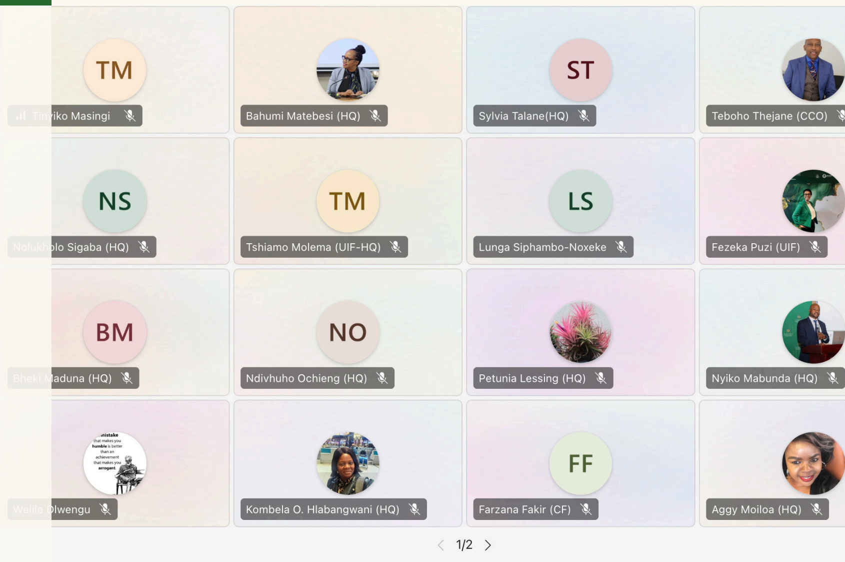
22 July 2026

EXCO
WRITE-UP

# EXCO Reviews First-Quarter Performance and Strategic Departmental Priorities




The Department of Employment and Labour convened its Executive Committee meeting on 22 July 2026 to assess progress on strategic projects, review institutional performance during the first quarter of the 2026/27 financial year and consider key operational and governance matters. The virtual meeting was chaired by Deputy Director-General (DDG) Public Employment Services, Mr Sam Morotoba.

In his opening and welcome remarks, the DDG reflected on the Department's ongoing participation in the coordinated government response to migration-related pressures. He noted that migration remains an important matter under consideration within the National Joint Operational and Intelligence Structure and the Inter-Ministerial Committee on Migration, given its wider social, economic and diplomatic implications.

The chairperson reaffirmed South Africa's commitment to meeting its international and United Nations obligations by ensuring that migration is managed in a lawful, orderly and humane manner. He acknowledged the contribution of Inspection and Enforcement Services officials, who continue to work collaboratively with the Department of Home Affairs, the South African Police Service and other relevant authorities. Through coordinated inspections, verification processes and enforcement operations, the participating institutions have helped maintain stability, uphold the law and protect the rights and safety of affected individuals.

## Project 20k and 10K record key implementation milestones

EXCO received a progress report on the implementation of Project 20 000 and Project 10K, with the presentation highlighting measurable achievements recorded during the reporting period and the preparatory work underway to strengthen alignment between the two initiatives.

To date a total of 4, 017 interns have been recruited, placed and captured, representing over 38.6% of the recruitment target. Of these, 1 069 were newly recruited through the Department's onboarding partner, SPAAN.

The presentation further highlighted the contribution of the interns to the work of Inspection and Enforcement Services. Their deployment has increased the visibility of the inspectorate, strengthened administrative support and expanded the number of officials available to participate in risk-based and blitz inspections, particularly in vulnerable sectors.

Interns are also being exposed to inspections relating to the informal economy, platform work and other emerging areas of the labour market.

Progress was also reported on the Department's institutional readiness for Project 10K. Work is underway to develop a coordinated funding proposal for submission to National Treasury, strengthen the alignment between Project 20 000 and Project 10K and prepare for the phased recruitment of permanent inspectors. The Department is also exploring group and remote mentoring models, alternative accommodation arrangements, ICT modernisation and possible amendments to the transport policy to support the effective deployment and development of interns.

