

Vote 28

Labour

Budget summary

R million	2017/18				2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	885.6	831.5	0.7	53.3	932.0	992.5
Inspection and Enforcement Services	532.7	498.8	0.1	33.9	598.2	638.9
Public Employment Services	561.1	340.7	220.3	0.1	585.2	618.1
Labour Policy and Industrial Relations	1 086.4	146.6	939.6	0.2	1 151.1	1 201.9
Total expenditure estimates	3 065.8	1 817.6	1 160.7	87.5	3 266.5	3 451.5

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 site service delivery, where appropriate.

Vote purpose

Play a significant role in reducing unemployment, poverty and inequality by 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, particularly the Bill of Rights, which is given effect through a number of acts. The most important of these are the Labour Relations Act (1995), the Basic Condition of Employment Act (1997), the Employment Equity Act (1998), the Occupational Health and Safety Act (1993), and the Employment Services Act (2014).

The policy 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
- 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	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of employers inspected per year to determine compliance with employment law	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive growth	164 868	182 375	188 577	175 478	217 044	218 142	218 142
Percentage of reported incidents investigated and finalised within 90 days	Inspection and Enforcement Services		- ¹	45% (589/ 1 305)	82% (1 080/ 1 309)	62% ²	65% ²	70% ²	70% ²
Number of work seekers registered on the Employment Services of South Africa database per year ⁴	Public Employment Services		600 259	618 570	634 503	500 000	500 000 ³	500 000	500 000
Number of registered work seekers provided with employment counselling per year ⁴	Public Employment Services		250 160	246 744	250 000	150 000	140 000 ³	130 000	130 000
Number of employment opportunities registered on the Employment Services of South Africa database per year ⁴	Public Employment Services		20 754	74 056	102 631 ³	60 000	60 000	60 000	60 000
Number of registered employment opportunities filled by registered work seekers per year ⁴	Public Employment Services		- ¹	16 634	10 927	8 000	8 000	8 000	8 000
Number of pay scales assessed per year to reduce gaps in minimum wage determination	Labour Policy and Industrial Relations		2	2	4	2	2	2	2

1. No historical data available.

2. Actual figures cannot be supplied as it is not possible for the department to anticipate the number of incidents reported in a year.

3. High achievement due to advocacy campaigns and roadshows.

4. Targets have been revised to align with the department's budget.

Expenditure analysis

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

Establishing 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. The number of inspections for compliance with labour legislation are set to increase from 175 478 in 2016/17 to 218 142 in each year over the medium term. An amount of R1.8 billion is allocated to the *Inspection and Enforcement Services* programme over the MTEF period to achieve these targets and support the department's commitment to creating decent working conditions. Cabinet has approved an additional allocation for spending on compensation of employees of R28 million over the MTEF period to address the cost pressures arising from the 2015 wage agreement.

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 workplaces if conditions are unhealthy or unsafe, in pursuit of creating healthy and safe working environments. The amended act, which is targeted for implementation in 2017/18, makes provision for health and safety representatives in the service of employers to check for compliance through routine inspections.

Supporting work seekers

Over the medium term, the department aims to provide free public employment services through the implementation of the Employment Services Act (2014). These include the registration of job opportunities, recruitment and selection for employers, the provision of employment counselling, and the introduction of new regulations and guidelines for employment schemes under the guidance of the Employment Services Board. To fund these activities, the *Public Employment Services* programme is set to receive R1.1 billion over the medium term, excluding transfers and subsidies of R698.9 million to organisations including the Compensation Fund, Productivity South Africa and supported employment enterprises. The transfer to supported employment

enterprises was reduced by R19.3 million over the medium term as part of Cabinet's decision to stay within the spending ceiling. This is not expected to affect performance negatively as the enterprises generate their own revenue, have growing cash surpluses and aim to become largely self-funded.

The department plans to establish and maintain two labour centres, one in Johannesburg (Gauteng) and one in Mthatha (Eastern Cape), over the medium term to provide public employment services to work seekers and employers. To address capacity constraints by automating certain business processes, 126 existing labour centres are expected to be fitted with self-help kiosks, and three mobile units will provide public employment services in remote areas. The Unemployment Insurance Fund and the Compensation Fund will also begin employing their own client service officers rather than sharing those of the department, as is currently the case. This change in practice will allow some of the current client service officers to focus more on activities related to public employment services. Cabinet approved an additional allocation of R32 million over the medium term to the *Work Seeker Services* subprogramme to address cost pressures arising from the 2015 wage agreement.

The department aims to match work seekers to 24 000 registered employment opportunities over the medium term by implementing performance improvement plans based on research data to address the root causes of the low placement rate of work seekers. This will include facilitating life-skill activities and enhancing work seekers' readiness for employment to make them more attractive to potential employers. Savings of R97.8 million over the medium term were identified in spending on compensation of employees after the cost split between the department and the Unemployment Insurance Fund for shared services at labour centres was revised. These funds were reprioritised from the *Employer Services* subprogramme to the *Work Seeker Services* subprogramme for the appointment of additional psychometrists and principal psychologists at labour centres to allow employment counselling to be provided to a projected 400 000 registered work seekers over the medium term. Funding in the *Work Seeker Services* subprogramme for these activities is reflected in the anticipated average annual growth of 16.3 per cent, or R550.4 million, in funds allocated over the MTEF period. The department also plans to implement a revised counselling strategy to reduce the time it takes to place work seekers and explore partnerships with universities to modernise the psychometric tests used.

Regulating the workplace

Over the medium term, the department plans to continue setting standards to reduce pay inequalities as it works towards the introduction of a national minimum wage. The department has budgeted R3.6 million for the review of six sectoral determinations over the medium term to regulate agreements on benchmarks for pay inequality, and then conduct an assessment of pay scales to ensure that gaps in minimum wage determinations are reduced. The department supported the investigation carried out by the national minimum wage advisory panel appointed by the deputy president, which recommended R3 500 per month as the first national minimum wage. The labour relations indaba process will consider in 2017 the value of and ways to introduce the agreed national minimum wage. Over the medium term, a national minimum wage commission will be established and provided funding of R32 million once the national minimum wage is adopted. The commission will be tasked with reviewing the national minimum wage, assessing its impact on the labour market and employment, and adjusting it periodically. The *Labour Policy and Industrial Relations* programme is set to receive R3.4 billion over the medium term, of which R2.7 billion is earmarked for transfer to the Commission for Conciliation, Mediation and Arbitration to ensure fair labour practices.

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	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 (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	785.4	840.4	795.9	787.7	784.9	676.0	845.1	815.1	745.6	852.9	856.6	856.6	94.0%	93.2%
Programme 2	465.2	440.2	412.2	403.2	410.4	430.9	430.8	471.8	472.9	519.5	509.3	504.2	100.1%	99.4%
Programme 3	400.1	400.1	413.5	466.5	481.5	465.3	488.3	497.3	485.1	510.3	507.2	507.2	100.3%	99.2%
Programme 4	764.5	764.5	749.9	869.9	869.4	847.8	922.7	920.0	908.4	965.2	969.7	968.4	98.6%	98.6%
Total	2 415.2	2 445.2	2 371.4	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 836.4	97.7%	97.2%
Change to 2016 Budget estimate											(5.0)			
Economic classification														
Current payments	1 562.2	1 560.5	1 469.6	1 554.0	1 591.1	1 458.3	1 683.8	1 642.8	1 533.0	1 714.8	1 675.9	1 667.2	94.1%	94.7%
Compensation of employees	982.9	882.0	866.1	966.5	1 006.1	997.8	1 079.6	1 052.9	1 025.6	1 132.2	1 108.0	1 099.2	95.9%	98.5%
Goods and services	579.3	678.6	603.5	587.4	585.0	460.6	604.2	589.9	507.4	582.6	567.9	568.0	90.9%	88.4%
Transfers and subsidies	818.7	824.2	823.4	942.4	927.6	924.6	956.2	1 009.2	1 010.4	1 064.6	1 063.4	1 063.5	101.1%	99.9%
Provinces and municipalities	–	0.2	0.4	–	–	0.5	–	0.5	0.6	0.5	0.7	0.7	458.9%	151.0%
Departmental agencies and accounts	676.2	676.2	676.2	774.9	789.9	785.8	824.2	824.2	820.9	867.8	868.3	868.3	–	–
Foreign governments and international organisations	11.3	15.6	15.9	16.5	17.4	17.0	17.3	19.3	20.9	20.6	22.0	22.0	115.4%	102.0%
Non-profit institutions	131.0	131.0	127.7	150.7	119.5	116.6	114.4	164.5	164.0	175.5	169.6	169.6	101.1%	98.9%
Households	0.3	1.2	3.1	0.3	0.8	4.7	0.3	0.7	4.0	0.3	2.8	2.9	1 220.3%	270.9%
Payments for capital assets	34.3	60.6	60.3	31.0	27.6	36.1	46.9	52.2	68.1	68.4	103.6	105.7	149.6%	110.7%
Buildings and other fixed structures	5.5	5.5	1.5	–	0.3	1.9	–	2.0	0.5	28.0	28.0	28.0	95.3%	89.2%
Machinery and equipment	28.8	55.1	58.8	31.0	27.3	34.2	46.9	50.2	67.6	40.4	75.6	77.7	162.0%	114.4%
Payments for financial assets	–	–	18.1	–	–	0.9	–	–	0.5	–	–	–	–	–
Total	2 415.2	2 445.2	2 371.4	2 527.3	2 546.3	2 419.9	2 686.9	2 704.2	2 612.0	2 847.9	2 842.9	2 836.4	97.7%	97.2%

