

2013/14 and over the medium term to fund strategic priorities elsewhere in the programme and department. These include the creation of posts to manage the departmental fleet, which accounts for the significant growth in spending in the Office of the Chief Financial Officer subprogramme in 2013/14; and the implementation of the occupation specific dispensation for registered career counsellors in the Public Employment Services programme.

4.2 Programme 2: Inspection and Enforcement Services

Programme purpose: To realise decent work by regulating non-employment and employment conditions through inspection and enforcement in order to achieve compliance with all labour market policies.

There are no changes to the budget structure.

4.2.1 Strategic objective, programme performance indicators and medium term targets

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
2: Promote equity in the labour market (Outcome 4)									
1.	Promotion of employment equity in the labour market	1.1 Number of designated employers reviewed per year to determine compliance with employment equity legislation	a) 96 Public b) 170 Private	a) 65 Public b) 218 Private	a) 87 Public b) 182 Private	a)120 Public b)220 Private Companies	517	517	517
		1.2 Percentage of non-compliant employers of those reviewed dealt with in terms of the enforcement regime link to the EEA			New Indicator	100%	100%	100%	100%

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
3: Protect vulnerable workers (Outcome 4)									
2.	Workers protected through inspection and enforcement of labour legislation	2.1 Number of workplaces inspected per year to determine compliance with labour legislation	77% of 192 129 complied	74% of 172 300 complied	54% of 101 792 complied	90 000	149 154	149 154	149 154
		2.2 Percentage of non-complying workplaces inspected per year dealt with in terms of the relevant labour legislation		New	23% or 10 880 were followed-up	100%	100%	100%	100%
		2.3 Number of advocacy and educational sessions conducted per year in identified sectors	Conducted one in: <ul style="list-style-type: none">• Iron and Steel• Construction• Forestry - Sawmills	One Seminar per year in- Private Security and Agriculture 1 021 Shop stewards	Seminars for Forestry, Hospitality, Construction and Major Hazard Installation conducted Construction Accord signed 283 Shop stewards	Four 100 Shop stewards	6 sessions <ul style="list-style-type: none">• 4 Seminars• 1 International OHS Conference• 1 Training programme (400 Shop stewards trained)	6 sessions <ul style="list-style-type: none">• 4 Seminars• 1 Inspectors Conference• 1 Training programme (600 Shop stewards trained)	6 sessions <ul style="list-style-type: none">• 4 Seminars• 1International OHS Conference• 1 Training programme (700 Shop stewards trained)

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
5: Strengthen social protection (Outcome 4)									
3.	Health and safety of workers protected through inspection and enforcement of the Occupational Health and Safety Act	3.1 Number of workplaces inspected per year to determine their compliance with the OHS legislation	24 013 (60% complied)	21 394	26 333 (52% compliance)	59 700	20 609	20 609	20 609
		3.2 Percentage of non-complying workplaces inspected dealt with in terms of the OHS legislation		new	18% (2 270 follow-up inspections)	100%	100%	100%	100%
		3.3. Number of employer audits conducted per year to determine compliance with the UI Act	new	new	new	new	13 440	13 440	13 440
		3.4 Number of entities audited per year in terms of the OHSA	new	new	new	new	150	200	300
		3.5 Percentage of entities registered per year in terms of the OHSA	new	new			2 000	3 000	4 000
		3.6 Occupational Health and Safety legislation amended		OHS Bill developed and referred to Legal State Advisors for legal opinion	OHS Act was submitted to the Advisory Council and its constituents for approval and will be submitted in Q4 to State Law Advisors	Amend the General Administrative Alignment	OHS Amendment Bill submitted to NEDLAC Amend two regulations	Amend two regulations	Amend two regulations