The report acknowledged that several areas still require accelerated implementation, particularly recruitment in provinces with significant shortfalls, technical training, accommodation and the finalisation of a unified implementation framework.

## UIF advances digital service-delivery improvements

EXCO received an update on the Unemployment Insurance Fund's performance during the first quarter of the 2026/27 financial year, with the presentation highlighting progress on several digital initiatives aimed at improving access to services and reducing pressure at Labour Centres.

A key development was the completion of development and testing of the automated Continuation of Benefits system in March 2026.

## Project 20K: Building Labour Inspection Capacity

**4,017**

**Interns Recruited and Placed**

All candidates have been successfully captured on the PERSAL system.

**1,069**

**Placed in July 2026 Alone**

This figure demonstrates the **accelerated implementation** and momentum of the project.

**3,609**

**Completed Public Service Induction**

The vast majority of recruits have finished their fundamental orientation and induction.

**250**

**Specialized in Legislative Frameworks**

Interns have received advanced training on BCEA and EEA inspection governance.

The system is intended to streamline the continuation-of-benefits process and address one of the longest queues experienced at Labour Centres. Its pilot phase is awaiting the finalisation of the necessary regulatory amendments.

The rollout of the Mobile Client Service Officer system also advanced during the quarter, with 50 mobile tablets deployed to 25 Labour Centres across all nine provinces. A further 50 devices are expected to reach another 25 Labour Centres by the end of the second quarter, with the longer-term objective of extending the system to all Labour Centres by the end of the financial year.

The mobile capability will enable UIF officials to provide services beyond the physical Labour Centre network and reach clients more efficiently.

The development of the UIF Online Employer System has also been completed. The system is awaiting quality-assurance testing infrastructure from the Department's ICT branch, with the pilot targeted to commence by 1 September 2026.

## Compensation Fund records marked improvement in first-quarter performance

The Compensation Fund's performance improved steadily over the first quarter of the 2026/27 financial year. Overall achievement rose from 54.5% in April to 72.7% in May and 81.8% by the end of June 2026, with the Fund achieving nine of its 11 performance indicators. Gains were recorded across all four programmes:

- Programme 1 improved from 50% to 75%,
- Programme 2 increased from 33% to 67%,
- and Programmes 3 and 4 both recorded 100% performance by the end of the reporting period.

Among the key service-delivery achievements, the Fund assessed 99% of Returns of Earnings received during the reporting period, adjudicated 97% of registered claims within the prescribed turnaround time (exceeding the 90% target), finalised 90% of medical invoices within 30 working days, and processed 99.5% of requests for the pre-authorisation of assistive devices (exceeding the 95% target). Payment of approved benefits within 10 working days improved from 84% in the previous financial year to 94.1%.

The Fund also reported progress in strengthening its financial position and investment activities. A 6% increase in total assets was recorded against an annual target of 10%, while transactions valued at approximately R600 million were undergoing due diligence as part of the Fund's investment commitments relating to small, medium and micro enterprises.

Another significant achievement was the signing of a memorandum of understanding with the Department of Home Affairs, which will enable real-time verification of death and personal information when the Fund processes claims and pensions, strengthening controls, reducing the risk of fraudulent payments and improving processing efficiency.

The Fund further implemented additional ICT internal controls relating to payment and banking processes, while advancing projects aimed at tracking and tracing claims and introducing greater automation in claims adjudication.

### COMPENSATION FUND: KEY SERVICE-DELIVERY ACHIEVEMENTS

**99%**
**RETURNS OF EARNINGS ASSESSED**
The Fund assessed 99% of Returns of Earnings received during the reporting period.

**97%**
**CLAIMS ADJUDICATED ON TIME**
97% of registered claims were adjudicated within the prescribed turnaround time, exceeding the 90% target.

