



**ANNUAL
REPORT OF THE
DEPARTMENT
OF LABOUR**

1 April 2010 - 31 March 2011

“ Working towards a labour market
which is conducive to Investment,
Economic Growth, Employment
Creation and Decent Work. ”



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT OF THE DEPARTMENT OF LABOUR

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Minister Mildred Oliphant
Minister of Labour



“ IT IS MY PRIVILEGE AND HONOUR TO SUBMIT TO YOU THE ANNUAL REPORT OF THE DEPARTMENT OF LABOUR FOR THE PERIOD 1 APRIL 2010 TO 31 MARCH 2011, IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999. ”



Mr. Nkosinathi Nhleko
Director-General of Labour



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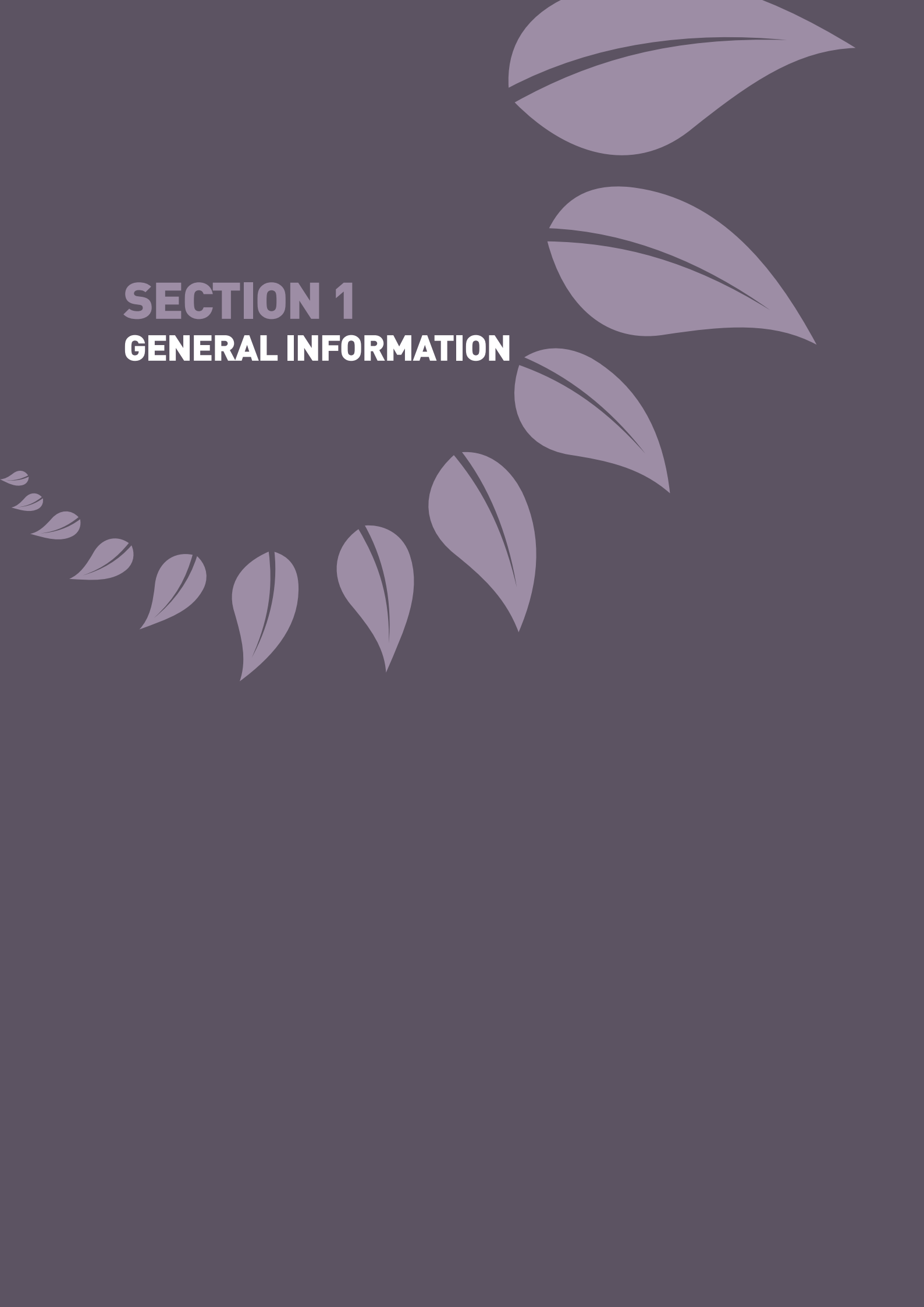
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SECTION 1

