

Vote 28

Labour

Budget summary

R million	2019/20				2020/21	2021/22
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	962.0	919.2	0.9	41.8	1 022.5	1 084.2
Inspection and Enforcement Services	631.1	614.1	0.1	17.0	679.7	723.5
Public Employment Services	611.2	368.0	242.0	1.3	648.9	691.7
Labour Policy and Industrial Relations	1 230.8	164.3	1 066.4	0.1	1 319.5	1 394.0
Total expenditure estimates	3 435.1	2 065.6	1 309.4	60.2	3 670.6	3 893.4

Executive authority Minister of Labour
 Accounting officer Director-General of Labour
 Website address www.labour.gov.za

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

Vote purpose

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

Mandate

The Department of Labour derives its legislative mandate from the Constitution, particularly the Bill of Rights, which is given effect through a number of acts that regulate labour matters in South Africa. The most important of these are the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), the Occupational Health and Safety Act (1993), and the Employment Services Act (2014).

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

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

Selected performance indicators

Table 28.1 Performance indicators by programme and related outcome

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive growth	186 871	185 958	214 946	218 732	220 692	220 692	220 692
Percentage of reported incidents finalised within 90 days	Inspection and Enforcement Services		83% (1 080/1 309)	80% (703/878)	75% (690/918)	65%	70%	70%	70%
Number of work seekers registered on the Employment Services South Africa database per year	Public Employment Services		634 503	666 719	890 523 ¹	650 000	700 000	750 000	800 000
Number of registered work seekers provided with employment counselling per year	Public Employment Services		208 861	197 247	193 473	200 000	210 000	220 000	230 000
Number of registered employment opportunities filled by registered work seekers per year	Public Employment Services		10 927	12 517	21 076 ²	42 500 ²	45 000	47 500	50 000
Number of employment opportunities registered on the Employment Services South Africa database per year	Public Employment Services		102 631 ¹	74 510	109 917	85 000	90 000	95 000	100 000

1. High achievement due to advocacy campaigns and roadshows.

2. High achievement due to additional staff employed.

Expenditure analysis

The Department of Labour supports efforts towards realising the goals of the National Development Plan in terms of resolving workplace disputes and improving labour relations, enhancing occupational health and safety, and facilitating job creation. Outcome 4 (decent employment through inclusive growth) of government's 2014-2019 medium-term strategic framework gives overall strategic direction to the department's work. Over the medium term, the department will focus on increasing workplace inspections, supporting work seekers, and regulating the workplace to establish minimum working conditions and fair labour practices.

Cabinet-approved budget reductions amounting to R103.2 million over the MTEF period have been effected across all programmes on goods and services (R35 million); compensation of employees (R49.5 million); and transfers to departmental entities (R18.7 million) for a freeze on salary increases for senior management staff earning more than R1.5 million per year and a 2.8 per cent increase for senior managers earning between R1 million and R1.49 million per year. The reduction in spending on compensation of employees is expected to result in a decrease of 202 funded posts and a net decrease in total headcount, from 3 346 in 2018/19 to 3 337 in 2021/22. This is expected to place strain on the department's human resources capacity, thereby affecting its daily operations. The reduction in spending on goods and services over the MTEF period is expected to result in fewer staff training exercises, the execution of fewer departmental communication strategies, and the leasing of less office equipment. To mitigate these effects, staff will be trained only if and when funding is made available through reprioritisation.

Cabinet-approved budget increases amounting to R151.6 million over the medium term have been effected on transfers to public entities. The Commission for Conciliation, Mediation and Arbitration receives an additional R107.6 million over the MTEF period to address increasing caseloads, and provide training to commissioners and assessors to preside over advisory arbitration processes and conduct balloting and certification processes. The transfer to the National Economic Development and Labour Council is expected to increase by R44 million over the medium term to: fund the council's contribution for a staff pension plan and medical aid, cover shortfalls in cost of living adjustments, fund the next presidential jobs summit, and address other operational costs arising from the council's increasing workload.

Increasing safety and fairness in the workplace

The department aims to ensure that employers adhere to employment equity plans and decent work principles, and that vulnerable workers are protected. Key to achieving this is the inspection of workplaces for compliance with employment law. In pursuit of creating healthy and safe workplaces and responding to persistent non-compliance by employers, the department has amended the Occupational Health and Safety Act (1993) to introduce compulsory provisions, such as permitting inspectors to administer fines and allowing employees to leave the workplace if conditions are unhealthy or unsafe. The amended act, which is targeted for implementation in 2020/21, makes provision for health and safety representatives in the service of employers to check for compliance through routine inspections.

Over the medium term, the department will collaborate with the Compensation Fund to increase the number of occupational health and safety inspectors. This is intended to provide improved services to employees and employers, and ensure that the most vulnerable employees are protected. In this regard, R1.6 billion is allocated over the medium term in the *Compliance, Monitoring and Enforcement* subprogramme in the *Inspection and Enforcement Services* programme for the inspection and enforcement of employment law. The Compensation Fund has budgeted R172.6 million in 2019/20 for 500 additional inspectors. The number of inspections for compliance is expected to increase from 218 732 in 2018/19 to 220 692 in 2021/22.

Supporting work seekers

Through the Employment Services South Africa system, the department provides a free service, including employment counselling, to recruit and place work seekers in various work and learning opportunities. Over the medium term, the department plans to introduce new measures to accelerate the placement of registered work seekers. These include: improving the quality of information on work seekers and employment opportunities to accurately match work seekers with work opportunities, reviewing workflow processes to respond promptly to requests from employers, subjecting matched candidates to rigorous counselling services to provide employers with shortlists, and signing partnership agreements.

The department also aims to facilitate greater access to the labour market for work seekers with matric and post-school qualifications, as well as those affected by barriers to entry such as low literacy levels, poor skills, and a lack of funds to undertake job searches. Accordingly, the department has self-service stations at 62 of its 126 labour centres to encourage work seekers to register and seek employment. 64 additional self-service stations are expected to be rolled out in 2019/20, as work seekers registered on the Employment Services South Africa system are expected to increase from 700 000 in 2019/20 to 800 000 in 2021/22. In 2019/20, the department expects to roll out the situation-specific evaluation expert assessment tool, which will be used to profile work seekers registered on the Employment Services South Africa system to assist with their placement.

As part of the department's efforts to improve and modernise its counselling services, it has deployed 1 principal psychologist in each province and 128 career counsellors across all labour centres, and introduced an electronic interest and competency self-assessment system for work seekers. Over the MTEF period, activities in the *Public Employment Services* programme will also involve work with the European Union on a project aimed at assessing the impact of counselling services. This will include tracking the placement of counselled work seekers in self-employment, cooperatives and further learning institutions. The department anticipates the number of counselled work seekers to increase from 210 000 in 2019/20 to 230 000 in 2021/22. Over the medium term, the *Public Employment Services* programme will work with the Employment Services Board and the International Labour Organisation to develop national and labour migration policies, and provide advice on the implementation of employment schemes to the Minister of Labour.

The number of employment opportunities registered through the *Employer Services* subprogramme in the *Public Employment Services* programme is expected to increase from 90 000 in 2019/20 to 100 000 in 2021/22, at an estimated cost of R23.2 million over the same period. R402.1 million over the MTEF period has also been allocated in the subprogramme for counselling, placement and advocacy campaigns and to pilot free registration opportunities on the Employment Services South Africa system with partner organisations by means of a memorandum of agreement. Training will be provided to employment services practitioners and strict quality control measures will be introduced to verify all work opportunities registered with the department.

To carry out all the department's activities related to supporting work seekers, R588.1 million is allocated over the medium term in the *Work Seeker Services* subprogramme in the *Public Employment Services* programme.

Regulating the workplace to establish minimum working conditions and fair labour practices

To reduce income inequality in South Africa, the department, with social partners at the National Economic Development and Labour Council, will continue to set standards, institute minimum wages for vulnerable workers and monitor compliance with the Employment Equity Act (1998). The National Minimum Wage Bill came into effect on 1 January 2019. The department plans to establish a national minimum wage commission and secretariat in 2019/20, as per the bill, which will be responsible for reviewing, making adjustments to and monitoring the social and economic impact of the national minimum wage, which is set at R20 per hour. As such, activities over the medium term in the *Labour Policy and Industrial Relations* programme will involve performing the secretariat function and housing the national minimum wage commission, for which R114.1 million is budgeted over the MTEF period for operations.

The Employment Equity Amendment Bill, with its corresponding draft regulations, were published for public comment on 21 September 2018, to be tabled in Parliament for discussion and finalisation in 2019. Amendments to the Employment Equity Act (1998) and regulations are primarily aimed at empowering the minister to regulate the setting of sector-specific employment equity numerical targets; and the promulgation of section 53 of the act, which deals with the issuing of an employment equity compliance certificate as a prerequisite for accessing state contracts.

South Africa co-chairs the International Labour Organisation's global commission on the future of work, a first for the country and for Africa. The conference committee, chaired by South Africa, offers a platform for robust discussions on the future of the organisation's development cooperation in supporting constituents to achieve sustainable development and decent work for all. These discussions are expected to culminate in the formal adoption of a global report in 2019. To this end, R200 000 is allocated in the *Labour Policy and Industrial Relations* programme in 2019/20.

