

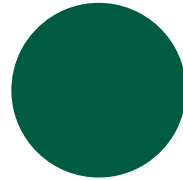
2019/20



# ANNUAL PERFORMANCE PLAN

DEPARTMENT OF LABOUR

ADMINISTRATION | SUPPORTED EMPLOYMENT ENTERPRISES | INSPECTION AND ENFORCEMENT SERVICES | PUBLIC EMPLOYMENT SERVICES | LABOUR POLICY AND INDUSTRIAL RELATIONS | PROVINCIAL OPERATIONS







# labour

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# ORGANISATIONAL STRUCTURE

## TOP LEADERSHIP



**P Holomisa**

MP, Deputy Minister of Labour

**M Oliphant**

MP, Minister of Labour

**T Lamati**

Director-General

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### INSTITUTIONS REPORTING TO THE EXECUTIVE AUTHORITY

Advisory Council for Occupational Health and Safety > Commission for Conciliation Mediation and Arbitration (CCMA) > Commission for Employment Equity (CEE) > Compensation Board > Employment Conditions Commission (ECC) > National Economic Development and Labour Council (NEDLAC) > Productivity South Africa (ProdSA) > Unemployment Insurance Board

**V Seafield**

DDG: Labour Policy and Industrial Relations



**A Moiloa**

DDG: Inspection and Enforcement Services



**S Morotoba**

DDG: Public Employment Service



**B Matebesi**

DDG: Corporate Services



**T Maruping**

Commissioner: Unemployment Insurance Fund



**M Bronkhorst**

Chief Operations Officer



**B Maduna**

Chief Financial Officer



**V Mafata**

Commissioner: Compensation Fund





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# ACRONYMS

<b>AFS</b>	Annual Financial Statements	<b>LFD</b>	Large Format Display Screens
<b>APP</b>	Annual Performance Plan	<b>LMIS</b>	Labour Market Information and Statistics
<b>ARLAC</b>	African Regional Labour Administration Centre	<b>LP&amp;IR</b>	Labour Policy and International Relations
<b>AUC</b>	African Union Council	<b>LRA</b>	Labour Relations Act
<b>BCEA</b>	Basic Conditions of Employment Act	<b>MP</b>	Member of Parliament
<b>Brexit</b>	“British exit” from the European Union	<b>M-PAT</b>	Management Performance Assessment Tool
<b>BRICS</b>	Brazil, Russia, India, China and South Africa	<b>MTEF</b>	Medium-term Expenditure Framework
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration	<b>MTSF</b>	Medium-term Strategic Framework
<b>CD</b>	Chief Director	<b>NDP</b>	National Development Plan
<b>CEE</b>	Commission for Employment Equity	<b>NEDLAC</b>	National Economic Development and Labour Council
<b>COIDA</b>	Compensation of Injuries and Diseases Act	<b>NMW</b>	National Minimum Wage
<b>COO</b>	Chief Operations Officer	<b>OCOO</b>	Office of the Chief Operations Officer
<b>DEXCOM</b>	Departmental Executive Committee	<b>OHSA</b>	Occupational Health and Safety Act
<b>DPME</b>	Department of Planning, Monitoring and Evaluation	<b>PCO</b>	Provincial Communication’s Officer
<b>EEA</b>	Employment Equity Act	<b>PEA</b>	Private Employment Agencies
<b>ES</b>	Employment Services	<b>PES</b>	Public Employment Services
<b>ESSA</b>	Employment Services for South Africa	<b>ProdSA</b>	Productivity SA
<b>EXCO</b>	Executive Committee	<b>RME</b>	Research, Monitoring and Evaluation
<b>G20</b>	International forum for the governments and central bank governors from 20 major economies	<b>SADC</b>	South African Development Council
<b>ICT</b>	Information, Communication Technology	<b>SDs</b>	Sectoral Determinations
<b>IES</b>	Inspection and Enforcement Services	<b>SEIAS</b>	Socio Economic Impact Assessment System
<b>IFS</b>	Interim Financial Statements	<b>SP</b>	Strategic Plan
<b>ILM</b>	International Labour Matters	<b>TES</b>	Temporary Employment Services
<b>ILO</b>	International Labour Organisation	<b>TR</b>	Treasury Regulations
<b>IT</b>	Information Technology	<b>U.S.A.</b>	United States of America
<b>JOI</b>	Job Opportunity Index	<b>UI</b>	Unemployment Insurance
<b>KPI</b>	Key Performance Indicator		



# OUR VISION, MISSION AND VALUES

## OUR VISION

The Department of Labour will strive for a labour market which is conducive to investment, economic growth, employment creation and decent work.

## OUR MISSION

Regulate the South African labour market for a sustainable economy through:

- Appropriate legislation and regulations
- Inspection, compliance monitoring and enforcement
- Protection of human rights
- Provision of public employment services
- Promoting equity
- Social and income protection
- Social dialogue.

## OUR VALUES

We treat employees with care, dignity and respect

We respect and promote:

- Client centred services
- Accountability
- Integrity and ethical behaviour
- Learning and development

We live the Batho Pele Principles

We live the principles of the Department's Service Charter

We inculcate these values through our performance management system.



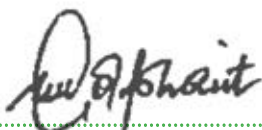
# OFFICIAL SIGN-OFF

## It is hereby certified that this Annual Performance Plan:

Was developed by the management of the Department of Labour under the guidance of Minister MN Oliphant, MP

Takes into account all the relevant policies, legislation and other mandates for Department of Labour

Accurately reflects the strategic outcome-oriented goals and objectives which the Department of Labour will endeavour to achieve over the period 2019 to 2020.



**MN Oliphant, MP**  
Minister of Labour



**SP Holomisa, MP**  
Deputy-Minister of Labour



**T Lamati**  
Director-General



**B Maduna**  
Chief Financial Officer



**M Bronkhorst**  
Chief Operations Officer



**GROWTH IS NEVER BY  
MERE CHANCE; IT IS  
THE RESULT OF FORCES  
WORKING TOGETHER. ”**

James Cash Penney



“ THE CONGRESS ALLIANCE ENSURED THAT ALL SOUTH AFRICANS, ACROSS BARRIERS OF RACE, GENDER, CLASS AND CREED WERE GIVEN THE OPPORTUNITY TO SHAPE THEIR VISION FOR A BETTER SOUTH AFRICA. ”

## FOREWORD BY THE MINISTER

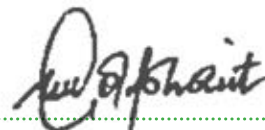
Very rarely in history do we have examples such as in the drafting of the Freedom Charter where for several months, ordinary people in their homes, in the factories and in the rural areas were canvassed and consulted on their vision for their country. Often when periods of transition occur, the leaders in boardrooms and committees often put together “pacts” on behalf of the people and at most the people merely assent to the deal through a referendum. This was not the case with the Freedom Charter. The Congress Alliance ensured that all South Africans, across barriers of race, gender, class and creed were given the opportunity to shape their vision for a better South Africa.

Many people agree that the Freedom Charter gave greater content and meaning to abstract goals such as “freedom”, “national liberation” and “self-determination of the African masses”. It gave concrete detail and substance to the Congress slogan, “Freedom in our lifetime”, by articulating what that freedom would mean in practical terms in various spheres of life in South Africa. The Charter provided a clear and concise set of policies, aims and objectives and principles of the Congress Alliance. It served as a vision of a post-apartheid South Africa, which was to be used as a mobilising and organising weapon in the struggle for democracy.

Sixty-four years later we can safely say: “Mission accomplished on the policy front”. What remains to be done, is to translate these policies in the manner that provide tangible and meaningful benefits to the people in general and working people in particular. Defending these hard-won gains is not an option, but a duty for all who subscribe to social justice. We indeed executed the call by the congress of the people that no government can justly claim authority unless it is based on the will of all the people.

The Annual Performance Plan that follows is designed to give real meaning to our policies and our quest for social justice. We will also continue to play our part in shaping the international best practice. The fact that President Ramaphosa led the ILO’s Global Commission on the Future of Work is a living testimony that indeed South Africa has become the benchmark on labour policy thought leadership.

In all of these noble efforts, we pride ourselves in using social dialogue as the means to co-create balanced outcomes. Once again we will work with our social partners in order to ensure that our service delivery outcomes and strategic goals are achieved.



MN Oliphant, MP  
Minister of Labour



“ A COLLECTIVE TEAM EFFORT  
THAT WORKS IN TANDEM  
WITH OUR SOCIAL PARTNERS,  
OUR STAKEHOLDERS AND  
SISTER DEPARTMENTS IN  
ORDER TO SUCCEED IN OUR  
ENDEAVOURS ”

## FOREWORD BY THE DEPUTY MINISTER

In the 2018/19 financial year, the Department of Labour has been at the centre of a number of pivotal pieces of legislation as well as high-level government programmes aimed at transforming and diversifying the labour market in a significant way. Perhaps what takes centre stage is the processing and finalisation of the National Minimum Wage legislation that came into effect on 1 January 2019.

The Act applies to all workers and their employers, except members of the South African National Defence Force, the National Intelligence Agency, the South African Secret Service, and volunteers, who perform work for another person without remuneration. This legislation stands to uplift many workers, especially in the lower category positions in the following service industries: hair salons, waiters in restaurants and the security industry amongst others.

Secondly, the Presidential Jobs Summit also took place in this financial year with the Department of Labour, playing a leading role in the preparatory work and at the Summit itself. This milestone is also highly significant in the core business of the Department, which is that of fostering and creating a conducive and vibrant labour market environment, so that job creation and, in particular, decent jobs are realised and sustained by the South African economy.

These two important economic development instruments set the tone for the work that lies ahead for the Department in the 2019/20 financial year. In the first instance, a National Minimum Wage Commission is to be established, its main task will be to review the National Minimum Wage annually and to make recommendations to the Minister on adjustments to the National Minimum Wage. Fundamentally the Department must adapt quickly to be in a position to handle the new challenges that will be brought about by the implementation of the new Law.

As far as the Jobs Summit is concerned, we have come to realise and appreciate the urgency with which we must as a country, as an economy create jobs. We are acutely aware of the triple challenges of unemployment, poverty and inequality and the latent effects of these in creating a dichotomy and the attendant social ills that create instability in society at large.

This is precisely the reason I am highlighting the National Minimum Wage legislation and the Jobs Summit as focal areas that we must pay close attention to in order to realise the vision of the governing party in ensuring a better life for all.

At the same time this does not detract from the overall mandate and responsibilities of the Department as outlined in the eight Strategic Objectives as well as the six Government Outcomes as contained in the Annual Performance Plan.

Naturally this calls for a collective team effort that works in tandem with our social partners, our stakeholders and sister departments in order to succeed in our endeavours in the 2019/20 financial year.



**SP Holomisa, MP**

Deputy Minister of Labour



# PART A

## STRATEGIC OVERVIEW









# PART A: STRATEGIC OVERVIEW

## 1. UPDATED SITUATIONAL ANALYSIS

Creating jobs and reducing unemployment are key socio-economic imperatives to promote the South African inclusive growth and economic transformation. In this respect, the Department of Labour's view is that the South African economy and labour market performance have clearly illustrated that good progress has been made in the previous financial years but not enough to achieve the expected transformation and inclusive growth. The following are some of key features analysed and reported into various annual labour market trend reports:

- The Rand was unstable against the major foreign trading currencies. It is understood that global factors, financial market risk perceptions and local political uncertainty play a significant role in explaining the Rand's volatility. In the first quarter of 2018, the Rand has also been weaker due to the external environment, e.g. the continued rise in fuel prices.
- The domestic employment growth was still challenged with a high unemployment rate, poverty and inequality and rapid population growth against slower employment growth in the country. This implies that the South African economy is running well short of the target of 500 000 jobs to be created annually. Unfortunately, this could appear as if not much has been achieved in improving the lives of people by the South African Government. Notwithstanding this, the South African macro-economic policy environment remains relatively sound despite the real GDP (measured by production) decline by 0.7% in the second quarter of 2018 following a decrease of 2.2% in the first quarter of 2018 and an increase of 3.1% in the fourth quarter of 2018.
- The official unemployment rate was at 27.5% in September 2018. This represents an increase of 0.3% from June 2018 and a decrease of 0.2% from 27.7% in September 2017. Total employment increased by 188 000 jobs from September 2017 to September 2018. An increase of 1.2% employment growth year on year. Furthermore, our analysis of the labour market also indicates that the gender-employment gap is relatively closing over the years as more females are now entering the labour force as compared to the employment results of 1995.
- Out of the total 11.2 million child population in 2015 (the latest available data), about 2.4 million children were reported to be engaged in economic activities in the country.
- Registration of trade union membership and the registration of trade unions has slightly increased by 0.5% in the last two financial years, e.g. in 2016/17 and 2017/18. Regarding the number of cases referred to the CCMA, an increase of 0.3% was also recorded from 153 043 cases to 153 464 cases over the same financial years.
- An average of 76% cases of unfair dismissals was dealt with in the financial year 2017/18 as compared to unfair labour practice, mutual interest, collective bargaining respectively.
- The number of work stoppages increased to 132 in 2017 from 122 in 2016 as a result of high demand for higher wages, bonus and other compensation benefits by the workers. This represents an 8% increase in strikes over the last two years and an increase of the number of working days lost by 1.5% to 960 889 in 2017 from 946 323 in 2016. Most of the strikes (52%) in 2017 (the latest available data) were protected, unlike in 2016 where unprotected strikes were at 59%. This might be explained by the high compliance to the Labour Relations Act by most companies. More strike information will be analysed in the upcoming annual strike report in 2019<sup>1</sup>.
- The work-seekers registered statistics show almost 17 times more than the number of job vacancies advertised (external data) by various industries and captured into the Job Vacancy Index database of the Department of Labour. This trend supports the argument that the labour force is expanding rapidly at the rate probably higher than employment creation in the South African labour market.

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1 The Department of Labour Annual Industrial Action report 2018 will be finalised and released after March 2019.

- A total of 1 159 inspectors conducted more than 214 946 workplace inspections in the financial year. In this regard, more than 10% (18% or 39 707) of work places inspected were found not to comply with the legal provisions set out by the Department of Labour. As a result, 39 609 compliance notices were issued and 2 667 cases were referred to court.
- Overall, the Department of Labour's situational analysis recognises the South African Government's efforts in addressing the triple challenge in the country. However, the labour market still suffers from the structural challenge and other exogenous factors. There is still a need to show ability to find common ground amidst the current challenges. This is the case with the recent South African President's initiative to host the Job Summit in 2018 and the implementation of the National Minimum Wage in 2019. These could be regarded as key milestones towards achieving better economic and labour market results.

## 1.1 PERFORMANCE ENVIRONMENT

A major achievement during the Medium-Term Strategic Framework 2014 – 2020 was the promulgation of amendments to the Labour Relations Act, the Basic Conditions of Employment Act and the Employment Equity Act. Together, these amendments are intended to give further protection to vulnerable workers, especially those in temporary work arrangements, to promote greater equity in the labour market and especially, to promote equal treatment. Regulations were completed for the Labour Relations Act, Employment Equity Act. A Code of Good Practice on Equal Pay for Work of Equal Value was also completed and published.

A new Employment Services Act, No 4 of 2014, was promulgated during August 2015, which provides a legal framework for the operation of the Public Employment Services, the regulation of private employment agencies and temporary employment services, the establishment and operations of Supported Employment Enterprises and Productivity South Africa. The first set of four draft regulations under the Employment Services Act, 2014 were published for public comment during December 2018 and are due to be finalised by end of March 2019. Three additional draft regulations are scheduled to be tabled to the Employment Services Board during the 2019/20 financial year. Amendments to the Unemployment Insurance Act have been finalised and the Presidency has assented to the Unemployment Insurance Amendment Act, 2016. Amendments to the Occupational Health and Safety Act and to the Compensation for Occupational Injuries and Diseases Act also reached an advanced stage during this term.

Major aspects of our programme of legislative reform were completed during this term and steps were also taken to further strengthen and professionalise the inspection and enforcement capacity of the Department. During the coming years, our emphasis will move to enforcement and to monitoring and evaluating the implementation of the labour laws, as amended.

These amendments were the products of protracted and often difficult negotiations involving the contrasting interests of Organised Labour, Organised Business, Government and diverse political parties in Parliament. The National Economic Development and Labour Council, as always, played a sterling role in bringing about the requisite consensus for the passing of these laws.

The revamping of the labour laws is a highly significant milestone that underscores our resolve to help transform and regulate the labour market. Consistent with the policy orientation of the Department since 1994, the amendments strive to balance regulation of the labour market with sufficient flexibility for growth and development. However they must also be judged by their effectiveness regarding protection of vulnerable workers.

South Africa faces a massive and sustained challenge of poverty, inequality, unemployment and low pay across the economy. Addressing these problems requires sustained and coordinated action from all stakeholders.

In the State of the Nation address of 17 June 2014, it was announced that the then Deputy President, Cyril Ramaphosa, would convene a social partner dialogue within the ambit of NEDLAC. This process of social dialogue would deliberate on the state of the labour relations environment and would engage on a national minimum wage. Both labour relations stability and the issue of a national minimum wage are critical areas for the future of the labour market and for advancing the decent work agenda.

On 4 November 2014, a Labour Relations Indaba was convened at which a declaration was adopted that contains a number of principles to guide the engagement. Since January 2015, the NEDLAC constituencies have been engaging on the two focal areas. The outcome of the engagement was an announcement by the then Deputy President of South Africa in 2017, on the proposed National Minimum Wage to be adopted by the country. The National Minimum Wage and the BCEA Amendments have been passed by the

National Assembly and the National Council of Provinces (NCOP) and proclaimed by the President for implementation on 1 January 2019. The enforcement of the national minimum wage will be done by the Inspection and Enforcement Services and workplace disputes will be handled by the CCMA.

It is also important to note that the national minimum wage is not a solution for all the problems of the economy, but is intended as a floor to protect the most vulnerable workers. It is one tool among many which government believes could make a significant and rapid difference to the living experiences of almost half of the country's workers.

The Department believes there is value in bringing South Africa into the company of countries around the world that have adopted caring economic strategies to address the crises facing their citizens. Much more needs to be done beyond the minimum wage to transform South Africa into a fair and equitable society with decent work for all.

The minimum wage will be overseen by the National Minimum Wage Commission which will be tasked with conducting annual reviews, after it is implemented on 1 January 2019.

## CHALLENGES FACING THE DEPARTMENT

Overall, the following challenges can be highlighted:

### MODERATING WORKPLACE CONFLICT

The burden of industrial action remains a heavy one on South Africa's labour relations. Recent years have witnessed a few strikes of long duration as well as strikes marked by violence, intimidation of non-striking workers, damage to property and deaths. There is no clear decline in the number of strikes occurring in South Africa. The most extreme incident was the violence during the mineworkers strike at Marikana on 16 August 2012.

The high level of conflict in labour relations led to the President's call to the social partners to deliberate on the state of the labour relations environment, finding consensus on ways of effectively dealing with prolonged strikes and violence associated with industrial action. This call was made in the State of the Nation address in 2014 and has been followed by a Labour Relations Indaba held on 4th November 2014. The Department is closely involved in on-going discussions taking place with the social partners under the auspices of NEDLAC.

### DEALING WITH WAGE INEQUALITY AND THE IMPLEMENTATION OF A NATIONAL MINIMUM WAGE

Wage inequality is commonly viewed as a feature of the South African labour market that contributes to industrial relations instability. Wage demands are also the most common cause of industrial action in the country. The President's call on the social partners included a call to deliberate on low wages, wage inequalities and the modalities for introducing a national minimum wage and the Labour Relations Indaba of 2014 therefore included a focus on addressing wage inequality.

In addition to participating in discussions with social partners on a national minimum wage and wage inequality at NEDLAC, the Department is assessing income differentials in terms of the Employment Equity Act and continues to review minimum wages set by Sectoral Determinations in terms of the Basic Conditions of Employment Act. Both these actions are contained in the Department's Annual Performance Plan.

#### Key strategic interventions to address the challenges:

- Undertaking a significant Business Improvement and Change Programme to transform all parts of the Department's operations.
- Ensuring that service delivery officials are empowered to deliver on the entire suite of the Department's services.
- Developing and creating an environment of accountability for service delivery and correct attitudes and behaviour among staff.
- Developing a service delivery model and establishing a network of integrated service delivery points as close as possible to the people.

- Establishing strategic partnerships for collaboration in creating and delivering value to citizens.
- Improving the quality and performance of the labour market in order to strengthen the country's economic prospects.
- Leveraging the transformative nature of public employment services to fight poverty and unemployment.
- Putting in place measures to encourage continuous learning, development and innovation by those serving at the point of contact with clients.