Expenditure estimates

Table 28.3 Vote expenditure estimates by programme and economic classification

Programmes								
1. Administration								
2. Inspection and Enforcement Services								
3. Public Employment Services								
4. Labour Policy and Industrial Relations								
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Programme 1	856.6	0.6%	30.0%	885.6	932.0	992.5	5.0%	29.1%
Programme 2	504.2	4.6%	17.8%	532.7	598.2	638.9	8.2%	18.0%
Programme 3	507.2	8.2%	18.3%	561.1	585.2	618.1	6.8%	18.0%
Programme 4	968.4	8.2%	33.9%	1 086.4	1 151.1	1 201.9	7.5%	34.9%
Total	2 836.4	5.1%	100.0%	3 065.8	3 266.5	3 451.5	6.8%	100.0%
Change to 2016 Budget estimate				33.8	42.2	20.6		

Table 28.3 Vote expenditure estimates by programme and economic classification

Economic classification	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Current payments	1 667.2	2.2%	59.8%	1 817.6	1 948.1	2 078.0	7.6%	59.5%
Compensation of employees	1 099.2	7.6%	39.0%	1 224.5	1 317.8	1 410.2	8.7%	40.0%
Goods and services	568.0	-5.8%	20.9%	593.1	630.3	667.8	5.5%	19.5%
Transfers and subsidies	1 063.5	8.9%	37.3%	1 160.7	1 226.0	1 278.7	6.3%	37.5%
Provinces and municipalities	0.7	43.8%	-	0.5	0.5	0.5	-10.0%	-
Departmental agencies and accounts	868.3	8.7%	30.8%	962.2	1 016.1	1 055.8	6.7%	30.9%
Foreign governments and international organisations	22.0	12.1%	0.7%	23.8	25.2	26.6	6.6%	0.8%
Non-profit institutions	169.6	9.0%	5.6%	173.9	183.8	195.4	4.8%	5.7%
Households	2.9	35.8%	0.1%	0.3	0.4	0.4	-49.0%	-
Payments for capital assets	105.7	20.4%	2.6%	87.5	92.3	94.7	-3.6%	3.0%
Buildings and other fixed structures	28.0	72.2%	0.3%	14.0	16.0	16.0	-17.0%	0.6%
Machinery and equipment	77.7	12.1%	2.3%	73.5	76.3	78.7	0.4%	2.4%
Total	2 836.4	5.1%	100.0%	3 065.8	3 266.5	3 451.5	6.8%	100.0%

Goods and services expenditure trends and estimates

Table 28.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand											
Administrative fees	5 000	5 451	4 958	5 336	2.2%	1.0%	5 828	5 952	6 292	5.6%	1.0%
Advertising	12 069	6 737	17 431	9 451	-7.8%	2.1%	16 301	15 798	16 698	20.9%	2.4%
Minor assets	2 398	4 423	2 869	7 148	43.9%	0.8%	7 697	7 752	8 628	6.5%	1.3%
Audit costs: External	14 011	15 320	16 511	20 392	13.3%	3.1%	20 965	22 234	23 630	5.0%	3.5%
Bursaries: Employees	2 446	2 299	1 906	2 877	5.6%	0.4%	2 466	2 682	3 030	1.7%	0.4%
Catering: Departmental activities	5 573	3 747	4 532	3 825	-11.8%	0.8%	4 259	4 797	5 161	10.5%	0.7%
Communication	34 460	35 234	31 232	32 493	-1.9%	6.2%	28 505	29 709	31 285	-1.3%	5.0%
Computer services	77 176	69 702	66 868	104 446	10.6%	14.9%	110 281	116 667	123 178	5.7%	18.5%
Consultants: Business and advisory services	74 486	6 313	7 178	14 161	-42.5%	4.8%	13 260	14 665	15 224	2.4%	2.3%
Laboratory services	-	-	-	-	-	-	150	-	-	-	-
Legal services	3 995	2 270	3 085	3 325	-5.9%	0.6%	3 575	4 968	5 280	16.7%	0.7%
Science and technological services	-	-	-	-	-	-	-	-	95	-	-
Contractors	16 038	8 185	7 091	6 209	-27.1%	1.8%	5 229	5 096	5 196	-5.8%	0.9%
Agency and support/outsourced services	2 964	3 044	3 111	5 512	23.0%	0.7%	5 607	5 938	6 293	4.5%	0.9%
Entertainment	273	139	189	361	9.8%	-	225	229	240	-12.7%	-
Fleet services (including government motor transport)	12 826	19 359	19 795	22 757	21.1%	3.5%	23 951	25 191	27 818	6.9%	4.1%
Inventory: Food and food supplies	-	-	-	-	-	-	2	2	2	-	-
Inventory: Fuel, oil and gas	-	-	-	442	-	-	-	-	-	-100.0%	-
Inventory: Learner and teacher support material	-	-	-	20	-	-	-	-	-	-100.0%	-
Inventory: Materials and supplies	-	-	-	144	-	-	170	199	210	13.4%	-
Inventory: Medical supplies	-	-	-	-	-	-	32	34	36	-	-
Inventory: Other supplies	-	-	-	414	-	-	-	-	-	-100.0%	-
Consumable supplies	1 944	3 192	2 545	4 268	30.0%	0.6%	4 454	4 704	5 020	5.6%	0.8%
Consumables: Stationery, printing and office supplies	17 686	18 890	19 673	20 248	4.6%	3.6%	22 258	23 915	25 433	7.9%	3.7%
Operating leases	148 072	104 877	139 488	131 730	-3.8%	24.5%	139 053	149 911	159 489	6.6%	23.6%
Rental and hiring	647	843	1 103	1 749	39.3%	0.2%	1 217	1 255	1 324	-8.9%	0.2%
Property payments	53 164	46 762	57 055	67 144	8.1%	10.5%	65 874	69 447	73 353	3.0%	11.2%
Transport provided: Departmental activity	-	390	140	58	-	-	800	800	900	149.4%	0.1%
Travel and subsistence	86 186	77 171	82 429	66 610	-8.2%	14.6%	74 978	79 364	83 486	7.8%	12.4%
Training and development	9 921	6 672	6 636	14 024	12.2%	1.7%	13 282	15 039	15 972	4.4%	2.4%
Operating payments	12 267	11 449	6 489	12 035	-0.6%	2.0%	10 520	10 919	11 732	-0.8%	1.8%
Venues and facilities	9 890	8 106	5 087	10 731	2.8%	1.6%	12 165	13 052	12 836	6.2%	2.0%
Total	603 492	460 575	507 401	567 910	-2.0%	100.0%	593 104	630 319	667 841	5.6%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 28.5 Vote transfers and subsidies trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Provinces and municipalities											
Municipal bank accounts											
Current	446	472	550	701	16.3%	0.1%	490	491	518	-9.6%	-
Vehicle licences	446	472	550	701	16.3%	0.1%	490	491	518	-9.6%	-
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	660 542	762 061	806 132	849 262	8.7%	80.5%	946 264	1 000 006	1 038 961	7.0%	81.1%
Communication	11	4 399	11	-	-100.0%	0.1%	-	-	-	-	-
Productivity South Africa	40 285	43 119	45 531	47 944	6.0%	4.6%	50 341	53 261	56 244	5.5%	4.4%
Commission for Conciliation, Mediation and Arbitration	594 418	687 096	731 799	770 501	9.0%	72.8%	864 090	913 066	947 152	7.1%	73.9%
National Economic Development and Labour Council	25 828	27 447	28 791	30 817	6.1%	3.0%	31 833	33 679	35 565	4.9%	2.8%
Foreign governments and international organisations											
Current	15 914	17 019	20 912	21 957	11.3%	2.0%	23 813	25 218	26 630	6.6%	2.1%
Foreign Government	-	-	3	-	-	-	-	-	-	-	-
International Labour Organisation	15 110	16 019	19 753	20 861	11.3%	1.9%	22 648	23 984	25 327	6.7%	2.0%
African Regional Labour Administration Centre	804	1 000	1 156	1 096	10.9%	0.1%	1 165	1 234	1 303	5.9%	0.1%
Non-profit institutions											
Current	127 702	116 584	164 045	169 644	9.9%	15.1%	173 892	183 831	195 356	4.8%	15.3%
Non-life insurance	-	50	-	-	-	-	-	-	-	-	-
Deaf Federation of South Africa	66	-	-	262	58.3%	-	275	291	2 744	118.8%	0.1%
National Council for the Physically Disabled	68	136	308	302	64.4%	-	318	336	2 792	109.9%	0.1%
South African National Council for the Blind	66	155	417	372	78.0%	-	390	413	2 873	97.7%	0.1%
Workshops for the blind	6 911	7 793	10 341	11 181	17.4%	0.9%	11 739	12 420	13 116	5.5%	1.0%
Work-centres for the disabled	104 087	91 132	135 050	138 568	10.0%	12.3%	141 307	149 356	151 640	3.1%	12.3%
Various civil and labour organisations	16 504	17 318	17 929	18 879	4.6%	1.8%	19 823	20 973	22 147	5.5%	1.7%
Various schools: National Day Against Child Labour	-	-	-	80	-	-	40	42	44	-18.1%	-
Households											
Social benefits											
Current	3 048	4 695	3 343	2 807	-2.7%	0.4%	333	362	383	-48.5%	0.1%
Employee social benefits	3 048	4 695	3 343	2 807	-2.7%	0.4%	333	362	383	-48.5%	0.1%
Households											
Other transfers to households											
Current	87	29	656	-	-100.0%	-	-	-	-	-	-
Employee social benefits	87	29	656	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Provincial revenue funds											
Current	-	1	-	-	-	-	-	-	-	-	-
Vehicle licences	-	1	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts											
Social security funds											
Current	15 640	23 752	14 780	19 032	6.8%	1.9%	15 918	16 108	16 878	-3.9%	1.4%
Unemployment Insurance Fund	-	-	-	1	-	-	1	1	1	-	-
Compensation Fund	15 640	23 752	14 780	19 031	6.8%	1.9%	15 917	16 107	16 877	-3.9%	1.4%
Total	823 379	924 613	1 010 418	1 063 403	8.9%	100.0%	1 160 710	1 226 016	1 278 726	6.3%	100.0%