Expenditure trends

Table 28.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Inspection and Enforcement Services														
3. Public Employment Services														
4. Labour Policy and Industrial Relations														
Programme	Annual budget			Adjusted appropriation			Audited outcome			Revised estimate			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2015/16			2016/17			2017/18			2018/19			2015/16 - 2018/19	
Programme 1	845.1	815.1	745.6	852.9	856.6	819.1	885.6	887.8	768.7	917.4	906.6	906.6	92.5%	93.5%
Programme 2	430.8	471.8	472.9	519.5	509.3	464.3	532.7	531.2	520.2	598.2	592.2	592.2	98.5%	97.4%
Programme 3	488.3	497.3	485.1	510.3	507.2	524.9	561.1	557.4	485.5	582.6	580.6	580.6	96.9%	96.9%
Programme 4	922.7	920.0	908.4	965.2	969.7	953.4	1 086.4	1 079.4	1 069.6	1 197.1	1 203.4	1 199.5	99.0%	99.0%
Total	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 761.6	3 065.8	3 055.8	2 844.0	3 295.2	3 282.9	3 278.9	96.6%	96.7%
Change to 2018 Budget estimate												(12.4)		
Economic classification														
Current payments	1 683.8	1 642.8	1 533.0	1 714.8	1 675.9	1 545.3	1 817.6	1 787.3	1 571.4	1 946.7	1 885.3	1 881.3	91.2%	93.4%
Compensation of employees	1 079.6	1 052.9	1 025.6	1 132.2	1 108.0	1 064.7	1 224.5	1 212.8	1 059.5	1 317.8	1 293.1	1 289.1	93.4%	95.1%
Goods and services	604.2	589.9	507.4	582.6	567.9	480.6	593.1	574.5	511.9	628.9	592.3	592.3	86.9%	90.0%

Table 28.2 Vote expenditure trends by programme and economic classification

Economic classification	Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Audited outcome			Annual budget			Adjusted appropriation			Revised estimate			Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)	
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19		
R million	956.2	1 009.2	1 010.4	1 064.6	1 063.4	1 073.2	1 160.7	1 162.4	1 179.6	1 273.6	1 288.0	1 288.0	102.2%	100.6%																
Transfers and subsidies																														
Provinces and municipalities	0.0	0.5	0.6	0.5	0.7	0.6	0.5	0.5	0.6	0.6	0.6	0.6	151.6%	102.8%																
Departmental agencies and accounts	824.2	824.2	820.9	867.8	868.3	879.4	962.2	962.2	979.9	1 066.1	1 078.4	1 078.4	101.0%	100.7%																
Foreign governments and international organisations	17.3	19.3	20.9	20.6	22.0	19.7	23.8	23.8	20.0	25.2	25.2	25.2	98.7%	95.1%																
Non-profit institutions	114.4	164.5	164.0	175.5	169.6	168.8	173.9	173.9	173.4	181.3	181.2	181.2	106.6%	99.7%																
Households	0.3	0.7	4.0	0.3	2.8	4.6	0.3	2.1	5.8	0.4	2.5	2.5	1 271.2%	208.0%																
Payments for capital assets	46.9	52.2	68.1	68.4	103.6	140.5	87.5	106.1	92.8	75.0	109.6	109.6	148.0%	110.6%																
Buildings and other fixed structures	–	2.0	0.5	28.0	28.0	29.2	14.0	14.0	2.4	16.0	16.0	16.0	83.0%	80.2%																
Machinery and equipment	46.9	50.2	67.6	40.4	75.6	65.0	73.5	92.1	78.2	59.0	93.6	93.6	138.5%	97.7%																
Software and other intangible assets	–	–	–	–	–	46.4	–	0.1	12.1	–	–	–	–	97 516.7%																
Payments for financial assets	–	–	0.5	–	–	2.6	–	–	0.2	–	–	–	–	–																
Total	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 761.6	3 065.8	3 055.8	2 844.0	3 295.2	3 282.9	3 278.9	96.6%	96.7%																

Expenditure estimates

Table 28.3 Vote expenditure estimates by programme and economic classification

Programmes									
1. Administration									
2. Inspection and Enforcement Services									
3. Public Employment Services									
4. Labour Policy and Industrial Relations									
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
				2018/19	2015/16 - 2018/19	2019/20			2020/21
R million									
Programme 1	906.6	3.6%	28.2%	962.0	1 022.5	1 084.2	6.1%	27.8%	
Programme 2	592.2	7.9%	17.8%	631.1	679.7	723.5	6.9%	18.4%	
Programme 3	580.6	5.3%	18.1%	611.2	648.9	691.7	6.0%	17.7%	
Programme 4	1 199.5	9.2%	35.9%	1 230.8	1 319.5	1 394.0	5.1%	36.0%	
Total	3 278.9	6.6%	100.0%	3 435.1	3 670.6	3 893.4	5.9%	100.0%	
Change to 2018 Budget estimate				2.2	21.8	24.4			
Economic classification									
Current payments	1 881.3	4.6%	56.8%	2 065.8	2 208.4	2 350.1	7.7%	59.6%	
Compensation of employees	1 289.1	7.0%	38.6%	1 393.2	1 499.5	1 598.5	7.4%	40.5%	
Goods and services	592.3	0.1%	18.2%	672.4	708.6	751.3	8.3%	19.1%	
Interest and rent on land	–	–	–	0.2	0.3	0.3	–	0.0%	
Transfers and subsidies	1 288.0	8.5%	39.6%	1 309.4	1 399.7	1 477.9	4.7%	38.3%	
Provinces and municipalities	0.6	7.2%	0.0%	0.7	0.7	0.7	5.9%	0.0%	
Departmental agencies and accounts	1 078.4	9.4%	32.7%	1 089.0	1 167.2	1 231.7	4.5%	32.0%	
Foreign governments and international organisations	25.2	9.3%	0.7%	26.6	28.1	29.6	5.5%	0.8%	
Non-profit institutions	181.2	3.3%	6.0%	192.6	203.2	215.3	5.9%	5.6%	
Households	2.5	50.9%	0.1%	0.4	0.4	0.4	-44.7%	0.0%	
Payments for capital assets	109.6	28.0%	3.6%	60.2	62.8	65.7	-15.7%	2.1%	
Buildings and other fixed structures	16.0	100.0%	0.4%	16.0	16.9	18.1	4.3%	0.5%	
Machinery and equipment	93.6	23.0%	2.6%	44.2	45.9	47.5	-20.2%	1.6%	
Total	3 278.9	6.6%	100.0%	3 435.4	3 670.8	3 893.7	5.9%	100.0%	

Expenditure trends and estimates for significant spending items

Table 28.4 Expenditure trends and estimates for significant spending items

	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16	2018/19	2019/20	2020/21	2021/22	2018/19	2021/22
R thousand											
Commission for Conciliation, Mediation and Arbitration	731 799	770 501	864 090	963 066	9.6%	29.0%	980 979	1 039 945	1 097 468	4.3%	28.5%
Inspection Services: Compliance Monitoring and Enforcement	373 034	367 843	414 853	471 240	8.1%	14.2%	501 849	541 089	575 959	6.9%	14.6%
Provision of Public Employment Services: Employer and Work Seeker Services	236 124	196 592	207 392	292 241	7.4%	8.1%	309 171	328 462	352 594	6.5%	9.0%
Total	1 340 957	1 334 936	1 486 335	1 726 547	8.8%	51.2%	1 791 999	1 909 496	2 026 021	5.4%	52.1%

Goods and services expenditure trends and estimates

Table 28.5 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16	2018/19	2019/20	2020/21	2021/22	2018/19	2021/22
R thousand											
Administrative fees	4 958	5 941	9 461	5 776	5.2%	1.2%	6 087	6 261	6 228	2.5%	0.9%
Advertising	17 431	9 881	14 431	17 715	0.5%	2.8%	17 737	18 586	20 108	4.3%	2.7%
Minor assets	2 869	3 340	13 406	10 269	53.0%	1.4%	7 163	6 826	7 362	-10.5%	1.2%
Audit costs: External	16 511	16 913	16 867	17 774	2.5%	3.3%	22 132	23 404	24 690	11.6%	3.2%
Bursaries: Employees	1 906	1 978	2 310	3 031	16.7%	0.4%	3 063	3 326	3 601	5.9%	0.5%
Catering: Departmental activities	4 532	4 674	5 599	5 573	7.1%	1.0%	6 231	6 778	7 187	8.8%	0.9%
Communication	31 232	24 770	28 539	21 831	-11.3%	5.1%	44 576	49 730	53 157	34.5%	6.2%
Computer services	66 868	88 129	54 583	89 680	10.3%	14.3%	123 854	130 672	137 675	15.4%	17.7%
Consultants: Business and advisory services	7 178	10 025	6 311	11 710	17.7%	1.7%	10 753	11 562	12 073	1.0%	1.7%
Legal services	3 085	7 601	12 795	4 630	14.5%	1.3%	5 335	6 092	6 426	11.5%	0.8%
Science and technological services	-	-	-	-	-	-	-	100	106	-	-
Contractors	7 091	6 979	2 751	5 361	-8.9%	1.1%	2 932	4 435	4 664	-4.5%	0.6%
Agency and support/outsourced services	3 111	2 135	1	779	-37.0%	0.3%	4 217	4 512	4 873	84.3%	0.5%
Entertainment	189	192	180	330	20.4%	-	249	276	292	-4.0%	-
Fleet services (including government motor transport)	19 795	21 888	28 141	26 465	10.2%	4.6%	28 247	29 571	34 010	8.7%	4.3%
Inventory: Fuel, oil and gas	-	-	-	-	-	-	150	150	150	-	-
Inventory: Learner and teacher support material	-	-	-	22	-	-	-	-	-	-100.0%	-
Consumable supplies	2 545	3 390	2 560	4 794	23.5%	0.6%	3 494	4 643	3 277	-11.9%	0.6%
Consumables: Stationery, printing and office supplies	19 673	16 325	12 928	20 512	1.4%	3.3%	22 598	21 962	24 552	6.2%	3.3%
Operating leases	139 488	115 668	138 720	149 386	2.3%	26.0%	157 730	165 833	174 707	5.4%	23.8%
Rental and hiring	1 103	513	626	612	-17.8%	0.1%	1 331	814	805	9.6%	0.1%
Property payments	57 055	48 428	50 869	69 428	6.8%	10.8%	82 164	86 092	92 122	9.9%	12.1%
Transport provided: Departmental activity	140	185	149	1 100	98.8%	0.1%	900	950	1 002	-3.1%	0.1%
Travel and subsistence	82 429	72 203	85 290	81 125	-0.5%	15.3%	84 032	85 895	90 232	3.6%	12.5%
Training and development	6 636	3 803	7 090	19 071	42.2%	1.7%	14 368	15 518	16 248	-5.2%	2.4%
Operating payments	6 489	8 744	8 537	10 979	19.2%	1.7%	10 917	11 404	12 034	3.1%	1.7%
Venues and facilities	5 087	6 924	9 728	14 304	41.1%	1.7%	12 126	13 250	13 705	-1.4%	2.0%
Total	507 401	480 629	511 872	592 257	5.3%	100.0%	672 386	708 642	751 286	8.3%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 28.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2018/19 - 2021/22	Average: Expenditure/Total (%) 2018/19 - 2021/22
	2015/16	2016/17	2017/18		2015/16	2018/19	2019/20	2020/21	2021/22		
Households											
Social benefits											
Current	3 335	4 508	5 355	2 414	-10.2%	0.3%	382	403	425	-44.0%	0.1%
Employee social benefits	3 335	4 508	5 355	2 414	-10.2%	0.3%	382	403	425	-44.0%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	806 121	860 375	963 987	1 062 308	9.6%	81.1%	1 072 161	1 149 433	1 212 962	4.5%	82.1%
Productivity South Africa	45 531	59 057	60 064	53 261	5.4%	4.8%	54 610	57 601	60 770	4.5%	4.1%
Commission for Conciliation, Mediation and Arbitration	731 799	770 501	864 090	963 066	9.6%	73.2%	976 810	1 035 547	1 092 828	4.3%	74.3%
National Economic Development and Labour Council	28 791	30 817	39 833	45 981	16.9%	3.2%	40 741	56 285	59 364	8.9%	3.7%
Households											
Other transfers to households											
Current	612	90	389	104	-44.6%	-	-	-	-	-100.0%	-
Employee social benefits	612	90	389	104	-44.6%	-	-	-	-	-100.0%	-
Provinces and municipalities											
Municipal bank accounts											
Current	516	575	611	618	6.2%	0.1%	656	695	733	5.9%	-
Vehicle licences	516	575	611	618	6.2%	0.1%	656	695	733	5.9%	-
Foreign governments and international organisations											
Current	20 909	19 719	19 974	25 218	6.4%	1.9%	26 630	28 095	29 641	5.5%	2.0%
International Labour Organisation	19 753	19 719	19 178	23 984	6.7%	1.8%	25 327	26 720	28 190	5.5%	1.9%
African Regional Labour Administration Centre	1 156	-	796	1 234	2.2%	0.1%	1 303	1 375	1 451	5.5%	0.1%
Departmental agencies and accounts											
Social security funds											
Current	14 780	19 031	15 917	16 107	2.9%	1.4%	16 877	17 805	18 784	5.3%	1.3%
Compensation Fund	14 780	19 031	15 917	16 107	2.9%	1.4%	16 877	17 805	18 784	5.3%	1.3%
Non-profit institutions											
Current	164 045	168 787	173 351	181 212	3.4%	15.1%	192 648	203 244	215 344	5.9%	14.5%
Deaf Federation of South Africa	-	-	-	291	-	-	-	-	-	-100.0%	-
National Council for the Physically Disabled	308	296	292	336	2.9%	-	-	-	-	-100.0%	-
South African National Council for the Blind	417	366	357	413	-0.3%	-	-	-	-	-100.0%	-
Workshops for the Blind	10 341	10 638	11 572	12 420	6.3%	1.0%	21 525	22 709	24 412	25.3%	1.5%
Work centres for the disabled	135 050	138 568	141 307	146 779	2.8%	12.3%	148 923	157 114	165 755	4.1%	11.3%
Various civil and labour organisations	17 929	18 879	19 823	20 973	5.4%	1.7%	22 147	23 365	25 117	6.2%	1.7%
Gifts and donations	-	40	-	-	-	-	53	56	60	-	-
Total	1 010 318	1 073 085	1 179 584	1 287 981	8.4%	100.0%	1 309 354	1 399 675	1 477 889	4.7%	100.0%

