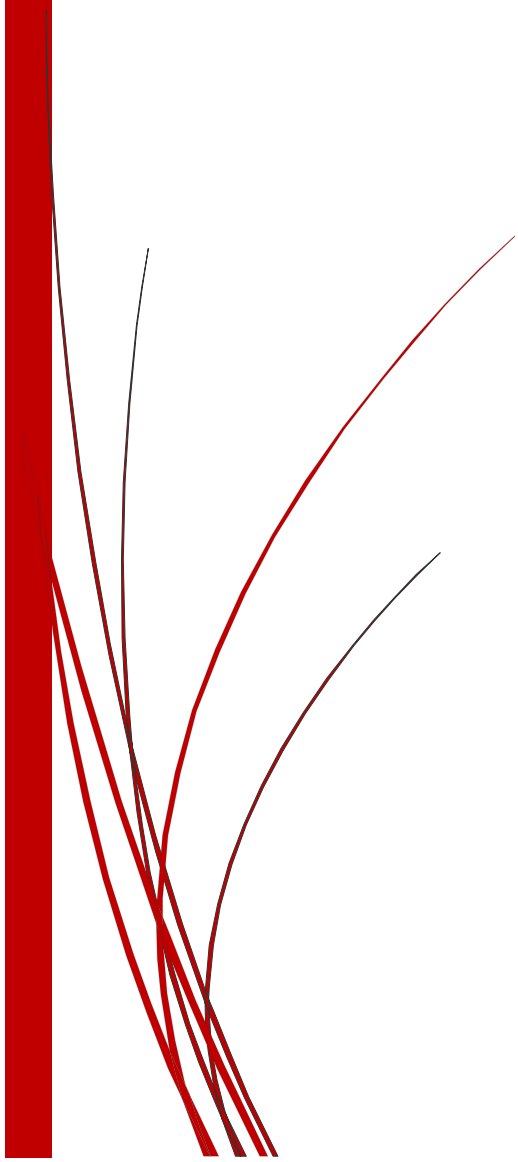
1/9/2025

# DEPARTMENT OF EMPLOYMENT AND LABOUR

# VOTE NO. 31
# ANNUAL REPORT
# 2024/2025 FINANCIAL YEAR



employment & labour
Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

# Contents

**Contents** ..... **1**

**Part A: General Information** ..... **4**

Department General Information ..... 5

1. List Of Abbreviations/Acronyms ..... 6

2. Foreword By The Minister ..... 8

3. Deputy Minister Statement ..... 15

4. Deputy Minister Statement ..... 18

5. Report of the Accounting Officer ..... 21

6. Statement of Responsibility and Confirmation of Accuracy for the Annual Report ..... 28

7. Strategic overview ..... 29

**1.** Vision ..... 29

**2.** Mission ..... 29

**3.** Values ..... 29

8. Legislative and other mandates ..... 29

9. Organisational structure ..... 30

10. Entities reporting to the Minister ..... 30

**Part B: Performance Information** ..... **32**

1. Auditor-General's Report: Predetermined Objectives ..... 33

2. Overview of Departmental Performance ..... 33

**2.1 Service Delivery Environment** ..... 33

**2.2 Service Delivery Improvement Plan** ..... 33

**2.3 Organisational environment** ..... 39

**2.4 Key policy developments and legislative changes** ..... 40

3. Achievement of institutional impacts and outcomes ..... 49

**Priority 1: Capable, Ethical and Developmental State** ..... 49

**Priority 2: Economic transformation and job creation** ..... 50

**Priority 3: Education, Skills and Health** ..... 54

**Priority 4: Consolidating the Social Wage through Reliable and Basic Services** ..... 54

**Priority 6: Social cohesion and safer communities** ..... 55

**Priority 7: A better Africa and a better World** ..... 57

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION ..... 60

**4.1 Programme 1: Administration** ..... 61

**4.2 Programme 2: Inspection and Enforcement Services** ..... 68

**4.3 Programme 3: Public Employment Services** ..... 79

**4.4 Programme 4: Labour Policy and Industrial Relations** ..... 89

5. TRANSFER PAYMENTS ..... 97
**5.1 Transfer payments to public entities** ..... 97
**5.2 Transfer payments to all organisations other than public entities** ..... 100
6. CONDITIONAL GRANTS ..... 101
7. DONOR FUNDS ..... 102
**7.1. Donor Funds Received** ..... 102
8. CAPITAL INVESTMENT ..... 103
**8.1.** Capital investment, maintenance and asset management plan ..... 103