## PROJECTS FOR THE YEAR AND FUTURE YEARS

### ENFORCING DECENT WORK PRINCIPLES

The Department aims to ensure that employers adhere to employment equity plans and decent work principles, and that vulnerable workers are protected. Over the medium-term, the Department plans to enhance enforcement by increasing the number of inspections for compliance with labour legislation. However, the Department has faced challenges in both retaining inspectors and finding suitable, specialised candidates.

### SUPPORTING WORK-SEEKERS

The National Development Plan sets an employment target of 11 million jobs to be created by 2030. To support the achievement of this target, the Employment Services Act (2014) aims to provide free public employment services and regulate private employment agencies. The Department's employment services system is supported by an IT portal where work-seekers can register and provide information about their CVs detailing their work experience, qualifications and also apply for the kind of work they are looking for. Employers can use the portal to register vacancies and other opportunities they may have, such as training, learnerships, and internships. The system matches work-seekers to opportunities, and after a counselling and assessment process, refer work-seekers to employers. To increase the number of registered work-seekers and the number of work-seekers placed in registered employment opportunities, the Department will host road shows, run advocacy campaigns, draw on the support of the Unemployment Insurance Fund, the Compensation Fund and the national learner database systems, and establish partnerships with other stakeholders such as the Department of Higher Education and Training, the Department of Public Works, the National Youth Development Agency, organised business, and municipalities. Through a new counselling strategy, the Department aims to profile work-seekers and thus reduce the time it takes to refer work-seekers to prospective employers. The Department will also explore partnerships to modernise the system's assessment tests. In support of these interventions, the Public Employment Services programme receives R1.1 billion over the medium-term, excluding transfers.

### REGULATING THE WORKPLACE

The Department will focus on setting standards to reduce inequality in pay and minimum wages for all vulnerable workers, and to improve compliance with the Employment Equity Act (1998). The Department has reviewed 12 Sectoral determinations between 2014/15 and 2017/18 to regulate agreements on benchmarks for pay inequality, and then conducted an assessment of pay scales to ensure that the gaps in minimum wage determinations are reduced. The Department will implement the national minimum wage and determine its likely impact on wage structures, inequality, employment, and the living standard of workers. These activities are funded in the Labour Policy and Industrial Relations programme. In addition, the Department will transfer R2.3 billion over the medium-term from this programme to the Commission for Conciliation Mediation and Arbitration and R90.9 million to the National Economic Development and Labour Council.

## 1.2 ORGANISATIONAL ENVIRONMENT

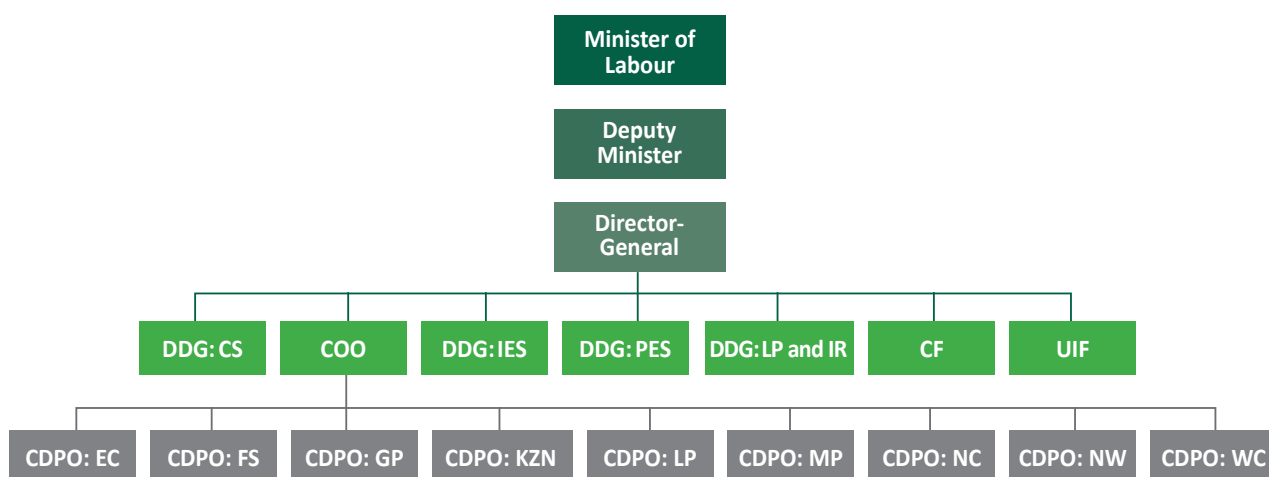
The Department of Labour derives its mandate from the Constitution of the Republic of South Africa and gives effect thereto through a number of acts which regulate labour matters in South Africa. Such legislation includes the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), and the Occupational Health and Safety Act (1993).

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

- Improving economic efficiency and productivity
- Creation of decent employment
- Promoting labour standards and fundamental rights at work
- Providing adequate social safety nets to protect vulnerable workers
- Promoting sound labour relations
- Eliminating inequality and discrimination in the workplace
- Enhancing occupational health and safety awareness and compliance in the workplace
- Giving value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market growth.

To deliver on its core business of Public Employment Services, Inspection and Enforcement Services, Labour Policy and Industrial Relations, the Department has a staff complement of 2 266 (6 821).

*Note: personnel numbers exclude officials from the two funds at provincial level. The personnel numbers in brackets includes the posts that render services for UIF and CF.*



### 1.2.1 SERVICE DELIVERY SITES OF THE DEPARTMENT

Services are rendered at nine Provincial Offices, 126 Labour Centres, 40 Satellite Offices and 492 Visiting Points across the country. The Department uses its fleet and fully equipped mobile buses to provide services at satellite and visiting points. The Provincial breakdown is as follows:

- In the Eastern Cape the Department delivers services at 16 Labour Centres, 4 Satellite Offices and 73 visiting points with a staff complement of 289 (827) posts.
- In the Free State the Department deliver services at 11 Labour Centres, 3 Satellite Offices and 68 visiting points with a staff complement of 192 (534) posts.
- In Gauteng the Department delivers services at 27 Labour Centres, 1 Satellite Office and 7 visiting points with a staff complement of 502 (1644) posts.
- In KwaZulu-Natal the Department delivers services at 16 Labour Centres, 3 Satellite Office and 49 visiting points with a staff complement of 383 (1118) posts.
- In Limpopo the Department delivers services at 13 Labour Centres, 7 Satellite Offices, 19 visiting points and 9 Mobile Labour Centre visiting points with a staff complement of 198 (548) posts.

- In Mpumalanga the Department delivers services at 14 Labour Centres, 4 Satellite Offices and 27 visiting points with a staff complement of 184 (539) posts.
- In the Northern Cape the Department delivers services at 7 Labour Centres and 95 visiting points with a staff complement of 112 (339) posts.
- In the North West Province the Department delivers services at 10 Labour Centres, 10 Satellite Offices and 41 visiting points with a staff complement of 162 (454) posts.
- In the Western Cape the Department delivers services at 12 Labour Centres, 8 Satellite Offices and 104 visiting points with a staff complement of 243 (818) posts.
- The Department has two well equipped Mobile Units that provide services in national, provincial and local events; and is currently rolling out Kiosks to all LCs and have other applications such as employment services available on internet and e-gov.

*Note: personnel numbers exclude officials from the two funds at provincial level. The personnel numbers in brackets includes the posts that render services for UIF and CF.*

## 2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

1. Amendment of the **Unemployment Insurance Act, Act 63 of 2001**. These changes relate to improvements of benefits and administrative changes regarding submission of information by employers to the Fund.
2. Issue regulations in terms of the **Employment Services Act, Act 4 of 2014**. The new Regulations aim to strengthen the provision of employment services within the Department and to provide further clarity on the prescribed provisions of the Act.
3. Amendment of the **Compensation for Occupational Injuries and Diseases Act, Act 130 of 1993**. Develop a rehabilitation, re-integration and return-to-work policy for injured and diseased workers to ensure integration with other South African Policies and Programmes, which provide a framework for the rehabilitation of people with disabilities and stresses the importance of vocational integration.
4. Amendments to the **Employment Services Act, Act 4 of 2014**, to classify the Supported Employment Enterprises as a Trading Entity and to enable its listing by the National Treasury.
5. Amendment of the **Occupational Health and Safety Act, Act 85 of 1993**. Although the OHS Act has placed the responsibility of creating a healthy and safe working environment on employers, the provisions compelling employers to do this are very vague. In order to address these shortcomings, it is necessary that the OHS Act in its current form be amended in order to ensure that:
  - Employers develop and implement a health and safety management system
  - Penalties issued to employers are increased
  - Inspectors are enabled to issue prescribed fines on the spot.
6. Amendments to the **Employment Equity Act, Act 55 of 1998** and its Employment Equity Regulations. These amendments are primarily aimed at empowering the Minister of Labour to regulate the setting of Sector specific EE numerical targets and the promulgation of Section 53 that deals of the issuing of an EE Compliance Certificate as a prerequisite for accessing of State Contracts.
7. **National Minimum Wage Act, Act 9 of 2018**. The National Minimum Wage Act 9 of 2018 aims:
  - To provide for a national minimum wage
  - To establish the National Minimum Wage Commission
  - To provide for the composition and functions of the National Minimum Wage Commission
  - To provide for the review and annual adjustment of the national minimum wage
  - To provide for exemption from paying the national minimum wage
  - To provide for matters connected therewith.

### 3. OVERVIEW OF 2019/20 BUDGET AND MTEF ESTIMATES

#### 3.1 EXPENDITURE ESTIMATES

PROGRAMME	AUDITED OUTCOMES			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM-TERM EXPENDITURE ESTIMATE		
	R-thousand	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
1 Administration	745 637	819 070	768 677	906 631	906 631	961 960	1 022 454	1 084 183
2 Inspection and Enforcement Services	472 894	464 269	520 165	592 223	592 223	631 133	679 735	723 472
3 Public Employment Services	485 099	524 879	485 543	580 574	580 574	612 832	650 653	693 547
4 Labour Policy and Industrial Relations	908 365	953 367	1 069 634	1 203 442	1 203 442	1 235 092	1 323 937	1 398 736
<b>TOTAL</b>	<b>2 611 995</b>	<b>2 761 585</b>	<b>2 844 019</b>	<b>3 282 870</b>	<b>3 282 870</b>	<b>3 441 017</b>	<b>3 676 779</b>	<b>3 899 938</b>
<b>Economic Classification</b>								
<b>Current Payments</b>	<b>1 533 016</b>	<b>1 545 323</b>	<b>1 571 384</b>	<b>1 885 315</b>	<b>1 885 315</b>	<b>2 065 593</b>	<b>2 208 114</b>	<b>2 349 797</b>
Compensation of Employees	1 025 615	1 064 694	1 059 512	1 293 058	1 293 058	1 393 207	1 499 473	1 598 510
Goods and Services	507 401	480 629	511 872	592 257	592 257	672 386	708 641	751 287
Of which:								
Advertising	17 431	9 881	14 431	17 715	17 715	17 736	18 585	20 107
Communication	31 232	24 770	28 539	21 831	21 831	44 576	49 730	53 158
Computer Services	66 868	88 129	54 583	89 680	89 680	123 854	130 672	137 675
Consultants and Professional Services: Business and advisory services	7 178	10 025	6 311	11 710	11 710	10 753	11 562	12 073
Fleet Services	19 795	21 888	28 141	26 465	26 465	28 247	29 571	34 010
Inventory: Stationery and printing	19 673	16 325	12 928	20 512	20 512	22 598	21 962	24 552
Lease payments	139 488	115 668	138 720	149 386	149 386	157 730	165 833	174 707
Property Payments	57 055	48 428	50 869	69 428	69 428	82 164	86 073	92 122
Travel and Subsistence	82 429	72 203	85 290	81 125	81 125	84 032	85 895	90 232
Other Goods and Services	66 252	73 312	92 060	104 405	104 405	100 696	108 758	112 651
<b>Transfers and Subsidies</b>	<b>1 010 418</b>	<b>1 073 153</b>	<b>1 179 632</b>	<b>1 287 983</b>	<b>1 287 983</b>	<b>1 315 240</b>	<b>1 405 898</b>	<b>1 484 452</b>
Provinces and municipalities	550	586	620	618	618	656	695	733
Departmental agencies and accounts	820 912	879 423	979 936	1 078 416	1 078 416	1 094 923	1 173 460	1 238 308
Foreign governments and international organisations	20 912	19 719	19 974	25 218	25 218	26 630	28 095	29 641
Non-profit institutions	164 045	168 787	173 351	181 212	181 212	192 648	203 244	215 344
Households	3 999	4 638	5 751	2 519	2 519	383	404	426
<b>Payments for capital assets</b>	<b>68 101</b>	<b>140 541</b>	<b>92 780</b>	<b>109 572</b>	<b>109 572</b>	<b>60 184</b>	<b>62 767</b>	<b>65 689</b>
Buildings and other fixed structures	511	29 198	2 404	16 000	16 000	16 000	16 880	18 146
Machinery and equipment	67 590	64 977	78 232	93 572	93 572	44 184	45 887	47 543
Software and other intangible assets		46 366	12 144	0	0	0	0	0
<b>Payments for financial assets</b>	<b>460</b>	<b>2 568</b>	<b>223</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>2 611 995</b>	<b>2 761 585</b>	<b>2 844 019</b>	<b>3 282 870</b>	<b>3 282 870</b>	<b>3 441 017</b>	<b>3 676 779</b>	<b>3 899 938</b>



### 3.2 RELATING EXPENDITURE TRENDS TO STRATEGIC OUTCOME ORIENTED GOALS

The Department of Labour supports efforts towards realising the goals of the National Development Plan (NDP) to increase workplace inspections and resolve workplace disputes 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, the Department will focus on establishing safe work environments, supporting work-seekers, and regulating the workplace to establish minimum working conditions and fair labour practices.

Cabinet approved budget reductions of R27 million for 2019/20, R28.5 million for 2020/21 and R29 million for 2021/22 have been effected across all programmes. R35 million taken from goods and services and R49.5 million from compensation of employees of which R33 million is from Programme: 1 Administration; R13.5 million from Programme: 2 Inspection and Enforcement Services and R3 million from Programme: 3 Public Employment Services programmes, respectively. This is expected to have a huge impact on the Department's daily operations as the human capacity will be stretched and items such as communication, operating payments and training and staff development had to be cut further to accommodate these reductions.

Budget baseline increases approved, in respect of transfers to public entities: R107.6 million for the Commission for Conciliation, Mediation and Arbitration for increasing caseloads and training and material development in respect of training of Commissioners and Assessors to preside over advisory arbitration processes and conducting balloting and certification processes; and R44 million for the National Economic Development and Labour Council to cater for staff pension and medical aid, housing allowance and cost of living adjustments, as well as operational costs arising from the increasing workload at National Economic Development and Labour Council, have been effected.

### 3.3 INFRASTRUCTURE SPENDING

The Department has a total budget of R16 000 000 for capital projects for the financial year 2019/20. No funding was received from National Treasury. The available funds are as a result of budget reprioritisation by the Department, the required budget for capital projects by DPW is R99 000 000 which is not affordable for the Department. The Prioritised projects for the 2019/2020 financial year by the Department are as follows:

- Construction of the Taung Labour Centre
- Construction of Swellendam Labour Centre
- Construction of Standerton Labour Centre
- Construction of Carolina Labour Centre
- Refurbishment of Ulundi Labour Centre
- Refurbishment of Prospecton Labour Centre
- Installation of water tanks at various labour centres.

# OVERVIEW OF THE ACCOUNTING OFFICER

## OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

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

- Improved economic efficiency and productivity
- Creation of decent employment
- Promoting labour standards and fundamental rights at work
- Providing adequate social safety nets to protect vulnerable workers
- Promoting sound labour relations
- Eliminating inequality and discrimination in the workplace
- Enhancing occupational health and safety awareness and compliance in the workplace
- Giving value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market flexibility for competitiveness of enterprises, which is balanced with the promotion of decent employment.

**The Department is also responsible for the administration and effective functioning of the following labour market institutions:**

- **Productivity South Africa (Productivity SA).** Productivity SA aims to develop and enhance productive capacity in South Africa by continuously improving labour practices in South Africa. It works to build institutional capacity through sound project management skills, and through developing working relationships with other government agencies.
- **National Economic Development and Labour Council (NEDLAC).** A statutory social dialogue body, with its constituency comprising organised labour organizations, business organisations, government departments, and community groups. Social partners discuss and negotiate on public finance and monetary policy, labour market policy, trade and industrial policy, and development policy.
- **The Commission for Conciliation, Mediation and Arbitration (CCMA).** An independent body established by the Labour Relations Act, No. 66 of 1995. The CCMA promotes social justice and fairness in the workplace by providing high-quality, ethical, innovative and cost-effective dispute management as well as dispute resolution services.

**The following represents target clients and beneficiaries of the Department's services and labour market information:**

- Employers
- Employees
- Unemployed and under-employed
- Private employment agencies
- Trade unions and trade union federations
- Employer organisations.



## OVERVIEW OF THE RESULTS OF THE DEPARTMENT

A major achievement during the Medium-Term Strategic Framework 2014-2020 was the promulgation of amendments to the Labour Relations Act, the Basic Conditions of Employment Act and the Employment Equity Act. Together, these amendments are intended to give further protection to vulnerable workers, especially those in temporary work arrangements, to promote greater equity in the labour market and especially, to promote equal treatment. Regulations were completed for the Labour Relations Act and Employment Equity Act. A Code of Good Practice on Equal Pay for Work of Equal Value was also completed and published.

A new Employment Services Act 2014 was promulgated during August 2015, which provides a legal framework for the operation of the Public Employment Services, the regulation of private employment agencies and temporary employment services, the establishment and operations of Supported Employment Enterprises and Productivity South Africa. Amendments to the Unemployment Insurance Act have been finalised and the Presidency has assented to the Unemployment Insurance Act, 2016 as amended. Amendments to the Occupational Health and Safety Act and to the Compensation for Occupational Injuries and Diseases Act also reached an advanced stage in the Department during this term.

Major aspects of our programme of legislative reform were completed during this term and steps were also taken to further strengthen and professionalise the inspection and enforcement capacity of the Department. During the coming years, our emphasis will move to enforcement and to monitoring and evaluating the implementation of the labour laws, as amended.

These amendments are the product of protracted and often difficult negotiations involving the contrasting interests of Organised Labour, Organised Business, Government and diverse political parties in Parliament. The National Economic Development and Labour Council, as always, played a sterling role in bringing about the requisite consensus for the passage of these laws.

The revamping of the labour laws is a highly significant milestone that underscores our resolve to help transform and regulate the labour market. Consistent with the policy orientation of the Department since 1994, the amendments strive to balance regulation of the labour market with sufficient flexibility for growth and development. But they must also be judged by their effectiveness regarding protection of vulnerable workers.

South Africa faces a massive and sustained challenge of poverty, inequality, unemployment and low pay across the economy. Addressing these problems requires sustained and coordinated action from all stakeholders.

The previous President, Jacob Zuma, in his State of the Nation Address of 13 February 2014, announced that, the then Deputy President, Cyril Ramaphosa, would convene a social partner dialogue within the ambit of NEDLAC. This process of social dialogue would deliberate on the state of the labour relations environment and would engage on a national minimum wage. Both labour relations stability and the issue of a national minimum wage are critical areas for the future of the labour market and for advancing the decent work agenda.

On 4 November 2014, a Labour Relations Indaba was convened at which a declaration was adopted that contained a number of principles to guide the engagement. Since January 2015, the NEDLAC constituencies have been engaging on the two focal areas. The outcome of the engagement was an announcement by the then Deputy President of South Africa early in 2017, on the proposed National Minimum Wage to be adopted by the country.



It is also important to note that the national minimum wage is not a solution for all the problems of the economy, but is intended as a floor to protect the most vulnerable workers. It is one tool among many which Government believes could make a significant and rapid difference to the living experiences of almost half of the country's workers.

The Department believes there is value in bringing South Africa into the company of countries around the world that have adopted caring economic strategies to address the crises facing their citizens. But much more needs to be done beyond the minimum wage to transform South Africa into a fair and equitable society with decent work for all.

The National Minimum Wage will be overseen by a Commission which will be tasked with conducting annual reviews.

## CHALLENGES FACING THE DEPARTMENT

### Moderating workplace conflict

The burden of industrial action remains a heavy one on South Africa's labour relations. Recent years have witnessed a few strikes of long duration as well as strikes marked by violence, intimidation of non-striking workers, damage to property and deaths. There is no clear decline in the number of strikes occurring in South Africa. The most extreme incident was the shooting of 34 striking mineworkers at Marikana on 16 August 2012.