GENERAL INFORMATION



GENERAL INFORMATION

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 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 ethics
 - Learning and development
- We live Batho Pele Principles
- We live the principles of the Department's Service Charter

We inculcate these values through our performance management system.





ORGANISATIONAL STRUCTURE

TOP LEADERSHIP

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 SA
- Unemployment Insurance Board



Minister of Labour
Minister Mildred Oliphant



Director-General of Labour
Mr. Nkosinathi Nhleko



Labour Policy and Labour Market Programmes
Deputy Director-General
L Kettleas



Public Employment Services
Deputy Director-General
S Morotoba



Unemployment Insurance Fund (Commissioner)
Deputy Director-General
TB Seruwe



Chief Operations Officer
C Mutloane



Inspection and Enforcement Services
Deputy Director-General
PS Zondeki



Compensation Fund (Commissioner)
Deputy Director-General
SS Mkhonto



Corporate Services
Acting Deputy Director-General
N Pasha



Chief Financial Officer
BE Maduna



LEGISLATIVE AND OTHER POLICY MANDATE

A. LEGISLATIVE MANDATES

Based on the South African Constitution and related policies and prescripts, and learning from the various ILO Conventions and International Labour Standards, the Department of Labour administers the following labour legislation:

- (i) Labour Relations Act 66 of 1995 (LRA);
- (ii) The Basic Conditions of Employment Act 75 of 1997 (BCEA);
- (iii) The Employment Equity Act 55 of 1998 (EEA);
- (iv) The Unemployment Insurance Act 30 of 1996 (UIA);
- (v) The Occupational Health and Safety Act 85 of 1993 (OHSA);
- (vi) The Compensation for Occupational Injuries and Diseases Act 130 of 1993 (COIDA); and
- (vii) National Economic Development and Labour Council (NEDLAC) Act, 35 of 1994.

B. POLICY MANDATES

Since the advent of democracy in 1994, a culture of rights and democratic practice has been nurtured and strengthened to facilitate the creation of decent work and protection of human and civil rights, including those of workers.

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; employment creation; sound labour relations; eliminating inequality and discrimination in the workplace; alleviating poverty in employment; enhancing occupational health and safety awareness and compliance in the workplace; as well as nurturing the culture of acceptance that worker rights are human rights.

ENTITIES REPORTING TO THE MINISTER

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

- Unemployment Insurance Fund: 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
- Compensation Fund: The Compensation Fund's (CF) main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases
- Productivity SA: Productivity SA (PSA) 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
- Commission for Conciliation, Mediation and Arbitration: 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



- National Economic Development and Labour Council: 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 Department of Labour relates to the following Statutory Bodies:

1 ADVISORY COUNCIL FOR OCCUPATIONAL HEALTH AND SAFETY

The Council was established in terms of section 2 of the Occupational Health and Safety Act, 1993 (OHSA).

The functions of the Council include the following:

- Advising the Minister on policy matters arising out of or in connection with the application of the provisions of the Act
- Advising the Minister on any matter relating to occupational health and safety
- Performing the functions assigned to it by the Act or referred to it by the Minister
- Conducting investigations and doing research with a view to the performance of its functions
- Making rules relating to the calling of Council meetings, the determination of a quorum for the procedures at such meetings and generally relating to all matters which may be necessary for the effective performance of its functions
- Advising the Department on the formulation and publication of standards, specifications or other forms of guidance for the purpose of assisting employers, workers and users to maintain appropriate standards of occupational health and safety
- Advising the Department on the promotion of education and training in occupational health and safety
- Advising the Department on the collection and dissemination of information on occupational health and safety
- Concluding agreements for the performance of a particular act or particular work or for the rendering of a particular service.