Personnel information

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

Programmes																				
1. Administration																				
2. Inspection and Enforcement Services																				
3. Public Employment Services																				
4. Labour Policy and Industrial Relations																				
	Number of posts estimated for 31 March 2019			Number and cost ² of personnel posts filled/planned for on funded establishment									Number							
	Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2018/19 - 2021/22	Average: Salary level/Total (%) 2018/19 - 2021/22			
				2017/18		2018/19		2019/20		2020/21		2021/22								
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Labour	2 918	18		3 025	1 059.5	0.4	3 346	1 288.9	0.4	3 341	1 393.1	0.4	3 341	1 498.8	0.4	3 337	1 598.3	0.5	-0.1%	100.0%
1 - 6	1 350	3		1 441	296.3	0.2	1 590	364.4	0.2	1 573	389.0	0.2	1 566	417.1	0.3	1 575	450.6	0.3	-0.3%	47.2%
7 - 10	1 221	3		1 247	456.3	0.4	1 323	535.4	0.4	1 331	583.9	0.4	1 337	631.0	0.5	1 335	675.5	0.5	0.3%	39.9%
11 - 12	266	6		260	208.4	0.8	306	254.1	0.8	309	275.0	0.9	310	295.2	1.0	299	305.9	1.0	-0.8%	9.2%
13 - 16	79	6		77	98.4	1.3	127	135.0	1.1	128	145.1	1.1	128	155.5	1.2	128	166.3	1.3	0.3%	3.8%
Other	2	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Programme	2 918	18		3 025	1 059.5	0.4	3 346	1 288.9	0.4	3 341	1 393.1	0.4	3 341	1 498.8	0.4	3 337	1 598.3	0.5	-0.1%	100.0%
Programme 1	962	18		962	343.1	0.4	1 544	397.1	0.3	1 522	422.6	0.3	1 531	457.2	0.3	1 534	487.7	0.3	-0.2%	45.9%
Programme 2	1 095	-		1 214	406.1	0.3	1 224	485.5	0.4	1 221	522.6	0.4	1 227	565.4	0.5	1 224	603.0	0.5	-	36.6%
Programme 3	676	-		676	220.4	0.3	423	306.8	0.7	417	327.7	0.8	412	349.9	0.8	410	372.9	0.9	-1.0%	12.4%
Programme 4	185	-		173	89.9	0.5	155	99.5	0.6	181	120.3	0.7	171	126.3	0.7	169	134.6	0.8	2.9%	5.1%

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

2. Rand million.

Departmental receipts

Table 28.8 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2015/16	2016/17	2017/18					2018/19	2019/20	2020/21		
Departmental receipts	10 056	11 702	16 805	10 521	10 521	1.5%	100.0%	12 414	13 300	14 212	10.5%	100.0%
Sales of goods and services produced by department	4 129	4 530	4 391	4 446	4 446	2.5%	35.6%	4 142	4 357	4 508	0.5%	34.6%
Sales by market establishments	176	164	153	132	132	-9.1%	1.3%	140	155	165	7.7%	1.2%
of which:												
Market establishment: Rental dwellings	43	43	40	52	52	6.5%	0.4%	40	45	50	-1.3%	0.4%
Market establishment: Rental parking (covered and open)	133	121	113	80	80	-15.6%	0.9%	100	110	115	12.9%	0.8%
Administrative fees	1 970	2 318	2 057	2 167	2 167	3.2%	17.3%	2 000	2 100	2 150	-0.3%	16.7%
of which:												
Occupational health and safety licences	1 970	2 318	2 057	2 166	2 166	3.2%	17.3%	2 000	2 100	2 150	-0.2%	16.7%
Request Information: Access to Information Act	-	-	-	1	1	-	-	-	-	-	-100.0%	-
Other sales	1 983	2 048	2 181	2 147	2 147	2.7%	17.0%	2 002	2 102	2 193	0.7%	16.7%
of which:												
Services rendered: Commission on insurance and garnishee	1 980	2 043	2 179	2 128	2 128	2.4%	17.0%	2 000	2 100	2 190	1.0%	16.7%
Services rendered: Photocopies and faxes	1	-	-	15	15	146.6%	-	-	-	-	-100.0%	-
Replacement of security cards	2	-	-	3	3	14.5%	-	-	-	-	-100.0%	-
Replacement - lost office property	-	5	2	1	1	-	-	2	2	3	44.2%	-
Sales of scrap, waste, arms and other used current goods	12	25	45	39	39	48.1%	0.2%	22	23	24	-14.9%	0.2%
of which:												
Sales: Scrap	3	-	3	9	9	44.2%	-	1	1	1	-51.9%	-
Sales: Wastepaper	9	25	42	30	30	49.4%	0.2%	21	22	23	-8.5%	0.2%
Fines, penalties and forfeits	1 009	1 011	2 281	2 070	2 070	27.1%	13.0%	3 200	3 400	3 700	21.4%	24.5%
Interest, dividends and rent on land	1 303	1 377	1 357	1 000	1 000	-8.4%	10.3%	1 500	1 550	1 600	17.0%	11.2%
Interest	1 303	1 377	1 357	1 000	1 000	-8.4%	10.3%	1 500	1 550	1 600	17.0%	11.2%
Sales of capital assets	105	29	43	300	300	41.9%	1.0%	50	70	80	-35.6%	1.0%
Transactions in financial assets and liabilities	3 498	4 730	8 688	2 666	2 666	-8.7%	39.9%	3 500	3 900	4 300	17.3%	28.5%
Total	10 056	11 702	16 805	10 521	10 521	1.5%	100.0%	12 414	13 300	14 212	10.5%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
Ministry	32.6	32.2	32.3	37.4	4.7%	4.2%	36.6	37.0	39.3	1.6%	3.8%
Management	258.5	255.4	256.4	253.1	-0.7%	31.6%	265.4	279.2	297.2	5.5%	27.5%
Corporate Services	180.3	260.2	200.9	291.8	17.4%	28.8%	311.2	333.7	353.6	6.6%	32.5%
Office of the Chief Financial Officer	113.2	105.6	118.1	121.7	2.5%	14.2%	130.8	142.6	151.2	7.5%	13.7%
Office Accommodation	161.1	165.7	161.0	202.6	8.0%	21.3%	218.0	229.9	242.9	6.2%	22.5%
Total	745.6	819.1	768.7	906.6	6.7%	100.0%	962.0	1 022.5	1 084.2	6.1%	100.0%
Change to 2018				(10.8)			(15.0)	(15.7)	(16.1)		
Budget estimate											