Personnel information

Table 28.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		Number and cost ² of personnel posts filled / planned for on funded establishment															Number		
Number of posts estimated for 31 March 2017																	Average growth rate (%)	Average: Salary level/Total (%)	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate			Medium-term expenditure estimate						2016/17 - 2019/20					
		2015/16			2016/17			2017/18		2018/19		2019/20							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Labour	2 892	22	3 081	1 025.6	0.3	3 014	1 099.2	0.4	3 094	1 224.5	0.4	3 073	1 317.8	0.4	2 977	1 410.2	0.5	-0.4%	100.0%
Salary level																			
1 – 6	1 378	10	1 460	314.1	0.2	1 398	332.6	0.2	1 396	355.3	0.3	1 418	389.1	0.3	1 334	394.0	0.3	-1.5%	45.6%
7 – 10	1 269	10	1 297	470.8	0.4	1 293	510.1	0.4	1 382	590.2	0.4	1 328	617.8	0.5	1 297	658.0	0.5	0.1%	43.6%
11 – 12	176	2	237	155.5	0.7	241	172.2	0.7	221	172.8	0.8	232	196.7	0.8	253	238.1	0.9	1.6%	7.8%
13 – 16	68	–	66	69.6	1.1	61	68.0	1.1	74	88.9	1.2	74	96.0	1.4	72	100.8	1.4	5.7%	2.3%
Other	–	–	21	15.8	0.8	21	16.3	0.8	21	17.3	0.8	21	18.3	0.9	21	19.3	0.9	–	0.7%
Programme	2 892	22	3 081	1 025.6	0.3	3 014	1 099.2	0.4	3 094	1 224.5	0.4	3 073	1 317.8	0.4	2 977	1 410.2	0.5	-0.4%	100.0%
Programme 1	968	22	1 014	325.9	0.3	970	350.6	0.4	958	384.6	0.4	911	402.8	0.4	882	433.6	0.5	-3.1%	30.6%
Programme 2	1 250	–	1 205	375.9	0.3	1 210	406.5	0.3	1 208	433.2	0.4	1 276	492.3	0.4	1 230	527.6	0.4	0.5%	40.5%
Programme 3	502	–	697	245.7	0.4	668	256.3	0.4	755	304.9	0.4	704	312.0	0.4	685	328.7	0.5	0.8%	23.1%
Programme 4	171	–	165	78.1	0.5	166	85.7	0.5	173	101.8	0.6	182	110.7	0.6	180	120.3	0.7	2.7%	5.8%

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

2. Rand million.

Departmental receipts

Table 28.7 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 (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
						2013/14 - 2016/17	2016/17 - 2019/20					
Departmental receipts	22 601	11 155	10 056	12 866	12 866	-17.1%	100.0%	11 606	11 839	12 608	-0.7%	100.0%
Sales of goods and services produced by department	4 179	3 928	4 129	4 808	4 808	4.8%	30.1%	4 501	4 510	5 418	4.1%	39.3%
Sales by market establishments	175	182	176	166	166	-1.7%	1.2%	204	208	212	8.5%	1.6%
of which:												
Market establishment: Rental dwellings	43	46	43	44	44	0.8%	0.3%	52	54	56	8.4%	0.4%
Market establishment: Rental parking (covered and open)	132	136	133	122	122	-2.6%	0.9%	152	154	156	8.5%	1.2%
Administrative fees	2 234	1 853	1 970	2 612	2 612	5.3%	15.3%	2 164	2 166	3 000	4.7%	20.3%
of which:												
Occupational health and safety licences	2 234	1 853	1 970	2 612	2 612	5.3%	15.3%	2 164	2 166	3 000	4.7%	20.3%
Other sales	1 770	1 893	1 983	2 030	2 030	4.7%	13.5%	2 133	2 136	2 206	2.8%	17.4%
of which:												
Services rendered: Commission on insurance and gamishee	1 767	1 889	1 980	2 026	2 026	4.7%	13.5%	2 126	2 128	2 200	2.8%	17.3%
Services rendered: Photocopies and faxes	–	–	1	–	–	–	–	1	1	1	–	–
Replacement of security cards	3	4	2	4	4	10.1%	–	6	7	5	7.7%	–
Sales of scrap, waste, arms and other used current goods	30	28	12	44	44	13.6%	0.2%	25	29	40	-3.1%	0.3%
of which:												
Sales: Scrap	–	1	3	26	26	–	0.1%	7	9	20	-8.4%	0.1%
Sales: Waste paper	30	27	9	18	18	-15.7%	0.1%	18	20	20	3.6%	0.2%
Fines, penalties and forfeits	44	4	1 009	1 040	1 040	187.0%	3.7%	60	80	80	-57.5%	2.6%
Interest, dividends and rent on land	6 317	1 318	1 303	1 252	1 252	-41.7%	18.0%	1 460	1 500	1 500	6.2%	11.7%
Interest	6 317	1 318	1 303	1 252	1 252	-41.7%	18.0%	1 460	1 500	1 500	6.2%	11.7%
Sales of capital assets	–	1 108	105	32	32	–	2.2%	500	600	350	122.0%	3.0%
Transactions in financial assets and liabilities	12 031	4 769	3 498	5 690	5 690	-22.1%	45.9%	5 060	5 120	5 220	-2.8%	43.1%
Total	22 601	11 155	10 056	12 866	12 866	-17.1%	100.0%	11 606	11 839	12 608	-0.7%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 28.8 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Ministry	18.6	24.3	32.6	32.1	20.1%	3.5%	31.1	32.4	34.5	2.5%	3.5%
Management	273.1	252.0	258.5	257.7	-1.9%	33.9%	251.4	250.9	264.4	0.9%	27.9%
Corporate Services	201.4	179.5	180.3	247.2	7.1%	26.3%	276.2	297.4	318.5	8.8%	31.1%
Office of the Chief Financial Officer	142.2	97.5	113.2	129.3	-3.1%	15.7%	135.4	145.5	157.1	6.7%	15.5%
Office Accommodation	160.6	122.7	161.1	190.2	5.8%	20.6%	191.5	205.7	218.0	4.6%	22.0%
Total	795.9	676.0	745.6	856.6	2.5%	100.0%	885.6	932.0	992.5	5.0%	100.0%
Change to 2016 Budget estimate				3.7			(9.4)	(8.6)	(8.9)		
Economic classification											
Current payments	716.7	636.0	707.3	784.2	3.0%	92.5%	831.5	873.0	931.1	5.9%	93.3%
Compensation of employees	267.3	309.5	325.9	350.6	9.5%	40.8%	384.6	402.8	433.6	7.3%	42.9%
Goods and services ¹	449.4	326.5	381.4	433.6	-1.2%	51.8%	447.0	470.1	497.5	4.7%	50.4%
of which:											
Audit costs: External	14.0	15.3	16.5	20.4	13.3%	2.2%	20.9	22.2	23.6	5.0%	2.4%
Communication	13.7	14.5	17.0	26.0	23.8%	2.3%	20.5	21.1	22.3	-5.1%	2.4%
Computer services	76.6	69.3	65.9	103.4	10.5%	10.3%	109.0	115.4	121.9	5.6%	12.3%
Operating leases	140.4	103.1	137.5	127.0	-3.3%	16.5%	134.0	142.6	151.7	6.1%	15.1%
Property payments	40.2	36.9	44.6	66.2	18.0%	6.1%	63.8	67.2	71.0	2.4%	7.3%
Travel and subsistence	29.4	29.4	37.1	21.1	-10.5%	3.8%	26.5	26.2	27.1	8.7%	2.8%
Transfers and subsidies¹	1.5	5.8	2.3	1.7	3.6%	0.4%	0.7	0.7	0.8	-22.9%	0.1%
Provinces and municipalities	0.4	0.5	0.5	0.7	18.9%	0.1%	0.5	0.5	0.5	-9.6%	0.1%
Departmental agencies and accounts	-	4.4	-	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions	-	0.1	-	-	-	-	-	-	-	-	-
Households	1.1	0.9	1.8	1.0	-3.3%	0.2%	0.2	0.2	0.3	-36.2%	-
Payments for capital assets	59.5	33.2	35.5	70.7	5.9%	6.5%	53.3	58.3	60.7	-5.0%	6.6%
Buildings and other fixed structures	1.5	1.9	0.5	28.0	162.5%	1.0%	14.0	16.0	16.0	-17.0%	2.0%
Machinery and equipment	57.9	31.3	35.0	42.7	-9.7%	5.4%	39.3	42.3	44.7	1.5%	4.6%
Payments for financial assets	18.1	0.9	0.5	-	-100.0%	0.6%	-	-	-	-	-
Total	795.9	676.0	745.6	856.6	2.5%	100.0%	885.6	932.0	992.5	5.0%	100.0%
Proportion of total programme expenditure to vote expenditure	33.6%	27.9%	28.5%	30.1%	-	-	28.9%	28.5%	28.8%	-	-