4.2.2 Programme performance indicators and quarterly targets for 2014-2015

	Performance indicator	Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	
1.1	Number of designated employers reviewed per year to determine compliance with employment equity legislation	Q	517	103	207	103	103	16 137
1.2	Percentage of non-compliant employers of those reviewed dealt with in terms of the enforcement regime link to the EEA	Q	100%	100%	100%	100%	100%	3 227
2.1	Number of workplaces inspected per year to determine compliance with labour legislation	Q	149 154	29 831	59 661	29 831	29 831	255 305
2.2	Percentage of non-complying workplaces inspected per year dealt with in terms of the relevant labour legislation	Q	100%	100%	100%	100%	100%	16 137
2.3	Number of advocacy and educational sessions conducted per year in identified sectors	Q	6	1	2	2	1	15 960
3.1	Number of workplaces inspected per year to determine their compliance with the OHS legislation	Q	20 609	4 122	8 244	4 122	4 122	80 812
3.2	Percentage of non-complying workplaces inspected dealt with in terms of the OHS legislation	Q	100%	100%	100%	100%	100%	16 976
3.3.	Number of employer audits conducted per year to determine compliance with the UI Act	Q	13 440	2 688	5 376	2 688	2 688	Funded by UIF
3.4	Number of entities audited per year in terms of the OHSA	Q	150	25	75	25	25	3 354
3.5	Percentage of entities registered per year in terms of the OHSA	Q	100%	100%	100%	100%	100%	7 547
3.6	Occupational Health and Safety Amendment Bill submitted to NEDLAC by March 2015.	A	OHS Amendment Bill submitted to NEDLAC Amend two regulations		OHS Amendment Bill submitted to NEDLAC		a) Hazardous Chemical Substance Regulation amended b) Major Hazardous Installation Regulations amended	9 318

4.2.3 Reconciling performance targets with the budget and MTEF

Expenditure estimates

Programme Inspection and Enforcement Services R-thousand	Audited outcomes			Adjusted appropriation 2013/14	Revised estimate	Medium term expenditure estimate		
	2010/11	2011/12	2012/13			2014/15	2015/16	2016/17
Management and Support Services: IES	8 455	13 364	14 365	15 117	15 117	15 281	16 006	17 003
Occupational Health and Safety	15 851	19 923	17 4623	21 514	21 514	22 650	24 325	26 126
Registration: IES	61 328	80 219	84 685	102 143	102 143	61 659	64 846	68 931
Compliance Monitoring and Enforcement Services	240 942	257 746	274 604	283 210	282 210	293 947	317 874	477 509
Training of Staff: IES	2 797	4 497	4 457	16 347	16 347	4 926	5 153	5 426
Statutory and Advocacy	-	-	-	1 859	1 859	4 711	4 889	5 184
Total	329 373	375 749	395 574	440 190	439 190	403 174	433 093	600 179
Economic classification								
Current payments	328 588	375 077	394 520	440 134	439 134	403 115	433 031	600 114
Compensation of employees	248 785	275 972	305 243	342 601	341 601	317 431	343 406	505 739
Goods and services	79 803	99 105	89 277	97 533	97 533	85 684	89 625	94 375
Of which:								
Advertising	144	385	708	499	499	505	522	550
Communication	14 119	18 194	16 329	15 200	15 270	14 923	16 313	17 177
Computer services	278	7	67	-	-	-	-	-
Consultants and professional services: business and advisory services	1 242	333	437	680	660	750	770	811
Fleet services	-	853	2 802	2 498	2 488	5 655	5 711	4 620
Inventory: Stationery and printing	2 737	2 320	2 418	5 415	5 415	6 145	5 980	6 297
Lease payments	98	590	279	1 813	1 813	1 910	1 979	2 084

Programme Inspection and Enforcement Services R-thousand	Audited outcomes			Adjusted appropriation	Revised estimate	Medium term expenditure estimate		
	2010/11	2011/12	2012/13	2013/14		2014/15	2015/16	2016/17
Property payments	3 931	5 514	7 407	4 359	4 359	4 759	4 644	4 891
Travel and subsistence	47 031	55 662	45 914	37 951	38 151	33 220	35 075	36 932
Other goods and services	10 223	15 247	12 916	29 798	28 878	17 817	18 631	21 013
Interest and rent on land								
Transfers and subsidies	429	583	925	56	56	59	62	65
Provinces and municipalities		1	10	-				
Departmental agencies and accounts			1					
Households	429	582	914	56	56	59	62	65
Payments for capital assets	356	89	129	-	-	-	-	-
Machinery and equipment	356	89	129	-	-			
Payments for financial assets								
Total	329 373	375 749	395 574	440 190	439 190	403 174	433 093	600 179

Performance and expenditure trends

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

Spending in the Registration: Inspection and Enforcement Services subprogramme increased significantly between 2010/11 and 2013/14 as the department increased capacity to provide efficient registration services for labour relations and occupational health and safety obligations. The decrease in spending in this subprogramme over the medium term is due to the reprioritisation of funds from spending on compensation of employees to the Public Employment Services programme. Approximately two-thirds of spending on compensation of employees relates to staff employed in the Compliance, Monitoring and Enforcement subprogramme, ensures that employers and employees comply with labour legislation. This is done through regular inspections and follow-ups on reported incidents. In 2012/13, an estimated 141 731 workplace inspections were conducted to ensure compliance with labour legislation. Of these, 240 were employment equity inspections and 87 795 were workplace inspections, compared to 90 000 workplace inspections and 340 employment equity inspections in 2013/14. The department plans to conduct 150 audits on entities to ensure compliance with the Occupational Health and Safety Act (1993) in 2014/15. These entities include diving training schools, asbestos contractors and first aid training organisations.