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

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2018/19	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2019/20 - 2021/22
R million											
Current payments	707.3	708.6	721.5	834.4	5.7%	91.7%	919.2	977.6	1 037.4	7.5%	94.8%
Compensation of employees	325.9	325.9	343.1	397.1	6.8%	43.0%	422.6	457.3	487.8	7.1%	44.4%
Goods and services ¹	381.4	382.7	378.4	437.3	4.7%	48.8%	496.6	520.3	549.6	7.9%	50.4%
<i>of which:</i>											
<i>Audit costs: External</i>	<i>16.5</i>	<i>16.9</i>	<i>16.9</i>	<i>17.8</i>	<i>2.5%</i>	<i>2.1%</i>	<i>22.1</i>	<i>23.4</i>	<i>24.7</i>	<i>11.6%</i>	<i>2.2%</i>
<i>Communication</i>	<i>17.0</i>	<i>21.5</i>	<i>13.2</i>	<i>14.8</i>	<i>-4.6%</i>	<i>2.1%</i>	<i>23.3</i>	<i>24.4</i>	<i>25.5</i>	<i>20.0%</i>	<i>2.2%</i>
<i>Computer services</i>	<i>65.9</i>	<i>87.3</i>	<i>53.8</i>	<i>88.7</i>	<i>10.4%</i>	<i>9.1%</i>	<i>122.8</i>	<i>129.6</i>	<i>136.5</i>	<i>15.5%</i>	<i>12.0%</i>
<i>Operating leases</i>	<i>137.5</i>	<i>113.5</i>	<i>135.7</i>	<i>143.6</i>	<i>1.5%</i>	<i>16.4%</i>	<i>152.4</i>	<i>160.4</i>	<i>168.8</i>	<i>5.5%</i>	<i>15.7%</i>
<i>Property payments</i>	<i>44.6</i>	<i>47.9</i>	<i>37.9</i>	<i>63.6</i>	<i>12.6%</i>	<i>6.0%</i>	<i>72.2</i>	<i>75.9</i>	<i>81.3</i>	<i>8.5%</i>	<i>7.4%</i>
<i>Travel and subsistence</i>	<i>37.1</i>	<i>32.0</i>	<i>37.9</i>	<i>31.1</i>	<i>-5.6%</i>	<i>4.3%</i>	<i>29.9</i>	<i>29.2</i>	<i>30.7</i>	<i>-0.5%</i>	<i>3.0%</i>
Transfers and subsidies¹	2.3	2.0	2.8	1.6	-11.3%	0.3%	0.9	1.0	1.0	-14.3%	0.1%
Provinces and municipalities	0.5	0.6	0.6	0.6	4.9%	0.1%	0.7	0.7	0.7	5.9%	0.1%
Households	1.8	1.5	2.1	1.0	-17.5%	0.2%	0.3	0.3	0.3	-34.1%	-
Payments for capital assets	35.5	105.8	44.1	70.6	25.7%	7.9%	41.8	43.9	45.8	-13.5%	5.1%
Buildings and other fixed structures	0.5	29.2	2.4	16.0	215.2%	1.5%	16.0	16.9	18.1	4.3%	1.7%
Machinery and equipment	35.0	30.3	29.6	54.6	16.0%	4.6%	25.8	27.0	27.6	-20.3%	3.4%
Software and other intangible assets	-	46.4	12.1	-	-	1.8%	-	-	-	-	-
Payments for financial assets	0.5	2.6	0.2	-	-100.0%	0.1%	-	-	-	-	-
Total	745.6	819.1	768.7	906.6	6.7%	100.0%	962.0	1 022.5	1 084.2	6.1%	100.0%
Proportion of total programme expenditure to vote expenditure	28.5%	29.7%	27.0%	27.6%	-	-	28.0%	27.9%	27.8%	-	-

Details of selected transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	0.5	0.5	0.6	0.6	7.8%	0.1%	0.7	0.7	0.7	5.9%	0.1%
Vehicle licences	0.5	0.5	0.6	0.6	7.8%	0.1%	0.7	0.7	0.7	5.9%	0.1%

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

Programme 2: Inspection and Enforcement Services

Programme purpose

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

Objectives

- Protect vulnerable workers through the inspection and enforcement of labour legislation by ensuring that decent work principles are adhered to by:
 - conducting 220 692 compliance inspections by March 2020
 - serving 80 per cent of non-compliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection.
- Strengthen the health and safety of workers through the enforcement of occupational health and safety regulations by finalising 70 per cent of all reported incidents within 90 days of receipt over the medium term.

Subprogrammes

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director-general, and provides corporate support to line function subprogrammes within the programme.
- *Occupational Health and Safety* promotes health and safety in the workplace by conducting inspections on compliance with the Occupational Health and Safety Act (1993), and regulating dangerous activities and the use of plant and machinery.

- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety, as reported by members of the public, and communicates these to the relevant structures within the *Compliance, Monitoring and Enforcement Services* subprogramme for investigation.
- *Compliance, Monitoring and Enforcement Services* ensures that employers and employees comply with labour legislation by conducting regular inspections and following up on reported incidents.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training within this programme.
- *Statutory and Advocacy Services* gives effect to legislative enforcement requirements and educates stakeholders on labour legislation.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million					2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Management and Support Services: Inspection and Enforcement Services	4.6	6.9	6.8	5.7	7.5%	1.2%	6.7	7.3	7.8	10.5%	1.0%
Occupational Health and Safety	29.3	23.9	25.9	33.0	4.0%	5.5%	34.5	36.9	39.3	6.0%	5.5%
Registration: Inspection and Enforcement Services	52.6	53.6	61.1	67.3	8.6%	11.4%	72.6	78.0	83.0	7.2%	11.5%
Compliance, Monitoring and Enforcement Services	373.0	367.8	414.9	471.2	8.1%	79.4%	501.8	541.1	576.0	6.9%	79.6%
Training of Staff: Inspection and Enforcement Services	6.7	4.7	5.0	5.6	-5.9%	1.1%	5.6	5.9	6.2	3.8%	0.9%
Statutory and Advocacy Services	6.6	7.4	6.5	9.4	12.2%	1.5%	9.9	10.6	11.2	6.2%	1.6%
Total	472.9	464.3	520.2	592.2	7.8%	100.0%	631.1	679.7	723.5	6.9%	100.0%
Change to 2018 Budget estimate				(6.0)			(7.8)	(7.8)	(7.6)		
Economic classification											
Current payments	439.8	428.8	470.6	557.5	8.2%	92.5%	614.1	661.8	704.5	8.1%	96.6%
Compensation of employees	375.9	382.0	406.1	485.6	8.9%	80.5%	522.6	565.6	603.1	7.5%	82.9%
Goods and services ¹	63.9	46.9	64.5	71.9	4.0%	12.1%	91.5	96.2	101.4	12.1%	13.7%
of which:											
Communication	7.7	1.3	9.1	3.2	-25.7%	1.0%	17.1	21.0	22.2	91.6%	2.4%
Fleet services (including government motor transport)	7.5	8.0	8.8	8.2	3.0%	1.6%	10.3	9.9	11.6	12.4%	1.5%
Consumables: Stationery, printing and office supplies	4.4	3.0	2.6	3.7	-5.1%	0.7%	4.7	3.4	5.2	11.8%	0.6%
Property payments	7.7	0.3	5.9	2.0	-35.9%	0.8%	6.3	5.4	4.3	28.7%	0.7%
Travel and subsistence	25.4	22.6	25.7	27.0	2.1%	4.9%	29.3	30.6	32.2	6.0%	4.5%
Training and development	2.3	1.2	1.9	4.5	25.2%	0.5%	4.4	4.7	4.9	3.3%	0.7%
Transfers and subsidies ¹	1.2	1.7	1.8	0.8	-14.1%	0.3%	0.1	0.1	0.1	-52.3%	-
Households	1.2	1.7	1.8	0.8	-13.5%	0.3%	0.1	0.1	0.1	-52.3%	-
Payments for capital assets	31.9	33.7	47.8	33.9	2.1%	7.2%	17.0	17.9	18.9	-17.7%	3.3%
Machinery and equipment	31.9	33.7	47.8	33.9	2.1%	7.2%	17.0	17.9	18.9	-17.7%	3.3%
Total	472.9	464.3	520.2	592.2	7.8%	100.0%	631.1	679.7	723.5	6.9%	100.0%
Proportion of total programme expenditure to vote expenditure	18.1%	16.8%	18.3%	18.0%	-	-	18.4%	18.5%	18.6%	-	-

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

Programme 3: Public Employment Services

Programme purpose

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

Objectives

- Provide public employment services by March 2020 by:

- registering 700 000 work seekers on the Employment Services South Africa database
- providing employment counselling to 210 000 work seekers
- filling 45 000 registered employment opportunities
- registering 90 000 work opportunities on the Employment Services South Africa database.
- Contribute to increasing employment opportunities for people with disabilities by providing quarterly funding over the medium term, and monitoring disability organisations on an ongoing basis.

Subprogrammes

- *Management and Support Services: Public Employment Services* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes.
- *Employer Services* registers work opportunities, facilitates the employment of foreign nationals where such skills do not exist in South Africa, oversees placements, responds to companies in distress, provides a social plan and regulates private employment agencies.
- *Work Seeker Services* registers work seekers, retrenched workers, work learning, training and income generating opportunities on the Employment Services of South Africa system; and facilitates access to employment and income generating opportunities for the unemployed and underemployed.
- *Designated Groups Special Services* facilitates the transfer of subsidies to national organisations to promote the employment of people with disabilities.
- *Supported Employment Enterprises* transfers funds to the Supported Employment Enterprises to promote the supported employment of persons with long-term physical, mental or sensory impairment disabilities.
- *Productivity South Africa* transfers funds to Productivity South Africa, which promotes workplace productivity, competitiveness and social plan interventions.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund.
- *Compensation Fund* provides for costs incurred through claims from civil servants for injuries sustained on duty or occupation-related illnesses and diseases, and provides for the funding of claims from the Compensation Fund.
- *Training of Staff: Public Employment Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes.