2 COMMISSION FOR CONCILIATION, MEDIATION AND ARBITRATION

This Commission was established in terms of section 112 of the Labour Relations Act, 1995 (LRA).

The Commission's functions are to:

- Attempt to resolve disputes through conciliation and arbitration
- Assist in the establishment of workplace forums
- Compile and publish information and statistics about its activities
- Advise a party to a dispute about the procedure to follow in terms of this Act
- Assist a party to a dispute to obtain legal advice, assistance or representation
- Offer to resolve a dispute that has not been referred to the Commission through conciliation
- Conduct, oversee or scrutinise any election or ballot of a registered trade union or registered employers' organisation if asked to do so
- Publish guidelines in relation to any matter dealt with in this Act
- Conduct and publish research into matters relevant to its functions
- Provide, upon request, workers, employers, registered trade unions, registered employers' organisations or councils with advice or training relating to the primary objectives of the LRA
- Perform any other duties imposed, and exercise any other powers conferred on it in terms of the LRA and perform any other function entrusted to it by any other law.

3 COMMISSION FOR EMPLOYMENT EQUITY

This Commission was established in terms of section 28 of the Employment Equity Act, 1998 (EEA).

The Commission's functions are to advise the Minister on:

- Codes of good practice issued by the Minister in terms of section 54 of the Act
- Regulations made by the Minister in terms of section 55
- Policy and any other matter regarding this Act
- Issuing awards of achievement by employers in furthering the purposes of the Act
- Any matter relating to the application of this Act, including appropriate and well-researched norms and benchmarks for the setting of numerical goals in various sectors and the performance of any other prescribed function.



4 COMPENSATION BOARD

This Board was established in terms of section 10 of the Compensation for Occupational Injuries and Diseases Act, 1993 (COIDA).

Its functions include advising the Minister on:

- Matters of policy arising out of or in connection with the application of the COIDA
- The nature and extent of the benefits payable to workers or dependents of workers, including the adjustment of existing pensions
- The appointment of assessors
- The amendment of the COIDA.

The Board also advises the Director-General regarding the performance of particular aspects of its functions.

5 EMPLOYMENT CONDITIONS COMMISSION

This Commission was established in terms of section 59 (1) of the Basic Conditions of Employment Act, 1997 (BCEA).

The functions of the Commission are to advise the Minister on:

- Sectoral determinations in terms of Chapter 8
- Any matter regarding basic conditions of employment
- Any matter arising out of the application of the Act
- The effect of the policies of Government on employment
- Trends in collective bargaining and whether any of those trends undermines the purposes of the Act
- Any matter concerning the employment of children, including the review of section 43 (in consultation with the Minister of Welfare and Population Development, now called the Minister for Social Development)
- Any matter concerning basic conditions of employment in the public service (in consultation with the Minister of Public Service and Administration).

6 National Economic Development and Labour Council

This Council was established under section 2 of the National Economic Development and Labour Council Act, 1994 (NEDLAC Act).

The functions of the Council are to:

- Strive to promote the goals of economic growth, participation 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 before it is introduced in Parliament
- Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament.

7 Productivity South Africa

This is a section 21 Company (Incorporated Association without Gain), established under the Companies Act, 1973.

The functions of the PSA are to:

- Promote, develop capacity and facilitate partnerships in national productivity drives
- Disseminate information on the nation's productivity performance and productivity improvement experiences
- Initiate relevant productivity improvement approaches and techniques
- Influence the creation of a conducive socio-economic, legislative and policy environment for ongoing productivity improvement and for South Africans to adopt a culture of sustainable productive practices, in order to enjoy a high quality of life.