The spending focus over the medium term will be on strengthening the department's capacity to conduct inspections and enforce compliance with labour regulations. This explains the projected increase in the number of filled labour inspector posts and travel expenses related to workplace inspections. This, in turn, explains the expected increase in spending on compensation of employees, fleet services and travel and subsistence over the medium term. In focusing spending this way, the department expects to increase the number of workplace inspections from 150 040 in 2013/14 to 183 870 in each year of the MTEF period. Rising fuel prices and the introduction of the e-tolling

system are expected to increase travel related expenditure over the medium term, which is expected to reduce the number of inspections the department can perform within the constraints of the allocated budget.

The decrease in spending on travel and subsistence between 2010/11 and 2013/13 is mainly a result of fewer workplace inspections conducted in 2012/13 as 31 labour inspector posts were vacant. In an effort to strengthen capacity to enforce compliance with labour regulations, 14 vacant posts were filled in 2013/14, which increased spending on compensation of employees in that year. To give effect to Cabinet approved budget reductions, the department has cut the allocation for spending on compensation of employees by R69.6 million in 2014/15 and R67.6 million in 2015/16. As the cuts have been made on vacant funded positions, inspections will continue as planned. An additional R69 million in 2016/17 will allow for these posts to be reinstated and filled.

4.3 Programme 3: Public Employment Services

Purpose: To provide Public Employment Services to assist companies and workers to adjust to changing labour market conditions and to regulate private employment agencies.

There are no changes to the budget structure.

4.3.1 Strategic objective, programme performance indicators and medium term targets

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
1: Contribute to decent employment creation (Outcome 4)									
1	Provision of public employment services	1.1. Employment Services Bill/ Act regulations developed and implementation monitored; percentage of work completed	20% ES draft Bill approved within the Department	40% ES Bill approved by Cabinet for public comment. Public hearings conducted	PES Branch tabled the Bill to the Portfolio Committee on Labour in March 2013. Private Employment Agencies (PEA) and Career Guidance Regulations and guidelines in place	80% of work completed on Employment Services Bill and its regulations and guidelines	100% of work completed on Employment Services Bill and its regulations and guidelines	Monitor the implementation of the ES Act, promulgated provisions, and report quarterly and annually	Monitor the implementation of the ES Act, promulgated provisions, and report quarterly and annually
		1.2 Number of PES provincial and local advocacy campaigns conducted	2 318 Major advocacy campaigns held	99 Major advocacy campaigns and four national exhibitions	44 major campaigns and 3 306 minor campaigns were held	At least two major and five local advocacy campaigns conducted per province annually	At least 18 provincial and 126 local advocacy campaigns conducted	At least 27 provincial and 252 local advocacy campaigns conducted	At least 36 provincial and 378 local advocacy campaigns conducted
		1.3. Number of work-seekers registered on ESSA system per year	483 038	553 883	600 259	500 000	550 000	600 000	600 000

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
1: Contribute to decent employment creation (Outcome 4)									
1	Provision of public employment services	1.4 Number of targeted registered work-seekers provided with employment counselling		40% (222 956)	44% (264 068)	50% of the targeted work-seekers registered provided with employment counselling	275 000 targeted registered work-seekers provided with employment counselling	300 000 targeted registered work-seekers provided with employment counselling	330 000 targeted registered work-seekers provided with employment counselling
		1.5 Number of work-seekers placed in registered employment opportunities			16 171	19 000	20 000	25 000	30 000
		1.6. Number of opportunities registered on ESSA				New	50 000	55 000	60 000
		1.7 Number of Private Employment Agencies and Temporary Employment Agencies registered	675	1 162	350	100%	All PEA and TEA applications processed within 60 days of receipt	All PEA and TEA applications processed within 60 days of receipt	All PEA and TEA applications processed within 60 days of receipt
2	Foreign nationals individual and cooperate work visas regulated	2.1 All Applications for foreign nationals corporate and individual work visas processed within 30 working days		100% (200)	100% (153)	100%	All applications for foreign nationals corporate and individual work visa processed within 30 working days	All applications for foreign nationals corporate and individual work visa processed within 30 working days	All applications for foreign nationals corporate and individual work visa processed within 30 working days