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

Programme 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 217 044 compliance inspections by March 2018
 - serving 100 per cent of noncompliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
 - hosting four seminars for high-risk and problematic sectors and one inspector conference by March 2018.
- Strengthen health and safety of workers through the enforcement of occupational health and safety regulations by investigating 65 per cent of all reported incidents within 90 days of receipt by 2017/18.

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 the legislative enforcement requirement and educates stakeholders on labour legislation.

Expenditure trends and estimates

Table 28.9 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 (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R million					2013/14 - 2016/17					2016/17 - 2019/20	
Management and Support Services: Inspection and Enforcement Services	16.1	4.5	4.6	5.9	-28.3%	1.7%	5.3	6.4	6.8	4.7%	1.1%
Occupational Health and Safety	16.6	22.2	29.3	29.0	20.5%	5.3%	29.7	32.4	34.8	6.3%	5.5%
Registration: Inspection and Enforcement Services	48.3	51.4	52.6	61.6	8.5%	11.7%	62.4	67.3	72.6	5.6%	11.6%
Compliance, Monitoring and Enforcement Services	315.5	340.2	373.0	397.8	8.0%	78.1%	421.4	477.3	508.8	8.6%	79.2%
Training of Staff: Inspection and Enforcement Services	13.1	5.5	6.7	5.4	-25.5%	1.7%	5.4	5.6	6.0	3.4%	1.0%
Statutory and Advocacy Services	2.7	7.1	6.6	9.6	52.8%	1.4%	8.6	9.2	9.9	1.1%	1.6%
Total	412.2	430.9	472.9	509.3	7.3%	100.0%	532.7	598.2	638.9	7.8%	100.0%
Change to 2016 Budget estimate				(10.2)			2.9	16.5	15.2		
Economic classification											
Current payments	410.4	426.8	439.8	476.6	5.1%	96.1%	498.8	564.2	604.9	8.3%	94.1%
Compensation of employees	318.6	350.1	375.9	414.5	9.2%	79.9%	433.2	492.3	527.6	8.4%	81.9%
Goods and services ¹	91.8	76.7	63.9	62.1	-12.2%	16.1%	65.6	71.9	77.4	7.6%	12.2%
of which:											
Minor assets	0.3	0.9	0.5	2.8	102.2%	0.3%	3.3	3.8	4.2	14.4%	0.6%
Fleet services (including government motor transport)	6.1	8.7	7.5	9.9	17.7%	1.8%	8.9	9.8	11.3	4.7%	1.7%
Consumables: Stationery, printing and office supplies	2.6	3.6	4.4	3.9	14.5%	0.8%	4.3	4.6	5.0	8.5%	0.8%
Travel and subsistence	36.5	28.8	25.4	24.1	-12.9%	6.3%	26.2	28.6	30.4	8.1%	4.8%
Training and development	5.2	0.9	2.3	4.7	-3.2%	0.7%	4.4	4.5	4.8	0.9%	0.8%
Venues and facilities	3.7	1.7	1.3	3.9	1.7%	0.6%	4.1	4.7	4.1	2.2%	0.7%
Transfers and subsidies¹	1.5	1.9	1.2	0.8	-20.0%	0.3%	0.1	0.1	0.1	-53.4%	-
Households	1.4	1.9	1.2	0.8	-19.6%	0.3%	0.1	0.1	0.1	-53.4%	-
Payments for capital assets	0.3	2.2	31.9	32.0	359.6%	3.6%	33.9	33.9	33.9	1.9%	5.9%
Machinery and equipment	0.3	2.2	31.9	32.0	359.6%	3.6%	33.9	33.9	33.9	1.9%	5.9%
Total	412.2	430.9	472.9	509.3	7.3%	100.0%	532.7	598.2	638.9	7.8%	100.0%
Proportion of total programme expenditure to vote expenditure	17.4%	17.8%	18.1%	17.9%	-	-	17.4%	18.3%	18.5%	-	-

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

Programme 3: Public Employment Services

Programme purpose

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

Objectives

- Provide public employment services by:
 - registering 500 000 work seekers on the Employment Services of South Africa database by 31 March 2018
 - providing employment counselling to 140 000 work seekers by 31 March 2018
 - filling 8 000 registered employment opportunities by 31 March 2018
 - registering 60 000 work opportunities on the Employment Services of South Africa database by 31 March 2018.
- 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 and learning opportunities, training and income-generating opportunities on the Employment Services of South Africa system, and facilitates access to employment and income-generating opportunities for the unemployed and underemployed.
- *Designated Groups Special Services* facilitates the transfer of subsidies to national councils to promote the employment of people with disabilities, youth and women, in collaboration with supported sheltered employment enterprises and other relevant bodies.
- *Supported Employment Enterprises* transfers funds to subsidised workshops for the blind and subsidised work centres for people with disabilities, and aims to improve the administration, production and financial control of supported employment enterprises and workshops for the blind.
- *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 28.10 Public Employment Services expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average Expenditure/ Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average Expenditure/ Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
R million											
Management and Support Services: Public Employment Services	28.4	34.6	36.0	40.7	12.8%	7.5%	44.3	46.6	50.0	7.1%	8.0%
Employer Services	116.3	116.8	120.1	123.0	1.9%	25.5%	105.7	118.7	126.7	1.0%	20.9%
Work Seeker Services	95.8	117.2	116.0	118.8	7.4%	23.9%	183.5	180.0	187.0	16.3%	29.5%
Designated Groups Special Services	0.2	0.3	11.1	12.1	292.8%	1.3%	12.7	13.5	21.5	21.1%	2.6%
Supported Employment Enterprises	115.6	127.8	140.7	144.5	7.7%	28.3%	147.5	155.8	158.5	3.1%	26.7%
Productivity South Africa	40.3	43.1	45.5	47.9	6.0%	9.5%	50.3	53.3	56.2	5.5%	9.1%
Compensation Fund	15.6	23.8	14.8	19.0	6.8%	3.9%	15.9	16.1	16.9	-3.9%	3.0%
Training of Staff: Public Employment Services	1.3	1.6	0.9	1.1	-5.1%	0.3%	1.2	1.2	1.3	5.4%	0.2%
Total	413.5	465.3	485.1	507.2	7.0%	100.0%	561.1	585.2	618.1	6.8%	100.0%
Change to 2016 Budget estimate				(3.1)			(10.8)	(9.2)	(15.6)		
Economic classification											
Current payments	245.7	297.5	277.6	288.5	5.5%	59.3%	340.7	352.9	371.7	8.8%	59.6%
Compensation of employees	212.8	265.1	245.7	256.3	6.4%	52.4%	304.9	312.0	328.7	8.6%	52.9%
Goods and services ¹	33.0	32.4	31.8	32.1	-0.9%	6.9%	35.8	40.9	42.9	10.2%	6.7%
of which:											
Communication	4.4	4.9	5.6	2.9	-13.1%	0.9%	4.8	5.1	5.1	21.5%	0.8%
Fleet services (including government motor transport)	1.7	2.7	3.0	3.1	22.0%	0.6%	3.3	3.5	3.7	5.3%	0.6%
Consumables: Stationery, printing and office supplies	1.5	2.2	1.7	3.4	31.9%	0.5%	3.8	4.1	4.3	8.4%	0.7%
Operating leases	2.4	0.5	0.4	1.7	-10.3%	0.3%	1.8	3.9	4.1	33.8%	0.5%
Travel and subsistence	10.9	10.3	9.0	9.3	-5.1%	2.1%	9.1	10.6	11.2	6.5%	1.8%
Venues and facilities	1.4	0.9	0.2	2.0	11.8%	0.2%	2.1	2.2	2.4	5.3%	0.4%
Transfers and subsidies¹	167.5	167.3	207.4	218.7	9.3%	40.7%	220.3	232.2	246.3	4.0%	40.4%
Departmental agencies and accounts	55.9	66.9	60.3	67.0	6.2%	13.4%	66.3	69.4	73.1	3.0%	12.1%
Non-profit institutions	111.2	99.2	146.1	150.7	10.7%	27.1%	154.0	162.8	173.2	4.7%	28.2%
Households	0.3	1.2	0.9	1.0	46.9%	0.2%	-	-	0.1	-63.7%	0.1%
Payments for capital assets	0.3	0.5	0.2	0.1	-45.2%	0.1%	0.1	0.1	0.1	3.8%	-
Machinery and equipment	0.3	0.5	0.2	0.1	-45.2%	0.1%	0.1	0.1	0.1	3.8%	-
Total	413.5	465.3	485.1	507.2	7.0%	100.0%	561.1	585.2	618.1	6.8%	100.0%
Proportion of total programme expenditure to vote expenditure	17.4%	19.2%	18.6%	17.8%	-	-	18.3%	17.9%	17.9%	-	-
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Social security funds											
Current	15.6	23.8	14.8	19.0	6.8%	3.9%	15.9	16.1	16.9	-3.9%	3.0%
Compensation Fund	15.6	23.8	14.8	19.0	6.8%	3.9%	15.9	16.1	16.9	-3.9%	3.0%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	40.3	43.1	45.5	47.9	6.0%	9.5%	50.3	53.3	56.2	5.5%	9.1%
Productivity South Africa	40.3	43.1	45.5	47.9	6.0%	9.5%	50.3	53.3	56.2	5.5%	9.1%
Non-profit institutions											
Current	111.2	99.2	146.1	150.7	10.7%	27.1%	154.0	162.8	173.2	4.7%	28.2%
Deaf Federation of South Africa	0.1	-	-	0.3	58.3%	-	0.3	0.3	2.7	118.8%	0.2%
National Council for the Physically Disabled	0.1	0.1	0.3	0.3	64.4%	-	0.3	0.3	2.8	109.9%	0.2%
South African National Council for the Blind	0.1	0.2	0.4	0.4	78.0%	0.1%	0.4	0.4	2.9	97.7%	0.2%
Workshops for the blind	6.9	7.8	10.3	11.2	17.4%	1.9%	11.7	12.4	13.1	5.5%	2.1%
Work-centres for the disabled	104.1	91.1	135.1	138.6	10.0%	25.1%	141.3	149.4	151.6	3.1%	25.6%