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average: Expenditure/ Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average: Expenditure/ Total (%)
R million											
Management and Support Services: Public Employment Services	36.0	89.5	42.5	51.0	12.3%	10.5%	52.0	56.5	60.1	5.6%	8.7%
Employer Services	120.1	81.5	76.8	112.7	-2.1%	18.8%	124.7	132.9	144.4	8.6%	20.3%
Work Seeker Services	116.0	115.1	130.6	179.5	15.7%	26.1%	184.4	195.6	208.1	5.1%	30.3%
Designated Groups Special Services	11.1	11.3	12.2	13.5	6.7%	2.3%	21.5	22.7	24.4	22.0%	3.2%
Supported Employment Enterprises	140.7	148.7	146.0	153.3	2.9%	28.4%	155.7	164.4	173.6	4.2%	25.5%
Productivity South Africa	45.5	59.1	60.1	53.3	5.4%	10.5%	54.6	57.6	60.8	4.5%	8.9%
Unemployment Insurance Fund	–	–	–	0.0	–	–	0.0	0.0	0.0	–	–
Compensation Fund	14.8	19.0	15.9	16.1	2.9%	3.2%	16.9	17.8	18.8	5.3%	2.7%
Training of Staff: Public Employment Services	0.9	0.7	1.4	1.2	10.6%	0.2%	1.3	1.4	1.5	5.6%	0.2%
Total	485.1	524.9	485.5	580.6	6.2%	100.0%	611.2	648.9	691.7	6.0%	100.0%
Change to 2018 Budget estimate				(2.0)			(4.2)	(4.6)	(4.8)		

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

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million	2015/16	2016/17	2017/18	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22	
Current payments	277.6	294.6	254.0	346.0	7.6%	56.5%	368.0	392.8	421.0	6.8%	60.3%
Compensation of employees	245.7	272.3	220.4	306.9	7.7%	50.3%	327.7	350.1	372.9	6.7%	53.6%
Goods and services ¹	31.8	22.4	33.6	39.1	7.1%	6.1%	40.2	42.7	48.1	7.2%	6.7%
<i>of which:</i>											
Communication	5.6	1.5	4.1	2.8	-20.4%	0.7%	3.1	3.1	4.2	14.3%	0.5%
Fleet services (including government motor transport)	3.0	2.8	4.0	7.4	35.0%	0.8%	5.8	7.0	8.6	5.1%	1.1%
Consumables: Stationery, printing and office supplies	1.7	1.5	1.2	3.7	30.1%	0.4%	3.7	3.8	3.9	2.1%	0.6%
Property payments	4.3	0.2	5.9	2.9	-12.3%	0.6%	2.75	3.86	5.44	23.4%	0.6%
Travel and subsistence	9.0	8.9	10.8	10.4	4.8%	1.9%	12.09	11.99	12.50	6.3%	1.9%
Operating payments	1.1	1.6	1.5	2.0	21.2%	0.3%	2.07	2.17	2.24	3.8%	0.3%
Transfers and subsidies¹	207.4	229.4	230.8	229.8	3.5%	43.2%	241.99	255.28	269.78	5.5%	39.4%
Provinces and municipalities	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	60.3	78.1	76.0	69.4	4.8%	13.7%	71.49	75.41	79.56	4.7%	11.7%
Non-profit institutions	146.1	149.9	153.5	160.2	3.1%	29.4%	170.45	179.82	190.17	5.9%	27.7%
Households	0.9	1.4	1.3	0.1	-46.2%	0.2%	0.05	0.05	0.06	-27.5%	-
Payments for capital assets	0.2	0.9	0.7	4.9	211.4%	0.3%	1.26	0.86	0.91	-42.9%	0.3%
Machinery and equipment	0.2	0.9	0.7	4.9	211.4%	0.3%	1.26	0.86	0.91	-42.9%	0.3%
Total	485.1	524.9	485.5	580.6	6.2%	100.0%	611.20	648.92	691.72	6.0%	100.0%
Proportion of total programme expenditure to vote expenditure	18.6%	19.0%	17.1%	17.7%	-	-	17.8%	17.7%	17.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	45.5	59.1	60.1	53.3	5.4%	10.5%	54.6	57.6	60.8	4.5%	8.9%
Productivity South Africa	45.5	59.1	60.1	53.3	5.4%	10.5%	54.6	57.6	60.8	4.5%	8.9%
Non-profit institutions											
Current	146.1	149.9	153.5	160.2	3.1%	29.4%	170.4	179.8	190.2	5.9%	27.7%
Deaf Federation of South Africa	-	-	-	0.3	-	-	-	-	-	-100.0%	-
National Council for the Physically Disabled	0.3	0.3	0.3	0.3	2.9%	0.1%	-	-	-	-100.0%	-
South African National Council for the Blind	0.4	0.4	0.4	0.4	-0.3%	0.1%	-	-	-	-100.0%	-
Workshops for the Blind	10.3	10.6	11.6	12.4	6.3%	2.2%	21.5	22.7	24.4	25.3%	3.2%
Work centres for the disabled	135.1	138.6	141.3	146.8	2.8%	27.1%	148.9	157.1	165.8	4.1%	24.4%
Departmental agencies and accounts											
Social security funds											
Current	14.8	19.0	15.9	16.1	2.9%	3.2%	16.9	17.8	18.8	5.3%	2.7%
Compensation Fund	14.8	19.0	15.9	16.1	2.9%	3.2%	16.9	17.8	18.8	5.3%	2.7%

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

Programme 4: Labour Policy and Industrial Relations

Programme purpose

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

Objectives

- Improve employment equity implementation and compliance monitoring mechanisms in the labour market by:
 - publicising the 2018/19 employment equity annual report and public register by June 2019
 - developing the 2019/20 employment equity annual report and public register by March 2020

- concluding the parliamentary approval processes of amendments to the Employment Equity Act (1998) to set sectoral employment equity targets and expedite transformation in the labour market by March 2020.
- Extend protection to vulnerable workers by publishing the national minimum wage for all sectors by 1 January each year.
- Promote sound labour relations and centralised collective bargaining through the extension of collective agreements and 100 per cent registration of qualifying labour and employer organisations by March 2020.
- Monitor and evaluate the impact of labour legislation to promote an evidence-based labour policy framework through the production of 4 research reports and 4 labour market trend reports by March 2020.

Subprogrammes

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

Expenditure trends and estimates

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

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R million											
Management and Support Services: Labour Policy and Industrial Relations	12.6	13.9	14.8	16.1	8.6%	1.4%	17.5	18.4	19.6	6.7%	1.4%
Strengthen Civil Society	17.9	18.9	19.8	21.0	5.4%	1.9%	22.1	23.4	25.1	6.2%	1.8%
Collective Bargaining	12.6	13.2	14.2	15.5	7.2%	1.3%	17.2	18.1	19.3	7.6%	1.4%
Employment Equity	14.3	12.9	12.6	13.8	-1.2%	1.3%	15.0	15.8	16.8	6.7%	1.2%
Employment Standards	11.0	11.2	12.1	23.9	29.7%	1.4%	33.3	37.9	40.2	18.9%	2.6%
Commission for Conciliation, Mediation and Arbitration	731.8	770.5	864.1	963.1	9.6%	80.5%	976.8	1 035.5	1 092.8	4.3%	79.0%
Research, Policy and Planning	7.1	7.9	6.4	9.0	8.1%	0.7%	10.1	10.6	11.3	7.8%	0.8%
Labour Market Information and Statistics	35.9	36.2	43.1	44.7	7.6%	3.9%	48.5	51.0	54.3	6.7%	3.9%
International Labour Matters	36.4	38.0	42.6	50.4	11.4%	4.1%	49.6	52.3	55.3	3.1%	4.0%
National Economic Development and Labour Council	28.8	30.8	39.8	46.0	16.9%	3.5%	40.7	56.3	59.4	8.9%	3.9%
Total	908.4	953.4	1 069.6	1 203.4	9.8%	100.0%	1 230.8	1 319.5	1 394.0	5.0%	100.0%
Change to 2018 Budget estimate				6.4			29.2	50.0	53.0		
Economic classification											
Current payments	108.4	113.2	125.3	147.4	10.8%	12.0%	164.3	176.0	186.9	8.2%	13.1%
Compensation of employees	78.1	84.5	89.9	103.5	9.8%	8.6%	120.3	126.5	134.7	9.2%	9.4%
Goods and services ¹	30.3	28.7	35.4	43.9	13.2%	3.3%	44.0	49.5	52.2	5.9%	3.7%
of which:											
Advertising	5.6	3.3	3.5	5.7	0.9%	0.4%	5.5	6.5	6.8	6.2%	0.5%
Consultants: Business and advisory services	3.1	3.8	2.1	3.9	7.2%	0.3%	4.7	5.3	5.6	12.7%	0.4%
Consumables: Stationery, printing and office supplies	2.8	2.8	2.9	5.0	21.5%	0.3%	5.2	5.6	5.9	6.0%	0.4%
Operating leases	1.2	1.7	2.1	2.2	23.7%	0.2%	2.4	2.5	2.7	5.7%	0.2%
Travel and subsistence	10.9	8.7	10.9	12.5	4.7%	1.0%	12.7	14.1	14.9	5.8%	1.1%
Venues and facilities	1.9	2.3	4.7	5.5	42.4%	0.3%	4.2	4.8	5.1	-2.5%	0.4%
Transfers and subsidies¹	799.5	840.1	944.3	1 055.8	9.7%	88.0%	1 066.4	1 143.3	1 207.0	4.6%	86.9%
Departmental agencies and accounts	760.6	801.3	903.9	1 009.0	-100.0%	-	1 017.6	1 091.8	1 152.2	-	-
Foreign governments and international organisations	20.9	19.7	20.0	25.2	9.9%	84.0%	26.6	28.1	29.6	4.5%	83.0%
Non-profit institutions	17.9	18.9	19.8	21.0	6.4%	2.1%	22.2	23.4	25.2	5.5%	2.1%
Households	0.1	0.1	0.5	0.6	5.4%	1.9%	-	-	-	6.3%	1.8%
Payments for capital assets	0.5	0.1	0.1	0.2	97.4%	-	0.1	0.1	0.1	-100.0%	-
Machinery and equipment	0.5	0.1	0.1	0.2	-30.4%	-	0.1	0.1	0.1	-9.1%	-
Total	908.4	953.4	1 069.6	1 203.4	-30.4%	-	1 230.8	1 319.5	1 394.0	-9.1%	-
Proportion of total programme expenditure to vote expenditure	34.8%	34.5%	37.6%	36.7%	-	-	35.8%	35.9%	35.8%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	760.6	801.3	903.9	1 009.0	9.9%	84.0%	1 017.6	1 091.8	1 152.2	4.5%	83.0%
Commission for Conciliation, Mediation and Arbitration	731.8	770.5	864.1	963.1	9.6%	80.5%	976.8	1 035.5	1 092.8	4.3%	79.0%
National Economic Development and Labour Council	28.8	30.8	39.8	46.0	16.9%	3.5%	40.7	56.3	59.4	8.9%	3.9%
Non-profit institutions											
Current	17.9	18.9	19.8	21.0	5.4%	1.9%	22.2	23.4	25.2	6.3%	1.8%
Various civil and labour organisations	17.9	18.9	19.8	21.0	5.4%	1.9%	22.1	23.4	25.1	6.2%	1.8%
Gifts and donations	-	0.0	-	-	-	-	0.1	0.1	0.1	-	-
Foreign governments and international organisations											
Current	20.9	19.7	20.0	25.2	6.4%	2.1%	26.6	28.1	29.6	5.5%	2.1%
International Labour Organisation	19.8	19.7	19.2	24.0	6.7%	2.0%	25.3	26.7	28.2	5.5%	2.0%
African Regional Labour Administration Centre	1.2	-	0.8	1.2	2.2%	0.1%	1.3	1.4	1.5	5.5%	0.1%