The high level of conflict in labour relations led to the President's call on the social partners to deliberate on the state of the labour relations environment, finding consensus on ways of effectively dealing with prolonged strikes and violence associated with industrial action. This call was made in the State of the Nation Address in 2014 and has been followed by a Labour Relations Indaba held on 4 November 2014. The Department is closely involved in on-going discussions taking place with the social partners under the auspices of NEDLAC.

### Dealing with wage inequality and the implementation of a National Minimum Wage

Wage inequality is commonly viewed as a feature of the South African labour market that contributes to instability in industrial relations. Wage demands are also the most common cause of industrial action in the country. Social partners were called upon to deliberate on low wages, wage inequalities and the modalities for introducing a national minimum wage and the Labour Relations Indaba of 2014 therefore included a focus on addressing wage inequality.

In addition to participating in discussions with social partners on a national minimum wage and wage inequality at NEDLAC, the Department is assessing income differentials in terms of the Employment Equity Act and continues to review minimum wages set by sectoral determinations in terms of the Basic Conditions of Employment Act. Both these actions are contained in the Department's Annual Performance Plan.

## KEY STRATEGIC INTERVENTIONS TO ADDRESS OPERATIONAL CHALLENGES

- Undertaking a significant Business Improvement and Change Programme to transform the Department's operations.
- Ensuring that service delivery staff is empowered to deliver on the entire suite of the Department's services.
- Developing and creating an environment of accountability for service delivery.
- Developing a service delivery model and establishing a network of integrated service delivery points as close as possible to the people.
- Establishing strategic partnerships for collaboration in creating and delivering value to citizens.
- Improving the quality and performance of the labour market in order to strengthen the country's economic prospects.
- Leveraging the transformative nature of Public Employment Services to decrease poverty and unemployment.
- Establish measures to encourage continuous learning, development and innovation by those serving at the point of contact with clients.

## PROJECTS FOR THE YEAR AND FUTURE YEARS

### Enforcing decent work principles

The Department aims to ensure that employers adhere to employment equity plans and decent work principles, and that vulnerable workers are protected. Over the medium-term, the Department plans to enhance enforcement by increasing the number of inspections for compliance with labour legislation. However, the Department has faced challenges in both, retaining inspectors and finding suitable, specialised candidates. The R64 million allocated for an additional 124 labour inspectors in 2016/17, was withdrawn, with the implications that it would no longer be possible to add inspectors or fill some of the vacancies. This will seriously hamper the ability to increase the number of inspections from 2014/15 to 2019/20 with 30% as required in the MTSF.

### Supporting work-seekers

The National Development Plan (NDP) sets an employment target of 11 million jobs to be created by 2030. To support the achievement of this target, the Employment Services Act (2014) aims to provide free public employment services and regulate private employment agencies. The Department's employment services system is an IT-portal where work-seekers can register as unemployed and provide information about their work experience, qualifications and the kind of work they are looking for. Employers can use the portal to register vacancies and other opportunities they may have, such as training, learnerships, and internships. The system matches work-seekers to opportunities, and after an assessment process, refer work-seekers to employers.

To increase the number of registered work-seekers and the number of work-seekers placed in registered employment opportunities, the Department will host road shows, run advocacy campaigns, integrate the employment services system with the Unemployment Insurance Fund, the Compensation Fund and national learner database systems, and establish partnerships with other stakeholders such as the Department of Higher Education and Training, the Department of Public Works, the National Youth Development Agency, Organised Business and municipalities. Through a new counselling strategy, the Department aims to get work-seekers job ready and thus reduce the time it takes to place a work-seeker. The Department will also explore partnerships to modernise the system's assessment tests.

In support of these interventions, the Public Employment Services Programme receives R1.1 billion over the medium-term, excluding transfers.

### Regulating the workplace

The Department will focus on setting standards to reduce inequality in pay and minimum wages for all vulnerable workers, and to improve compliance with the Employment Equity Act (1998). The Department will review 12 sectoral determinations between 2014/15 and 2017/18 to regulate agreements on benchmarks for pay inequality, and then conduct an assessment of pay scales to ensure that the gaps in minimum wage determinations are reduced.

The National Minimum Wage was implemented from 1 January 2019, and the Department will determine its likely impact on wage structures, inequality, employment, and the standard of living for workers. These activities are funded in the Labour Policy and Industrial Relations Programme. In addition, the Department will transfer R2.3 billion over the medium-term from this programme to the Commission for Conciliation Mediation and Arbitration and R90.9 million to the National Economic Development and Labour Council.

## REVISIONS TO LEGISLATIVE AND OTHER MANDATES

- Amendment of the Unemployment Insurance Act No. 63 of 2001. These changes relate to improvements of benefits and administrative changes regarding submission of information by employers to the Fund.
- Issue regulations in terms of the Employment Services Act. The new Employment Services Act aims to strengthen the provision of employment services within the Department and to repeal employment services provisions in the Skills Development Act.

- Amendment of the Compensation for Occupational Injuries and Diseases Act. Develop a rehabilitation, re-integration and return-to-work policy for injured and diseased workers to ensure integration with other South African policies and programmes, which provide a framework for rehabilitation of people with disabilities which stresses the importance of vocational integration.
- Amendment of the OHS Act, 85 of 1993. Although the OHS Act has placed responsibility of creating a healthy and safe working environment on the employers, the provisions compelling employers to do this are very vague. In order to address these shortcomings, it is necessary that the OHS Act in its current form be amended in order to ensure that:
  - Employers develop and implement a health and safety management system
  - Penalties issued to employers are increased
  - Inspectors are enabled to issue prescribed fines on the spot.

## LEGISLATIVE AND OTHER MANDATES

The Department of Labour derives its mandate from the Constitution of the Republic of South Africa and gives effect thereto through a number of Acts which regulate labour matters in South Africa. Such legislation includes the following:

- Basic Conditions of Employment Act (1997)
- Employment Equity Act (1998)
- Employment Services Act (2014)
- Labour Relations Act (1995)
- Occupational Health and Safety Act (1993)
- National Minimum Wage Act (2019).

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

- Improving economic efficiency and productivity
- Creation of decent employment
- Promoting labour standards and fundamental rights at work
- Providing adequate social safety nets to protect vulnerable workers
- Promoting sound labour relations
- Eliminating inequality and discrimination in the workplace
- Enhancing occupational health and safety awareness and compliance in the workplace
- Giving value to social dialogue in the formulation of sound and responsive legislation and policies to attain labour market growth.

## CONSTITUTIONAL MANDATE

The Department of Labour's legislative framework is informed by the South African Constitution, Chapter 2, and Bill of Rights:

- Section 9, to ensure equal access to opportunities
- Section 10, promotion of labour standards and fundamental rights at work
- Section 18, freedom of association
- Section 23, to ensure sound labour relations
- Section 24, to ensure an environment that is not harmful to the health and wellbeing of those in the workplace
- Section 27, to provide adequate social security nets to protect vulnerable workers

- Section 28, to ensure that children are protected from exploitative labour practices and not required or permitted to perform work or services that are inappropriate for a person of that child's age or their well-being, education, physical or mental health or spiritual, moral or social development is placed at risk
- Section 34, access to courts and access to fair and speedy labour justice.

#### **AMENDMENTS TO LEGISLATION:**

##### **Amendment of the Unemployment Insurance Act No. 63 of 2001.**

These changes relate to improvements of benefits and administrative changes regarding submission of information by employers to the Fund.

##### **Issue regulations in terms of the Employment Services Act, Act No. 4 of 2014.**

The new regulations aim to strengthen the provision of employment services within the Department and to provide further clarity on the prescribed provisions of the Act.

##### **Amendment of the Compensation for Occupational Injuries and Diseases Act.**

Develop a rehabilitation, re-integration and return-to-work policy for injured and diseased workers to ensure integration with other South African policies and programmes, which provide a framework for the rehabilitation of people with disabilities and stresses the importance of vocational integration.

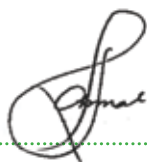
##### **Amendments to the Employment Services Act 2014.**

To classify the Supported Employment Enterprises as a Trading Entity and to enable its listing by the National Treasury.

##### **Amendment of the OHS Act, 85 of 1993.**

Although the OHS Act has placed the responsibility of creating a healthy and safe working environment on employers, the provisions compelling employers to do this are very vague. In order to address these shortcomings, it is necessary that the OHS Act in its current form be amended in order to ensure that:

- Employers develop and implement a health and safety management system
- Penalties issued to employers are increased
- Inspectors are enabled to issue prescribed fines on the spot.



**T Lamati**

Director-General of Labour





# PART B

PROGRAMMES AND  
SUB-PROGRAMME PLANS







# PART B: PROGRAMME AND SUB-PROGRAMME PLANS

## 4. SERVICE DELIVERY OUTCOMES AND STRATEGIC GOALS

In the medium-term, the Department of Labour will contribute mainly to the following outcomes:

- **Outcome 4:** Decent employment through inclusive economic growth
- **Outcome 5:** A skilled and capable workforce to support an inclusive growth path
- **Outcome 11:** Create a better South Africa, a better Africa and a better World
- **Outcome 12:** An efficient, effective and development oriented public service
- **Outcome 14:** Transforming society and uniting the country.

The strategic goals are elaborated upon and translated in line with the five government service delivery outcomes assigned to the Department as follows:

- 1: Promote occupational health services (Outcome 4)
- 2: Contribute to decent employment creation (Outcome 4 and outcome 5)
- 3: Protect vulnerable workers (Outcome 4)
- 4: Strengthen multilateral and bilateral relations (Outcome 11)
- 5: Strengthen occupational safety protection (Outcome 4)
- 6: Promote sound labour relations (Outcome 4)
- 7: Monitor the impact of legislation (Outcome 4)
- 8: Strengthen the institutional capacity of the Department (Outcome 12)
- 9: Development of the Occupational Health and Safety policies (Outcome 4)
- 10: Promote Equity in the labour market (Outcome 14)



# PROGRAMMES

## 4.1 PROGRAMME 1: ADMINISTRATION

**Programme Purpose:** Provide strategic leadership, management and support services to the department.

**Programme Description:** The programme consists of the following sub-programmes:

- **Ministry** provides political oversight to ensure that the Department's mandate is achieved
- **The Office of the Director-General** provides administrative oversight for effective implementation of the Department's mandate and overall accounting oversight.
- **Office of the Chief Operations Officer** manages and directs medium-term strategic planning processes, performance information reporting, monitoring and evaluation of performance against plan, service delivery improvement plans and provincial operations.
- **Corporate Services** that includes:
  - **Human Resource Management** ensures optimum and efficient utilisation and development of human capital and to provide an advisory service on matters pertaining to organisational effectiveness and development, transformation management, individual performance management, sound employee relations, employee health and wellness, as well as effective and efficient recruitment, selection and placement services including research and development of human resources policies and practices
  - **Internal Audit** provides management and the Audit Committee with independent objective assurance with a view to improving effectiveness of governance, risk management and control processes
  - **Risk Management** pro-actively manages / addresses risks that have a negative impact on the Department's performance
  - **Security Services** renders security support aimed at protecting the Department's information, staff and assets
  - **Communication** disseminates and improves access to information about the Department.
  - **Legal Services** exists to provide Legal Support Services to the Department
  - **Office of the Chief Information Officer** caters for the Information and Communications Technology (ICT) needs and requirements of the Department
- **Office of the Chief Financial Officer** renders effective and efficient financial management and administrative support for the Department as well as office accommodation requirements.

#### 4.1.1 STRATEGIC OBJECTIVE, PROGRAMME PERFORMANCE INDICATORS AND MEDIUM-TERM TARGETS

STRATEGIC OBJECTIVES	PROGRAMME PERFORMANCE INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS			
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21	2021/22
<b>8. Strengthen the institutional capacity of the Department (Outcome 12: An efficient, effective and development oriented public service)</b>									
1	Departmental interventions and initiatives communicated	1.1 Communication and marketing of departmental work.	Communication strategy 2016-2021 reviewed with the PCO's and entities. Awaiting approval from EXCO.	Not an indicator for 2016/17	Communication work plan approved by EXCO and  100% implemented as per Integrated Communication Strategy.	<ul style="list-style-type: none"> <li>Communication annual work plan approved</li> <li>100% implementation of the annual action plan</li> </ul>	<ul style="list-style-type: none"> <li>Communication annual work plan approved</li> <li>100% implementation of the annual action plan</li> </ul>	<ul style="list-style-type: none"> <li>Communication annual work plan approved</li> <li>100% implementation of the annual action plan</li> </ul>	<ul style="list-style-type: none"> <li>Communication annual work plan approved</li> <li>100% implementation of the annual action plan</li> </ul>
2	Effective financial management and governance	2.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury	2014/15 Annual report submitted to the National Treasury by 31 May 2015  3 IFS reports were submitted to the National Treasury on due dates as determined by National Treasury	The published annual report and the 3 IFS' provided to the Auditor-General and National Treasury.	Produced 1 AFS by 31 May, and 3 IFS 30 days after each quarter.	1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS by 31 May, and 3 IFS 30 days after each quarter
3	Effective supply chain management	3.1 Cases of Irregular, Fruitless and Wasteful and/or Unauthorised expenditure, detected per financial year, reported to the Accounting Officer	A total of thirteen (13) cases amounting to R29 477 147.66 for irregular expenditure were detected and reported for the 2015/16 financial year. A total of sixteen (16) cases amounting to R82 074.92 for fruitless and wasteful expenditure were detected and reported for the 2015/16	<p>Irregular expenditure – R257 657.79 detected and reported.</p> <p>Fruitless and Wasteful expenditure – R129 091.84 detected and reported.</p> <p>Unauthorised expenditure – None detected and reported.</p>	<p>Irregular expenditure - A total of fourteen (14) cases amounting to R623 000.00 were detected and reported for the 2017/18 financial year.</p> <p>Fruitless and Wasteful expenditure – A total of ninety eight (98) cases amounting to R3 186 000.00 were detected and reported for the 2017/18 financial year</p> <p>Unauthorised expenditure –None detected and reported.</p>	All cases which are detected, reported monthly	All cases which are detected, reported monthly	All cases which are detected, reported monthly	All cases which are detected, reported monthly

#### 4.1.2 PROGRAMME PERFORMANCE INDICATORS AND QUARTERLY TARGETS FOR 2019-2020

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019-20	QUARTERLY TARGETS				BUDGET
			1st	2nd	3rd	4th	R'000
1.1 Communication and marketing of departmental work	Quarterly	<ul style="list-style-type: none"> <li>Communication annual work plan approved</li> <li>100% implementation of the annual work plan</li> </ul>	Communication annual work plan approved by 30 April 2019  100% implementation of the activities mapped for Q1	100% implementation of the activities mapped for Q2	100% implementation of the activities mapped for Q3	100% implementation of the activities mapped for Q4  Developed draft Communication Work Plan for 2020/21 by 31 March 2020	48 098
2.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury	Quarterly	1 AFS by 31 May, and 3 IFS 30 days after each quarter	1 AFS by 31 May 2019	1 IFS by 31 July 2019	1 IFS by 31 October 2019	1 IFS by 31 January 2019	192 392
3.1 Cases of Irregular, Fruitless and Wasteful and/or Unauthorised expenditure, detected per financial year, reported to the Accounting Officer	Quarterly	All cases which are detected, reported monthly	All cases which are detected, reported monthly	All cases which are detected, reported monthly	All cases which are detected, reported monthly	All cases which are detected, reported monthly	96 196



### 4.1.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

#### Expenditure estimates

PROGRAMME	AUDITED OUTCOMES			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM-TERM EXPENDITURE ESTIMATE			
	R-thousand	2015/16	2016/17			2017/18	2018/19	2019/20	2020/21
Ministry		32 649	32 188	32 252	37 432	37 432	36 572	36 950	39 260
Management		258 488	255 374	256 415	253 059	253 059	265 370	279 243	297 166
Corporate Services		180 258	260 182	200 947	291 785	291 785	311 248	333 721	353 587
Office of the Chief Financial Officer		113 160	105 632	118 086	121 708	121 708	130 812	142 594	151 239
Office Accommodation		161 082	165 694	160 977	202 647	202 647	217 958	229 946	242 931
<b>TOTAL</b>		<b>745 637</b>	<b>819 070</b>	<b>768 677</b>	<b>906 631</b>	<b>906 631</b>	<b>961 960</b>	<b>1 022 454</b>	<b>1 084 183</b>
<b>Economic Classification</b>									
<b>Current Payments</b>		<b>707 328</b>	<b>708 637</b>	<b>721 537</b>	<b>834 401</b>	<b>834 401</b>	<b>919 204</b>	<b>977 610</b>	<b>1 037 389</b>
Compensation of Employees		325 922	325 904	343 137	397 117	397 117	422 590	457 337	487 779
Goods and Services		381 406	382 733	378 400	437 284	437 284	496 614	520 273	549 610
Of which:									
Advertising		11 001	6 039	9 970	10 607	10 607	10 815	10 947	12 033
Communication		16 980	21 498	13 229	14 755	14 755	23 280	24 415	25 505
Computer Services		65 885	87 279	53 844	88 735	88 735	122 844	129 601	136 546
Consultants and Professional Services: Business and advisory services		3 845	5 859	3 838	6 975	6 975	5 315	5 433	6 141
Fleet Services		9 084	10 943	15 081	10 704	10 704	11 952	12 445	13 603
Inventory: Stationery and printing		10 841	8 961	6 101	8 102	8 102	9 129	9 087	9 465
Lease payments		137 524	113 458	135 725	143 645	143 645	152 379	160 412	168 769
Property Payments		44 556	47 925	37 873	63 632	63 632	72 180	75 864	81 309
Travel and Subsistence		37 061	32 003	37 863	31 138	31 138	29 926	29 200	30 671
Other Goods and Services		44 629	48 768	64 876	58 991	58 991	58 794	62 869	65 568
<b>Transfers and Subsidies</b>		<b>2 318</b>	<b>2 022</b>	<b>1 453</b>	<b>1 618</b>	<b>1 618</b>	<b>913</b>	<b>966</b>	<b>1 019</b>
Provinces and municipalities		522	547	606	618	618	656	695	733
Departmental agencies and accounts		11	16	32					
Foreign governments and international organisations		3							
Non-profit institutions									
Households		1 782	1 459	2 139	1 000	1 000	257	271	286
<b>Payments for capital assets</b>		<b>35 531</b>	<b>105 843</b>	<b>44 140</b>	<b>70 612</b>	<b>70 612</b>	<b>41 843</b>	<b>43 878</b>	<b>45 775</b>
Buildings and other fixed structures		511	29 198	2 404	16 000	16 000	16 000	16 880	18 146
Machinery and equipment		35 020	30 279	59 184	54 612	54 612	25 843	26 998	27 629
Software and other intangible assets			46 366	12 144					
<b>Payments for financial assets</b>		<b>460</b>	<b>2 568</b>	<b>223</b>					
<b>TOTAL</b>		<b>745 637</b>	<b>819 070</b>	<b>768 677</b>	<b>906 631</b>	<b>906 631</b>	<b>961 960</b>	<b>1 022 454</b>	<b>1 084 183</b>

#### Performance and expenditure trends

Cabinet approved budget reductions of R27 million for 2019/20, R28.5 million for 2020/21 and R29 million for 2021/22 have been effected across all programmes. R35 million taken from goods and services and R49.5 million from compensation of employees of which R33 million is from Programme: 1 Administration. This is expected to have a huge impact on the Department's daily operations as the human capacity will be stretched and items such as communication, operating payments and training and staff development had to be cut further to accommodate these reductions.

## 4.2 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 85% of noncompliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
- 60% of non-compliant employers who failed to comply after the expiry of served notice above referred for prosecution within 30 calendar days
- Strengthen health and safety of workers through the enforcement of occupational health and safety regulations by investigating 70% of all reported incidents within 90 days of receipt by March 2020.

### 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 sub programme 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 Service** gives effect to the legislative enforcement requirement and educates stakeholders on labour legislation.