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 4: Labour Policy and Industrial Relations

Programme purpose

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

Objectives

- Improve employment equity in the labour market by:
 - reviewing and amending the code of good practice on the preparation and implementation of employment equity plans by March 2018
 - publicising the 2016/17 employment equity annual report and public register by June 2017
 - developing the 2017/18 employment equity annual report and public register by March 2018.
- Establish basic employment standards and minimum wages through the review of two existing sectoral determinations (domestic worker and contract cleaning sectors) by March 2018.
- 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 2018.
- Monitor and evaluate the impact of labour legislation to promote an evidence-based labour policy framework through the production of four research and four labour market information trend reports by March 2018.

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, in order 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 noncompliant; 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 dispute resolution services.
- *Research, Policy and Planning* monitors and evaluates the impact of labour legislation and policies that affect the South African labour market.
- *Labour Market Information and Statistics* collects, collates, analyses and disseminates internal and external labour market statistics regarding changes in the South African labour market that impact on employment legislation.
- *International Labour Matters* contributes to global policy formulation and facilitates compliance with international obligations through multilateral and bilateral relations.
- *National Economic Development and Labour Council* transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity.

Expenditure trends and estimates

Table 28.11 Labour Policy and Industrial Relations expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2013/14	2014/15	2015/16		2013/14 - 2016/17	2016/17 - 2019/20	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	
R million												
Management and Support Services: Labour												
Policy and Industrial Relations	10.2	10.1	12.6	15.5	15.1%	1.4%	16.0	17.3	18.6	6.4%	1.5%	
Strengthen Civil Society	16.5	17.3	17.9	18.9	4.6%	2.0%	19.8	21.0	22.1	5.5%	1.9%	
Collective Bargaining	12.3	13.5	12.6	14.4	5.3%	1.5%	15.5	16.8	18.2	8.2%	1.5%	
Employment Equity	12.8	9.9	14.3	14.9	5.3%	1.5%	16.4	17.5	18.8	8.0%	1.5%	
Employment Standards	12.5	11.0	11.0	13.7	3.3%	1.4%	24.6	26.4	28.5	27.5%	2.1%	
Commission for Conciliation, Mediation and Arbitration	594.4	687.1	731.8	770.5	9.0%	80.1%	864.1	913.1	947.2	7.1%	79.3%	
Research, Policy and Planning	7.4	6.7	7.1	9.7	9.5%	0.9%	10.4	11.2	12.0	7.1%	1.0%	
Labour Market Information and Statistics	31.3	33.9	35.9	38.5	7.2%	4.0%	42.4	45.9	49.7	8.8%	4.0%	
International Labour Matters	26.6	30.8	36.4	42.8	17.2%	3.9%	45.3	48.3	51.4	6.3%	4.3%	
National Economic Development and Labour Council	25.9	27.4	28.8	30.8	5.9%	3.3%	31.8	33.7	35.6	4.9%	3.0%	
Total	749.9	847.8	908.4	969.7	8.9%	100.0%	1 086.4	1 151.1	1 201.9	7.4%	100.0%	
Change to 2016 Budget estimate				4.5			51.1	43.6	29.8			
Economic classification												
Current payments	96.8	98.0	108.4	126.7	9.4%	12.4%	146.6	158.0	170.3	10.4%	13.6%	
Compensation of employees	67.5	73.0	78.1	86.5	8.6%	8.8%	101.8	110.7	120.3	11.6%	9.5%	
Goods and services ¹	29.3	24.9	30.3	40.1	11.1%	3.6%	44.8	47.4	50.0	7.6%	4.1%	
<i>of which:</i>												
Advertising	6.6	2.4	5.6	3.0	-23.0%	0.5%	4.8	5.1	5.4	21.2%	0.4%	
Consultants: Business and advisory services	3.4	3.0	3.1	5.2	16.1%	0.4%	6.3	6.7	7.1	10.5%	0.6%	
Operating leases	0.3	0.8	1.2	2.1	87.2%	0.1%	2.5	2.6	2.7	9.2%	0.2%	
Consumables: Stationery, printing and office supplies	3.1	4.0	2.8	5.1	17.9%	0.4%	5.7	6.1	6.4	7.8%	0.5%	
Travel and subsistence	9.5	8.7	10.9	12.2	8.7%	1.2%	13.2	14.0	14.7	6.6%	1.2%	
Venues and facilities	1.4	2.2	1.9	2.9	26.8%	0.2%	3.0	3.2	3.4	5.4%	0.3%	
Transfers and subsidies¹	652.9	749.6	799.5	842.3	8.9%	87.6%	939.6	993.0	1 031.5	7.0%	86.3%	
Departmental agencies and accounts	620.2	714.5	760.6	801.3	8.9%	83.3%	895.9	946.7	982.7	7.0%	82.3%	
Foreign governments and international organisations	15.9	17.0	20.9	22.0	11.3%	2.2%	23.8	25.2	26.6	6.6%	2.2%	
Non-profit institutions	16.5	17.3	17.9	19.0	4.7%	2.0%	19.9	21.0	22.2	5.4%	1.9%	
Households	0.3	0.8	0.1	-	-55.1%	-	-	-	-	-100.0%	-	
Payments for capital assets	0.2	0.2	0.5	0.8	64.6%	-	0.2	0.1	0.1	-55.9%	-	
Machinery and equipment	0.2	0.2	0.5	0.8	64.6%	-	0.2	0.1	0.1	-55.9%	-	
Total	749.9	847.8	908.4	969.7	8.9%	100.0%	1 086.4	1 151.1	1 201.9	7.4%	100.0%	
Proportion of total programme expenditure to vote expenditure	31.6%	35.0%	34.8%	34.1%	-	-	35.4%	35.2%	34.8%	-	-	
Details of selected transfers and subsidies												
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	620.2	714.5	760.6	801.3	8.9%	83.3%	895.9	946.7	982.7	7.0%	82.3%	
Commission for Conciliation, Mediation and Arbitration	594.4	687.1	731.8	770.5	9.0%	80.1%	864.1	913.1	947.2	7.1%	79.3%	
National Economic Development and Labour Council	25.8	27.4	28.8	30.8	6.1%	3.2%	31.8	33.7	35.6	4.9%	3.0%	
Foreign governments and international organisations												
Current	15.9	17.0	20.9	22.0	11.3%	2.2%	23.8	25.2	26.6	6.6%	2.2%	
International Labour Organisation	15.1	16.0	19.8	20.9	11.3%	2.1%	22.6	24.0	25.3	6.7%	2.1%	
African Regional Labour Administration Centre	0.8	1.0	1.2	1.1	10.9%	0.1%	1.2	1.2	1.3	5.9%	0.1%	
Non-profit institutions												
Current	16.5	17.3	17.9	18.9	4.6%	2.0%	19.8	21.0	22.1	5.5%	1.9%	
Various civil and labour organisations	16.5	17.3	17.9	18.9	4.6%	2.0%	19.8	21.0	22.1	5.5%	1.9%	