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
3	MoAs concluded with eligible designated organizations, performance monitored and funding transferred	4.1 MoAs concluded with eligible designated organizations, performance monitored and funding transferred			New	MoAs concluded with 7 organizations, performance reports submitted quarterly, and financial transfers effected	MoAs concluded with 7 organizations, performance reports submitted quarterly, and financial transfers effected	MoAs concluded with 8 organizations, performance reports submitted quarterly, and financial transfers effected	MoAs concluded with 10 organizations, performance reports submitted quarterly, and financial transfers effected
4	MoA concluded by 31st March each year, with supported employment enterprises performance reports submitted, quarterly and funding transfers effected (SEF)	5.1 MoA concluded by 31st March, with supported employment enterprises, performance reports submitted quarterly and funding transferred quarterly			New	MoAs concluded, with supported employment enterprises, performance reports submitted quarterly and funding transferred quarterly	MoAs concluded, with supported employment enterprises, performance reports submitted quarterly and funding transferred quarterly	MoAs concluded, with supported employment enterprises, performance reports submitted quarterly and funding transferred quarterly	MoAs concluded, with supported employment enterprises, performance reports submitted quarterly and funding transferred quarterly
5	MoA concluded by 31st March each year, with Productivity SA, performance reports submitted and funding transfers effected (Productivity SA)	6.1 MoA concluded by 31st March, with Productivity SA, performance reports submitted quarterly and funding transferred quarterly			New	MoAs concluded, with Productivity SA, performance reports submitted quarterly and funding transferred quarterly	MoAs concluded by 31st March, with Productivity SA, performance reports submitted quarterly and funding transferred quarterly	MoAs concluded by 31st March, with Productivity SA, performance reports submitted quarterly and funding transferred quarterly	MoAs concluded by 31st March, with Productivity SA, performance reports submitted quarterly and funding transferred quarterly

4.3.2 Programme performance indicators and quarterly targets for 2014-2015

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R'000
1.1	Employment Services Bill regulations developed and implementation monitored; percentage of work completed	Q	100% of work completed on Employment Services Bill and its regulations and guidelines	25% (Parliament supported to pass ES Bill)	50% Two Draft regulations published shed	75% Two Regulations finalised	100% Two Draft regulations published	1 647
1.2	Number of PES provincial and local advocacy campaigns conducted	Q	At least 18 provincial and 126 local advocacy campaigns conducted	Five Provincial 32 Local	Five Provincial 32 Local	Four Provincial 32 Local	Four Provincial 30 Local	Mss: 3 295 ES: 11 696 WS: 10 617 Total: 25 609
1.3	Number of work-seekers registered on ESSA system per year	Q	550 000	137 500	137 500	137 500	137 500	53 398
1.4	Number of targeted registered work-seekers provided with employment counselling	Q	275 000 targeted registered work-seekers provided with employment counselling	68 750	68 750	68 750	68 750	31 853
1.5	Number of work-seekers placed in registered employment opportunities	Q	20 000	5 000	5 000	5 000	5 000	23 393
1.6	Number of opportunities registered on ESSA	Q	50 000 employment opportunities registered on ESSA	12 500	12 500	12 500	12 500	35 090
1.7	Number of Private Employment Agencies and Temporary Employment Agencies registered	Q	All PEA and TEA applications processed within 60 days of receipt	All PEA and TEA applications processed within 60 days of receipt	All PEA and TEA applications processed within 60 days of receipt	All PEA and TEA applications processed within 60 days of receipt	All PEA and TEA applications processed within 60 days of receipt	11 696

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R'000
2.1	Applications for foreign nationals corporate and individual work visa processed within 30 working days	Q	All applications for foreign nationals corporate and individual work visa processed within 30 working days	All applications for foreign nationals corporate and individual work visa processed within 30 working days	All applications for foreign nationals corporate and individual work visa processed within 30 working days	All applications for foreign nationals corporate and individual work visa processed within 30 working days	All applications for foreign nationals corporate and individual work visa processed within 30 working days	11 696
3.1	MoAs concluded with eligible designated organizations, performance monitored and funding transferred	Q	MoAs concluded with 7 organizations, by 31st March, performance reports submitted quarterly, and financial transfers effected	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	850
4.1	MoAs concluded by 31st March each year, with supported employment enterprises, performance reports submitted, quarterly and funding transfers effected (SEF)	Q	MoA concluded by 31st March, performance reports submitted quarterly and funding transferred quarterly	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	138 573
5.1	MoAs concluded by 31st March each year, with Productivity SA, performance reports submitted and funding transfers effected (Productivity SA)	Q	MoA concluded by 31st March, performance reports submitted quarterly and funding transferred quarterly	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	Quarterly Reports consolidated, analysed, and funding transferred	43 119