**Part C: Governance ..... 108**
*1. Introduction* ..... 109
*2. Risk Management* ..... 109
*3. Fraud and corruption* ..... 110
*4. Minimising conflict of interest* ..... 110
*5. Code of conduct* ..... 111
*6. Health safety and environmental issues* ..... 111
*7. Portfolio committees* ..... 113
***8. SCOPA resolutions*** ..... 115
***9. Prior modifications to audit reports*** ..... 115
*10. Internal Control Unit* ..... 117
***11. Internal Audit and Audit Committees*** ..... 117
12. *Audit Committee Report* ..... 120
*13. B-BBEE Compliance Performance Information* ..... 125

**Part D: Human Resource Management ..... 126**
*1. Introduction* ..... 127
*2. Overview of human resources* ..... 127
*3. Human Resources Oversight Statistics* ..... 127
3.1 Personnel related expenditure ..... 127
3.2 Employment and Vacancies ..... 128
3.3 Filling of SMS Posts ..... 129
3.4. Job Evaluation ..... 131
3.5 Employment Changes ..... 134
3.6 Employment Equity ..... 136
3.7 Signing of Performance Agreements by SMS Members ..... 139
3.8 Performance Rewards ..... 139
3.9 Foreign Workers ..... 141
3.10 Leave utilisation ..... 142
3.11 HIV/AIDS & Health Promotion Programmes ..... 144

3.12 Labour Relations ..... 145
3.13 Skills development ..... 146
3.14 Injury on duty ..... 148
3.15 Utilisation of Consultants ..... 148
3.16 Severance Packages ..... 149

**Part E: PFMA Compliance Report ..... 150**
***1. Irregular, fruitless and wasteful, unauthorised expenditure and material losses*** ..... 151
**1.1. Irregular expenditure** ..... 151
**1.2. *Fruitless and wasteful expenditure*** ..... 152
**1.3.** *Unauthorised expenditure* ..... 153
*2. Late and/or non-payment of suppliers* ..... 154
*3. Supply Chain Management* ..... 154
**3.1.** Procurement by other means ..... 154
**3.1.** Contract variations and expansions ..... 160

**Part F: Financial Information ..... 161**
***1. Annual Financial Statements*** ..... 174
Appropriation Statement ..... 174
Notes to the Appropriation Statement ..... 174
Statement of Financial Performance ..... 174
Statement of Financial Position ..... 174
Statement of Changes in Net Assets ..... 174
Cash Flow Statement ..... 174
Notes to the Annual Financial Statements (including Accounting Policies) ..... 174
Annexures ..... 174

**Part G: Supported Employment Enterprises ..... 256**

**Report of the Accounting Officer to the Executive Authority and Parliament of the Republic Of South Africa ..... 257**
Overview of the operations of the SEE ..... 257
Overview of the results and challenges for the year ..... 257
Overview of the human resources ..... 258
Overview of the financial results of the SEE ..... 259
SEE Performance Information Overview ..... 265
Achievement of institutional impacts and outcomes ..... 266
Strategic outcome oriented goals ..... 266
Report of the Auditor General on the financial statements ..... 269

# Part A: General Information

## Department General Information

**PHYSICAL ADDRESS:** 215 Francis Baard Street
Pretoria
0002

**POSTAL ADDRESS**: Private Bag X117
Pretoria
0001

**TELEPHONE NUMBER/S**: 0027 12 309 4000
**FAX NUMBER:** 0027 12 309 4000
**EMAIL ADDRESS**: info@labour.gov.za
**WEBSITE ADDRESS:** www.labour.gov.za