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

Entities¹

Compensation Fund

Mandate

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

Selected performance indicators

Table 28.12 Compensation Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Number of new claims registered per year	Compensation for Occupational Injuries and Diseases Act (1993) operations	Outcome 13: An inclusive and responsive social protection system	310 710	225 511	129 123	352 407	370 027	392 229	411 841
Percentage of approved claims paid within five working days	Compensation for Occupational Injuries and Diseases Act (1993) operations		-1	-1	95% (135 531/ 143 200)	18%	16%	15%	15%
Percentage of new registered claims adjudicated within 60 working days of receipt	Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993)		84% (260 253/ 310 710)	-1	76% (77 916/ 103 055)	85%	85%	85%	85%
Percentage of medical claims finalised per year within 60 working days of receipt	Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993)		37% (684 169/ 1 871 383)	-1	97% (512 976/ 529 785)	85%	85%	85%	90%
Percentage increase in the number of registered employers per year	Compensation for Occupational Injuries and Diseases Act (1993) operations		6% (479 574/ 452 084)	7% (512 676/ 479 574)	6% (545 555/ 512 676)	10%	5%	5%	5%

1. No historical data available.

Expenditure analysis

The primary focus of the Compensation Fund over the medium term will be on improving access to social insurance for the working-age population, with the aim of preventing or alleviating poverty and providing protection against vulnerability. This implies providing an efficient and effective social safety net that protects vulnerable workers, strengthening social protection, and improving the capacity of the fund to deliver improved services to its beneficiaries. This contributes to the realisation of outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework.

The fund is committed to widening the social safety net, and aims to improve its claims registration and payments systems. This will require amending the Compensation for Occupational Injuries and Diseases Act (1993) to include domestic workers and increased benefits, and marketing and promoting the online claims-registration portal and automated adjudication systems. Amendments to the act are expected to be certified by state law advisers, after which they will be submitted into the parliamentary process by late 2017/18. Once the amendments are passed, the number of new claims under this act is set to grow at an average annual rate of 5.3 per cent, from 352 407 new claims in 2016/17 to 411 841 by 2019/20, with spending on claims set to grow from R8.8 billion in 2016/17 to R10.2 billion in 2019/20. In addition, a new policy framework has been developed, with the aim of creating a programme to rehabilitate injured workers and return them to work as soon as feasible. The fund will commence with local benchmarking of rehabilitation and reintegration-to-work activities in January 2017, and has budgeted R500 000 for this. The fund will then pilot the framework with private and public institutions, as well as non-governmental organisations, at an estimated cost of R10 million.

In response to the service delivery challenges experienced in the past, the fund is investing in strengthening its provincial processing centres to ensure the improved registration, adjudication and processing of all qualifying claims within reasonable turnaround times. To facilitate this, the fund provides coaching, mentoring and IT systems training to new staff. The fund has budgeted R210.4 million over the medium term for the provincial operations programme and the implementation of the Compensation for Occupational Injuries and Diseases Act (1993). The budgeted R29.3 billion over the medium term is to be used mainly for medical claims and compensation of employees for the fund's activities in terms of the Occupational Injuries and Diseases

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

Act (1993). The fund expects to register 1.2 million new claims under this act by 2019/20. It aims to complete 85 per cent of new registered claims within 60 working days of receipt.

The fund's main source of revenue is from levies payable by employers and from returns on investments made with the Public Investment Corporation. Total revenue collected in 2016/17 amounts to R12.3 billion, and is estimated to increase to R14.5 billion in 2019/20 at an average annual rate of 5.9 per cent. This revenue is used to pay benefits and cover the cost of administering the fund. This cost is expected to grow from R10.2 billion in 2017/18 to R11.3 billion in 2019/20.

Programmes/objectives/activities

Table 28.13 Compensation Fund, including Reserve Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	4 084.6	1 986.0	4 393.4	807.6	-41.7%	23.6%	858.9	879.6	1 017.1	8.0%	8.5%
Compensation for Occupational Injuries and Diseases Act (1993) operations	11 752.8	6 038.6	7 966.9	8 865.1	-9.0%	76.2%	9 308.4	9 773.9	10 262.7	5.0%	91.0%
Provincial operations: Compensation for Occupational Injuries and Diseases Act (1993) operations	22.2	22.5	27.1	28.8	9.0%	0.2%	66.2	70.1	74.1	37.1%	0.6%
Total	15 859.7	8 047.1	12 387.3	9 701.4	-15.1%	100.0%	10 233.5	10 723.7	11 353.9	5.4%	100.0%

Statements of historical financial performance and position

Table 28.14 Compensation Fund, including Reserve Fund statements of historical financial performance and position

Statement of financial performance									
R million	2013/14		2014/15		2015/16		2016/17		Average: Outcome/Budget (%) 2013/14 - 2016/17
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	2 839.0	3 019.5	2 807.5	6 254.3	3 434.5	3 788.3	10 172.3	4 055.8	88.9%
Other non-tax revenue	2 839.0	3 019.5	2 807.5	6 254.3	3 434.5	3 788.3	10 172.3	4 055.8	88.9%
Transfers received	5 328.9	7 020.6	8 208.8	8 432.3	7 852.0	7 566.9	8 244.6	8 244.6	105.5%
Total revenue	8 168.0	10 040.1	11 016.3	14 686.6	11 286.5	11 355.3	18 416.9	12 300.4	99.0%
Expenses									
Current expenses	929.1	4 140.6	1 017.7	2 017.0	878.4	4 434.4	1 109.3	845.9	290.7%
Compensation of employees	241.1	407.4	448.2	410.1	481.3	223.3	512.6	256.5	77.1%
Goods and services	684.1	3 729.9	565.8	1 585.6	382.1	4 193.0	580.9	547.3	454.4%
Depreciation	1.9	3.3	3.6	21.1	14.7	12.4	15.6	41.9	219.4%
Interest, dividends and rent on land	2.0	-	0.2	0.2	0.2	5.8	0.3	0.3	234.4%
Transfers and subsidies	5 244.2	11 719.1	4 191.0	6 030.0	3 927.8	7 952.9	4 086.0	8 855.6	198.0%
Total expenses	6 173.3	15 859.7	5 208.7	8 047.1	4 806.1	12 387.3	5 195.3	9 701.4	215.1%
Surplus/(Deficit)	1 995.0	(5 820.0)	5 808.0	6 640.0	6 480.0	(1 032.0)	13 222.0	2 599.0	
Statement of financial position									
Carrying value of assets	94.7	95.2	101.9	159.7	97.8	150.0	101.7	101.7	127.9%
of which:									
Acquisition of assets	(12.5)	(7.8)	(8.3)	(34.5)	(30.4)	(1.9)	(14.2)	(14.2)	89.4%
Investments	36 803.0	41 423.6	37 876.2	49 753.0	43 113.8	51 460.7	44 966.6	44 966.6	115.3%
Inventory	-	2.6	-	2.7	2.9	2.4	3.0	3.0	182.0%
Receivables and prepayments	2 390.5	1 190.9	4 566.4	3 231.8	3 404.5	4 949.8	3 574.8	3 574.8	92.9%
Cash and cash equivalents	424.0	119.9	1 170.6	35.5	3.8	87.4	4.0	4.0	15.4%
Total assets	39 712.1	42 832.3	43 715.1	53 182.8	46 622.7	56 650.3	48 650.0	48 650.0	112.7%
Accumulated surplus/(deficit)	18 196.7	16 421.7	24 110.6	-	17 547.5	-	18 158.8	18 158.8	44.3%
Capital and reserves	-	93.2	-	154.6	60.1	163.9	61.3	61.3	389.6%
Finance lease	-	-	-	4.4	-	3.5	-	-	-
Accrued interest	-	76.6	-	55.3	-	500.5	-	-	-
Trade and other payables	894.1	1 226.9	1 136.9	720.5	1 149.4	817.9	1 195.4	1 195.4	90.5%
Capitalised value of pensions	15 604.5	17 261.0	13 275.3	23 061.2	18 765.8	21 758.3	19 516.4	19 516.4	121.5%
Provisions	5 016.7	7 752.9	5 192.3	29 186.9	9 099.9	33 406.3	9 718.2	9 718.2	275.8%
Total equity and liabilities	39 712.1	42 832.3	43 715.1	53 182.8	46 622.7	56 650.3	48 650.0	48 650.0	112.7%

