<b>-</b>	<b>-</b>

Table 18.D Expenditure by labour centre per province

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Eastern Cape</b>	<b>97 442</b>	<b>127 410</b>	<b>101 858</b>	<b>108 501</b>	<b>117 089</b>	<b>100 906</b>	<b>120 792</b>
Provincial Office: East London	24 256	35 896	25 607	39 403	42 522	36 645	43 837
Aliwal North	2 531	3 251	2 765	2 440	2 633	2 269	2 715
Butterworth	2 708	3 060	2 934	2 821	3 044	2 623	3 138
Cradock	1 950	2 513	2 082	2 076	2 240	1 930	2 309
East London	10 833	13 647	11 057	9 754	10 526	9 071	10 852
Fort Beaufort	1 819	2 413	1 947	1 883	2 032	1 751	2 095
Graaff-Reinet	2 027	2 583	2 076	1 910	2 061	1 776	2 125
Grahamstown	2 528	3 378	2 713	2 898	3 127	2 695	3 224
King Williams Town	5 389	6 792	5 512	4 673	5 043	4 346	5 199
Lusikisiki	3 135	3 498	3 293	2 767	2 986	2 573	3 078
Maclear	2 726	2 944	2 917	2 422	2 614	2 252	2 694
Mdantsane	2 397	3 080	2 506	2 281	2 462	2 121	2 538
Mount Ayliff	2 478	2 414	2 366	1 634	1 763	1 520	1 818
Port Elizabeth	15 327	20 735	15 928	17 953	19 374	16 697	20 056
Queenstown	4 947	5 987	5 203	3 686	3 977	3 428	4 100
Uitenhage	6 317	7 963	6 549	4 913	5 342	4 460	6 165
Mthatha	6 074	7 255	6 403	4 988	5 343	4 748	4 850
<b>Free State</b>	<b>59 018</b>	<b>85 697</b>	<b>66 695</b>	<b>72 267</b>	<b>75 539</b>	<b>76 132</b>	<b>77 315</b>
Provincial Office: Bloemfontein	17 543	29 926	19 843	35 613	37 226	37 517	38 101
Bethlehem	2 997	4 316	3 368	3 119	3 260	3 285	3 336
Bloemfontein	9 737	12 855	10 887	6 635	6 936	6 990	7 099
Ficksburg	2 350	3 446	2 612	2 569	2 685	2 706	2 748
Harrismith	2 163	3 082	2 476	2 193	2 392	2 412	2 447
Kroonstad	3 037	3 965	3 516	3 525	3 685	3 714	3 772
Petrusburg	2 033	3 037	2 683	2 660	2 781	2 802	2 846
Phuthaditjhaba	3 316	4 564	3 494	2 842	2 970	2 993	3 040
Sasolburg	3 859	4 428	4 330	3 326	3 477	3 504	3 559
Botshabelo	2 537	3 202	2 866	2 260	2 362	2 380	2 417
Welkom	7 440	10 000	8 306	4 269	3 234	3 138	3 229
Zastron	2 005	2 878	2 314	3 256	4 532	4 689	4 720
<b>Gauteng</b>	<b>157 139</b>	<b>214 054</b>	<b>171 220</b>	<b>181 995</b>	<b>190 852</b>	<b>192 684</b>	<b>215 728</b>
Provincial Office: Johannesburg	38 677	62 525	42 913	51 085	74 767	75 480	97 185
Alberton	2 849	4 094	3 190	4 078	4 277	4 318	4 367
Atteridgeville	2 006	2 550	2 073	3 185	3 341	3 373	3 411
Benoni	4 931	6 522	5 199	5 457	5 723	5 778	5 844
Boksburg	3 660	4 335	3 798	3 531	3 702	3 738	3 781
Brakpan	2 754	3 885	3 056	3 382	3 546	3 580	3 621
Bronkhorstspuit	2 539	3 278	2 705	2 313	2 426	2 449	2 477
Carletonville	3 019	4 158	3 377	3 465	3 633	3 668	3 710
Garankuwa	2 613	3 305	2 818	1 986	2 083	2 103	2 127
Germiston	9 815	14 210	10 741	34 618	15 421	15 570	15 748
Johannesburg	19 385	22 775	21 114	8 939	9 374	9 464	9 572
Kempton Park	5 271	6 510	5 550	5 790	6 072	6 131	6 201
Krugersdorp	4 782	6 301	5 221	5 696	5 973	6 031	6 100
Mamelodi	2 306	3 299	1 589	3 132	3 284	3 316	3 354
Nigel	1 924	2 721	2 090	2 760	2 894	2 922	2 956
Pretoria	14 691	17 472	16 029	7 987	8 376	8 456	8 553
Randburg	2 566	3 323	2 717	1 790	1 877	1 895	1 917
Randfontein	3 512	4 526	3 859	3 039	3 187	3 218	3 255
Roodepoort	2 790	3 963	3 813	3 500	3 671	3 706	3 748
Sandton	5 062	6 253	5 332	3 294	3 454	3 487	3 527
Sebokeng	1 780	2 446	1 867	2 139	2 243	2 264	2 290
Soshanguve	2 741	3 620	2 925	2 663	2 793	2 820	2 852
Soweto	4 396	5 379	4 658	4 243	4 449	4 492	4 543
Springs	3 528	4 063	3 705	2 617	2 745	2 771	2 803
Temba	3 279	3 852	3 478	2 992	3 138	3 168	3 205