8 Unemployment Insurance Board

The Unemployment Insurance Board was established in terms of section 47 of the Unemployment Insurance Act, 2001. Its functions include the following:

- To advise the Minister on:
 - unemployment insurance policy
 - policies arising out of the application of this Act
 - policies for minimising unemployment
 - the creation of schemes to alleviate the effects of unemployment insurance
- To make recommendations to the Minister on changes to legislation in so far as it impacts on policy on unemployment or policy on unemployment insurance
- To perform any other function which may be requested by the Minister for purposes of giving effect to this Act.



MINISTER'S STATEMENT

The Department of Labour herewith presents its Annual Report in terms of the Public Finance Management Act for the 2010/11 financial year.

The Department in this report, reflects on its contribution to year two of the Medium Term Strategic Framework (MTSF) 2009-2014 with a focus on Government service delivery outcomes, focusing mainly on Outcome 4: Decent employment through inclusive economic growth, and two other outcomes: Outcome 11. Create a better South Africa and contribute to a better and safer Africa and World; and Outcome 12: An efficient, effective and development orientated public service and an empowered and inclusive citizenship.

Great strides have been made to create a labour market that is conducive to economic growth, investment and the creation of decent work as demonstrated among others by the following:

- Facilitate the entry and re-entry of jobseekers into the labour market through proactive measures to address unemployment and poverty by finalising and publishing the public employment services policy and the Employment Services Bill
- Address developments in the labour market, including labour broking and legislative compliance and enforcement, by publishing amendment bills to the Labour Relations Act (1995), the BCEA (1997) and the EEA (1998) by March 2011.
- Manage the implementation of the Labour Relations Act (1995) by extending collective agreements and registering or de-registering labour organisations.
- Strengthen employment equity implementation and enforcement mechanisms by conducting director-general reviews at JSE Securities Exchange listed companies.
- Several sectoral determinations including Civil Engineering, Hospitality, Learnerships, Taxi, Contract cleaning, and Domestic were reviewed and implemented to improve the position of vulnerable workers.

I would like to take this opportunity to extend my sincere thanks and appreciation of the support by members of Parliament (MPs) and social partners, all institutions and Public Entities reporting to the Executive Authority, and staff in the Department for their contribution towards the realization of our objectives to transform the South African labour market.

MN Oliphant, MP | Minister of Labour



Minister Mildred Oliphant
Minister of Labour

ACCOUNTING OFFICER'S OVERVIEW

In this 2nd report within the Medium Term Strategic Framework 2009 – 2014, the Department reflects on the extent to which it is continuously carrying its mandate to transform and regulate the labour market to ensure our contribution to the creation of decent work and sustainable livelihoods. The Department has, in this financial year realigned our objectives and resources to contribute effectively to Government strategic priorities and service delivery outcomes that are set for the Department of Labour (DoL) during the 2009 to 2014 period.

The Department has made strides over the past year and the clearing of the qualified audit opinion which has haunted the Department for the past years, puts the Department in a favourable position in that it can now concentrate on improving all aspects of internal controls at its provincial and head office operations. Aspects such as the measurable objectives and the reporting of achievements against these objectives will now receive the necessary attention. It further improved the confidence of staff within the Department that no task is insurmountable given good leadership and direction.

To contribute further to the strategic priorities of government, over the next three years, the Department will focus on the following service delivery outcomes and strategic objectives:



Mr. Nkosinathi Nhleko
Director-General of Labour

Service delivery outcome	The Department's Strategic Objectives
Service delivery outcome 4: Decent employment through inclusive economic growth	1: Contribute to <i>decent</i> employment creation 2: Promote equity in the labour market 3: Protecting vulnerable workers 4: Strengthening social protection 5: Promoting sound labour relations 6: Monitoring the impact of legislation
Service Delivery Outcome 11: Creating a better South Africa and contributing to a better and safer Africa in a better world.	7: Strengthening multilateral and bilateral relations
Service Delivery Outcome 12: An efficient, effective and development orientated public service and an empowered and inclusive citizenship	8: Strengthening the institutional capacity of the Department

I am confident that in the coming years we will do more under these trying economic times to deliver efficient and effective services to the best of their abilities to create a policy environment for the creation of decent employment through inclusive economic growth

Mr. Nkosinathi Nhleko | Director-General of Labour