Statements of estimates of financial performance and position

Table 28.15 Compensation Fund, including Reserve Fund statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
					2016/17	2013/14 - 2016/17	2017/18		
R million									
Revenue									
Non-tax revenue		4 055.8	10.3%	34.7%	4 262.7	4 494.3	4 721.4	5.2%	32.7%
Other non-tax revenue		4 055.8	10.3%	34.7%	4 262.7	4 494.3	4 721.4	5.2%	32.7%
Transfers received		8 244.6	5.5%	65.3%	8 755.8	9 272.4	9 791.6	5.9%	67.3%
Total revenue		12 300.4	7.0%	100.0%	13 018.5	13 766.7	14 513.0	5.7%	100.0%
Expenses									
Current expenses		845.9	-41.1%	23.9%	935.2	960.4	1 102.4	9.2%	13.6%
Compensation of employees		256.5	-14.3%	3.0%	286.8	304.3	371.3	13.1%	2.9%
Goods and services		547.3	-47.3%	20.7%	603.5	608.4	680.7	7.5%	5.8%
Depreciation		41.9	133.5%	0.2%	44.6	47.3	50.1	6.2%	0.4%
Interest, dividends and rent on land		0.3	-	0.0%	0.3	0.3	0.3	5.5%	0.0%
Transfers and subsidies		8 855.6	-8.9%	76.1%	9 298.3	9 763.3	10 251.4	5.0%	90.9%
Total expenses		9 701.4	-15.1%	100.0%	10 233.5	10 723.7	11 353.9	5.4%	100.0%
Surplus/(Deficit)		2 599.0	(2.0)		2 785.0	3 043.0	3 159.0	6.7%	
Statement of financial position									
Carrying value of assets		101.7	2.2%	0.2%	106.8	112.1	118.4	5.2%	0.2%
of which:									
Acquisition of assets		(14.2)	21.9%	-0.0%	(14.5)	(14.8)	(15.6)	3.3%	-0.0%
Investments		44 966.6	2.8%	93.4%	47 214.9	49 575.6	52 351.9	5.2%	92.4%
Inventory		3.0	5.2%	0.0%	3.2	3.3	3.5	5.2%	0.0%
Receivables and prepayments		3 574.8	44.3%	6.2%	3 753.5	3 941.2	4 161.9	5.2%	7.3%
Cash and cash equivalents		4.0	-67.9%	0.1%	4.2	4.4	4.6	5.2%	0.0%
Total assets		48 650.0	4.3%	100.0%	51 082.5	53 636.6	56 640.2	5.2%	100.0%
Accumulated surplus/(deficit)		18 158.8	3.4%	18.9%	19 066.7	20 302.1	21 439.0	5.7%	37.6%
Capital and reserves		61.3	-13.0%	0.2%	64.3	65.8	69.4	4.3%	0.1%
Trade and other payables		1 195.4	-0.9%	2.0%	1 255.1	1 317.9	1 391.7	5.2%	2.5%
Capitalised value of pensions		19 516.4	4.2%	40.5%	20 297.0	21 108.9	22 291.0	4.5%	39.6%
Provisions		9 718.2	7.8%	38.0%	10 399.2	10 841.9	11 449.0	5.6%	20.2%
Total equity and liabilities		48 650.0	4.3%	100.0%	51 082.5	53 636.6	56 640.2	5.2%	100.0%

Personnel information

Table 28.16 Compensation Fund, including Reserve Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017			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 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20						
Compensation Fund, including Reserve Fund			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost		
Salary level	1 286	1 286	986	223.3	0.2	1 054	256.5	0.2	1 108	286.8	0.3	1 108	304.3	0.3	1 286	371.3	0.3	13.1%	100.0%
1 - 6	796	796	629	96.0	0.2	658	105.6	0.2	686	117.8	0.2	686	125.1	0.2	796	153.6	0.2	13.3%	62.0%
7 - 10	448	448	318	92.6	0.3	354	110.2	0.3	380	125.9	0.3	380	133.7	0.4	448	169.3	0.4	15.4%	34.3%
11 - 12	22	22	20	14.9	0.7	22	17.3	0.8	22	18.4	0.8	22	19.5	0.9	22	20.7	0.9	6.1%	1.9%
13 - 16	20	20	19	19.8	1.0	20	23.4	1.2	20	24.7	1.2	20	26.1	1.3	20	27.7	1.4	5.8%	1.8%

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

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Percentage of total mandated socially responsible investment committed	Administration		54% (R3.6bn/ R6.7bn)	85% (R7.9bn/ R9.3bn)	80% (R7.7bn/ R9.6bn)	80% ¹	80% ¹	80% ¹	80% ¹
Percentage of valid claims with complete information approved or rejected within five weeks of application	Business operations		86% (655 882/ 762 381)	90% (654 053/ 729 730)	84% (608 347/ 720 629)	90%	90%	90%	95%
Number of claims submitted through the uFiling claims portal per year	Business operations	Outcome 13: An inclusive and responsive social protection system	2 947	16 799	15 000	20 000	30 000	40 000	40 000
Percentage increase in revenue contribution	Business operations		12% (R1.6bn/ R13.7bn)	5% (R837m/ R15.3bn)	6% (R974m/ R17.1bn)	7.5% ¹	7.2% ¹	6.9% ¹	6% ¹
Percentage of overpayment balance collected	Business operations		27% (R68.9m/ R259m)	21% (R58m/ R273m)	23% (R59.3m/ R257m)	20%	20%	20%	25%
Number of new employers using the uFiling system per year	Business operations		12 361	11 399	24 987	17 000	18 000	20 000	25 000

1. Rand values are not available as it is not possible to predict amounts to be invested and revenue to be generated.

Expenditure analysis

The Unemployment Insurance Fund is committed to deepening social assistance and expanding access to social security. Over the medium term, the fund will focus on paying benefits to qualifying beneficiaries; speeding up and increasing the payment of benefits to qualifying beneficiaries; improving employers' compliance with the Unemployment Insurance Act (2001); ensuring investment in job-creation projects to boost employment; and implementing labour-activation schemes that involve education and skills development to assist unemployed workers registered on the fund's database. These activities are in line with outcome 13 (an inclusive and responsive social protection system) of government's 2014-2019 medium-term strategic framework.

The fund is set to pay an estimated R31.3 billion in benefits over the medium term to qualifying unemployed people. The amended Unemployment Insurance Bill adopted by the National Assembly and the National Council of Provinces proposes a number of improvements to the current benefits framework. They include: an extension to the number of days for which the contributor is eligible for benefits, from 243 to 365 days; an extension to the period during which dependants can claim deceased contributors' benefits from 6 to 18 months; the provision of full benefits to women who miscarry; and a reduction in the number of days for claiming illness benefits from 14 to 7 days. It is estimated that the amount in benefits paid will increase from R23.1 billion to R31.3 billion over the medium term, reflecting a growth of 35.4 per cent. The fund also plans to streamline work processes to increase the rate at which unemployment insurance claims are processed and paid out, from 90 per cent within four weeks in 2017/18 to 95 per cent within three weeks by March 2019.

Over the medium term, the fund will contribute to job creation by supporting and implementing labour-activation initiatives targeted at unemployed youth and beneficiaries, and focus on providing skills development, enterprise development and funding for small, medium and micro enterprises. A total of R24.6 billion, accounting for 20 per cent of the fund's investment portfolio, has been set aside for socially responsible investment in sectors such as agriculture, agro-processing, mining and beneficiation, tourism, construction, transport and logistics, manufacturing, textiles, and home industries. This investment is set to increase in line with the projected increase in net surpluses and portfolio growth.

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

Expenditure on labour-activation schemes forms part of the fund's investment portfolio. The allocation for training for unemployed youth and beneficiaries was increased by R1 billion in the 2015 MTEF period due to an anticipated influx of applications. However, take-up was low and, as a result, the fund decreased this allocation from R1.6 billion to R762.6 million in 2017/18 and from R1.6 billion to R807.6 million in 2018/19, in line with actual expenditure in 2015/16 and 2016/17.

The fund is financed through contributions from employees and employers, as legislated in the Unemployment Insurance Contributions Act (2002), and from returns on investments. Over the medium term, the fund expects to receive, on average, 64.7 per cent, or R59.5 billion, of its total revenue from unemployment contributions.

Income from its own revenue, driven mainly by income from returns on investments, is expected to amount to R32.7 billion over the period ahead.