Table 18.D Expenditure by labour centre per province

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Gauteng</b>							
Vanderbijlpark	2 460	3 231	3 245	4 420	4 252	4 265	4 257
Vereeniging	3 803	5 458	4 158	3 894	4 152	4 220	4 325
<b>KwaZulu-Natal</b>	<b>108 031</b>	<b>145 134</b>	<b>125 589</b>	<b>113 109</b>	<b>142 455</b>	<b>148 689</b>	<b>150 434</b>
Provincial Office: Durban	21 727	36 261	29 235	49 547	62 402	65 133	65 895
Dundee	2 412	2 762	2 625	1 883	2 372	2 476	2 505
Durban	25 471	32 064	28 070	16 841	21 211	22 138	22 402
Estcourt	1 985	2 674	2 209	1 635	2 059	2 149	2 174
Kokstad	2 794	3 227	3 081	2 427	3 057	3 190	3 228
Ladysmith	3 055	3 669	3 409	2 670	3 363	3 510	3 551
Newcastle	2 776	3 641	3 125	2 267	2 855	2 980	3 015
Pietermaritzburg	12 132	16 083	13 607	10 940	13 778	14 381	14 549
Pinetown	4 171	5 281	4 691	2 959	3 726	3 889	3 935
Port Shepstone	3 093	4 022	3 435	2 806	3 534	3 688	3 731
Prospecton	5 302	6 640	5 910	3 707	4 668	4 873	4 930
Richards Bay	6 156	7 416	6 863	2 531	3 188	3 328	3 367
Richmond	2 025	2 674	2 340	1 945	2 450	2 557	2 587
Stanger	3 713	4 277	4 054	2 333	2 938	3 067	3 103
Ulundi	6 151	7 784	6 796	3 929	4 949	5 165	5 226
Verulam	2 566	3 477	2 991	2 410	2 557	2 840	2 781
Vryheid	2 501	3 182	3 148	2 280	3 349	3 325	3 456
<b>Limpopo</b>	<b>59 280</b>	<b>79 991</b>	<b>63 268</b>	<b>66 532</b>	<b>66 532</b>	<b>77 651</b>	<b>77 620</b>
Provincial Office: Polokwane	17 167	28 042	18 754	30 209	30 209	35 258	35 243
Giyani	2 612	2 812	2 737	2 619	2 619	3 057	2 812
Jane Furse	2 928	3 121	3 176	2 305	2 305	2 690	3 056
Lebowakgomo	2 555	4 149	2 862	3 113	3 113	3 634	2 689
Lephalale	2 767	3 500	2 930	2 311	2 311	2 698	3 632
Makhado	3 308	2 773	2 606	2 012	2 012	2 348	2 697
Modimolle	2 411	2 976	2 713	2 410	2 410	2 813	2 347
Mokopane	3 281	3 848	3 544	2 314	2 314	2 701	2 699
Phalaborwa	2 747	4 419	3 645	2 852	2 852	3 329	3 328
Polokwane	8 769	3 773	3 054	2 331	2 331	2 721	2 720
Seshego	1 747	11 339	9 750	5 705	5 705	6 658	6 655
Thoyoyandou	4 963	2 476	1 961	1 853	1 853	2 163	2 162
Tzaneen	4 025	6 762	5 536	6 497	6 497	7 582	7 579
<b>Mpumalanga</b>	<b>63 661</b>	<b>169 391</b>	<b>138 196</b>	<b>146 152</b>	<b>152 599</b>	<b>75 477</b>	<b>81 873</b>
Provincial Office: Witbank	18 539	84 696	69 098	72 359	76 217	37 368	40 548
Barberton	1 690	30 054	22 758	3 894	4 066	2 011	2 182
Bethal	1 912	2 396	1 855	5 686	5 937	2 937	3 187
Carolina	3 969	2 877	2 203	4 338	4 529	2 240	2 431
Ermelo	2 089	4 040	3 561	4 498	4 696	2 323	2 520
Groblersdal	1 852	2 870	2 624	4 347	4 539	2 245	2 436
Kamhushwa	2 514	3 291	2 655	4 528	4 727	2 338	2 537
Kwamhlanga	2 465	3 343	2 597	4 734	4 943	2 445	2 653
Lydenburg	2 068	2 742	2 302	6 565	6 855	3 390	3 679
Middelburg	3 741	4 926	4 044	3 724	4 330	2 073	4 589
Nelspruit	4 798	6 271	5 124	4 346	4 538	2 244	2 435
Piet Retief	3 180	3 710	3 311	5 178	5 406	3 004	3 231
Sabie	1 983	2 807	2 104	2 139	3 340	1 507	3 000
Secunda	3 521	4 491	3 882	3 215	2 250	1 258	1 320
Standerton	2 399	2 677	2 461	4 465	4 220	2 156	1 568
Witbank	6 940	8 201	7 617	12 136	12 006	5 938	3 556
<b>North West</b>	<b>55 049</b>	<b>76 344</b>	<b>60 583</b>	<b>65 962</b>	<b>69 539</b>	<b>70 572</b>	<b>73 693</b>
Provincial Office: Mmabatho	18 619	31 752	21 899	37 989	40 050	40 644	42 442
Brits	4 451	5 364	4 739	2 820	2 973	3 017	3 150
Christiana	1 998	2 681	2 193	1 955	2 072	2 103	2 195