## 4.2.1 STRATEGIC OBJECTIVE, PROGRAMME PERFORMANCE INDICATORS AND MEDIUM-TERM TARGETS

STRATEGIC OBJECTIVES	PROGRAMME PERFORMANCE INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS			
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21	2021/22
<b>1: Promote Occupational health services (Outcome 4)</b> <b>3: Protect vulnerable workers (Outcome 4)</b> <b>4: Decent employment through inclusive economic growth and transforming and uniting the country (Outcome 4 and 14)</b> <b>5: Strengthen occupational safety protection (Outcome 4)</b> <b>9: Development of the Occupational Health and Safety policies (Outcome 4)</b>									
1.	Workers protected through inspection and enforcement of employment law	1.1 Number of employers inspected per year to determine compliance with employment law	187 497	186 456	214 946	218 732	220 692	220 692	220 692
		1.2 Percentage of non-compliant employers of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection	97.9% (36 441 of 37 225)	100% (29 612 of 29 612)	99.8% (39 609 of 39 707)	80%	85%	85%	85%
		1.3 Percentage of non-compliant employers referred to Statutory Services who failed to comply with the served notice in reference to 1.2 referred for Prosecution within 30 calendar days		new	Of the 39 628 employers served with notices 7 617 failed to comply with served notice and 35 % (2 667) were referred for prosecution.	60%	60%	60%	60%
		1.4 Percentage of reported incidents finalised within prescribed time frames	82.5% (1 080 of 1 309)	80.1% (703 of 878)	75% (918 incidents were reported and 690 were investigated and / or finalised).	65%	70%	70%	70%



## 4.2.2 PROGRAMME PERFORMANCE INDICATORS AND QUARTERLY TARGETS FOR 2019-2020

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019-20	QUARTERLY TARGETS								BUDGET R'000		
			1st		2nd		3rd		4th				
			PROVINCE	NUMBER OF INSPECTIONS	PROVINCE	NUMBER OF INSPECTIONS	PROVINCE	NUMBER OF INSPECTIONS	PROVINCE	NUMBER OF INSPECTIONS			
1.1 Number of employers inspected per year to determine compliance with employment law	Quarterly	220 692	55 173								347 123		
			110 346										
			165 519										
			220 692										
			EC	23 988	EC	5 997	EC	11 994	EC	17 991		EC	23 988
			FS	18 756	FS	4 689	FS	9 378	FS	14 067		FS	18 756
			GP	47 520	GP	11 880	GP	23 760	GP	35 640		GP	47 520
			KZN	44 916	KZN	11 229	KZN	22 458	KZN	33 687		KZN	44 916
			LP	20 712	LP	5 178	LP	10 356	LP	15 534		LP	20 712
			MP	17 088	MP	4 272	MP	8 544	MP	12 816		MP	17 088
			NC	9 876	NC	2 469	NC	4 938	NC	7 407		NC	9 876
			NW	14 148	NW	3 537	NW	7 074	NW	10 611		NW	14 148
			WC	23 400	WC	5 850	WC	11 700	WC	17 550		WC	23 400
HO	288	HO	72	HO	144	HO	216	HO	288				
<b>Total</b>	<b>220 692</b>	<b>Total</b>	<b>55 173</b>	<b>Total</b>	<b>110 346</b>	<b>Total</b>	<b>165 519</b>	<b>Total</b>	<b>220 692</b>				
1.2	Percentage of non-compliant employers of those inspected served with a notice in terms of relevant labour legislation within 14 calendar days of the inspection	85%	85%		85%		85%		85%		94 670		
1.3	Percentage of non-compliant employers referred to Statutory Services who failed to comply with the served notice in reference to 1.2 referred for Prosecution within 30 calendar days	60%	60%		60%		60%		60%		94 670		
1.4	Percentage of reported incidents finalised within prescribed time frames	70%	70%		70%		70%		70%		94 670		

## 4.2.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

### Expenditure estimates

PROGRAMME	AUDITED OUTCOMES			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM-TERM EXPENDITURE ESTIMATE		
	R-thousand	2015/16	2016/17	2017/18	2018/19	2019/20	2019/21	2020/22
Management and Support Services: IES	4 618	6 883	6 833	5 744	5 744	6 653	7 299	7 753
Occupational Health and Safety	29 338	23 870	25 868	32 962	32 962	34 499	36 860	39 268
Registration: IES	52 587	53 648	61 115	67 320	67 320	72 620	77 986	83 013
Compliance, Monitoring and Enforcement Services	373 034	367 843	414 853	471 240	471 240	501 849	541 089	575 959
Training of Staff: IES	6 680	4 673	4 971	5 571	5 571	5 606	5 914	6 238
Statutory and Advocacy	6 637	7 352	6 525	9 386	9 386	9 906	10 587	11 241
<b>TOTAL</b>	<b>472 894</b>	<b>464 269</b>	<b>520 165</b>	<b>592 223</b>	<b>592 223</b>	<b>631 133</b>	<b>679 735</b>	<b>723 472</b>
<b>Economic Classification</b>								
<b>Current Payments</b>	<b>439 771</b>	<b>428 843</b>	<b>470 596</b>	<b>557 523</b>	<b>557 523</b>	<b>614 092</b>	<b>661 752</b>	<b>704 508</b>
Compensation of Employees	375 866	381 987	406 092	485 577	485 577	522 570	565 562	603 117
Goods and Services	63 905	46 856	64 504	71 946	71 946	91 522	96 190	101 391
Of which:								
Advertising	65	284	254	43	43	52	55	58
Communication	7 702	1 340	9 071	3 155	3 155	17 142	21 018	22 186
Computer Services	2			0	0			
Consultants and Professional Services: Business and advisory services	167	301	247	851	851	241	360	380
Fleet Services	7 473	7 987	8 828	8 163	8 163	10 320	9 943	11 599
Inventory: Stationery and printing	4 376	3 026	2 635	3 738	3 738	4 651	3 393	5 228
Lease payments	354	217	444	1 290	1 290	888	936	987
Property Payments	7 660	286	5 884	2 018	2 018	6 281	5 356	4 305
Travel and Subsistence	25 384	22 596	25 729	27 036	27 036	29 336	30 613	32 201
Other Goods and Services	10 722	10 819	11 412	25 652	25 652	22 611	24 516	24 447
<b>Transfers and Subsidies</b>	<b>1 216</b>	<b>1 696</b>	<b>1 760</b>	<b>772</b>	<b>772</b>	<b>76</b>	<b>80</b>	<b>84</b>
Provinces and municipalities	23	28	6					
Households	1 193	1 668	1 754	772	772	76	80	84
<b>Payments for capital assets</b>	<b>31 907</b>	<b>33 730</b>	<b>47 809</b>	<b>33 928</b>	<b>33 928</b>	<b>16 965</b>	<b>17 903</b>	<b>18 880</b>
Machinery and equipment	31 907	33 730	47 809	33 928	33 928	16 965	17 903	18 880
<b>Payments for financial assets</b>								
<b>TOTAL</b>	<b>472 894</b>	<b>464 269</b>	<b>520 165</b>	<b>592 223</b>	<b>592 223</b>	<b>631 133</b>	<b>679 735</b>	<b>723 472</b>

### Performance and expenditure trends

The under achievement is due to high vacancy rates in the provinces. The vacancy rate in July 2018 stood at 10.14% (182/1794) against a vacancy rate of 7.14% (120/1794) in October 2018. This has contributed to the challenges of meeting targets in certain provinces. The Branch is monitoring the filling of vacant posts to ensure that these are filled. Increasing petrol prices and the rising inflation will impact directly on goods and services over the financial year. In this financial year the Branch was required to budget for the tools of trade (mobility devices) for inspectors. Limited training for inspectors is taking place due to the limited funding for this activity; this however is having a direct impact on performance.

The focus of the Department of Labour over the medium-term will be establishing minimum working conditions, safe work environments and fair labour relations practices; supporting IES and 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.

Cabinet approved budget reductions of R27 million for 2019/20, R28.5 million for 2020/21 and R29 million for 2021/22 have been effected across all programmes. Spread over the three financial years it amounts to R35 million from goods and services and R49.5 million from compensation of employees budget allocations respectively. Of this, R13.5 million comes from Programme: 2 Inspection and Enforcement Services. This is expected to have a huge impact on the Departments daily operations, as the human capacity will be stretched and items such as communication, operating payments and training and staff development had to be cut further to accommodate these reductions.

#### **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 217 044 in 2017/18 to 220 692 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. 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 with effect from 2020/21, makes provision for health and safety representatives in the service of employers to check for compliance through routine inspections. The persistent non-compliance by employers with the Occupational Health and Safety Act has created an opportunity to partner with one of the departmental entities (Compensation Fund) to increase the number of OHS inspectors on the ground in order to provide improved services to employees, employers, members of the public as well as to ensure protection of the most vulnerable employees.

### **4.3 PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES**

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

#### **Objectives**

- Provide public employment services by:
  - Registering 700 000 work-seekers on ESSA by 31 March 2020
  - Registering 90 000 work opportunities on the employment services of South Africa database system by 31 March 2020
  - Providing employment counselling to 210 000 work-seekers by 31 March 2020
  - Filling 45 000 registered employment opportunities by 31 March 2020.
- Increasing employment for people with disabilities by providing quarterly funding over the medium-term, and monitoring disability organisations on an on-going basis.

#### **Sub-programmes**

- **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 organisations to promote the employment of people with disabilities.
- **Supported Employment Enterprises** transfers promote supported employment for 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.

#### 4.3.1 STRATEGIC OBJECTIVE, PROGRAMME PERFORMANCE INDICATORS AND MEDIUM-TERM TARGETS

STRATEGIC OBJECTIVES	PROGRAMME PERFORMANCE INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS			
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
<b>1: Contribute to decent employment creation (Outcome 4: Decent employment through inclusive economic growth)</b>									
1.	Work-seekers registered	1.1 Number of work-seekers registered on Employment Services of South Africa per year	634 503	666 719	890 523	650 000	700 000	750 000	800 000
2	Work and learning opportunities registered	2.1 Number of employment opportunities registered on the Employment Services South Africa per year.	102 631	74 510	109 917	85 000	90 000	95 000	100 000
3	Employment counselling provided	3.1 Number of registered work-seekers provided with employment counselling per year	208 861	197 247	193 573	200 000	210 000	220 000	230 000
4	Work-seekers placed in work and learning opportunities	4.1 Number of registered employment opportunities filled by registered work-seekers per year	10 927	12 517	21 076	42 500	45 000	47 500	50 000

### 4.3.2 PROGRAMME PERFORMANCE INDICATORS AND QUARTERLY TARGETS FOR 2019-2020

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019-20	QUARTERLY TARGETS				BUDGET R'000				
			1st	2nd	3rd	4th					
1.1 Number of work-seekers registered on Employment Services of South Africa per year	Quarterly and Annually	<b>700 000</b>	<b>161 000</b>		<b>175 000</b>		<b>161 000</b>		<b>203 000</b>		42 004
		EC 84 000	EC 19 320	EC 21 000	EC 19 320	EC 24 360					
		FS 49 000	FS 11 270	FS 12 250	FS 11 270	FS 14 210					
		GP 182 000	GP 41 860	GP 45 500	GP 41 860	GP 52 780					
		KZN 126 000	KZN 28 980	KZN 31 500	KZN 28 980	KZN 36 540					
		LP 49 000	LP 11 270	LP 12 250	LP 11 270	LP 14 210					
		MP 56 000	MP 12 880	MP 14 000	MP 12 880	MP 16 240					
		NC 21 000	NC 4 830	NC 5 250	NC 4 830	NC 6 090					
		NW 42 000	NW 9 660	NW 10 500	NW 9 660	NW 12 180					
		WC 91 000	WC 20 930	WC 22 750	WC 20 930	WC 26 390					
		<b>Total 700 000</b>	<b>Total 161 000</b>	<b>Total 175 000</b>	<b>Total 161 000</b>	<b>Total 203 000</b>					
2.1 Number of employment opportunities registered on the Employment Services South Africa per year.	Quarterly and Annually	<b>90 000</b>	<b>21 600</b>		<b>43 200</b>		<b>64 800</b>		<b>90 000</b>		7 330
		EC 12 600	EC 3 024	EC 6 048	EC 9 072	EC 12 600					
		FS 7 200	FS 1 728	FS 3 456	FS 5 184	FS 7 200					
		GP 18 000	GP 4 320	GP 8 640	GP 12 960	GP 18 000					
		KZN 14 400	KZN 3 456	KZN 6 912	KZN 10 368	KZN 14 400					
		LP 9 000	LP 2 160	LP 4 320	LP 6 480	LP 9 000					
		MP 7 200	MP 1 728	MP 3 456	MP 5 184	MP 7 200					
		NC 4 500	NC 1 080	NC 2 160	NC 3 240	NC 4 500					
		NW 6 300	NW 1 512	NW 3 024	NW 4 536	NW 6 300					
		WC 10 800	WC 2 592	WC 5 184	WC 7 776	WC 10 800					
		<b>Total 90 000</b>	<b>Total 21 600</b>	<b>Total 43 200</b>	<b>Total 64 800</b>	<b>Total 90 000</b>					
3.1 Number of registered work-seekers provided with employment counselling per year	Quarterly and Annually	<b>210 000</b>	<b>50 400</b>		<b>109 200</b>		<b>155 400</b>		<b>210 000</b>		42 004
		EC 26 670	EC 6 401	EC 13 869	EC 19 736	EC 26 670					
		FS 18 330	FS 4 399	FS 9 531	FS 13 564	FS 18 330					
		GP 43 330	GP 10 399	GP 22 531	GP 32 064	GP 43 330					
		KZN 26 670	KZN 6 401	KZN 13 869	KZN 19 736	KZN 26 670					
		LP 21 660	LP 5 198	LP 11 262	LP 16 028	LP 21 660					
		MP 25 000	MP 6 000	MP 13 000	MP 18 500	MP 25 000					
		NC 11 670	NC 2 801	NC 6 069	NC 8 636	NC 11 670					
		NW 16 670	NW 4 001	NW 8 669	NW 12 336	NW 16 670					
		WC 20 000	WC 4 800	WC 10 400	WC 14 800	WC 20 000					
		<b>Total 210 000</b>	<b>Total 50 400</b>	<b>Total 109 200</b>	<b>Total 155 400</b>	<b>Total 210 000</b>					
4.1 Number of registered employment opportunities filled by registered work-seekers per year	Quarterly and Annually	<b>45 000</b>	<b>10 800</b>		<b>21 600</b>		<b>32 400</b>		<b>45 000</b>		29 913
		EC 6 300	EC 1 512	EC 3 024	EC 4 536	EC 6 300					
		FS 3 600	FS 864	FS 1 728	FS 2 592	FS 3 600					
		GP 9 000	GP 2 160	GP 4 320	GP 6 480	GP 9 000					
		KZN 7 200	KZN 1 728	KZN 3 456	KZN 5 184	KZN 7 200					
		LP 4 500	LP 1 080	LP 2 160	LP 3 240	LP 4 500					
		MP 3 600	MP 864	MP 1 728	MP 2 592	MP 3 600					
		NC 2 250	NC 540	NC 1 080	NC 1 620	NC 2 250					
		NW 3 150	NW 756	NW 1 512	NW 2 268	NW 3 150					
		WC 5 400	WC 1 296	WC 2 592	WC 3 888	WC 5 400					
		<b>Total 45 000</b>	<b>Total 10 800</b>	<b>Total 21 600</b>	<b>Total 32 400</b>	<b>Total 45 000</b>					

### 4.3.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

#### Expenditure estimates

PROGRAMME	AUDITED OUTCOMES			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM-TERM EXPENDITURE ESTIMATE		
	R-thousand	2015/16	2016/17	2017/18	2018/19	2019/20	2019/21	2020/22
Management and Support Services: PES	35 968	89 487	42 545	50 986	50 986	51 962	56 535	60 087
Employer Services	120 086	81 451	76 833	112 724	112 724	124 735	132 900	141 388
Work-Seeker Services	116 038	115 141	130 559	179 517	179 517	184 436	195 561	208 146
Designated Groups Special Services	11 066	11 300	12 221	13 460	13 460	21 525	22 709	24 412
Sheltered Employment Factories and Subsidies to Designated Workshops	140 707	148 692	145 995	153 269	153 269	155 733	164 413	176 659
Productivity South Africa	45 531	59 057	60 064	53 261	53 261	56 244	59 337	62 601
Unemployment Insurance Fund				1	1	1	1	1
Compensation Fund	14 780	19 031	15 917	16 107	16 107	16 877	17 805	18 784
Training of Staff: PES	923	720	1 409	1 249	1 249	1 319	1 392	1 469
<b>TOTAL</b>	<b>485 099</b>	<b>524 879</b>	<b>485 543</b>	<b>580 574</b>	<b>580 574</b>	<b>612 832</b>	<b>650 653</b>	<b>693 547</b>
<b>Economic Classification</b>								
<b>Current Payments</b>	<b>277 561</b>	<b>294 637</b>	<b>253 968</b>	<b>345 956</b>	<b>345 956</b>	<b>367 956</b>	<b>392 775</b>	<b>421 031</b>
Compensation of Employees	245 728	272 276	220 293	306 867	306 867	327 729	350 079	372 897
Goods and Services	31 833	22 361	33 575	39 089	39 089	40 227	42 696	48 134
Of which:								
Advertising	798	233	676	1 349	1 349	1 346	1 091	1 174
Communication	5 584	1 478	4 088	2 820	2 820	3 086	3 108	4 215
Computer Services	37		45					
Consultants and Professional Services: Business and advisory services	21	27	108	9	9	500	500	
Fleet Services	3 002	2 751	4 023	7 394	7 394	5 774	6 970	8 584
Inventory: Stationery and printing	1 666	1 531	1 246	3 671	3 671	3 661	3 839	3 910
Lease payments	422	310	416	2 202	2 202	2 107	1 964	2 294
Property Payments	4 292	158	5 922	2 894	2 894	2 746	3 839	5 439
Travel and Subsistence	9 045	8 910	10 822	10 403	10 403	12 088	11 985	12 499
Other Goods and Services	6 966	6 963	6 229	8 347	8 347	8 919	9 400	10 019
<b>Transfers and Subsidies</b>	<b>207 377</b>	<b>229 351</b>	<b>230 845</b>	<b>229 755</b>	<b>229 755</b>	<b>243 620</b>	<b>257 019</b>	<b>271 609</b>
Provinces and municipalities	4	11	8					
Departmental agencies and accounts	60 311	78 088	75 981	69 369	69 369	73 122	77 143	81 386
Non-profit institutions	146 116	149 868	153 528	160 239	160 239	170 448	179 823	190 167
Households	946	1 384	1 328	147	147	50	53	56
<b>Payments for capital assets</b>	<b>161</b>	<b>891</b>	<b>730</b>	<b>4 863</b>	<b>4 863</b>	<b>1 256</b>	<b>859</b>	<b>907</b>
Machinery and equipment	161	891	730	4 863	4 863	1 256	859	907
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>TOTAL</b>	<b>485 099</b>	<b>524 879</b>	<b>485 543</b>	<b>580 574</b>	<b>580 574</b>	<b>612 832</b>	<b>650 653</b>	<b>693 547</b>

### **Performance and expenditure trends**

The Programme had an adjusted allocation of R562.574 million, for the year 2017/18, of which it spent R485.543 million, totalling to a 86.3% expenditure rate. Most of the Branch's targets were achieved, ending the year on 100% performance. Over the medium-term, the Branch aims to provide free Public Employment Services through implementation of the Employment Services Act 2014, and expedite service delivery in all contact points with the Department's clients, especially in remote areas. The major cost drivers for the Branch will be operations and maintenance of access points for clients, namely self-help kiosks, smart T.V. (LFD) and PES mobile units to provide services in the remote areas. Employment counselling, workshops for the People with Disabilities, placement of designated groups, support for psychometric assessment tools, inclusive of access to tests, training and validation of assessment instruments. The operation of ES Board is also expected to gain more momentum, with spurring into action of sub-committees and other processes on Employment Services. The Branch will try to mitigate this through new techniques of service delivery where ever possible. The budget reduction of R8.309 million (over the medium-term) on Compensation of Employees and Goods and Services is expected to have a negative impact on service delivery as PES is in the process of filling newly created positions for the purpose of enhancing service delivery. Expenditure is expected to grow over the MTEF period as we are in the process of appointing new staff within the Branch. The Branch has therefore during its Strategic Planning, resolved to increase the targets of both opportunities and placement for the next three financial years.

Cabinet approved budget reductions of R27 million for 2019/20, R28.5 million for 2020/21 and R29 million for 2021/22 have been effected across all programmes. R35 million was taken from goods and services and R49.5 million from compensation of employees of which R3 million from Programme: 3 Public Employment Services. This is expected to have a huge impact on the Department's daily operations, as the human capacity will be stretched and items such as communication, operating payments and training and staff development had to be cut further to accommodate these reductions.

### **Supporting work-seekers**

The national target for employment is the creation of 11 million jobs by year 2030 as per the National Development Plan. The Employment Services Act (2014), promulgated in August 2015, seeks to support the creation of jobs, the registration of job opportunities, the regulation of the recruitment of foreign nationals, and the establishment of work schemes, presently being researched, which are geared towards job creation.