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

Entities

Compensation Fund

Mandate

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

Selected performance indicators

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

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of approved benefits paid within 5 working days ¹	Compensation for Occupational Injuries and Diseases Act (1993) services	Outcome 13: An inclusive and responsive social protection system	95% (R3.7bn/ R3.9bn)	100% (R4.3bn)	100% (R3.6bn)	98%	100%	100%	100%
Percentage of active registered non-exempt employers assessed annually by 31 March 2019	Compensation for Occupational Injuries and Diseases Act (1993) services		46% (208 613/ 457 588)	95% ² (268 218/ 283 685)	45% (172 703/ 386 083)	95%	95%	95%	95%
Percentage of claims adjudicated within specified number of working days of receipt	Compensation for Occupational Injuries and Diseases Act (1993) services		76% within 60 days (77 916/ 103 055)	90% within 60 days (130 800/ 145 922)	95% within 60 days (175 624/ 184 100)	90% within 30 working days	90% within 30 working days	90% within 20 working days	90% within 20 working days
Percentage of medical claims finalised within 60 working days of receipt of invoice	Medical benefits		97% (512 976/ 529 785)	89% (612 960/ 686 385)	93% (699 441/ 751 634)	85%	85%	85%	85%
Percentage of pre-authorisations responded to within 10 working days on previously finalised cases	Medical benefits		— ³	— ³	79% (1 488/ 1 894)	85%	85%	85%	85%
Percentage of compliant requests for assistive devices responded to within 15 working days of receipt	Orthotic and medical rehabilitation		— ³	— ³	75% (983/ 1 307)	85%	85%	85%	85%

1. Indicator revised to align with the fund's strategic plan.

2. High achievement due to clearing of backlog return of earnings received from employers.

3. No historical data available.

Expenditure analysis

Over the medium term, the Compensation Fund will focus on: improving access to social insurance for workers; providing an efficient and effective safety net that strengthens social protection, particularly for vulnerable workers; rehabilitating, reintegrating and returning to work employees who have been injured or contracted work-related diseases; and enhancing its capacity to deliver services by improving performance, administration and operational efficiency, thereby restoring its reputation as an efficient and effective provider of social services to workers.

The work of the Compensation for Occupational Injuries and Diseases Act (1993) services programme promotes the rehabilitation, reintegration and the return to work of employees who have suffered occupational injuries or have a disease by ensuring the timeous payment of compensation benefits. Over the medium term, the programme plans to improve the adjudication of registered claims from 90 per cent within 30 days in 2018/19 to 90 per cent within 20 days in 2020/21. The programme's expenditure on claims and pension benefits paid is expected to increase due to additional personnel dealing with backlogs, IT system enhancements and other improvements to the claims process. To ensure that the fund has adequate capacity to deal with the anticipated increase in claims and to provide timeous responses to claimants, the number of personnel is expected to increase from 1 142 in 2018/19 to 1 287 in 2021/22. This will result in a projected increase in spending on compensation of employees from R843.4 million in 2018/19 to R1.3 billion in 2021/22.

In line with an increase in cases of post-traumatic stress disorder, a policy has been developed to regulate and monitor services rendered to the fund's beneficiaries by various stakeholders and medical service providers regarding post-traumatic stress disorder. Service providers will use the policy as a guide for case management, and for developing and implementing programmes and policies that aim to promote, prevent and manage occupational hazards, in compliance with relevant prescribed legislation. To deliver compensation benefits, an estimated R12.8 billion is allocated over the medium term in the Compensation for Occupational Injuries and Diseases Act (1993) services and medical benefits programmes.

The fund's orthotic and medical rehabilitation programme is dedicated to the recovery of injured employees to ensure that they return to work as soon as possible. The fund collaborates closely with medical service providers and employers to ensure a seamless transition from acute care to full reintegration. R207.2 million has been allocated over the MTEF period to support this programme.

The cost of administering the fund, paying compensation benefits and medical expenses, and rehabilitating and reintegrating injured and diseased workers is funded through levies paid by registered employers and revenue earned from investments. The fund's total revenue in 2018/19 is estimated to be R14.9 billion, decreasing at an average annual rate of 1.2 per cent to a projected R14.4 billion in 2021/22 due to improved compliance by employers in paying the annual assessment fee, hence fewer penalties and fines being charged by the fund. The payment of benefits is projected to increase from R3.8 billion in 2019/20 to R4.3 billion in 2020/21.

Programmes/Objectives/Activities

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

R million	Audited outcome			Revised estimate 2018/19	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2015/16	2016/17	2017/18		2015/16 - 2018/19	Average Expenditure/ Total (%)	2019/20	2020/21	2021/22	2018/19 - 2021/22	Average Expenditure/ Total (%)
Administration	821.5	1 323.8	1 576.8	2 023.0	35.0%	18.9%	3 092.1	3 235.6	3 379.1	18.7%	39.8%
Compensation for Occupational Injuries and Diseases Act (1993) Services (COIDA Services)	8 914.3	5 590.6	7 518.6	1 405.8	-46.0%	68.8%	992.7	1 042.4	1 094.5	-8.0%	15.7%
Medical Benefits	32.0	47.4	64.6	3 106.7	359.7%	12.3%	3 036.4	3 218.6	3 427.8	3.3%	43.8%
Orthotic and Medical Rehabilitation	-	-	-	2.5	-	0.0%	65.0	68.9	73.4	210.5%	0.7%
Total	9 767.8	6 961.9	9 160.0	6 537.9	-12.5%	100.0%	7 186.3	7 565.4	7 974.8	6.8%	100.0%

Statements of historical financial performance and position

Table 28.15 Compensation Fund statements of historical financial performance and position

Statement of financial performance									
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
R million	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Revenue									
Non-tax revenue	3 434.5	3 869.8	4 055.8	4 534.5	2 765.3	7 592.7	6 872.4	5 196.8	123.7%
Other non-tax revenue	3 434.5	3 869.8	4 055.8	4 534.5	2 765.3	7 592.7	6 872.4	5 196.8	123.7%
Transfers received	7 852.0	7 566.9	8 244.6	8 852.3	9 289.0	6 972.8	9 737.6	9 737.6	94.3%
Total revenue	11 286.5	11 436.7	12 300.4	13 386.8	12 054.3	14 605.4	16 609.9	14 934.3	104.0%
Expenses									
Current expenses	878.4	1 857.8	845.9	1 349.1	1 515.1	6 715.5	2 042.5	2 122.7	228.1%
Compensation of employees	481.3	501.3	256.5	637.6	653.5	726.7	843.4	843.4	121.2%
Goods and services	382.1	1 338.4	547.3	697.0	816.6	5 922.9	1 086.6	1 166.9	322.1%
Depreciation	14.7	12.4	41.9	10.3	44.6	47.1	112.0	112.0	85.2%
Interest, dividends and rent on land	0.2	5.8	0.3	4.2	0.5	18.8	0.5	0.5	2 088.0%
Transfers and subsidies	3 927.8	7 910.0	8 855.6	5 500.2	7 791.9	2 444.5	8 992.8	4 415.2	68.6%
Total expenses	4 806.1	9 767.8	9 701.4	6 961.9	9 307.1	9 160.0	11 035.3	6 537.9	93.0%
Surplus/(Deficit)	6 480.0	1 669.0	2 599.0	6 425.0	2 747.0	5 445.0	5 575.0	8 396.0	
Statement of financial position									
Carrying value of assets	97.8	150.0	101.7	241.1	106.8	315.3	112.1	112.1	195.7%
of which:									
Acquisition of assets	(30.4)	(1.9)	(14.2)	(101.8)	(1.6)	(88.7)	(1.7)	(1.7)	405.3%
Investments	43 113.8	51 472.2	44 966.6	55 448.1	47 214.9	64 835.5	49 575.6	49 575.6	119.7%
Inventory	2.9	2.4	3.0	1.8	3.2	2.0	3.3	3.3	76.8%
Receivables and prepayments	3 404.5	3 531.1	3 574.8	6 187.5	3 753.5	1 930.0	3 941.2	3 941.2	106.2%
Cash and cash equivalents	3.8	87.4	4.0	588.8	4.2	181.3	4.4	4.4	5 310.4%
Total assets	46 622.7	55 243.1	48 650.0	62 467.3	51 082.5	67 264.0	53 636.6	53 636.6	119.3%

Table 28.15 Compensation Fund statements of historical financial performance and position

Statement of financial position		Budget		Audited outcome		Budget		Audited outcome		Budget estimate		Revised estimate		Average: Outcome/Budget (%)
R million		2015/16		2016/17		2017/18		2018/19		2018/19		2018/19		2015/16 - 2018/19
Accumulated surplus/(deficit)	17 547.5	20 381.8	18 158.8	26 815.1	19 066.7	32 260.4	20 302.1	20 302.1	20 302.1	20 302.1	20 302.1	20 302.1	20 302.1	132.9%
Capital and reserves	60.1	163.9	61.3	200.0	64.3	692.3	65.8	65.8	65.8	65.8	65.8	65.8	65.8	446.1%
Finance lease	–	1 042.4	–	1 101.4	–	19.2	–	–	–	–	–	–	–	–
Accrued interest	–	1.3	–	–	–	(0.1)	–	–	–	–	–	–	–	–
Trade and other payables	1 149.4	1 378.1	1 195.4	1 222.0	1 255.1	1 297.1	1 317.9	1 317.9	1 317.9	1 317.9	1 317.9	1 317.9	1 317.9	106.0%
Capitalised value of pensions	18 765.8	–	19 516.4	–	20 297.0	–	21 108.9	21 108.9	21 108.9	21 108.9	21 108.9	21 108.9	21 108.9	26.5%
Provisions	9 099.9	12 533.6	9 718.2	12 471.8	10 399.2	12 262.6	10 841.9	10 841.9	10 841.9	10 841.9	10 841.9	10 841.9	10 841.9	120.1%
Derivatives financial instruments	–	19 742.0	–	20 657.0	–	20 732.6	–	–	–	–	–	–	–	–
Total equity and liabilities	46 622.7	55 243.1	48 650.0	62 467.3	51 082.5	67 264.0	53 636.6	53 636.6	119.3%					