4.3.3 Reconciling performance targets with the budget and MTEF

Expenditure estimates

Programme Public Employment Services R-thousand	Audited outcomes			Adjusted appropriation 2013/14	Revised estimate	Medium term expenditure estimate		
	2010/11	2011/12	2012/13			2014/15	2015/16	2016/17
Management and Support Services: PES	19 220	21 001	21 812	31 098	31 098	32 952	34 731	36 571
Employer Services	128 688	143 673	148 517	91 382	91 382	116 968	123 285	129 820
Work-Seeker Services	22 927	23 523	32 763	99 645	99 645	114 179	119 944	125 926
Designated Groups Special Services	482	198	77	801	801	850	889	936
Sheltered Employment Factories and Subsidies to Designated Workshops	76 943	72 407	76 229	119 290	119 290	139 164	145 669	153 389
Productivity South Africa	31 155	34 059	37 052	40 285	40 285	43 119	45 531	47 944
Unemployment Insurance Fund	-	-	-	1	1	1	1	1
Compensation Fund	8 908	36 105	14 085	15 640	15 640	17 278	18 073	19 031
Training of Staff: PES	935	1 228	1 116	1 975	1 975	2 022	1 069	1 126
Total	289 258	332 194	331 651	400 117	400 117	466 533	489 192	514 744
Economic classification								
Current payments	174 138	192 031	207 237	229 440	229 440	272 764	286 071	300 858
Compensation of employees	138 703	154 514	169 064	196 250	196 250	237 378	250 103	262 983
Goods and services	35 435	37 517	38 173	33 190	33 190	35 386	35 968	37 875
Of which:								
Advertising	88	263	263	759	759	567	601	627
Communication	7 585	6 625	6 620	4 099	3 999	3 810	4 037	4 267
Computer services	93	1 365	1 363	1 217	1 817	822	802	843
Consultants and professional services: business and advisory services	-	-	86	86	86	-	-	-
Fleet services	-	70	70	-	-	1 154	1 230	1 331
Inventory: Stationery and printing	4 951	1 277	1 250	3 893	5 543	3 653	3 628	3 820
Lease payments	208	217	216	1 955	1 955	2 577	2 710	2 851

Programme Public Employment Services R-thousand	Audited outcomes			Adjusted appropriation 2013/14	Revised estimate	Medium term expenditure estimate		
	2010/11	2011/12	2012/13			2014/15	2015/16	2016/17
Property payments	2 751	4 077	4 077	1 107	57	1 313	1 378	1 448
Travel and subsistence	15 164	17 278	18 586	9 964	9 614	10 761	11 529	12 169
Other goods and services	4 595	6 345	5 642	10 110	9 360	10 729	10 053	10 519
Interest and rent on land								
Transfers and subsidies	114 958	138 158	123 625	170 427	170 427	193 769	203 121	213 886
Provinces and municipalities			3					
Departmental agencies and accounts	40 063	70 164	51 137	55 925	55 925	60 397	63 604	66 975
Non-profit institutions	74 817	67 671	72 228	114 466	114 466	133 334	139 477	146 868
Households	78	323	257	36	36	38	40	43
Payments for capital assets	162	2 005	789	250	250	-	-	-
Machinery and equipment	162	2 005	789	250	250			
Payments for financial assets								
Total	289 258	332 194	331 651	400 117	400 117	466 533	489 192	514 744