The Department seeks to facilitate greater access to the labour market for workers affected by barriers to entry such as low literacy, poor skills, and a lack of funds to undertake a job search. The Department plans to finalise regulations on the establishment of work schemes in terms of the ES Act over the medium-term period to provide employment schemes for low skilled work-seekers. It also plans to regulate private employment agencies and provision of employment services within and outside of the public administration. The PES establishment was increased with the creation of 83 additional new posts to improve service delivery and to facilitate employment. Employment counsellors and employment services practitioners form part of the backbone of most modern public employment services. Counsellors enhance work-seekers employability to enter the labour market. Employment counselling and placement services will be provided to 660 000 registered work-seekers over the medium-term. The number of work-seekers registered on the employment services of South Africa database system is set to increase from 700 000 in 2019/20 to 800 000 in 2021/22.

Whilst there has been a noticeable increase in the counselling of the number of registered work-seekers, the placement of work-seekers against registered opportunities has been low. Over the MTEF period, the Department will develop and implement a placement strategy that amongst other addresses the root causes of low placement challenges. These challenges include a wide gap between number of work-seekers placed against other key indicators, visa vie; (i) number of work-seekers registered on Employment Services of South Africa (ESSA) per year, (ii) number of work-seekers provided with counselling per year and (iii) the number of work and learning opportunities registered on Employment Services of South Africa per year.

The Department will also regulate and collaborate with private employment agencies to protect vulnerable workers and to uphold high and ethical standards and sharing of data on the placement of work-seekers. The Department will continue to work closely with the Department of Home Affairs in protecting the local labour market through strict granting of foreign nationals corporate and individual work visa to scarce and critical or identified low skilled areas. Funding for these activities is reflected in the anticipated average annual growth 9.5% over the period in the Employer Services sub-programme. Between April and September 2018, 71 285 work opportunities were registered, 22 212 work-seekers were placed, meaning that work-seekers were placed in 31% of registered opportunities.

## 4.4 PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

**Purpose:** Facilitate the establishment of an equitable and sound labour relations environment, support institutions that promote social dialogue; promote South Africa's interests in international labour matters, conduct research, analysis and evaluation of labour policy and 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 30 June 2019
  - developing the 2019/2020 employment equity annual report and public register by 31 March 2020
- Extend protection to vulnerable workers by publishing national minimum wages for all sectors
- Promote sound labour relations and centralised collective bargaining through the extension of collective agreements and 100% 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 research and 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, 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, 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 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** transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity through social dialogue.



#### 4.4.1 STRATEGIC OBJECTIVE, PROGRAMME PERFORMANCE INDICATORS AND MEDIUM-TERM TARGETS

STRATEGIC OBJECTIVES	PROGRAMME PERFORMANCE INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22

##### 10: Promote equity in the labour market (Outcome 14: Transforming society and uniting the country)

1	Ensure that the policy environment supports Employment Equity and compliance by 31 March 2020	1.1 Number of policy instruments developed and promoted to enhance the implementation of EEA by 31 March 2020	<ul style="list-style-type: none"> <li>9 workshops on Code of Good Practice on Equal Pay for Work of Equal Value conducted by 30 September 2015</li> <li>Amended Code of Good Practice on Employment of Persons with Disabilities published November 2015</li> <li>2014-2015 Annual Employment Equity Report and Public Register published by June 2015</li> <li>2015-2016 Annual Employment Equity Report and Public Register developed by 31 March 2016</li> </ul>	<ul style="list-style-type: none"> <li>13 workshops on amended Code of Good Practice on Employment of Persons with Disabilities conducted by 30 September 2016</li> <li>Amended Code of Good Practice on preparation and implementation of EE Plans developed by 31 March 2017</li> <li>2015-2016 Employment Equity Report and Public Register published and launched by 25 April 2016</li> <li>2016-2017 Annual Employment Equity Report and Public Register developed by 31 March 2017</li> </ul>	<ul style="list-style-type: none"> <li>Only the 2016-2017 Annual Employment Equity Report was published in May 2017.</li> <li>2017-2018 Annual Employment Equity Report and Public Register developed.</li> </ul>	<ul style="list-style-type: none"> <li>2017-2018 Annual Employment Equity Report and Public Register published by 30 June 2018</li> <li>2018-2019 Annual Employment Equity Report and Public Register developed by 31 March 2019</li> </ul>	<ul style="list-style-type: none"> <li>2018-2019 Annual Employment Equity Report and Public Register published by 30 June 2019</li> <li>2019-2020 Annual Employment Equity Report and Public Register developed by 31 March 2020</li> </ul>	<ul style="list-style-type: none"> <li>2019-2020 Annual Employment Equity Report and Public Register published by 30 June 2020</li> <li>2020-2021 Annual Employment Equity Report and Public Register developed by 31 March 2021</li> </ul>	<ul style="list-style-type: none"> <li>2020-2021 Annual Employment Equity Report and Public Register published by 30 June 2021</li> <li>2021-2022 Annual Employment Equity Report and Public Register developed by 31 March 2022</li> </ul>
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STRATEGIC OBJECTIVES	PROGRAMME PERFORMANCE INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22

### 3: Protect vulnerable workers (Outcome 4: Decent employment through inclusive economic growth)

2	Establish basic standards and minimum wages	2.1 Review of the National Minimum Wage by 1 January 2020		New	NMW Bill is still before Parliament for consideration	Implementation of the National Minimum Wage by 1 May 2018	Review of the National Minimum Wage by 1 January 2020	Review of the National Minimum Wage by 1 January 2021	Review of the National Minimum Wage by 1 January 2022
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### 4 Strengthen multilateral and bilateral relations (Outcome 11: Create a better South Africa, a better Africa and a better World)

3	Advance national priorities through bilateral cooperation and multilateral relations	3.1 Number of progress reports on bilateral cooperation and multilateral obligations signed off by the minister annually	Indicator reviewed	Indicator reviewed	Mid-term implementation report by 30 September 2017  1 Annual implementation report by 31 March 2018	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 31 March 2019:  • 1 Mid-term implementation report signed off by the Minister by 31 October 2018  • 2017/18 1 Annual implementation report signed-off by the Minister 30 April 2018	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 31 March 2020  • 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2019  • 1 Mid-term implementation report submitted to the Minister 31 October 2019 for sign-off	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 31 March 2021  • 1 Annual implementation report submitted to the Minister for sign-off by 30 April 2020  • 1 Mid-term implementation report submitted to the Minister 31 October 2020 for sign-off	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 31 March 2022 1 Annual  • implementation report submitted to the Minister for sign-off by 30 April 2021  • 1 Mid-term implementation report submitted to the Minister 31 October 2021 for sign-off
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### 6: Promote Sound Labour Relations (Outcome 4: Decent employment through inclusive economic growth)

4	Promoting sound Labour Relations	4.1 Percentage of Collective agreements extended within 90 calendar days of receipt by 31 March each year	32 collective agreements extended to non-parties for reporting period:- • 1 collective agreements extended to non-parties within 60 days of receipt • 31 collective agreements extended to non-parties in longer than 60-days of receipt	57% of collective agreements extended with 90 calendar days of receipt.  26 collective agreements received in 2016/2017: • 15 extended within 90 days • 11 extended in longer than 90 days.	50% of collective agreements extended within 90 calendar days of receipt by end of March 2018	100% of collective agreements extended within 90 calendar days of receipt by end of March 2019	100% of collective agreements extended within 90 calendar days of receipt by end of March 2020	100% of collective agreements extended within 90 calendar days of receipt by end of March 2021	100% of collective agreements extended within 90 calendar days of receipt by end of March 2022
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STRATEGIC OBJECTIVES	PROGRAMME PERFORMANCE INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	4.2 Percentage of labour organisation applications for registration approved or refused within 90 calendar days of receipt by 31 March each year	97% of labour organisation applications processed within 90 days of receipt.  134 – Applications considered and finalized for reporting period:- • 11 approved within 90-days • 119 refused within 90-days • 3 approved in longer than 90-days • 1 refused in longer than 90-days	96% 118 applications were received.  11 applications for registration approved within 90 calendar days  102 applications for registration refused within 90 calendar days	98% of labour organization applications approved or refused within 90 days of receipt by end of March 2018	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt by end of March 2019	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt by end of March 2020	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt by end of March 2021	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt by end of March 2022
	4.3 Moderating Workplace Conflict by measuring the impact of the Labour Relations Amendments		New Indicator	Amendments to LRA discussed at NEDLAC and draft amending bill finalised	Report on impact of amendments on workplace conflict by 31 March 2019	Report on impact of amendments on workplace conflict by 31 March 2020	Report on impact of amendments on workplace conflict by 31 March 2021	Report on impact of amendments on workplace conflict by 31 March 2022
<b>7: Monitor the impact of legislation (Outcome 4: Decent employment through inclusive economic growth)</b>								
5	Monitor and evaluate the trends and impact of legislation in the labour market	5.1 Number of labour market trends reports produced by 2020	4	4	4	4	4	4

STRATEGIC OBJECTIVES	PROGRAMME PERFORMANCE INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	5.2 Number of research service providers identified to deliver on the RME Agenda by 31 March 2020	4 literature review reports for labour market research produced and signed off by the research steering committee by 31 March 2016. The literature reviews are for the following research studies: - National minimum wage, - Analysis of bursary recipient performance in the Department of Labour from 2007 to 2013,. - Investigating resource adequacy for effective inspections to be conducted within the South African labour market, -Evaluation of the impact of the training lay-off scheme.	2 Research reports produced and submitted by 31 March 2017.	4 final literature review reports approved by the Deputy Director General: LP and IR by 30 March 2018	4 Research reports in line with RME Agenda produced and submitted to the Deputy Director General: LP and IR by 31 March 2019	<ul style="list-style-type: none"> <li>Two research service providers identified to deliver on the RME agenda by 31 March 2020.</li> <li>Data collection tools for one research study within the RME agenda conducted internally presented to the DD Forum by 31 March 2020</li> </ul>	<ul style="list-style-type: none"> <li>Research reports in line with RME Agenda produced and submitted to the Deputy Director General: LP and IR by 31 March 2021</li> </ul>	<ul style="list-style-type: none"> <li>Two research service providers recommended and submitted to DBAC by 31 March 2021</li> <li>Data collection tools for one research study within the RME agenda conducted internally and submitted to the Chief Director by 31 March 2022</li> </ul>

#### 4.4.2 PROGRAMME PERFORMANCE INDICATORS AND QUARTERLY TARGETS FOR 2019-2020

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019-20	QUARTERLY TARGETS				BUDGET R'000
			1st	2nd	3rd	4th	
1.1 Number of policy instruments developed and promoted to enhance the implementation of EEA by 31 March 2020	Quarterly	<ul style="list-style-type: none"> <li>2018-2019 Annual Employment Equity Report and Public Register published by 30 June 2019</li> <li>2019-2020 Annual Employment Equity Report and Public Register developed by 31 March 2020</li> </ul>	2018-2019 Annual Employment Equity Report and Public Register published by 30 June 2019			2019-2020 Annual Employment Equity Report and Public Register developed by 31 March 2020	R870
2.1 Review of the National Minimum Wage by 1 January 2020	Annually	Review the national minimum wage by 1 January 2020				Review the national minimum wage by 1 January 2020	11 000
3.1 Number of progress reports on bilateral cooperation and multilateral obligations signed off by the minister annually	Annually	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 31 March 2020 <ul style="list-style-type: none"> <li>1 Annual implementation report submitted to the Minister for sign-off by 30 April 2019</li> <li>1 Mid-term implementation report submitted to the Minister 31 October 2019 for sign-off</li> </ul>	1 Annual implementation report submitted to the Minister for sign-off by 30 April 2019		1 Mid-term implementation report submitted to the Minister 31 October 2019 for sign-off	2 Reports on the implementation of bilateral cooperation and multilateral obligations signed off by the Minister by 31 March 2020	
4.1 Percentage of collective agreements extended within 90 calendar days of receipt by 31 March each year	Quarterly	100% of collective agreements extended within 90 calendar days of receipt by end of March 2020	100% of collective agreements extended within 90 calendar days of receipt	100% of collective agreements extended within 90 calendar days of receipt	100% of collective agreements extended within 90 calendar days of receipt	100% of collective agreements extended within 90 calendar days of receipt	8 500
4.2 Percentage of labour organisation applications for registration approved or refused within 90 calendar days of receipt by 31 March each year	Quarterly	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt by end of March 2020	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt	100% of labour organisation applications for registration approved or refused within 90 calendar days of receipt	8 500

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019-20	QUARTERLY TARGETS				BUDGET R'000
			1st	2nd	3rd	4th	
4.3 Moderating Workplace Conflict by measuring the impact of the Labour Relations Amendments	Quarterly	Report on impact of amendments on workplace conflict by 31 March 2020	Monitoring report on impact submitted by end of first quarter	Monitoring report on impact submitted by end of second quarter	Monitoring report on impact submitted by end of third quarter	Monitoring report on impact submitted by end of fourth quarter	403
5.1 Number of labour market trends reports produced by 2020	Annually	4 Annual labour market trend reports produced by March 2020	Two annual labour market trend reports produced by June 2019. These include: the Job Opportunity and Unemployment in the South African labour market and Annual Labour Market reports for 2018/19			Two annual labour market trend reports produced by March 2020. These include: the Annual Administrative Statistics and Industrial Action reports for 2019	340
5.2 Number of research service providers identified to deliver on the RME Agenda by 31 March 2020	Annually	Two research service providers identified to deliver on the RME agenda by 31 March 2020. Data collection tools for One research study within the RME agenda conducted internally presented to the DD Forum by 31 March 2020	1 RME Agenda finalised and submitted to the Chief Director LMP by 30 June 2019	Service providers to deliver on the RME agenda identified by 30 September 2019 TORs for internally conducted research presented to the DD Forum by 30 September 2019	Evaluation Panel meeting finalised by 30 December 2019. Literature review for internally conducted research presented to the DD Forum by 31 December 2019	Service providers to deliver on the RME agenda identified by 31 March 2020 Data collection tool for internally conducted research submitted to the DD Forum by 31 March 2020	4500

#### 4.4.3 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

##### Expenditure estimates

PROGRAMME	AUDITED OUTCOMES			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16	2016/17	2017/18	2018/19		2019/20	2019/21	2020/22
<b>R-thousand</b>								
Management and Support Services: LP and IR	12 578	13 854	14 848	16 107	16 107	17 472	18 403	19 553
Strengthen Civil Society	17 929	18 879	19 823	20 973	20 973	22 147	23 365	25 117
Collective Bargaining	12 582	13 151	14 211	15 482	15 482	17 216	18 120	19 273
Employment Equity	14 324	12 916	12 562	13 820	13 820	15 011	15 835	16 792
Employment Standards	10 961	11 175	12 143	23 919	23 919	33 285	37 911	40 210
Commission for Conciliation, Mediation and Arbitration	731 799	770 501	864 090	963 066	963 066	980 979	1 039 946	1 097 467
Research, Policy and Planning	7 110	7 858	6 416	8 979	8 979	10 063	10 620	11 255
Labour Market Information and Statistics	35 860	36 232	43 089	44 684	44 684	48 488	51 036	54 266
International Labour Matters	36 431	37 984	42 619	50 431	50 431	49 609	52 330	55 348
National Economic Development and Labour Council	28 791	30 817	39 833	45 981	45 981	40 822	56 371	59 455
<b>TOTAL</b>	<b>908 365</b>	<b>953 367</b>	<b>1 069 634</b>	<b>1 203 442</b>	<b>1 203 442</b>	<b>1 235 092</b>	<b>1 323 937</b>	<b>1 398 736</b>
<b>Economic Classification</b>								
<b>Current Payments</b>	<b>108 356</b>	<b>113 206</b>	<b>125 283</b>	<b>147 435</b>	<b>147 435</b>	<b>164 341</b>	<b>175 977</b>	<b>186 869</b>
Compensation of Employees	78 099	84 527	89 890	103 497	103 497	120 318	126 495	134 717
Goods and Services	30 257	28 679	35 393	43 938	43 938	44 023	49 482	52 152
Of which:								
<i>Advertising</i>	5 567	3 325	3 531	5 716	5 716	5 523	6 492	6 842
<i>Communication</i>	966	454	2 151	1 101	1 101	1 068	1 189	1 252
<i>Computer Services</i>	944	850	694	945	945	1 010	1 071	1 129
<i>Consultants and Professional Services: Business and advisory services</i>	3 145	5 272	2 118	3 875	3 875	4 697	5 269	5 552
<i>Fleet Services</i>	236	207	209	204	204	201	213	224
<i>Inventory: Stationery and printing</i>	2 790	2 807	2 946	5 001	5 001	5 157	5 643	5 949
<i>Lease payments</i>	1 188	1 683	2 135	2 249	2 249	2 356	2 521	2 657
<i>Property Payments</i>	547	59	1 190	884	884	957	1 014	1 069
<i>Travel and Subsistence</i>	10 939	8 694	10 876	12 548	12 548	12 682	14 097	14 861
Other Goods and Services	3 935	6 762	9 543	11 415	11 415	10 372	11 973	12 617
<b>Transfers and Subsidies</b>	<b>799 507</b>	<b>840 084</b>	<b>944 250</b>	<b>1 055 838</b>	<b>1 055 838</b>	<b>1 070 631</b>	<b>1 147 833</b>	<b>1 211 740</b>
Provinces and municipalities	1	-	-	-	-	-	-	-
Departmental agencies and accounts	760 590	801 319	903 923	1 009 047	1 009 047	1 021 801	1 096 317	1 156 922
Foreign governments and international organisations	20 909	19 719	19 974	25 218	25 218	26 630	28 095	29 641
Non-profit institutions	17 929	18 919	19 823	20 973	20 973	22 200	23 421	25 177
Households	78	127	530	600	600	-	-	-
<b>Payments for capital assets</b>	<b>502</b>	<b>717</b>	<b>101</b>	<b>169</b>	<b>169</b>	<b>120</b>	<b>127</b>	<b>127</b>
Machinery and equipment	502	717	101	169	169	120	127	127
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>908 365</b>	<b>953 367</b>	<b>1 069 634</b>	<b>1 203 442</b>	<b>1 203 442</b>	<b>1 235 092</b>	<b>1 323 937</b>	<b>1 398 736</b>

### **Performance and expenditure trends**

Budget baseline increases approved, in respect of transfers to public entities: R107.6 million for the Commission for Conciliation, Mediation and Arbitration for increasing caseloads and training and material development in respect of training of Commissioners and Assessors to preside over advisory arbitration processes and conducting balloting and certification processes, and R44 million for the National Economic Development and Labour Council to cater for staff pension and medical aid, housing allowance and cost of living adjustments, as well as operational costs arising from the increasing workload at National Economic Development and Labour Council, have been effected.

**LMIS** - In conducting its business, the LMIS directorate has consistently remained on target regarding the production of labour market reports, e.g. four annual reports produced. These four annual labour market reports provided useful analysis of statistical information for evidence-based decision by the policy makers and they triggered new questions for further investigation in the research area. In terms of expenditure trends, high cost was recorded with the renewal of software license for data analysis purpose and the production of annual reports. Almost R350 000 was paid for the renewal of software license, e.g. STATA and R150 000 was spent for government printing works in 2018/19. These costs are expected to increase in the 2019/20 financial year.

### **RPP**

The Research, Policy and Planning (RPP) unit's performance had been on developing four research reports over a period of 24 months. In the first twelve months the target goal is to develop the RME agenda and get it approved by the Director General and Departmental Bid Adjudication Committee with the ultimate aim of having at least literature reviews. The second twelve months are aimed at data collection and report production. In this light the unit's expenditure pattern is lower in the first year of the 24 months' timeframe. The unit spends more in the second year as that is where large amounts of funds linked to research execution happen. The expenditure was high in 2016/17 as it is linked to final research reports, followed by first tranche payments to research service providers in 2017/18, which shows low expenditure and again the current financial year 2018/19 will see high amount of funds paid as research reports have to be finalised by 31 March 2019. Since 2018/19 towards 2019/20 and forward RPP spending will also be high on travel and accommodation as the unit had started conducting internal research with provinces.

### **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. 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.

### **Creating a fair working environment**

South Africa has one of the highest income differentials in the world. To address this challenge, over the medium-term, the department, with social partners at the National Economic Development and Labour Council, will continue to set standards for reducing income inequality, institute minimum wages for vulnerable workers and monitor compliance with the Employment Equity Act (1998).

The National Minimum Wage Act has been passed by the National Assembly and the National Council of Provinces (NCOP) and was proclaimed by the President, with the implementation from for 1 January 2019. In terms of the Act, the Department will establish a national minimum wage commission and secretariat, which will be responsible for reviewing, making adjustments to and monitoring the social and economic impact of the national minimum wage, which is currently set at R20 per hour.