Programmes/objectives/activities

Table 28.18 Unemployment Insurance Fund expenditure trends and estimates by programme/objective/activity

R million	Audited outcome			Revised estimate 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Administration	548.1	538.6	4 873.2	1 260.6	32.0%	14.3%	1 267.2	1 347.9	1 430.9	4.3%	10.2%
Business operations	8 389.9	8 341.4	9 231.4	9 878.4	5.6%	83.6%	10 661.1	11 315.5	12 032.4	6.8%	83.9%
Labour activation programmes	88.0	97.8	82.0	709.6	100.5%	2.2%	762.6	807.6	852.8	6.3%	6.0%
Total	9 026.1	8 977.8	14 186.6	11 848.6	9.5%	100.0%	12 690.9	13 471.0	14 316.1	6.5%	100.0%

Statements of historical financial performance and position

Table 28.19 Unemployment Insurance Fund statements of historical financial performance and position

Statement of financial performance									
R million	2013/14		2014/15		2015/16		2016/17		Average: Outcome/Budget (%) 2013/14 - 2016/17
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	4 965.9	5 886.8	6 173.7	12 248.0	9 609.1	8 171.4	11 148.5	9 357.6	111.8%
Sale of goods and services other than capital assets	3.0	2.1	2.7	1.9	6.4	2.2	2.4	2.4	60.1%
<i>of which:</i>									
Sales by market establishment	2.1	2.1	2.3	1.9	6.4	2.2	2.4	2.4	66.0%
Other sales	0.9	–	0.3	–	0.1	–	0.1	0.1	4.0%
Other non-tax revenue	4 962.9	5 884.7	6 171.0	12 246.1	9 602.7	8 169.2	11 146.1	9 355.2	111.8%
Transfers received	13 964.9	15 075.5	15 975.2	15 754.1	16 636.9	16 701.2	17 894.6	17 560.3	101.0%
Total revenue	18 930.9	20 962.3	22 148.9	28 002.1	26 246.0	24 872.7	29 043.1	26 917.9	104.6%
Expenses									
Current expenses	1 520.9	1 488.7	1 760.0	1 573.7	2 171.1	6 022.6	2 543.7	2 576.0	145.8%
Compensation of employees	826.5	772.3	899.8	880.0	1 026.0	939.7	1 163.5	1 188.7	96.6%
Goods and services	683.9	706.1	846.5	684.9	1 045.4	5 067.2	1 233.6	1 259.2	202.6%
Depreciation	10.6	8.5	13.7	8.5	99.7	15.7	146.6	128.1	59.5%
Interest, dividends and rent on land	–	1.7	–	0.3	–	–	–	–	15 523.1%
Transfers and subsidies	10 291.9	7 537.4	10 070.1	7 404.1	10 508.1	8 163.9	11 464.0	9 272.6	76.5%
Total expenses	11 812.9	9 026.1	11 830.2	8 977.8	12 679.2	14 186.6	14 007.7	11 848.6	87.5%
Surplus/(Deficit)	7 118.0	11 936.0	10 319.0	19 024.0	13 567.0	10 686.0	15 035.0	15 069.0	
Statement of financial position									
Carrying value of assets	103.0	76.4	96.4	96.6	259.3	217.4	227.7	147.2	78.3%
<i>of which:</i>									
Acquisition of assets	(9.8)	(2.4)	(21.6)	(27.1)	(263.0)	(151.5)	(115.7)	(145.2)	79.6%
Investments	82 271.4	92 822.2	91 566.8	111 780.0	125 717.0	120 441.0	141 175.2	152 173.1	108.3%
Receivables and prepayments	118.7	19.5	185.0	10.7	44.5	227.9	95.0	92.9	79.2%
Cash and cash equivalents	1 707.3	1 382.8	1 712.5	1 692.1	1 575.3	3 812.9	1 581.6	3 818.6	162.8%
Total assets	84 200.4	94 300.9	93 560.7	113 579.4	127 596.1	124 699.2	143 079.5	156 231.8	109.0%
Accumulated surplus/(deficit)	61 601.2	72 317.0	67 434.3	90 292.8	102 791.6	98 503.4	116 668.5	127 252.7	111.4%
Capital and reserves	15 439.7	18 097.4	16 143.9	19 145.9	20 312.9	21 621.4	21 617.4	24 144.7	112.9%
Borrowings	–	–	–	–	–	–	–	–	–
Trade and other payables	85.6	216.5	87.3	274.0	276.3	313.6	278.8	316.3	153.9%
Benefits payable	7 037.7	3 613.5	9 859.1	3 840.6	4 189.2	4 234.9	4 488.8	4 492.2	63.3%
Provisions	21.6	26.7	21.6	26.1	26.1	25.8	26.1	25.8	109.5%
Derivatives financial instruments	14.6	29.8	14.6	–	–	–	–	–	102.3%
Total equity and liabilities	84 200.4	94 300.9	93 560.7	113 579.4	127 596.1	124 699.2	143 079.5	156 231.8	109.0%

Statements of estimates of financial performance and position

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

Statement of financial performance	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
R million								
Revenue								
Non-tax revenue	9 357.6	16.7%	34.9%	10 109.6	10 931.0	11 681.3	7.7%	35.3%
Sale of goods and services other than capital assets	2.4	4.4%	-	2.6	2.7	2.9	5.9%	-
of which:								
Sales by market establishment	2.4	3.6%	-	2.5	2.7	2.8	5.9%	-
Other sales	0.1	-	-	0.1	0.1	0.1	5.9%	-
Other non-tax revenue	9 355.2	16.7%	34.9%	10 107.0	10 928.2	11 678.4	7.7%	35.3%
Transfers received	17 560.3	5.2%	65.1%	18 701.7	19 917.3	20 853.5	5.9%	64.7%
Total revenue	26 917.9	8.7%	100.0%	28 811.3	30 848.3	32 534.7	6.5%	100.0%
Expenses								
Current expenses	2 576.0	20.1%	24.6%	2 867.6	3 058.4	3 257.6	8.1%	25.2%
Compensation of employees	1 188.7	15.5%	8.8%	1 444.0	1 550.8	1 665.6	11.9%	11.1%
Goods and services	1 259.2	21.3%	15.4%	1 249.9	1 323.7	1 397.8	3.5%	10.0%
Depreciation	128.1	146.7%	0.3%	173.6	183.9	194.2	14.9%	1.3%
Transfers and subsidies	9 272.6	7.2%	75.4%	9 823.4	10 412.6	11 058.5	6.0%	77.6%
Total expenses	11 848.6	9.5%	100.0%	12 690.9	13 471.0	14 316.1	6.5%	100.0%
Surplus/(Deficit)	15 069.0	-	-	16 120.0	17 377.0	18 219.0	6.5%	-
Statement of financial position								
Carrying value of assets	147.2	24.4%	0.1%	273.2	2.0	2.0	-76.2%	0.1%
of which:								
Acquisition of assets	(145.2)	292.5%	-0.1%	(271.2)	-	-	-100.0%	-0.1%
Investments	152 173.1	17.9%	97.7%	170 029.6	188 769.0	188 769.0	7.4%	97.7%
Receivables and prepayments	92.9	68.3%	0.1%	96.3	92.7	92.7	-0.1%	0.1%
Cash and cash equivalents	3 818.6	40.3%	2.1%	3 812.9	3 812.9	3 812.9	-	2.1%
Total assets	156 231.8	18.3%	100.0%	174 212.0	192 676.6	192 676.6	7.2%	100.0%
Accumulated surplus/(deficit)	127 252.7	20.7%	79.2%	143 438.2	159 880.4	159 880.4	7.9%	82.4%
Capital and reserves	24 144.7	10.1%	17.2%	25 671.3	27 400.8	27 400.8	4.3%	14.7%
Trade and other payables	316.3	13.5%	0.2%	319.5	322.5	322.5	0.6%	0.2%
Benefits payable	4 492.2	7.5%	3.4%	4 756.9	5 046.8	5 046.8	4.0%	2.7%
Provisions	25.8	-1.1%	-	26.1	26.1	26.1	0.4%	-
Total equity and liabilities	156 231.8	18.3%	100.0%	174 212.0	192 676.6	192 676.6	7.2%	100.0%

Personnel information

Table 28.21 Unemployment Insurance Fund personnel numbers and cost by salary level

Unemployment Insurance Fund	Number of posts estimated for 31 March 2017		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 (%)			
			2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20						
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number		Cost			Unit cost		
Salary level	3 558	3 558	3 104	939.7	0.3	3 104	1 188.7	0.4	3 104	1 444.0	0.5	3 104	1 550.8	0.5	3 104	1 665.6	0.5	11.9%	100.0%
1 - 6	1 992	1 992	1 827	398.6	0.2	1 827	430.5	0.2	1 827	612.4	0.3	1 827	661.5	0.4	1 827	710.5	0.4	18.2%	58.9%
7 - 10	1 386	1 386	1 134	401.5	0.4	1 134	607.4	0.5	1 134	617.9	0.5	1 134	663.6	0.6	1 134	711.6	0.6	5.4%	36.5%
11 - 12	145	145	110	99.8	0.9	110	107.5	1.0	110	159.0	1.4	110	168.6	1.5	110	183.9	1.7	19.6%	3.5%
13 - 16	35	35	33	39.9	1.2	33	43.2	1.3	33	54.6	1.7	33	57.1	1.7	33	59.7	1.8	11.4%	1.1%

1. Rand million.

Other entities

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

- The **Commission for Conciliation, Mediation and Arbitration** aims to promote social justice and economic development in the world of work, and to be the best dispute management and dispute resolution organisation. The commission's total budget for 2017/18 is R864.1 million.

- The **National Economic Development and Labour Council** requires organised labour, organised business, community-based organisations and government to work as a collective to promote the goals of economic growth, and social and economic equity. The council's total budget for 2017/18 is R31.8 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 2017/18 is R50.3 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 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
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	0.9	1.9	0.5	-	-	-	-
Site clearance	Construction of new labour centre	On hold	35.1	0.6	-	-	-	-	-	-
Construction of new office buildings; upgrade of the Ulundi and Prospecton labour centres and the installation of water tanks	Construction of new labour centre	Construction	74.0	-	-	-	28.0	14.0	16.0	16.0
Total			125.2	1.5	1.9	0.5	28.0	14.0	16.0	16.0