Performance and expenditure trends

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

The Management and Support Services: Public Employment Services subprogramme

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

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

The spending focus of the subprogramme Work Seeker Services is on increasing the number of work seekers registered and facilitating access to employment and income generating opportunities. The aim is to reduce unemployment and contribute to the national employment target of 11 million jobs created by 2030. Spending on compensation of employees between 2010/11 and 2013/14 grew at an average annual rate of 60%, due to the transfer of staff to this subprogramme from the Employer Services subprogramme to enhance the effectiveness of this subprogramme. Spending on compensation of employees is expected to stabilise at 8.6% over the medium term due to salary adjustments for career counsellors. Increased spending on advertising, travel and the hiring of venues and facilities in respect of roadshows for the registration of work seekers accounts for the 97.3% growth in spending on goods and services between 2010/11 and 2013/14, and is expected to moderate to 4.9% over the MTEF period. The subprogramme's expenditure, which includes items such as communication, travelling and subsistence, is expected to increase to R125.9 million in 2016/17 to provide for the implementation of projects emanating from the Employment Services Bill. These include the development of systems and regulations for private employment agencies responsible for job matching and placing work seekers, enhancements to the Employment Services of South Africa system to facilitate an increase in the number of employment opportunities registered, and the rollout of employment schemes to enhance work seekers' employment opportunities and their employability. The targets for the number of work seekers registered on the Employment Services of South Africa system is expected to increase from 500 000 in 2013/14 to 600 000 in 2016/17.

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

4.4 Programme 4: Labour Policy and Industrial Relations

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

There are no changes to the budget structure.

4.4.1 Strategic objective, programme performance indicators and medium term targets

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
2: Promote equity in the labour market (Outcome 4)									
1	Employment equity in the labour market ensured	1.1 Employment Equity Amendment Act implemented and evaluated within set time frame	Bill Published for comments. NEDLAC negotiations started	Amended EE Bill still under discussion in NEDLAC	NEDLAC negotiations on the Bill finalised in July 2012. EE Amendment Bill, 2012 tabled in Parliament	Employment Equity Amendment Act, 2013 published. Draft Amended EE Regulations published for public comment	Amended EE Regulations published.	Conduct nine workshops on amended EEA and regulations	Conduct nine workshops on amended EEA and regulations
					2012-2013 Annual Employment Equity Report developed	2013-2014 Annual Employment Equity Report and Public Register developed by 31 March 2014	2013-2014 Annual Employment Equity Report and Public Register published by 30 June 2014	2014-2015 Annual Employment Equity Report and Public Register published by 30 June 2015	2015-2016 Annual Employment Equity Report published by 30 June 2016
							2014-2015 Annual Employment Equity Report and Public Register developed by 31 March 2015	2015-2016 Annual Employment Equity Report and Public Register developed by 31 March 2016	2016-2017 Annual Employment Equity Report developed by 31 March 2017
			61 Income differentials assessed	58 Income differentials assessed	31 Income differentials assessed	30 Income differentials assessed	30 Income differentials assessed	30 Income differentials assessed	30 Income differentials assessed

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
3: Protect vulnerable workers (Outcome 4)									
2.	Basic conditions of employment in the labour market ensured	2.1 Applications for variation assessed within 60 days of receipt					Application for variation on BCEA processed within 60 days	Application for variation on BCEA processed within 60 days	Application for variation on BCEA processed within 60 days
3.	Sectoral determinations (SD) published for residual and emerging vulnerable workers	3.1 Number of existing and new sectoral determinations reviewed and investigated	4	6 Taxi, Contract Cleaning, Domestic Workers, Farm Workers, Forestry	6 Contract Cleaning Taxi sector, Civil Engineering, Private Security, Farm Workers, Wholesale and Retail	Review two Sectoral Determinations by March 2014	Review two Sectoral Determinations by March 2015	Review four Sectoral Determinations by March 2016	Review two Sectoral Determinations by March 2017
					Investigation to establish provident funds for domestic and farm workers sector delayed	One new sector investigated for possible setting of minimum wages and conditions of employment	One new sector investigated for possible setting of minimum wages and conditions of employment	One new sector investigated for possible setting of minimum wages and conditions of employment	One new sector investigated for possible setting of minimum wages and conditions of employment
							Start investigation for domestic and farm workers Provident Fund by 2015	Introduce Provident Fund for domestic workers and farm workers	Forestry and Hospitality sectors covered by pension fund by March 2017

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
4 Strengthen multilateral and bilateral relations (Outcome 11)									
4	Ensure compliance with the country's international obligation	4.1 A number of reports submitted and Memoranda of Understanding signed		Review signed Memorandum with Lesotho by June 2011	Review of China MOU finalised and ready for signing. Brazil MOU signed. Lesotho- changes in the areas of cooperation. Namibia - There was a change in administration which delayed the finalisation of the MOU. Cuba -Indicated that they were not yet ready. Zimbabwe – Discussions on the issue of Zimbabwean migrant labour are still continuing	Review signed Memoranda with China, Lesotho, Namibia, Zimbabwe and Cuba by end of March 2014	Monitor implementation of four signed MOUs and submit quarterly reports	Monitor implementation of five signed MOUs and submit quarterly reports	Monitor implementation of five signed MOUs and submit quarterly reports
					South Africa's position documents on the agenda items of the ILO GB and ILC developed	South Africa's position documents on the agenda items for the International Labour Conference developed and submitted by May 2013			