The proposed amendments to the Employment Equity Amendment Bill, 2018 (EE Amendment Bill) were approved by Cabinet for publication for public comment. Both the EE Amendment Bill, 2018 and its draft Employment Equity Regulations were published for public comment on 21 September 2018. It is envisaged that the Employment Equity Amendment Bill, 2018 will be tabled in Parliament for discussion and finalisation in 2019.



South Africa chaired and hosted the BRICS Labour and Employment Ministerial and technical meetings; wherein the Department facilitated the signing of a technical memorandum on social security matters as well as the adoption of a declaration which amongst others refocused member countries to implement previous resolutions. The International Labour Matters (ILM) sub-programme spent approximately R2.5 million for the hosting of this meeting.

South Africa co-chairs the International Labour Organisation (ILO) Global Commission on the Future of Work, which is at a Presidential level. This task will culminate in a global report that will be formally adopted by the ILO in 2019.

South Africa chaired the Conference Committee on Effective ILO Development Cooperation during the June 2018 International Labour Conference. It is a very critical committee for Africa as the biggest recipient of development funding in the ILO. The committee offered the platform for robust discussions on the future of the ILO's development cooperation in supporting constituents in achieving decent work for all and the Sustainable Development.

The Committee's conclusions contain guiding principles which calls for enhanced country ownership and a roadmap for future ILO development cooperation and policy coherence at all levels. Key for this committee was that its leadership was constituted by Africa's members, the first time ever in the history of the ILO that such has happened.





# PART C

LINKS TO OTHER PLANS





## PART C: LINKS TO OTHER PLANS

### 5. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

NATURE OF INVESTMENT	AUDITED OUTCOMES			ADJUSTED APPROPRIATION	REVISED ESTIMATE		
	2015/16	2016/17	2017/18		2018/19	2019/20	2019/21
<b>R-thousand</b>							
New infrastructure assets	511	29 198	2 404	16 000	16 000	16 880	18 146
Existing infrastructure assets							
Upgrading and additions							
Rehabilitation, renovations and refurbishment							
Maintenance and repair							
Infrastructure transfers							
Current							
Capital							
<b>Total Infrastructure</b>	<b>511</b>	<b>29 198</b>	<b>2 404</b>	<b>16 000</b>	<b>16 000</b>	<b>16 880</b>	<b>18 146</b>

The Department has a total budget of R16 000 000 for capital projects for the financial year 2019/20. No funding was received from National Treasury. The available funds are as a result of budget reprioritisation by the Department, the required budget for capital projects by DPW is R99 000 000 which is not affordable for the Department. The Prioritised projects for the 2019/2020 financial year by the Department are as follows:

- Construction of the Taung Labour Centre
- Construction of Swellendam Labour Centre
- Construction of Standerton Labour Centre
- Construction of Carolina Labour Centre
- Refurbishment of Ulundi Labour Centre
- Refurbishment of Prospecton Labour Centre
- Installation of water tanks at various labour centres.

### 6. CONDITIONAL GRANTS

Not applicable to the Department of Labour.

## 7. PUBLIC ENTITIES REPORTING TO THE MINISTER OF LABOUR:

NAME OF PUBLIC ENTITY	MANDATE	OUTPUTS	CURRENT ANNUAL BUDGET (R THOUSAND)	DATE OF NEXT EVALUATION
<b>Unemployment Insurance Fund</b>	The Unemployment Insurance Fund (UIF) contributes to the alleviation of poverty in South Africa by providing short-term unemployment insurance to all workers who qualify for unemployment related benefits. The Fund is financed by a dedicated tax on the wage bill.	Collection of unemployment insurance contributions and payment of benefits to qualifying contributors.	15 925 385	1 April 2019
<b>Compensation Fund</b>	The Compensation Fund's (CF) main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases.	Collection of contributions and payment of Medical, compensation and pension benefits.	7 186 267	1 April 2019
<b>Productivity South Africa (Productivity SA)</b>	Productivity SA is mandated by government, organised labour and organised business to improve the productive capacity of the economy and thus contribute to South Africa's socio-economic development and competitiveness.	<ul style="list-style-type: none"> <li>• Products and services of assisted companies world class and competitive</li> <li>• Productivity and competitiveness awareness is high and embraced in South Africa</li> <li>• Capacitated SMMEs contribute to sustainable employment creation</li> <li>• Jobs saved in distressed companies</li> <li>• Productivity research reports for selected sectors produced.</li> </ul>	56 244	September 2019
<b>Commission for Conciliation, Mediation and Arbitration (CCMA)</b>	The Commission for Conciliation, Mediation and Arbitration (CCMA) was established in terms of the Labour Relations Act, 1995 as amended. It is mandated to promote social justice and fairness in the workplace by delivering ethical, qualitative, innovative and cost effective dispute management and resolution services, institution building services, education, training and development, and efficient administration.	The CCMA's compulsory statutory functions are to: <ul style="list-style-type: none"> <li>• Consolidate workplace disputes</li> <li>• Arbitrate certain categories of disputes that remain unresolved after conciliation, establish picketing rules,</li> <li>• Facilitate the establishment of workplace forums and statutory councils</li> <li>• Compile and publish information and statistics about CCMA activities</li> <li>• Accredite and consider applications for subsidy by bargaining councils and private agencies</li> <li>• Provide support for the Essential Services Committee.</li> </ul>	951 152	January 2020
<b>National Economic Development and Labour Council (NEDLAC)</b>	The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act, 1994. The Act requires organised labour, organised business, community based organisations and government, as a collective, to promote the goals of economic growth; participate in economic decision making and social equity; seek to reach consensus and conclude agreements on matters pertaining to social and economic policy; consider all proposed labour legislation relating to labour market policy and all significant changes to social and economic policy before these are introduced in Parliament; and encourage and promote the formulation of coordinated policy on social and economic matters.	The NEDLAC Act requires the institution to: <ul style="list-style-type: none"> <li>• Strive to promote the goals of economic growth</li> <li>• Participation in economic decision-making and social equity</li> <li>• Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy</li> <li>• Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament</li> <li>• Encourage and promote the formulation of coordinated policy on social and economic matters,</li> <li>• Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament and</li> <li>• Consider Social Economic Disputes in terms of Section 77 of the Labour Relations Act.</li> </ul>	35 565	January 2020
<b>Supported Employment Enterprises (SEE)</b>	The SEE is established in terms of the Employment Services Act to provide employment for people with special disabilities in the various factories across provinces that manufacture wood, linen and steel products.	The Employment Services Act requires the entity to: <ul style="list-style-type: none"> <li>• Facilitate supported employment</li> <li>• Provide work opportunities for persons with disabilities</li> <li>• Develop and implement programmes that promote employability of PWD including persons with permanent disabilities as defined in the Compensation Act</li> <li>• Perform other functions as prescribed by the Minister</li> </ul>	160 448	September 2019

## 8. PUBLIC-PRIVATE PARTNERSHIPS

Not applicable to the Department of Labour.

# ANNEXURE A: STRATEGIC PLAN CHANGES

## CHANGES TO STRATEGIC PLAN 2014/15-2019/20

### PROGRAMME 1: ADMINISTRATION

#### STRATEGIC RISKS

STRATEGIC OBJECTIVE	RISK DESCRIPTION	MITIGATION STRATEGY
Strengthen institutional capacity of the Department	Low level of achievement on MPAT standards	1. Monitor compliance levels of HRM
Departmental interventions and initiatives communicated	Ineffective and inefficient communication	1. Implementation of the Internal communication plan 2. Programmes to provide the budget for the their advocacy programmes (i.e. publication of materials) 3. Utilisation of internal media to roll out approved strategy (iDoL magazine, departmental website and social media) 4. To engage OD to review the current CD: Communication structure in terms of the original structure
Effective financial management and governance	Non submission of financial statements as per stipulated timeframes	1. Distribute finance circulars with dates for timely submission and compliance
Effective supply chain management	Failure to detect and report irregular expenditure	1. Restructuring of the Finance Provincial structure 2. Induction and training on finance internal circulars
Effective financial management and governance	Budget spending not aligned with Performance Targets, and Structure	1. Engage Departmental Executives to Reconfigure MSS across the Branches to monitor the Budget spending. 2. Follow up and report progress on Procurement Plans

#### STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE 1	PROVIDE STRATEGIC MANAGEMENT AND SUPPORT SERVICES TO THE DEPARTMENT
Objective statement	Leverage M-PAT to improve the management practice of the Department thus improving strategic management and support to the Department

This strategic Objective is removed from the Strategic Plan. Motivation for removal: The Department of Planning, Monitoring and Evaluation informed Departments late in February 2019 that the 2018/19 financial year was the last year that the Departments had to compile the evidence on the M-PAT tool as it will be replaced by a new assessment instrument.

#### RESOURCE CONSIDERATIONS

##### Expenditure Trends

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.

The Programme Administration provides support services to the Department to ensure that the core functions are executed. The spending focus over the MTEF period will be on providing strategic management and support services to the Department.

In 2015/16 the Department took a decision to not fill some of the vacant posts in Programme 1: Administration in order to utilise the surplus realised to address the unfunded posts of the department's core functions due to budget reductions. The decision will have a carry through effect over the medium term until the establishment can be brought to affordable levels. After further deliberations some of these vacant posts were abolished and the Department started to fill the remaining vacant posts.

Cabinet-approved budget reductions amounting to R103.2 million over the 2019 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, thus 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.

R33 million of the budget reductions are from Programme: 1 Administration. This is expected to have a huge impact on the Department's daily operations as the human capacity will be stretched and further items such as communication, operating payments and training and staff development had to be cut further to accommodate these reductions.

#### **Infrastructure project:**

The Department has infrastructure projects for which it was able to reprioritise only R46 million out of the required R118.2 million within the sub-programme: Office of the Chief Financial Officer (goods and services); resulting in a cost pressure of R72.2 million over the MTEF period. The reprioritised funds will be utilised for the identification and clearance of construction sites, maintenance and repairs of existing office buildings such as the Ulundi Labour Centre as well as the construction of 9 new office buildings in Taung, Mount Ayliff, Bronkhorstspuit, Emalahleni, Caroline, Standerton, Lebowakgomo, Vredenburg and Swellendam.

The Department has a total budget of R16 million for capital projects for the financial year 2019/20. No funding was received from National Treasury. The available funds are as a result of budget reprioritisation by the Department, the required budget for capital projects by DPW is R99 million which is not affordable for the Department. The Prioritised projects for the 2019/2020 financial year by the Department are as follows:-

- Construction of the Taung Labour Centre
- Construction of Swellendam Labour Centre
- Construction of Standerton Labour Centre
- Construction of Carolina Labour Centre
- Refurbishment of Ulundi Labour Centre
- Refurbishment of Prospecton Labour Centre
- Installation of water tanks at various Labour Centres.

## PROGRAMME 2: INSPECTIONS AND ENFORCEMENT SERVICES (IES)

### STRATEGIC RISKS

Strategic objective	Risk Description	Mitigation strategy
Workers protected through inspection and enforcement of labour legislation	Non-compliance with labour legislation	<ol style="list-style-type: none"> <li>1. Advocacy programs targeted problematic and high risk areas</li> <li>2. Blitz Inspection Programmes conducted at provincial level</li> <li>3. Training of internal and external stakeholders</li> <li>4. To improve compliance of the Employment equity Act through targeting companies that matter (JSE listed companies and institutions of Higher Learning)</li> <li>5. Strengthening the constitutional arm (In the process promulgating section 53 of the EE Act)</li> <li>6. Increasing the capacity of inspectors</li> </ol>

### RESOURCE CONSIDERATIONS

#### Expenditure Trends

The National Development Plan target is to increase the number of inspections with 30 per cent by 2030.

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 noncompliance 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. This will represent a 34% increase from the baseline of 164 868 in 2013/14.

Cabinet approved budget reductions of R27 million for 2019/20, R28.5 million for 2020/21 and R29 million for 2021/22 have been effected across all programmes. Spread over the 3 financial years it amounts to R35 million from goods and services and R49.5 million from compensation of employees budget allocations respectively. Of this, R13.5 million comes from Programme: 2 Inspection and Enforcement Services. This is expected to have a huge impact on the Departments daily operations, as the human capacity will be stretched and further items such as communication, operating payments and training and staff development had to be cut further to accommodate these reductions.



## PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES (PES)

### STRATEGIC RISKS

STRATEGIC OBJECTIVE	RISK DESCRIPTION	MITIGATION STRATEGY
1) Work seekers registered 2) Work and learning opportunities registered 3) Employment counselling provided 4) Work seekers placed in work and learning opportunities	Insufficient placement of registered work seekers in registered opportunities	1. ESSA system will be enhanced to improve the quality of work-seeker registration information. 2. Partnerships will be concluded with organisations to register opportunities on ESSA. 3. Work seeker profiling will be introduced and targeted counselling provided to different streams of registered work-seekers, 4. Develop and implement accelerated placement strategy.

### RESOURCE CONSIDERATIONS

#### Expenditure Trends

The National Development Plan target for employment creation is 11 million jobs by 2030. The Employment Services Act (2014), promulgated in August 2015, seeks to support the creation of jobs, the registration of job opportunities, the regulation of the recruitment of foreign nationals, and the establishment of various work schemes.

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.

Cabinet approved budget reductions of R27 million for 2019/20, R28.5 million for 2020/21 and R29 million for 2021/22 have been effected across all programmes. R35 million was taken from goods and services and R49.5 million from compensation of employees of which R3 million from Programme: 3 Public Employment Services. This is expected to have a huge impact on the Department’s daily operations, as the human capacity will be stretched and further items such as communication, operating payments and training and staff development had to be cut further to accommodate these reductions.

## PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS (LP & IR)

### STRATEGIC RISKS

STRATEGIC OBJECTIVE	RISK DESCRIPTION	MITIGATION STRATEGY
Establish basic standards and minimum wages	Failure to determine exemption applications on time	Implementation of National Minimum Wage exemption online application system.
Monitor the impact of labour legislation	Insufficient Labour Market research conducted in terms of monitoring the impact of legislation	Secure labour market research topics from the Branches through DoL Executive Committee

### RESOURCE CONSIDERATIONS

#### Expenditure Trends

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 Act, 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.

### TECHNICAL INDICATOR GRID

Updated Technical Indicator Grids for each of the programmes are in Annexure B of the Annual Performance Plan 2019/20.



# ANNEXURE B: TECHNICAL INDICATORS

## DEFINITIONS OF THE TECHNICAL INDICATOR TABLE

AREA	DESCRIPTION
Indicator title	Identifies the title of the strategic outcome oriented goal, objective or programme performance indicator
Short definition	Provides a brief explanation of what the indicator is, with enough detail to give a general understanding of the indicator
Purpose/importance	Explains what the indicator is intended to show and why it is important
Source/collection of data	Describes where the information comes from and how it is collected
Method of calculation	Describes clearly and specifically how the indicator is calculated
Data limitations	Identifies any limitation with the indicator data, including factors that might be beyond the Department's control
Type of indicator	Identifies whether the indicator is measuring inputs, activities, outputs, outcomes or impact, or some other dimension of performance such as efficiency, economy or equity
Calculation type	Identifies whether the reported performance is cumulative, or non-cumulative
Reporting cycle	Identifies if an indicator is reported quarterly, annually or at longer time intervals
New indicator	Identifies whether the indicator is new, has significantly changed, or continues without change from the previous year
Desired performance	Identifies whether actual performance that is higher or lower than targeted performance is desirable
Indicator responsibility	Identifies who is responsible for managing and reporting the indicator

## PROGRAMME 1: ADMINISTRATION

AREA	DESCRIPTION
Indicator title	1.1 Communication and marketing of Departmental work
Short definition	Departmental interventions and initiatives communicated
Purpose/importance	To inform all stakeholders of the services and initiatives of the Department
Source/collection of data	Communication Strategy, Work Plans, Deliverables
Method of calculation	Number of planned deliverables against number of deliverables implemented A=total number of deliverables B=total number of deliverables achieved $B/A * 100/1 = \%$
Data limitations	Support from IT and internal clients; Financial planning by internal clients;
Type of indicator	It measures an activity and an output
Calculation type	Non-cumulative
Reporting cycle	The indicator is reported quarterly, annually.
New indicator	No, revised
Desired performance	100% of annual targets in the Communication Strategy implemented
Indicator responsibility	CD: Communication, Chief Operations Officer

AREA	DESCRIPTION
Indicator title	2.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) compiled per year that comply with guidelines issued by the National Treasury.
Short definition	Compilation and submission of the Interim and Annual Financial Statements to National Treasury (NT) and Auditor-General as well as the publication of the AFS in the Annual Report.
Purpose/importance	Reporting to National Treasury and Parliament regarding the Department's financial position.
Source/collection of data	Interim Financial Statements – Q1 in July, Q2 in October and Q3 in January Final Financial Report - May Templates from NT Letters to NT
Method of calculation	Due dates determined by National Treasury and compiled according to National Treasury prescripts (AFS guidelines and template)
Data limitations	Transversal systems implemented and maintained by National Treasury.
Type of indicator	Activity and Output
Calculation type	Performance is cumulative – due to NT introducing new reporting requirements both quarterly and annually.
Reporting cycle	Quarterly and Annually as prescribed by NT.
New indicator	No
Desired performance	Must be performed / achieved according to dates prescribed by National Treasury
Indicator responsibility	Director: Financial Management and Chief Financial Officer

AREA	DESCRIPTION
Indicator title	3.1 Cases of Irregular, Fruitless and Wasteful and/or Unauthorised expenditure, detected per financial year, reported to the Accounting Officer
Short definition	Reporting of Irregular, Fruitless and Wasteful Expenditure and/or Unauthorised expenditure cases year-on-year.
Purpose/importance	To ensure that all procurement procedures are followed To reduce fruitless and waste full expenditure To reduce fraud with payments To ensure compliance with Treasury Regulation 9.1.2
Source/collection of data	Payments processed on transversal systems Register for irregular expenditure and actual payment documents Reports to the Accounting Officer
Method of calculation	Cases recorded in the register reported monthly to the Accounting Officer 15 days after the month-end
Data limitations	Incomplete registers
Type of indicator	Activity and Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Actual performance is desirable – i.e. 100% - neither higher nor lower
Indicator responsibility	Director: Supply Chain Management and Chief Financial Officer

## PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES

AREA	DESCRIPTION
Indicator title	1.1 Number of employers inspected per year to determine compliance with employment law.
Short definition	Subject number of employers to inspection to establish whether they comply with employment law  Number – the target number states how many employers will be inspected in a given financial year (1 April 2019 until 31 March 2020) <ul style="list-style-type: none"> <li>• Employers – Defined in the respective Acts</li> <li>• Employment Equity Act</li> <li>• Basic Conditions of Employment Act</li> <li>• Occupational Health and Safety Act</li> <li>• Unemployment Insurance Act</li> <li>• Compensation for Occupational Injuries and Diseases Act</li> <li>• Employment Services Act</li> </ul> Inspections – is a process undertaken by the Inspector to determine employer’s compliance with employment law Compliance – is a state of employer after inspection is conducted and the employer is found to be obedient with employment law Per Year – financial year (1 April 2019 until 31 March 2020) Employment law - means all labour legislation administered by the Minister of Labour (BCEA, EEA, UIA, COIDA, ESA, OHSA) including legislation administered through the Minister of Finance (UICA)
Purpose/importance	To ensure decent work, protection of workers and the transformation of society
Source/collection of data	<b>Source:</b> Number – APP, Branch Work Plan, Provincial Work Plan, Labour Centre Work Plan (Targets must be aligned to APP) Employers – as per complaints/ request received and targeted randomly as per APP (notice of inspection) Inspections – Signed Inspection Reports signed-off by Inspector and Supervisor. Compliance – Signed off Inspection report and Inspection register Per Year – financial year (1 April 2019 until 31 March 2020) Employment law - means all labour legislation administered by the Minister of Labour (BCEA, EEA, UIA, COIDA, ESA, OHSA) including legislation administered through the Minister of Finance (UICA)  <b>Collection of data</b> Process set out in the IES Standard Operating Procedures
Method of calculation	Signed off weekly inspection plan per inspector Completed and Signed-off Inspection reports at finalisation of inspections and signed-off IES registers Number of inspections on employers across Labour Centres, Provincial Offices and Head Office to be consolidated Information collected at labour centres collated and submitted to provincial offices Information collected at Provincial Office submitted to Head Office (IES Branch) Information collected at Head office included in Branch Report
Data limitations	Manual collection of data as opposed to an electronic system of collection of data
Type of indicator	Output and Activity
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually

AREA	DESCRIPTION
New indicator	No
Desired performance	220 692 employers to be inspected
Indicator responsibility	Inspector, Team Leaders, Deputy Director Labour Centre Operations, Principal Inspectors, Specialist Inspectors, Provincial Chief Inspectors, Chief Director Provincial Operations, Directors and Chief Directors IES in HO, Inspector General (DDG:IES)

AREA	DESCRIPTION
Indicator title	1.2 Percentage of non-compliant employers of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection
Short definition	<p>85% of non-compliant employers of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection (15% can be served after 14 days, the service of notices depends on the availability of employers during inspections)</p> <p>Percentage – Divide the number of notices issued within 14 calendar days by the number of all non-compliant employers found in ref to 1.1 multiply by 100 to determine the percentage</p> <p>Non-compliant employer – employer that failed to comply with employment law after inspection was conducted  Notice- legal instrument issued in terms of relevant employment law. Legal instruments could be any of the following:  Undertaking (signed by employer and inspector) as applicable to BCEA, UIA, EEA  Compliance order (if hand delivered signed by inspector and employer, if posted proof of registered mail, if faxed or emailed proof of transmission) as applicable to BCEA, UIA and EEA  Recommendations (signed by the employer/ proof of delivery to employer either by fax/ or email transmission/ registered mail or in person by the inspector) as applicable to EEA (DG Reviews)  Contravention Notices or Improvement Notice or Direction Notice or Prohibition Notice as applicable to OHS (all signed by the inspector and the employer). The 14 days referred to, do not apply to OHS notices as these are expected to be served on the employer immediately after the inspection.  Subpoena- applicable to all legislation (signed by inspector and any person at the workplace)  Served – when signed notice by inspector is delivered (personal, via post office per registered mail, fax or e-mail) to the employer  14 Calendar days – counting from the date inspection was conducted</p>
Purpose/importance	To ensure decent work, protection of workers and the transformation of society
Source/collection of data	<p><b>Source</b>  Information as collected in indicator 1.1  Signed Inspection reports  Notices served  Registers of labour centres, Provincial Office as well Head Office on inspection conducted  From IES Manual Registers</p> <p><b>Collection of data</b>  Number of inspections conducted in 1.1  Number of employers found to be non-compliant in terms of 1.1</p>
Method of calculation	<p>Percentage – Divide the number of notices issued within 14 calendar days by the number of all non-compliant employers found in ref to 1.1 multiply by 100 to determine the percentage</p> <p><math>A=B \times 100</math>  A= Number of notices issued within 14 days (14 days not applicable in the case of OHS notices)  B= Number of inspected employers found non-compliant with reference to 1.1.  100= to determine percentage</p>
Data limitations	Manual
Type of indicator	Activity
Calculation type	Non-Accumulative
Reporting cycle	Quarterly and annually
New indicator	No
Desired performance	85% non –compliant employers must be issued with a notice as provided for in the legislation within 14 calendar days (15% can be served after 14 days, the service of notices depends on the availability of employers during inspections). In the case of OHS, all notices are expected to be served on the employer/user before the inspector leaves the premises.
Indicator responsibility	Inspector, Team Leaders, Deputy Director Labour Centre Operations, Principal Inspectors, Specialist Inspectors, Provincial Chief Inspectors, Chief Director Provincial Operations, Directors and Chief Directors IES in HO, Inspector General (DDG:IES)

AREA	DESCRIPTION
Indicator title	1.3 Percentage of non-compliant employers referred to Statutory Services who failed to comply with the served notice in reference to 1.2 referred for Prosecution within 30 calendar days
Short definition	<p>60% non-compliant employers referred for prosecution</p> <p>Percentage – the number of files referred for prosecution within 30 calendar days divided by the number of competent files referred to Statutory Services multiply by 100 to determine the percentage</p> <p>Non-compliant employers - employer that failed to comply with employment law after the expiry of the notice period (notice period will depend on each employment law and SOP)</p> <p>Failed to comply – employer that has failed to action the notice served within the stipulated employment law time frames and SOP.</p> <p>Served – when signed notice by inspector is delivered (personal, via post office per registered mail or e-mail) to the employer</p> <p>Notice- notice issued in terms of relevant employment law. notice could be any of the following:</p> <ul style="list-style-type: none"> <li>• Undertaking (signed by employer and inspector) as applicable to BCEA, UIA, EEA</li> <li>• Compliance order (if hand delivered signed by inspector and employer, if posted proof of registered mail, if faxed or emailed proof of transmission) as applicable to BCEA, UIA and EEA</li> <li>• Recommendations (signed by the employer/ proof of delivery to employer either by fax/ or email transmission/ registered mail or in person by the inspector) as applicable to EEA (DG Reviews) or OHS Audits of Entities</li> <li>• Contravention Notices or Improvement Notice or Direction Notice or Prohibition Notice as applicable to OHSA (all signed by the inspector and the employer)</li> <li>• Subpoena- applicable to all legislation (signed by inspector and any person at the workplace)</li> </ul> <p>Referred – Inspection file for non-compliant employers after the expiry of the notice from Labour Centre to Provincial Office.</p> <p>Inspection files for non-compliant employers after the expiry of the notice from Provincial office to Statutory Services at Provincial Office. Inspection files for non-compliant employers after the expiry of the notice from Statutory Services at Provincial Office referred to Statutory Services at Head Office</p> <p>Prosecution – Statutory Services hands over the inspection file for non-compliant employers to Court.</p> <p>30 calendar days – from the date Statutory Services received the inspection file from the inspector to the date of filing at the court.</p>
Purpose/importance	To ensure decent work, protection of workers and the transformation of society
Source/collection of data	Inspection File referred to Statutory services for prosecution Stamped notice of motion file filed at Labour court, referral letter to Magistrate's court and referral form to Commission for Conciliation Mediation and Arbitration (CCMA) Register
Method of calculation	<p>Percentage – Divide the number of files referred for prosecution within 30 calendar days by the number of files received by Statutory Services multiply by 100 to determine the percentage</p> $(A \div B) \times 100$ <p>A= Number of files referred for prosecution within 30 calendar days B= Number of files received by Statutory Services. 100= to determine percentage</p>
Data limitations	Manual
Type of indicator	Outcome
Calculation type	Non- Accumulative for the year
Reporting cycle	Quarterly and annually
New indicator	No
Desired performance	60% Non –compliant employers received by Statutory Services referred to court for prosecution within 30 calendar days (40% can be referred after 30 days, due to capacity challenges in the Branch)
Indicator responsibility	Inspector, Team Leaders, Deputy Director Labour Centre Operations, Principal Inspectors, Specialist Inspectors, Assistant Director: Statutory Services at Provincial Office, Provincial Chief Inspectors, Deputy Director: Statutory Services at Head Office, Director: Statutory Service in Head Office, Chief Director Provincial Operations, Directors and Chief Directors IES in HO, Inspector General (DDG:IES)

AREA	DESCRIPTION
Indicator title	1.4 Percentage of reported incidents finalised within prescribed time frames Refer to section 24 of OHSA
Short definition	70% of incidents reported in terms of section 24 of the OHSA finalised within prescribed time frames  Prescribed timeframes: <ul style="list-style-type: none"> <li>Section 31: <ul style="list-style-type: none"> <li>Probe in office: 5 Days</li> <li>Probe out of office: 90 Days</li> <li>Investigations – (excludes bullets 1 and 2): 90 days</li> <li>Sec 32: 180 Days (Prerogative of the Chief Inspector)</li> </ul> </li> </ul> Incidents reported are finalised within prescribed time frames Percentage – Divide the number of finalised incidents by the number of reported incidents multiply by a 100 Reported incidents – The date the Incident is reported and received by the Department of Labour In terms of section 24 of OHSA in the required format (WCL 1/2) or any other format in the case of a member of the public. Finalised – Incident investigated, inspector’s report written; findings established and recommendations made to NPA and/or Chief Inspector All reportable incidents (in terms of sec 24 of the OHSA) finalised in terms of sec 31 or 32 of the OHSA within 90 days and 180 days respectively Refer to section 31 or 32 OHSA
Purpose/importance	To ensure decent work, protection of workers and the transformation of society
Source/collection of data	Manual Register for reported incidents. Incident report
Method of calculation	Each incident reported is counted Determine as a percentage: – Divide the number of finalised incidents by all the reported incidents and multiply by a 100.  $A \div B \times 100$ A= number of reported incidents investigated and finalised within 90 calendar days for Section 31 incidents and 180 days for Section 32 incidents B= number of reported incidents 100=to determine percentage
Data limitations	Manual
Type of indicator	Output and activity
Calculation type	Non-cumulative for a year
Reporting cycle	Quarterly and Annually
New indicator	no
Desired performance	Finalise at least 70% of incidents reported within prescribed time frames (30% can be investigated after the specified time frame - this depends on the type of incident reported)
Indicator responsibility	OHS Inspector, Deputy Director Labour Centre Operations, Principal Inspectors, Specialist Inspectors, Provincial Chief Inspectors, Chief Director Provincial Operations, Directors and Chief Directors IES in HO, Inspector General (DDG:IES)



## PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES

AREA	DESCRIPTION
Indicator title	1.1 Number of work-seekers registered on Employment Services of South Africa per year
Short definition	700 000 Unemployed or under-employed work-seekers are registered on the Department of Labour database (ESSA)
Purpose/importance	The total number of work-seekers registered per year at delivery points of Labour
Source/collection of data	Labour Centre Productivity Report from ESSA, requested for reporting period
Method of calculation	The total number of work-seekers registered in labour centres, provincial offices, head office, online, UIF
Data limitations	Manual registration – work-seekers not registered on ESSA system, is excluded. Modification/update to work-seeker profile is not counted as a registration
Type of indicator	Output and Activity
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	Increase the number of registered work-seekers for placement in registered opportunities
Indicator responsibility	Client Service Officers at Labour Centres, PES Managers at Provincial Offices, Chief Directorate - Work-seeker services at Head Office, DDG: PES

AREA	DESCRIPTION
Indicator title	2.1 Number of employment opportunities registered on the Employment Services South Africa per year.
Short definition	90 000 employment opportunities registered on ESSA for placement of work-seekers
Purpose/importance	Increase the placement of registered work-seekers in registered employment opportunities
Source/collection of data	Opportunity and placement report from ESSA requested from April 2018 up to each end of quarterly period
Method of calculation	Number of employment opportunities registered as generated by ESSA excluding the work permit /visa opportunity type
Data limitations	Manual registration – opportunities not registered on ESSA system, is excluded. Opportunities registered for the Work permit opportunity type is excluded from reporting against this target
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	Increase the number of employment opportunities on ESSA
Indicator responsibility	Employment Services Practitioners at Labour centres, Employer Service co-ordinators and PES Managers at Provincial Offices, Chief Directorate – Employer Services at Head Office, DDG: PES

AREA	DESCRIPTION
Indicator title	3.1. Number of registered work-seekers provided with employment counselling per year
Short definition	210 000 of registered work-seekers provided with employment counselling services that includes life skills programmes, careers information and guidance, psychometric assessments, automated career and employment assessments and any other intervention as defined in the ES Act
Purpose/importance	Improve the employability of work-seekers
Source/collection of data	Employment Counselling Report from ESSA, requested from April 2018 up to each end of quarterly period
Method of calculation	Number of registered work-seekers that received Employment Counselling interventions as reflected on ESSA BW Report for employment counselling
Data limitations	The date of registration of a work-seeker can be after the date on which counselling took place. The counselee's will not be counted for reporting purposes until the work-seeker is registered on ESSA
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	Increased employability of registered work-seekers
Indicator responsibility	Employment Counsellors at Labour Centres, Principal Psychologist at Provincial Offices, Chief Directorate – Work-seeker Services at Head Office, DDG: PES

AREA	DESCRIPTION
Indicator title	4.1 Number of registered employment opportunities filled by registered work-seekers per year
Short definition	Registered work-seekers placed into 45 000 of registered employment opportunities through the process identified in Recruitment, Selection and Placement SOP and ES Act. Placement against opportunities registered before end of March will be reported in the first semester of the new financial year. Placement against opportunities for Work visa opportunity type is excluded
Purpose/importance	To place registered work-seekers in registered employment opportunities as listed in the SOP and ES Act Employment opportunities are: formal jobs (temporary or permanent); learner ships; apprenticeships; internships and training opportunities
Source/collection of data	Opportunity and Placement report from ESSA, requested from April 2018 up to each end of each quarterly period. The updated placements for a previous financial year, which have not yet been reported, will be calculated using the BW reports, and reported only in the specific quarter.
Method of calculation	The number of registered work-seekers that were placed against the employment opportunities registered on ESSA as reflected in the Opportunity and Placement report of ESSA This report exclude the work permit /visa opportunity type
Data limitations	Employer/organisation do not report placement on time
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	Increase the number of registered employment opportunities filled by registered work-seekers per year
Indicator responsibility	Employment Services Practitioners and Counsellors at Labour Centres, PES Managers at Provincial Offices, Chief Directors Work-seeker and Employer Services at Head Office, DDG: PES

## PROGRAMME 4: LABOUR POLICY AND INDUSTRIAL RELATIONS

### Promote equity in the labour market (Outcome 14)

AREA	DESCRIPTION
Indicator title	1.1 Number of policy instruments developed and promoted to enhance the implementation of EEA by 31 March 2020
Short definition	1.1.1 Number of policy instruments developed and promoted through the publication of the 2018-2019 Annual Employment Equity Report and Public Register by 30 June 2019
Purpose/importance	Improve employment equity compliance and enforcement in the labour market
Source/collection of data	Information gathered through Employment Equity reports submitted by designated employers annually through manual submissions or EE Online Reporting facility Copy of the 2018-2019 Employment Equity (EE) Annual Report Copy of the Government Gazette of the EE Public Register
Method of calculation	EE Annual Report published by 30 June 2019 and EE Public Register published by 30 June 2019
Data limitations	Dependent on the quality of EE data submitted by employers on progress made on the implementation of employment equity and the number of quality EE Reports submitted by employers
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher levels of compliance from employers with the Employment Equity Act and its regulations
Indicator responsibility	DDG: LP and IR, CD: LR and Director: Employment Equity

AREA	DESCRIPTION
Indicator title	1.1 Number of policy instruments developed and promoted to enhance the implementation of EEA by 31 March 2020
Short definition	1.1.2 Number of policy instruments developed and promoted through the development of the 2019-2020 Annual Employment Equity Report and Public Register by 31 March 2020
Purpose/importance	Improve employment equity compliance and enforcement in the labour market
Source/collection of data	Information gathered through Employment Equity reports submitted by designated employers annually through manual submissions or EE Online Reporting facility <ul style="list-style-type: none"> <li>• Copy of CEE Advisory to Minister of Labour</li> <li>• Copy of 2019-2020 Employment Equity (EE) Annual Report developed</li> <li>• Copy of EE Public Register developed</li> </ul>
Method of calculation	EE Annual Report developed by 31 March 2020 and EE Public Register developed by 31 March 2020
Data limitations	Dependent on the quality of EE data submitted by employers on progress made on the implementation of employment equity
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher levels of compliance from employers with the Employment Equity Act and its regulations
Indicator responsibility	DDG: LP and IR, CD: LR and Director: Employment Equity

#### Protect vulnerable workers (Outcome 4)

AREA	DESCRIPTION
Indicator title	2.1 Review of the National Minimum Wage by 1 January 2020
Short definition	BCEA Amendment Act and Wage Act published in the Government Gazette by 1 January 2019
Purpose/importance	To publish a national minimum wage for all sectors in order to ensure basic standards and minimum wages thereby extending protection to vulnerable workers. To also ensure improved enforcement provisions of the BCEA and NMW in case of non-compliance.
Source/collection of data	Copies of Acts published in the government gazettes
Method of calculation	Two published Acts , Amended BCEA and NMW Act
Data limitations	Public comments may influence the final Bill
Type of indicator	Output and activity
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Increase the income levels of vulnerable workers.
Indicator responsibility	DDG: LP and IR, CD: LR and Director: Employment Standards

## Strengthen multilateral and bilateral relations (Outcome 11)

AREA	DESCRIPTION
Indicator title	3.1 Number of progress reports on bilateral cooperation and multilateral obligations signed off by the minister annually
Short definition	<p>Monitor and report on multilateral obligations</p> <p>What is meant by multilateral obligations Obligatory reports submitted to multilateral organisations such as: International Labour Organisation (ILO), G20, Brazil, Russia, India, China and South Africa (BRICS), Southern African Development Community (SADC), African Regional Labour Administration Centre (ARLAC), African Union Commission (AUC) and South Africa European Social Dialogue Forum (SA/EU). National priorities/ interest – A country's goals and ambitions (labour market) informed by self-interest derived from domestic priorities. South Africa thus makes strategic interventions based on the application of law and practice with the view to improve our domestic laws based on international best practice. National priorities/ interest – A country's goals and ambitions (labour market) informed by self-interest derived from domestic priorities. South Africa thus makes strategic interventions based on the application of law and practice with the view to improve our domestic laws based on international best practice.</p> <p>What is meant by bilateral cooperation Bilateral cooperation is contained within the different Memoranda of Understanding that the country enter into with different strategic governments.  <ul style="list-style-type: none"> <li>National priorities/ interest – A country's goals and ambitions (labour market) informed by self-interest derived from domestic priorities. South Africa thus makes strategic interventions based on the application of law and practice with the view to improve our domestic laws based on international best practice.</li> </ul> </p>
Purpose/importance	Strengthen bilateral relations through signing and implementing the bilateral agreements within set timeframes Strategic interventions based on the application of law and practice with the view to improve our domestic laws based on international best practice.
Source/collection of data	Mid-Term and Annual Implementation Reports submitted to the Minister by 31 October 2019 and 30 April 2019 respectively for sign-off
Method of calculation	Count the number of reports submitted annually
Data limitations	Consultations with fraternal countries prolonged by diplomatic processes Consultations with domestic fraternal organisations and interest groups
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annually  Q2 - Mid-term implementation report submitted by 31 October 2019 Q4 - Annual implementation report submitted by 30 April 2019
New indicator	Yes
Desired performance	To comply and implement the signed bilateral cooperation agreements within set timeframes
Indicator responsibility	DDG: LP and IR and Chief Director: International Relations

## Promote Sound Labour Relations (Outcome 4)

AREA	DESCRIPTION
Indicator title	4.1 Percentage of Collective agreements extended within 90 calendar days of receipt by 31 March each year
Short definition	Collective Agreements are concluded by registered trade unions and employers organisations who are party to the bargaining councils in demarcated sectors. Trade unions and employer's organisation negotiate conditions of employment for specific sectors periodically and the bargaining council request the minister to extend the collective agreements concluded to non-parties in those sectors. Extension means agreement published in the Government Gazette to be applicable in that Sector
Purpose/importance	To promote fair competition in specific sectors and to provide improved conditions of employment and decent work
Source/collection of data	<ul style="list-style-type: none"> <li>Collective agreements register</li> <li>Record of decisions made by the Minister pertaining to the extension of collective agreements.</li> <li>Published Government Gazettes</li> </ul>
Method of calculation	Calculate the percentage of Published agreements extended within 90 calendar days of receipt in the Government Gazettes. A = completed published agreements B = total of collective agreements received from Bargaining Councils $A/B * 100/1 = \%$
Data limitations	Industry figures and party membership figures are not always adequate
Type of indicator	Output and activity
Calculation type	Non-cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	Increase income levels of workers in a sector Extends conditions of employment to cover all workers in a particular sector
Indicator responsibility	DDG: LP and IR, CD: LR and Director: Collective Bargaining

AREA	DESCRIPTION
Indicator title	4.2 Percentage of labour organisation napplications for registration approved or refused within 90 calendar days of receipt by 31 March each year
Short definition	Registration of new labour organisations: <ul style="list-style-type: none"> <li>• Association of employers or employees come together to form a trade union or employers' organisation (labour organisations)</li> <li>• Unregistered trade unions or employers' organisations cannot fully participate in collective bargaining system as provided in the LRA</li> <li>• To become a registered trade union or employers' organisation, such organisations will apply for registration to the Registrar of Labour Relations</li> <li>• Upon registration, the trade union or employers' organisation become a body corporate with full rights to participate in the collective bargaining system as provided for in the LRA</li> </ul>
Purpose/importance	Registration of labour organisations: <ul style="list-style-type: none"> <li>• To ensure accountability to the Department in terms of the LRA, to the members and to the public</li> <li>• To regulate and monitor the operations of registered trade unions and employers' organisations</li> <li>• To ensure full participation in the collective bargaining system</li> </ul>
Source/collection of data	Application forms (date stamped on receipt) Applications register Record of all decisions made by the Registrar pertaining to the applications of trade unions and employers' organisations
Method of calculation	Deduct the number of competent applications received from the total number of applications received Calculate the percentage of applications for registration of labour organisations from date of receipt to date of decision to approve of refuse. A = Applications for registration approved and refused. B = All applications received $A/B * 100/1 = \%$
Data limitations	Registration of labour organisations: <ul style="list-style-type: none"> <li>• Insufficient records of data and processes of start-up labour organisations (trade unions and employers' organisations)</li> <li>• Reliability of Magic system as basis for recording and monitoring applications and decisions.</li> </ul>
Type of indicator	Output and activity
Calculation type	Non-cumulative
Reporting cycle	Quarterly and annually
New indicator	No
Desired performance	Strong collective bargaining institutions
Indicator responsibility	DDG: LP and IR, CD: LR and Director: Collective Bargaining