**90%**
**MEDICAL INVOICES FINALISED**
90% of medical invoices were finalised within 30 working days.

**99.5%**
**ASSISTIVE DEVICE REQUESTS PROCESSED**
99.5% of requests for the pre-authorisation of assistive devices were processed, exceeding the 95% target.

**94.1%**
**APPROVED BENEFITS PAID WITHIN 10 DAYS**
Performance improved from 84% in the previous financial year to 94.1%.

## IES exceeds key inspection and enforcement targets

Inspection and Enforcement Services achieved all four of its planned performance indicators for the first quarter.

The branch conducted 80 324 inspections against a quarterly target of 78 252, exceeding the target by 3%, or 2 072 inspections. The increased inspection activity strengthened the Department's presence in workplaces and supported efforts to protect vulnerable workers and promote compliance with labour legislation.

IES also ensured that all 18 330 non-compliant employers, workplaces and users identified during inspections were issued with notices within 14 days, exceeding the applicable target by 3%.

In the resolution and escalation of non-compliance matters, 1 928 of the 1 963 cases received by Statutory Services 98% were settled out of court, referred to the Commission for Conciliation, Mediation and Arbitration, or referred for prosecution within 30 working days, exceeding the target by 28%. The branch also delivered an Occupational Health and Safety seminar during the first quarter, contributing towards its annual advocacy and awareness target.

While two provinces marginally missed their individual inspection targets, by 1% and 4% respectively, the branch achieved its overall national target.

### Inspection and Enforcement Services Performance Highlights

**Employers and Workplaces Inspected** — **80,324**

Target of 78,252 was exceeded by 3% (2,072 additional inspections).

**Compliance Notices Served** — **100%**

All 18,330 non-compliant entities received notices within 14 days, exceeding the target by 3%.

**Cases Finalised Within 30 Days** — **98%**

1,928 cases were settled or referred for prosecution, exceeding the target by 28%.

## PES records strong first-quarter delivery despite ICT and capacity pressures

Public Employment Services delivered positive results across several of its core service-delivery indicators, exceeding quarterly targets for the registration of work seekers and employment opportunities while also recording strong performance in counselling services and the placement of work seekers.

The improved delivery of counselling services was partly attributed to the additional capacity provided by interns deployed within the branch, who supported Employment Services Practitioners in registering and counselling work seekers, enabling officials to expand the reach of services without limiting their other responsibilities. However, the expected departure of approximately 241 interns at the end of July 2026 presents a potential risk to performance during the second quarter.

On the branch's policy and legislative programme, Cabinet memoranda relating to the National Employment Policy have been finalised and will be submitted to the relevant principals and Cabinet structures for consideration. On labour migration, the relevant policy notice has been published, the Bill has been tabled in Parliament, and a workshop was conducted to familiarise the Portfolio Committee on Employment and Labour with the policy and legislative proposals. Further engagement with the National Council of Provinces is awaited.

### PUBLIC EMPLOYMENT SERVICES: Q1 PERFORMANCE HIGHLIGHTS

ACHIEVED
**329,331**
**WORK-SEEKERS REGISTERED ON ESSA**
**Target: 252,000**
Surpassed the Quarter 1 target for registrations.

ACHIEVED
**73,487**
**EMPLOYMENT OPPORTUNITIES REGISTERED**
**Target: 31,250**
Significantly exceeded the Quarter 1 target for registered opportunities.

ACHIEVED
**110,006**
**WORK-SEEKERS PROVIDED WITH COUNSELLING**
**Target: 67,200**
Outperformed the Quarter 1 target for employment counselling services.

ACHIEVED
**33,600**
**EMPLOYMENT OPPORTUNITIES FILLED**
**Target: 18,750**
Successfully filled positions, exceeding the Quarter 1 target.

The EXCO meeting gave executive management an opportunity to assess first-quarter performance, identify areas requiring urgent intervention and strengthen the Department's readiness for the Minister's In-Year Monitoring meeting scheduled for 23 July 2026.

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