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
				6	4 One article 19 report, three Article 22 reports)	6 One article 19 Report five Article 22 report	8 Reports One article 19 and seven Article 22 reports	5 Reports One Article 19 and four Article 22 reports	8 Reports One Article 19 and seven Article 22 reports
				South Africa's position on issues for discussion in the SADC ELS and AU LSAC developed and a report submitted	Briefing documents developed and submitted to Minister for approval	South Africa's position on issues for discussion in the SADC ELS and AU LSAC developed and a report produced	One SADC report on implementation of adopted codes	One AU report on Ouagadougou Plan of Action	One SADC report on implementation of adopted codes
						Briefing notes on issues for discussion developed and a report of the meeting produced by August 2013	Three G20 Reports developed	Three G20 Reports developed	Three G20 Reports developed
6: Promote sound labour relations [Outcome 4]									
5.	Promoting sound labour relations	5.1 Number of collective agreements extended within 60 days of receipt	11	18	25	17	17	18	18
		5.2 Percentage of competent and completed labour organisation applications processed within 90 days of receipt	38 (100%)		130 (100%)	100%	100%	100%	100%

Strategic objectives		Programme performance indicator	Audited/actual performance			Estimated performance	Medium term targets		
			2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
7: Monitor the impact of legislation (Outcome 4)									
6	Impact of legislation and labour market trends monitored and evaluated	6.1 A number of labour market trends and research reports produced	8	8	8	8	8 (Four Annual Labour Market Trend reports and four Internal Statistical Trend Labour Legislations report compiled)	8 (Four Annual Labour Market Trend reports and four Internal Statistical Trend Labour Legislations report compiled)	8 (Four Annual Labour Market Trend reports and four Internal Statistical Trend Labour Legislations report compiled)

4.4.2 Programme performance indicators and quarterly targets for 2014-2015

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R
1.1	Employment Equity Amendment Act implemented and evaluated within set time frame	Q	Amended EE regulations implemented	Finalise the NEDLAC negotiations and publish Amended EE regulations	Draft Code on Equal pay for work of equal value published for public comment Conduct nine workshops with stakeholders in provinces on amended EEA and regulations	Consolidate public comments on the Code Equal pay for work of equal value	Finalise and publish Code on Equal pay for work of equal value	R250 000
		A	Annual Employment Equity Report and Public Register	2013-2014 Employment Equity Annual Report and Public Register published by 30 June 2014	-	-	2014-2015 Employment Equity Annual Report and Public Register developed by end March 2015	R4 900 000
		A	30 Income Differentials assessed	8	8	7	7	R850 000
2.1	Applications for variation assessed within 60 days of receipt	Q	Applications for variation on the BCEA processed within 60 days of receipt	2	All received applications processed within 60 days	All received applications processed within 60 days	All received applications processed within 60 days	R200 000

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R
3.1	Number of existing and new sectoral determinations reviewed and investigated	A	Review two sectoral determinations by March 2015	Conduct investigation into existing Sectoral Determinations: Contract Cleaning and Domestic Workers	Investigation of the sector	Finalise the report on the investigation		R440 000
		Q	Start investigation for Domestic and Farm Workers Provident Fund by 2015		Conduct consultations with stakeholders in the Domestic and the Farming sectors on Social Security	Report compiled	Domestic and Farm workers covered by pension fund	R486 000
		Q	One new sector investigated for possible setting of minimum wages and conditions	Investigate a new Sectoral Determination: Garden Services	Investigation into sector	Investigation into sector	Finalise the report on the investigation	R150 000
4.1	A number of reports submitted and Memoranda of Understanding signed	A	8		Seven reports in terms of Article 22 of the ILO Constitution submitted by September 2014		One report in terms of Article 19 of the ILO Constitution submitted by February 2015	R4 000 (Courier services in respect of Article 19 and 22)
		Q	4	1 Quarterly implementation report submitted	1 Quarterly implementation report submitted	1 Quarterly implementation report submitted	1 Quarterly implementation report submitted	CoE
		Q	3	1 G20 report submitted	2 G20 reports submitted			R125 000
		Q	1 Report		1 SADC implementation report submitted on adopted codes			CoE