Table 18.D Expenditure by labour centre per province

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
<b>North West</b>							
Klerksdorp	6 118	7 781	6 478	4 909	5 175	5 252	5 484
Lichtenburg	3 431	3 862	3 605	2 408	2 538	2 576	2 690
Mafikeng	5 033	6 445	5 227	3 833	4 041	4 101	4 282
Mogwase	2 027	2 680	2 208	2 070	2 171	2 203	2 300
Potchefstroom	3 134	3 539	3 320	2 088	2 201	2 234	2 332
Rustenburg	5 224	6 403	5 642	3 808	4 015	4 074	4 255
Taung	2 138	2 761	2 334	2 251	2 089	2 232	2 305
Vryburg	2 876	3 075	2 938	1 832	2 215	2 136	2 256
<b>Northern Cape</b>	<b>38 776</b>	<b>54 607</b>	<b>41 709</b>	<b>46 036</b>	<b>56 015</b>	<b>49 973</b>	<b>49 247</b>
Provincial Office: Kimberley	16 369	26 486	18 454	29 576	35 987	32 106	31 640
Calvinia	2 148	2 897	2 231	1 739	2 123	1 893	1 866
De Aar	2 276	2 483	2 333	1 770	2 153	1 921	1 893
Kimberley	7 310	9 022	7 400	4 379	5 328	4 754	4 685
Kuruman	2 610	3 404	2 817	2 137	2 600	2 320	2 286
Postmasburg	2 288	3 238	2 240	1 752	2 125	1 896	1 868
Springbok	2 548	3 002	2 670	2 425	3 329	2 820	2 659
Upington	3 227	4 076	3 564	2 258	2 369	2 263	2 350
<b>Western Cape</b>	<b>77 545</b>	<b>107 472</b>	<b>84 662</b>	<b>90 827</b>	<b>95 573</b>	<b>98 994</b>	<b>95 613</b>
Provincial Office: Cape Town	20 923	35 867	23 993	47 298	49 769	51 550	49 791
Beaufort West	2 156	2 853	2 165	1 629	1 714	1 775	1 715
Bellville	10 227	12 119	11 167	5 730	6 030	6 245	6 032
Cape Town	14 505	18 298	15 578	10 537	11 088	11 485	11 089
George	5 785	7 700	6 238	5 231	5 505	5 702	5 507
Knysna	2 264	3 115	2 508	2 463	2 592	2 684	2 593
Mitchell's Plain	3 036	3 941	2 888	2 331	2 453	2 540	2 454
Mossel Bay	2 180	3 186	2 413	2 752	2 895	2 999	2 897
Oudtshoorn	2 666	3 147	2 781	2 382	2 506	2 596	2 507
Paarl	3 119	4 093	3 341	2 761	2 905	3 009	2 906
Somerset West	3 888	4 837	4 189	2 582	2 717	2 814	2 718
Vredenburg	3 404	3 925	3 718	2 869	3 150	3 310	3 013
Worcester	3 392	4 389	3 683	2 263	2 250	2 283	2 390
<b>Total</b>	<b>715 941</b>	<b>1 060 100</b>	<b>853 780</b>	<b>891 380</b>	<b>966 194</b>	<b>891 079</b>	<b>942 315</b>





**BUDGET 2014**  
**ESTIMATES OF NATIONAL EXPENDITURE**

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



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**