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

Statement of financial performance		Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
R million		Revised estimate	2015/16 - 2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22	2018/19 - 2021/22
Revenue								
Non-tax revenue	5 196.8	10.3%	38.6%	5 523.2	5 799.4	6 031.3	5.1%	40.1%
Other non-tax revenue	5 196.8	10.3%	38.6%	5 523.2	5 799.4	6 031.3	5.1%	40.1%
Transfers received	9 737.6	8.8%	61.3%	7 670.1	8 053.6	8 375.8	-4.9%	59.9%
Total revenue	14 934.3	9.3%	100.0%	13 193.3	13 853.0	14 407.1	-1.2%	100.0%
Expenses								
Current expenses	2 122.7	4.5%	36.0%	3 388.0	3 543.3	3 703.8	20.4%	43.2%
Compensation of employees	843.4	18.9%	8.8%	1 118.3	1 190.9	1 268.3	14.6%	15.0%
Goods and services	1 166.9	-4.5%	26.6%	2 151.8	2 227.9	2 304.8	25.5%	26.5%
Depreciation	112.0	108.5%	0.6%	117.5	124.0	130.2	5.1%	1.7%
Interest, dividends and rent on land	0.5	-57.1%	0.1%	0.5	0.5	0.5	5.3%	0.0%
Transfers and subsidies	4 415.2	-17.7%	63.6%	3 798.2	4 022.1	4 271.0	-1.1%	56.8%
Total expenses	6 537.9	-12.5%	100.0%	7 186.3	7 565.4	7 974.8	6.8%	100.0%
Surplus/(Deficit)	8 396.0			6 007.0	6 288.0	6 432.0		
Statement of financial position								
Carrying value of assets	112.1	-9.2%	0.3%	118.0	124.5	131.4	5.4%	0.2%
<i>of which:</i>								
Acquisition of assets	(1.7)	-3.6%	-0.1%	(1.8)	(1.8)	(1.9)	4.8%	-0.0%
Investments	49 575.6	-1.2%	92.7%	52 203.2	55 074.3	58 103.4	5.4%	92.4%
Inventory	3.3	11.4%	0.0%	3.5	3.7	3.9	5.4%	0.0%
Receivables and prepayments	3 941.2	3.7%	6.6%	4 150.0	4 378.3	4 619.1	5.4%	7.3%
Cash and cash equivalents	4.4	-63.2%	0.3%	4.6	4.8	5.1	5.4%	0.0%
Total assets	53 636.6	-1.0%	100.0%	56 479.3	59 585.7	62 862.9	5.4%	100.0%
Accumulated surplus/(deficit)	20 302.1	-0.1%	41.4%	21 378.1	22 553.9	23 794.4	5.4%	37.9%
Capital and reserves	65.8	-26.2%	0.4%	69.2	73.0	77.1	5.4%	0.1%
Trade and other payables	1 317.9	-1.5%	2.2%	1 387.8	1 464.1	1 544.6	5.4%	2.5%
Capitalised value of pensions	21 108.9	–	9.8%	22 227.7	23 450.2	24 740.0	5.4%	39.4%
Provisions	10 841.9	-4.7%	20.3%	11 416.5	12 044.4	12 706.9	5.4%	20.2%
Total equity and liabilities	53 636.6	-1.0%	100.0%	56 479.3	59 585.7	62 862.9	5.4%	100.0%

Personnel information**Table 28.17 Compensation Fund personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2019			Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number				
Number of funded posts	Number of posts on approved establishment	Unit cost	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2017/18	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22											
Compensation Fund			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	1 287	1 287	1 142	726.7	0.6	1 142	843.4	0.7	1 179	1 118.3	0.9	1 232	1 190.9	1.0	1 287	1 268.3	1.0	14.6%	100.0%
1 – 6	800	800	695	324.6	0.5	695	402.9	0.6	725	539.2	0.7	763	579.4	0.8	800	596.2	0.7	14.0%	61.6%
7 – 10	448	448	416	373.0	0.9	416	408.7	1.0	422	545.0	1.3	434	575.2	1.3	448	633.6	1.4	15.7%	35.6%
11 – 12	37	37	29	26.6	0.9	29	29.1	1.0	30	31.2	1.0	33	33.2	1.0	37	35.2	1.0	6.5%	2.7%
13 – 16	2	2	2	2.5	1.2	2	2.7	1.4	2	2.9	1.5	2	3.1	1.6	2	3.3	1.6	6.5%	0.2%

1. Rand million.

Unemployment Insurance Fund

Mandate

The mandate of the Unemployment Insurance Fund is to contribute to the alleviation of poverty by providing effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits, as legislated in the Unemployment Insurance Act (2001).

Selected performance indicators

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

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Percentage of valid unemployment benefit claims with complete information approved or rejected within specified timeframe ¹	Business operations	Outcome 13: An inclusive and responsive social protection system	84% (494 599/ 589 756)	89% (493 141/ 556 331)	83% (565 293/ 679 988) within 15 working days	90% within 15 working days	90% within 15 working days	90% within 10 working days	90% within 10 working days
Percentage of valid in-service benefit claims with complete information approved or rejected within specified timeframe	Business operations		88% (100 227/ 114 404) within 5 weeks	87% (96 891/ 111 186) within 5 weeks	71% (99 101/ 139 691) within 5 working days	90% within 10 working days	90% within 10 working days	90% within 5 working days	90% within 5 working days
Percentage of valid death benefit claims with complete information approved or rejected within specified timeframe per year ¹	Business operations		82% (13 522/ 16 469)	89% (85 384/ 95 421)	75% (12 401/ 16 462) within 10 working days	90% within 20 working days	90% within 20 working days	90% within 15 working days	90% within 15 working days
Number of new registered employers per year	Business operations		51 904	58 351	66 198	65 000	70 000	75 000	80 000
Number of new registered employees per year	Business operations		294 360	292 767	296 097	250 000	250 000	260 000	270 000
Number of Unemployment Insurance Fund beneficiaries provided with learning and/or workplace experience per year	Labour activation programmes		– ²	– ²	– ²	450 000	280 000	280 000	280 000

1. Indicator revised.

2. No historical data available.

Expenditure analysis

The Unemployment Insurance Fund continues to play a crucial role in providing social security in South Africa. Over the medium term, the fund plans to expedite the finalisation of claims and improve the benefits framework, make socially responsible investments, enhance the employability of its beneficiaries, and assist in the retention of jobs.

The fund will continue to expedite the finalisation of claims by reducing projected turnaround times in 2020/21 as follows: 90 per cent of unemployment claims are expected to be finalised within 10 working days; 90 per cent of in-service benefit claims with complete information are expected to be finalised within 5 working days; and 90 per cent of death benefit claims are expected to be finalised within 15 working days. The amended Unemployment Insurance Act (2016) introduced a number of improvements to the benefits framework. These include: an extension from 238 days to 365 days for which the contributor is eligible for benefits; an extension of the period during which dependants can claim deceased contributors' benefits from 6 months to 18 months; an extension of the period during which unemployment and maternity benefits can be claimed from 6 months to 12 months; the provision of full benefits to women who miscarry; and a reduction in the period for claiming illness benefits from 14 days to 7 days. As a result, the fund anticipates an increase in the amount paid in benefits from R35.5 billion between 2015/16 and 2017/18 to R43.7 billion over the medium term.

20 per cent of the fund's investment portfolio (R32.3 billion) has been set aside for socially responsible investment in agriculture, education, renewable energy, financial services, health, housing, agro-processing, mining and beneficiation, construction, petroleum, student accommodation, road infrastructure, and technology. This investment is managed by the Public Investment Corporation.

To enhance the employability of the fund's beneficiaries, the fund has budgeted R1 billion in 2019/20 to provide learning and/or work opportunities to 280 000 beneficiaries. The fund expects to achieve these targets by ensuring that all its labour centres and visitor sites provide skills development and training opportunities; enterprise development; and funding for small, medium and micro enterprises, with a particular focus on initiatives targeted at unemployed youth.

In an effort to retain an estimated 10 000 jobs per year, the fund has allocated R500 million over the medium term for the implementation of the turnaround solutions programme and the training layoff scheme to assist companies in distress by reskilling affected workers so that they can retain their jobs. This is expected to help reduce the number of beneficiary claims as fewer contributors are expected to be unemployed.

The business operations programme has budgeted R137 million over the medium term for the implementation of various initiatives aimed at addressing poor service delivery. One such measure aims to ensure that multiple channels are available for better access to the fund's services. Projects include improving queue management, integrating operational systems, reviewing business processes, procuring end-user devices, upgrading networks, and introducing Wi-Fi and unstructured supplementary service data, which will enable people to use their smartphones to interact with the fund at any time. In 2019/20, the programme plans to increase the number of call centre agents from 40 to 68 and provide them with training, at an estimated cost of R12 million.

The fund is financed through contributions from employees and employers, as legislated in the Unemployment Insurance Contributions Act (2002); and from returns on investments. Over the medium term, the fund expects to receive 64.4 per cent (R64.3 billion) of its total revenue from unemployment contributions. Income earned from returns on investments is expected to increase from R10.7 billion in 2018/19 to R12.7 billion in 2021/22.