Performance indicator		Reporting period	Annual target 2014-15	Quarterly targets				Budget
				1st	2nd	3rd	4th	R
5.1	Number of Collective agreements extended within 60 days of receipt	Q	17	3	5	4	5	R6 502 000
5.2	Percentage of competent and completed labour organisation applications processed within 90 days of receipt	Q	100%	100%	100%	100%	100%	R6 502 000
6.1	A number of Annual Labour Market Trends and Research reports produced	A and Q	Four Quarter and four Annual	One internal statistical trend on labour legislations report compiled by May 2014. Produce two Annual Labour Market reports	One internal statistical trend labour legislations report compiled by August 2014. Publish four annual labour market reports by Sept 2014	One internal statistical trend labour legislations report compiled by Nov 2014	One internal statistical trend labour legislations report compile by Feb 2015. Produce two Annual Labour Market reports	R 160 000

4.4.3 Reconciling performance targets with the budget and MTEF

Expenditure estimates

Programme Labour Policy and Industrial Relations R-thousand	Audited outcomes			Adjusted appropriation 2013/14	Revised estimate	Medium term expenditure estimate		
	2010/11	2011/12	2012/13			2014/15	2015/16	2016/17
Management and Support Services: LP and IR	8 467	9 561	12 320	13 406	12 930	13 585	13 691	14 269
Strengthen Civil Society	14 379	15 063	15 802	16 504	16 504	17 318	17 929	18 879
Collective Bargaining	9 746	10 216	11 234	13 356	13 963	14 504	14 549	15 477
Employment Equity	9 656	10 999	9 907	12 849	12 770	14 484	15 247	16 148
Employment Standards	6 506	9 758	8 422	13 297	14 093	12 706	14 906	16 054
Commission for Conciliation Mediation and Arbitration	402 017	448 104	478 745	594 418	594 418	687 096	733 999	772 901
Research Policy and Planning	12 345	10 598	5 262	12 668	12 669	11 736	12 625	13 696
Labour Market Information and Statistics	26 403	29 307	30 291	34 301	33 633	36 466	38 562	41 001
International Labour Matters	19 338	26 870	22 962	27 414	28 239	33 907	35 238	36 895
National Economic Development and Labour Council	16 342	24 433	24 707	26 278	26 225	28 089	29 472	31 043
Total	525 199	594 909	619 652	764 491	765 444	869 891	926 218	976 363

Economic classification

Current payments	82 168	93 427	87 055	111 640	112 509	121 546	128 131	135 977
Compensation of employees	54 577	60 282	61 540	71 005	69 937	78 893	83 641	89 129
Goods and services	27 591	33 145	25 515	40 635	42 572	42 653	44 490	46 848
Of which:								
Advertising	3 271	5 023	2 342	8 270	8 697	7 209	8 805	9 535
Communication	1 788	1 514	1 538	1 156	1 034	1 531	1 648	1 742
Computer services	1 516	1 156	1 156	823	770	963	975	1 017
Consultants and professional services: business and advisory services	7 277	6 385	6 608	7 478	7 515	6 694	7 202	7 849

Programme Labour Policy and Industrial Relations R-thousand	Audited outcomes			Adjusted appropriation 2013/14	Revised estimate	Medium term expenditure estimate		
	2010/11	2011/12	2012/13			2014/15	2015/16	2016/17
Fleet services	-	15	17	152	196	309	182	193
Inventory: Stationery and printing	2 797	2 325	2 363	2 777	3 557	4 224	2 864	3 012
Lease payments	507	861	869	403	369	1 891	1 485	1 504
Property payments	394	552	552	574	552	604	657	686
Travel and subsistence	7 642	11 273	6 477	12 070	12 723	11 547	13 761	13 980
Other goods and services	2 399	4 042	3 593	6 932	7 159	7 681	6 911	7 330
Interest and rent on land								
Transfers and subsidies	442 967	501 441	532 440	652 508	652 609	748 324	798 065	840 363
Provinces and municipalities			1	-	-	2	2	2
Departmental agencies and accounts	417 885	472 019	502 904	620 246	620 246	714 543	762 790	803 218
Foreign governments and international organisations	10 703	14 211	13 692	15 594	15 695	16 461	17 344	18 264
Non-profit institutions	14 379	15 063	15 802	16 504	16 504	17 318	17 929	18 879
Households	-	148	41	164	164			
Payments for capital assets	64	41	157	343	326	21	22	23
Machinery and equipment	64	41	157	343	326	21	22	23
Payments for financial assets								
Total	525 199	594 909	619 652	764 491	765 444	869 891	926 218	976 363

Performance and expenditure trends

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

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

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

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