AREA	DESCRIPTION
Indicator title	4.3 Moderating Workplace Conflict by measuring the impact of the Labour Relations Amendments
Short definition	Accord on Collective Bargaining and Industrial Action and Code of Good Practice on Collective Bargaining, Industrial Action and Picketing agreed by NEDLAC social partners in 2017. The implementation of these measures is expected to moderate workplace conflict, reduce the duration of strikes and facilitate the resolution of protracted strikes in the labour market.
Purpose/importance	To strengthen collective bargaining and dispute resolution so as to reduce protracted strike action and violence and intimidation associated with industrial action.
Source/collection of data	Requests for extension of collective agreements, reports on strikes and strike ballots, reports on section 150 advisory arbitration awards
Method of calculation	Quarter 1-4: Count of number of collective agreements extended, number of strikes with ballots and without ballots, number of section 150 advisory arbitration awards accepted and rejected.
Data limitations	Delays in the relevant institutions providing the relevant reports
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annual
New indicator	Yes
Desired performance	Reduced violence associated with strike action, reduction in number of workdays lost due to strike action. .
Indicator responsibility	DDG: LP and IR , Chief Director: LR; Director: Collective Bargaining

## Monitor the impact of legislation (Outcome 4)

AREA	DESCRIPTION
<b>Indicator title</b>	5.1 Number of Labour Market Trends reports produced by 2020
<b>Short definition</b>	To provide up to date information and produce statistical trend on key indicators in the economy and labour market over time for evidence based decision.
<b>Purpose/importance</b>	To provide a general position on the performance of the South African economy and labour market over time in order to assist policy makers to intervene and make recommendations to adjust the imbalances that will result in better living conditions of working age population in the country.
<b>Source/collection of data</b>	<p>Administrative internal and external survey data are used such as newspapers, Unemployment Insurance Fund, CCMA, Compensation Funds, Employment Services, Collective Bargaining, Reserve Bank and Statistics SA.</p> <p>Verification sources: Four Annual reports produced: Annual Industrial Action, Job Opportunity and Unemployment in the SA labour market, Annual Administrative Statistics and Annual Labour Market Bulletin reports</p> <p>Annual Industrial Action</p> <ul style="list-style-type: none"> <li>• Identification of strike through media, e.g., newspapers, radio, TV, etc.</li> <li>• LRA Form 9.2 sent to affected employers</li> <li>• Forms received and captured on strike database</li> <li>• Data verification and analysis conducted</li> <li>• Annual report produced by March 2020 and Ministerial submission developed towards the Minister's approval for publication</li> </ul> <p>Annual Administrative Statistics</p> <ul style="list-style-type: none"> <li>• Internal data requested from provincial offices, e.g. LMIS units; extracted from Employment Services (ESSA), requested from UI (Siyaya database)</li> <li>• Data captured on Excel spread sheets and captured on LMIS snapshots format</li> <li>• LMIS snapshots format consolidated for key internal indicators and forwarded to all through the Exchange Postmaster</li> <li>• Four LMIS snapshots are consolidated into one year for analysis</li> <li>• Annual report written by March 2020 and Ministerial submission developed towards the Minister's approval for publication</li> <li>• Approval received from the Minister and submit to the Chief Directorate: Communication for publishing</li> </ul> <p>Job Opportunity and Unemployment in the SA labour market</p> <ul style="list-style-type: none"> <li>• Vacancies data sourced from national and regional newspapers, e.g., Info Desk and Internet</li> <li>• Data captured on internal JOI database (Excel spread sheets) on daily basis</li> <li>• JOI data consolidated and analysed by key vacancies indicators as reflected on newspapers, e.g., Info Desk and Internet</li> <li>• Annual report produced by June 2019 and Ministerial submission developed towards the Minister's approval for publication</li> </ul> <p>Annual Labour Market Bulletin</p> <ul style="list-style-type: none"> <li>• External statistical information extracted from national publication, e.g., Reserve Bank, StatsSA, labour market academic and CCMA reports.</li> <li>• Report structure outlined and information consolidated and analysed</li> <li>• Annual report produced by June 2019 and Ministerial submission developed towards the Minister's approval for publication</li> </ul>
<b>Method of calculation</b>	Count the number of reports produced by March 2020
<b>Data limitations</b>	Limited coverage in particular with manual data sources used and lack of sustainable Departmental data integration system
<b>Type of indicator</b>	Output and activity
<b>Calculation type</b>	Cumulative
<b>Reporting cycle</b>	Annually
<b>New indicator</b>	No
<b>Desired performance</b>	The aim is to ensure 100% data quality disseminated and more labour market indicators analysed for evidence based decision that positively impact people's welfare and eventually result in better lives.
<b>Indicator responsibility</b>	DDG: LP and IR, CD: LMP and Director: Labour Market Information and Statistics

AREA	DESCRIPTION
Indicator title	5.2 Number of research service providers identified to deliver on the RME Agenda by 31 March 2020
Short definition	<p>The main objective is to conduct research to monitor the impact of labour legislation on the South African labour market. The MTEF goal is to develop three research reports from the RME agenda approved by the DG, specifically, specifically; DoL research projects can be conducted over a period of 24 months when including the development and approval of the RME Agenda, at times with a maximum period of 30 months to turn around a national research report. To achieve this objective there is a need to develop a Research, Monitoring and Evaluation (RME) agenda. For three research reports to be developed in 2020/21, there is (1) a need to source the service providers who will conduct the research identified, and (2) to conduct the research internally using the DoL research team. 1. The sourcing of external service providers is done through tender procurement and approved research topics will be subjected to all tender procurement processes, (only those that should be outsourced). 2. Due to limited human capacity, the research unit can only conduct at least one research study from the RME agenda without using external service providers. TORs will be developed for research that will be conducted internally, followed by literatures review and data collection tools in 2019/200. Actual research conducting will only starts in the 13th month (i.e. April 2010).</p> <p>The Research, Monitoring and Evaluation agenda (RME Agenda- means a list of research topics that need to be investigated within an agreed timeframe. The research unit source the topics across the DoL through an open invitation for research areas they need to be conducted; the unit also assesses trends on labour market indicators and identify further research area.</p>
Purpose/importance	To provide research findings for evidence-based policy intervention.
Source/collection of data	DBAC submission with recommended service providers who will be appointed to conduct research studies and Data collection tools for internally conducted research
Method of calculation	One submission produced and data collection tools developed by 31 March 2020
Data limitations	Procurement process is unpredictable and poses limitation of controlling the final output.
Type of indicator	Output and activity
Calculation type	Cumulative
Reporting cycle	Quarterly and Annually
New indicator	No
Desired performance	To provide for relevant research to influence labour market policy
Indicator responsibility	DDG: LP and IR, CD: LMP and Director: Research, Policy and Planning



# SUPPORTED EMPLOYMENT ENTERPRISES

## OFFICIAL SIGN-OFF

**It is hereby certified that this Annual Performance Plan:**

Was developed by the management of the Supported Employment Enterprises under the guidance of the Minister of Labour, Ms MN Oliphant, MP.

Takes into account all the relevant policies, legislation and other mandates for which the Supported Employment Enterprises is responsible for and was prepared in line with the Supported Employment Enterprises Strategic plan and incorporates recommendations made in the business case.

Accurately reflects the performance targets which the Supported Employment Enterprises will endeavour to achieve over the period 2019/20.



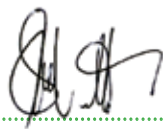
**S. Supeng**

Manager: Planning, Monitoring and Evaluation



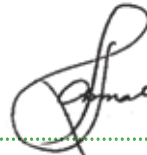
**S. Ngcongco**

Chief Financial Officer



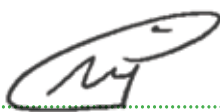
**S. Morotoba**

DDG: PES /Acting CEO



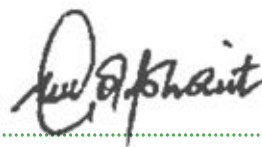
**T Lamati**

Director-General of Labour



**SP Holomisa, MP**

Deputy Minister



Approved by:

**M.N. Oliphant, MP**

Executive Authority





**LEADERSHIP IS HAVING  
A COMPELLING VISION,  
A COMPREHENSIVE PLAN,  
RELENTLESS IMPLEMENTATION,  
AND TALENTED PEOPLE  
WORKING TOGETHER. ”**

**Alan Mulally**



# SEE PART A

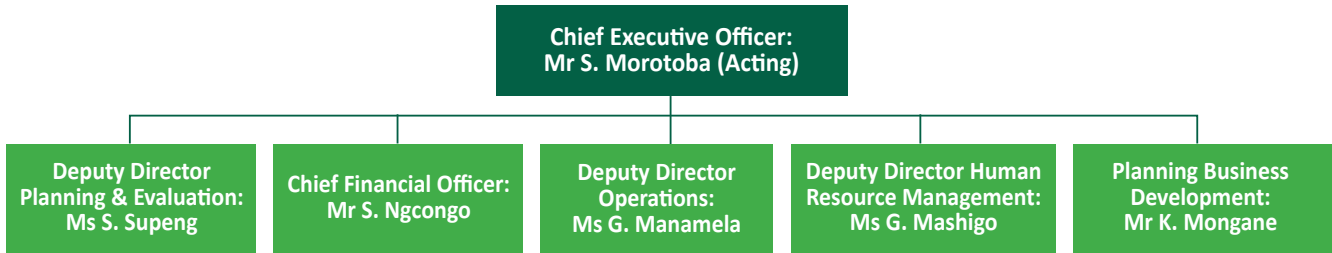
STRATEGIC OVERVIEW

SUPPORTED EMPLOYMENT ENTERPRISES



# PART A: STRATEGIC OVERVIEW

## ORGANISATIONAL STRUCTURE



## UPDATED SITUATIONAL ANALYSIS

The SEE factories function within the context of the labour market as outlined by the Director-General in the preface of the APP. The number of persons with disabilities is reported by stats SA to be 4.7 million and 15% of this are persons with disabilities who could be employed in the labour market including SEE and similar organisations. Supported Employment Enterprises trading as Service Products, provide employment to people with disabilities, especially persons who have long term physical, mental, intellectual or sensory impairment which, in interaction with various barriers, may hinder their full and effective participation in society or on equal basis with the others. SEE has experienced challenges in achieving transformation due to its history and in particular achieving employment equity. In management and administration, the main challenge is for more people with disabilities to be employed and provision of medical support.

The SEE factories' production focussed more on three basic types of products which are office furniture, school furniture and hospital linen. This is due to the fact that the SEE historically enjoyed a preferential procurement status from government departments on these commodities. The product delivery is also based on the available skills that the factories continue to recruit from special schools.

The entity is now forced to compete in the free market with other well established factories using sophisticated machinery and also employing high level skilled workers. The entities receive government subsidies to sustain its operations, some level of preferred status within the Department of Labour, 50% upfront payments from a number of government departments and entities wherein contracts have been concluded.

## PERFORMANCE DELIVERY ENVIRONMENT

As part of its strategy to increase the number of people with disabilities employed in the SEE factories, during the MTEF period, the SEE will:

- Conduct market research in order to identify new and existing products that the entity could manufacture going forward. These products would have to fall within the capabilities of the workforce currently employed by the entity as part of its mandate
- Revise its strategic plans and annual performance plans in line with the envisaged new focus of the entity
- Open two new factories in Limpopo and Mpumalanga
- Review the organisational structure to support the new strategic direction.

The Factories are run under the leadership of the Chief Executive Officer, who reports to Public Employment Service (PES) Branch of

the Department of Labour. The SEE has a management structure consisting of 126 staff seconded to the SEE to implement programmes of the entity. Other governance structures i.e. Audit Committee, National Risk Committee, Department Executive Committee etc. of the Department of Labour provides oversight responsibilities to the entity.

## PRODUCTION FACILITY

The SEE is complemented by these factories across the landscape of the country as follows:

PROVINCE	FACTORY	PRODUCTS SPECIALISATION
(i) Gauteng	Pretoria Springfield Rand	Wood, Metal and Textiles (office, home and school furniture, hospital linen and garments)
(ii) Western Cape	Ndabeni Epping	Wood, Metal and Textiles (office, home and school furniture, hospital linen and garments)
(iii) KwaZulu-Natal	Pietermaritzburg Durban	Wood, Metal and Textiles (office, home and school furniture, hospital linen and garments)
(iv) Eastern Cape	East London Port Elizabeth	Wood and Textiles
(v) Northern Cape	Kimberley	Wood, Metal
(vi) Free State	Bloemfontein	Wood, Metal
(vii) North West	Potchefstroom	Metal

## OVERVIEW OF 2019/20 BUDGET AND MTEF ESTIMATES

### EXPENDITURE ESTIMATES

#### SUPPORTED EMPLOYMENT ENTERPRISES:

Expenditure estimates

PROGRAMME	AUDITED OUTCOMES			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16	2016/17	2017/18	2018/19	2019/20	2019/21	2020/22	
R-Million								
Revenue from exchange transactions	52.40	48.00	61.21	122.86	129.62	136.75	136.75	
Cost of Sales	(54.18)	(51.02)	(145.19)	(237.92)	(251.00)	(264.81)	(264.81)	
Gross Profit/Loss	(1.77)	(3.02)	(83.97)	(115.05)	(121.38)	(128.06)	(128.06)	
Other income	2.84	14.84	10.05	19.94	21.04	22.20	22.20	
Revenue from non- exchange transactions	135.05	138.57	141.31	146.78	155.70	164.40	164.40	
Operating Expenses	(99.82)	(106.42)	(56.37)	(51.59)	(54.43)	(57.42)	(57.42)	
Finance Cost	(0.09)	(0.04)	(0.15)	(0.08)	(0.08)	(0.09)	(0.09)	
Inventory losses/write-downs			(0.96)	-	-	-	-	
<b>NET (PROFIT) AFTER OTHER INCOME</b>	<b>36.20</b>	<b>43.93</b>	<b>9.91</b>	<b>0.00</b>	<b>0.85</b>	<b>1.03</b>	<b>1.03</b>	



**SEE PART B**  
PROGRAMME ANNUAL PLANS

SUPPORTED EMPLOYMENT ENTERPRISES



# SEE PART B: PROGRAMME ANNUAL PLANS

## STRATEGIC OBJECTIVE ANNUAL TARGETS FOR 2019/20

STRATEGIC OBJECTIVE	PROGRAMME PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2018-19	MEDIUM-TERM TARGETS			
		2015-16	2016-17	2017-18		2018-19	2019-20	2020-21	2021-22
1. Provide work opportunities for persons with Disabilities.	1.1 Number of additional persons with disabilities provided with work opportunities in the SEE by the end of March 2022.	N/A	N/A	150 additional persons with disabilities provided with work opportunities in the SEE by the end of March 2018	100 additional persons with disabilities provided with work opportunities in the SEE by the end of March 2019	150 additional persons with disabilities provided with work opportunities in the SEE by the end of March 2020	250 additional persons with disabilities provided with work opportunities in the SEE by the end of March 2021	300 additional persons with disabilities provided with work opportunities in the SEE by the end of March 2022	
2. Increase SEE sales	2.1 Percentage annual increase of sales revenue from goods and services by the end of March 2022.	N/A	N/A	N/A	10% annual increase of sales revenue from goods and services by the end of March 2019	10% annual increase of sales revenue from goods and services by the end of March 2020	15% annual increase of sales revenue from goods and services by the end of March 2021	20% annual increase of sales revenue from goods and services by the end of March 2022	

## QUARTERLY TARGETS

### QUARTERLY TARGETS FOR 2019-20

PROGRAMME PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019-2020	QUARTERLY TARGETS				BUDGET
			1st	2nd	3rd	4th	
<b>1. Decent employment through inclusive economic growth (Outcome 4)</b>							
1.1 Number of additional persons with disabilities provided with work opportunities in the SEE by the end of March 2022.	Quarterly	150 additional persons with disabilities provided with work opportunities in the SEE by end of March 2020	25	75	100	150	R 12 650
2.1 Percentage annual increase of sales revenue from goods and services by the end of March 2022.	Annually	10% annual increase of sales revenue from goods and services by end of March 2020	-	-	-	10%	R 6 304

## STRATEGIC RISKS

STRATEGIC OBJECTIVE	RISK DESCRIPTION	MITIGATION STRATEGY
Provide work opportunities for persons with disabilities	Inability to generate work	<ul style="list-style-type: none"> <li>Develop and implement marketing strategy</li> <li>Conclude contracts with specific departments and suppliers</li> <li>Resolve production process delays</li> <li>Procure and install new efficient machinery to replace old machines</li> </ul>



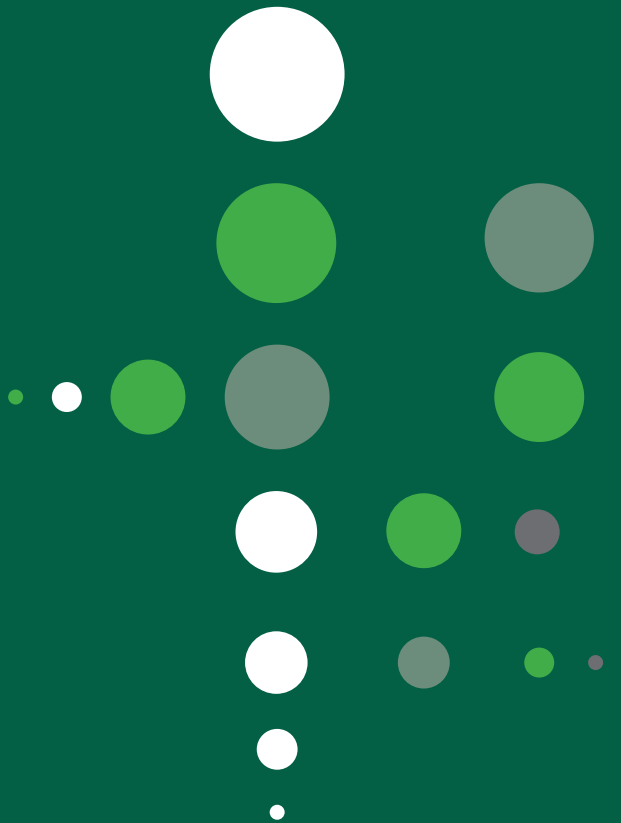
## SEE TECHNICAL INDICATOR DESCRIPTION

### TECHNICAL INDICATOR DESCRIPTION – SUPPORTED EMPLOYMENT ENTERPRISES

INDICATOR TITLE		NUMBER OF ADDITIONAL PERSONS WITH DISABILITIES PROVIDED WITH WORK OPPORTUNITIES IN THE SEE BY THE END OF MARCH 2020
1.1	Short definition	The indicator measures the number of additional persons with disabilities provided with work opportunities in the SEE
	Purpose / Importance	To provide work opportunities to persons with disabilities
	Data Source	- Sage 300 system employee report. - Permanent work appointment letters - Contract work appointment letter - Project work appointment letters
	Calculation Method	A count of the number of additional persons with disabilities provided with work opportunities, including permanent, contract and project work opportunities
	Data Limitations	None
	Type of indicator	Output
	Calculation Type	Cumulative
	Reporting Cycle	Quarterly
	New Indicator	No
	Desired performance	To ensure that 150 additional persons with disabilities are provided with work opportunities in the SEE by 31 March 2020
	Responsibility	Director: Human Resources

INDICATOR TITLE		PERCENTAGE ANNUAL INCREASE OF SALES REVENUE FROM GOODS AND SERVICES BY THE END OF MARCH 2020
2.1	Definition	The percentage of increase in revenue from sales of goods and services per annum by the end of March 2020.
	Purpose / Importance	Audited annual sales revenue from goods and services for the 2017/18 financial year
	Data Source	SEE approved trial balance
	Calculation Method	A calculation of the percentage increase in sales revenue compared to the previous year's sales
	Data Limitations	None
	Type of indicator	Output
	Calculation Type	Cumulative
	Reporting Cycle	Annual
	New Indicator	No
	Desired performance	To ensure that annual sales are increased by 5% at the end of March 2020
	Responsibility	Director: Business Development







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