Programmes/Objectives/Activities

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

R million	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2015/16	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22		
Administration	4 873.2	2 613.7	795.4	1 658.8	-30.2%	16.8%	1 826.1	1 930.8	2 041.4	7.2%	10.7%	
Business operations	9 231.4	11 986.1	17 712.3	12 425.0	10.4%	81.1%	13 644.0	15 784.8	16 766.7	10.5%	83.4%	
Labour activation programmes	82.0	146.6	50.0	950.4	126.3%	2.0%	1 005.8	1 046.0	1 103.6	5.1%	5.9%	
Total	14 186.6	14 746.4	18 557.7	15 034.2	2.0%	100.0%	16 475.9	18 761.6	19 911.8	9.8%	100.0%	

Statements of historical financial performance and position

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

Statement of financial performance									
R million	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%)
	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19		
Revenue									
Non-tax revenue	9 609.1	8 171.4	9 357.6	9 458.3	10 912.6	13 747.5	11 629.9	10 675.6	101.3%
Sale of goods and services other than capital assets	6.4	2.2	2.4	3.5	1.9	2.4	2.0	1.7	76.3%
of which:									
Sales by market establishment	6.4	2.2	2.4	3.4	1.9	2.4	2.0	1.7	76.6%
Other sales	0.1	-	0.1	0.1	0.0	-	0.0	0.0	45.6%
Other non-tax revenue	9 602.7	8 169.2	9 355.2	9 454.8	10 910.7	13 745.2	11 627.9	10 674.0	101.3%
Transfers received	16 636.9	16 701.2	17 560.3	17 838.8	19 590.8	18 320.0	21 057.9	19 598.4	96.8%
Total revenue	26 246.0	24 872.7	26 917.9	27 297.1	30 503.4	32 067.5	32 687.8	30 274.0	98.4%
Expenses									
Current expenses	2 171.1	6 022.6	2 576.0	3 853.2	3 283.1	2 124.4	3 670.0	3 361.6	131.3%
Compensation of employees	1 026.0	941.9	1 188.7	1 065.9	1 495.0	1 160.7	1 579.9	1 519.1	88.6%
Goods and services	1 045.4	5 065.0	1 259.2	2 737.0	1 604.8	915.6	1 896.7	1 649.0	178.5%
Depreciation	99.7	15.7	128.1	50.4	183.4	48.1	193.5	193.5	50.9%
Transfers and subsidies	10 508.1	8 163.9	9 272.6	10 893.2	11 173.6	16 433.3	16 700.8	11 672.6	99.0%
Total expenses	12 679.2	14 186.6	11 848.6	14 746.4	14 456.7	18 557.7	20 370.8	15 034.2	105.3%
Surplus/(Deficit)	13 567.0	10 686.0	15 069.0	12 551.0	16 047.0	13 510.0	12 317.0	15 240.0	

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

Statement of financial position									
R million	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2015/16		2016/17		2017/18		2018/19		2015/16 - 2018/19
Carrying value of assets	259.3	217.4	147.2	253.6	251.2	270.3	225.0	354.0	124.1%
<i>of which:</i>									
Acquisition of assets	(263.0)	(151.5)	(145.2)	(211.4)	(222.5)	(115.2)	(212.5)	(713.9)	141.4%
Investments	125 717.0	120 441.0	152 173.1	136 202.9	153 305.2	155 413.2	166 772.0	167 417.5	96.9%
Receivables and prepayments	44.5	227.9	92.9	1 736.4	60.2	1 669.6	142.4	1 723.5	1 575.4%
Cash and cash equivalents	1 575.3	3 812.9	3 818.6	1 297.4	1 395.4	2 719.0	1 402.7	4 490.4	150.4%
Total assets	127 596.1	124 699.2	156 231.8	139 490.4	155 012.0	160 072.1	168 542.2	173 985.5	98.5%
Accumulated surplus/(deficit)	102 791.6	98 503.4	127 252.7	94 822.3	133 337.4	105 707.0	148 210.6	151 259.6	88.0%
Capital and reserves	20 312.9	21 621.4	24 144.7	38 303.8	14 873.2	40 928.9	12 344.4	6 235.8	149.4%
Trade and other payables	276.3	313.6	316.3	350.6	8.6	291.4	11.1	3.7	156.6%
Benefits payable	4 189.2	4 234.9	4 492.2	5 949.8	6 765.0	13 118.3	7 948.2	16 459.9	170.0%
Provisions	26.1	25.8	25.8	27.7	27.7	26.4	27.7	26.4	99.1%
Derivatives financial instruments	-	-	-	36.1	-	-	-	-	-
Total equity and liabilities	127 596.1	124 699.2	156 231.8	139 490.4	155 012.0	160 072.1	168 542.2	173 985.5	98.5%

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

Statement of financial performance									
R million	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2018/19	2015/16 - 2018/19		2019/20	2020/21	2021/22	2018/19 - 2021/22		
Revenue									
Non-tax revenue	10 675.6	9.3%	36.4%	11 035.3	12 008.2	12 735.3	6.1%	35.6%	
Sale of goods and services other than capital assets	1.7	-9.3%	0.0%	3.2	3.4	4.6	40.0%	0.0%	
<i>of which:</i>									
Sales by market establishment	1.7	-9.3%	0.0%	3.2	3.4	4.6	40.1%	0.0%	
Other non-tax revenue	10 674.0	9.3%	36.4%	11 032.1	12 004.9	12 730.7	6.0%	35.6%	
Transfers received	19 598.4	5.5%	63.6%	20 496.0	21 434.7	22 416.4	4.6%	64.4%	
Total revenue	30 274.0	6.8%	100.0%	31 531.2	33 442.9	35 151.7	5.1%	100.0%	
Expenses									
Current expenses	3 361.6	-17.7%	25.6%	3 595.1	3 809.0	4 035.7	6.3%	21.2%	
Compensation of employees	1 519.1	17.3%	7.6%	1 619.4	1 724.7	1 836.8	6.5%	9.6%	
Goods and services	1 649.0	-31.2%	17.5%	1 762.9	1 859.8	1 962.1	6.0%	10.4%	
Depreciation	193.5	130.9%	0.5%	212.8	224.5	236.9	7.0%	1.2%	
Transfers and subsidies	11 672.6	12.7%	74.4%	12 880.8	14 952.6	15 876.0	10.8%	78.8%	
Total expenses	15 034.2	2.0%	100.0%	16 475.9	18 761.6	19 911.8	9.8%	100.0%	
Surplus/(Deficit)	15 240.0			15 055.0	14 681.0	15 240.0			
Statement of financial position									
Carrying value of assets	354.0	17.6%	0.2%	416.5	469.1	232.3	-13.1%	0.2%	
<i>of which:</i>									
Acquisition of assets	(713.9)	67.7%	-0.2%	(1 057.9)	(277.1)	-	-100.0%	-0.3%	
Investments	167 417.5	11.6%	96.9%	178 145.7	190 892.4	206 294.7	7.2%	96.4%	
Receivables and prepayments	1 723.5	96.3%	0.9%	1 846.5	1 971.6	2 105.0	6.9%	1.0%	
Cash and cash equivalents	4 490.4	5.6%	2.1%	4 670.7	4 794.2	4 936.7	3.2%	2.5%	
Total assets	173 985.5	11.7%	100.0%	185 079.4	198 127.4	213 568.7	7.1%	100.0%	
Accumulated surplus/(deficit)	151 259.6	15.4%	75.0%	166 159.4	174 580.5	185 060.7	7.0%	87.9%	
Capital and reserves	6 235.8	-33.9%	18.5%	100.1	525.8	629.7	-53.4%	1.0%	
Trade and other payables	3.7	-77.3%	0.2%	4.0	4.3	4.2	5.0%	0.0%	
Benefits payable	16 459.9	57.2%	6.3%	18 789.4	22 990.4	27 847.6	19.2%	11.1%	
Provisions	26.4	0.8%	0.0%	26.4	26.4	26.4	-	0.0%	
Total equity and liabilities	173 985.5	11.7%	100.0%	185 079.4	198 127.4	213 568.7	7.1%	100.0%	

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

Number of posts estimated for 31 March 2019		Number and cost ¹ of personnel posts filled/planned for on funded establishment												Number						
Number of funded posts	Number of posts on approved establishment	Actual		Revised estimate		Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)							
		2017/18	2018/19	2018/19	2019/20	2020/21	2021/22	2018/19 - 2021/22												
Unemployment Insurance Fund		3 233	3 728	3 233	1 160.7	0.4	3 233	1 519.1	0.5	3 728	1 619.4	0.4	3 728	1 724.7	0.5	3 728	1 836.8	0.5	6.5%	100.0%
Salary level																				
1-6	1 887	2 202	1 887	346.1	0.2	1 887	638.5	0.3	2 202	680.7	0.3	2 202	724.9	0.3	2 202	772.0	0.4	6.5%	58.9%	
7-10	1 167	1 309	1 167	380.1	0.3	1 167	703.8	0.6	1 309	750.3	0.6	1 309	799.0	0.6	1 309	851.0	0.7	6.5%	35.4%	
11-12	148	180	148	70.4	0.5	148	135.8	0.9	180	144.7	0.8	180	154.1	0.9	180	164.2	0.9	6.5%	4.8%	
13-16	31	37	31	364.1	11.7	31	41.0	1.3	37	43.7	1.2	37	46.6	1.3	37	49.6	1.3	6.5%	1.0%	

1. Rand million.

Other entities

- The **Commission for Conciliation, Mediation and Arbitration** aims to promote social justice and economic development in the world of work, and to be the best dispute management and dispute resolution organisation. The commission's total budget for 2019/20 is R1 billion.
- The **National Economic Development and Labour Council** requires organised labour, organised business, community-based organisations and government to work as a collective to promote the goals of economic growth, and social and economic equity. The council's total budget for 2019/20 is R41.5 million.
- **Productivity South Africa** aims to improve the productive capacity of the economy through interventions that encourage social dialogue and collaboration between government, labour and business. The entity's total budget for 2019/20 is R232.5 million.

Additional table: Summary of expenditure on infrastructure

Project name R million	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Departmental infrastructure										
Small projects (total project cost of less than R250 million over the project life cycle)										
Rustenburg labour centre: Construction of building	Construction of new labour centre	Construction	16.0	0.5	–	–	–	–	–	–
Security: Wendy houses	Labour centres security: Construction of wendy houses	Handed over	0.0	–	–	–	–	–	–	–
Construction of new office buildings; upgrade of the Ulundi and Prospecton labour centres and the installation of water tanks	New labour centre	Construction	74.0	–	29.2	2.4	16.0	16.0	16.9	18.1
Total			90.0	0.5	29.2	2.4	16.0	16.0	16.9	18.1