# 1. List Of Abbreviations/Acronyms

| | |
|---|---|
| (N)RMC | (National) Risk Management Committee |
| 3G | Third Generation |
| A/R | Approved or rejected |
| AFS | Annual Financial Statements |
| ARLAC | African Regional Labour Administration Centre |
| AU | African Union |
| BCEA | Basic Conditions of Employment Act |
| BCs/SCs | Bargaining Councils/ Statutory Councils |
| BEWG | BRICS Employment Working Group |
| BRICS | Brazil, Russia, India, China and South Africa |
| CAE | Chief Audit Executive |
| CCMA | Commission for Conciliation, Mediation and Arbitration |
| CEE | Commission for Employment Equity |
| CF | Compensation Fund |
| CIS | Cyber Information Security |
| COIDA | Compensation of Injuries and Diseases Act |
| DEL | Department of Employment and Labour |
| DG | Director-General |
| DHA | Department of Home Affairs |
| DOJ&CD | Department of Justice and Constitutional Development |
| DPME | Department of Planning, Monitoring and Evaluation |
| DPSA | Department of Public Services and Administration |
| DPWI | Department of Public Works and Infrastructure |
| E4E | Education for Employability |
| EAS | Employment Audit Services |
| EBSCO | Elton B. Stephens Company (parent company of EBSCO Information Services, a major provider of online research databases) |
| EEA | Employment Equity Act |
| EPWP | Expanded Public Works Programme |
| ER | Employment Relations |
| ESA | Employment Services Act |
| ESAB | Employment Services Amendment Bill |
| ESAB | Employment Services Amendment Bill |
| ESSA | Employment Services for South Africa |
| EU | European Union |
| FY | Financial year |
| G20 | International Forum for the Governments and Central Bank Governors from 20 Major Economies |
| GIAMA | Government Immovable Asset Management Act |
| IAF | Internal Audit Function |
| ICT | Information, Communication Technology |
| IES | Inspection and Enforcement Services |
| IFS | Interim Financial Statements |
| ILO | International Labour Organisation |
| ITM | Insider Threat Management |
| LEMM | Labour and Employment Ministerial Meeting (LEMM) |
| LMI | Labour Market Information |
| LMIS | Labour Market Information and Statistics |
| LP&IR | Labour Policy and Industrial Relations |
| LRA | Labour Relation Act |
| MoU | Memorandum of Understanding |
| MTEF | Medium Term Expenditure Framework |
| MTSF | Medium Term Strategic Framework |
| N/A | Not applicable |
| NCCRF | National Climate Change Response Fund |
| NDP | National Development Plan |
| NEDLAC | National Economic Development and Labour Council |
| NEET | Not in Education, Employment, or Training |
| NEP | National Employment Policy |
| NLMP | National Labour Migration Policy |
| NMW | National Minimum Wage |
| NMWA | National Minimum Wage Act |
| OHS | Occupational Health and Safety |
| OHSA | Occupational Health and Safety Act |
| PEA | Private Employment Agencies |

| | |
|---|---|
| PES | Public Employment Services |
| PwDs | People with disabilities |
| SADC | Southern African Development Community |
| SAPS | South African Police Services |
| SDIP | Service Delivery Improvement Plan |
| SEIAS | Socio Economic Impact Assessment System |
| SIEM | Security Information and Event Management |
| SMMEs | Small, Medium and Micro-Sized Enterprises |
| SOP | Standard Operating Procedures |
| TES | Temporary Employment Services |
| UIA | Unemployment Insurance Act |
| UICA | Unemployment Insurance Contributions Act |
| UIF | Unemployment Insurance Fund |

# 2. Foreword by the Minister

The 2024/25 Annual Report of the Department of Employment and Labour (DEL) provides a detailed account of the Department's mandate, performance, financial management, policy developments institutional challenges/risks and mitigation over the financial year, 2024/25. It highlights efforts to regulate the South African labour market, promote decent work, protect vulnerable workers, and enhance governance and service delivery across multiple programmes and entities under its jurisdiction. This report marks the final year of the Five-Year Medium-Term Strategic Framework (MTSF) 2019 - 2024, the Sixth Parliament and Sixth Administration.

**The MTSF 2019 – 2024 is defined by Seven Priorities:**

- **Priority 1: A Capable, Ethical and Developmental State**
- **Priority 2: Economic Transformation and Job Creation**
- **Priority 3: Education, Skills and Health**
- **Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services**
- **Priority 6: Social Cohesion and Safe Communities**
- **Priority 7: A better Africa and World**

All the programmes of the Department of Employment and Labour and its Public Entities contributed to Government's seven priorities in several ways. The work of the Department of Employment and Labour during the 5 Year MTSF (2019/24) and financial year 2024/25 is rooted in our constitutional mandate which finds expression in our vision and mission to "regulate the South Africa labour market for a sustainable economy". This is achieved through:

- Appropriate legislation and regulations
- Inspection, compliance monitoring and enforcement
- Protection of human rights
- Provision of Employment Services
- Promoting equity
- Social and income protection, and
- Social dialogue."

Our mandate as the DEL was not executed in a vacuum, enjoined by the constitution of the Republic of South Africa and guided by government priorities, DEL programmes and Public Entities reflected these fundamentals both in their plans and budget allocations over the five-year period.

The creation of the Department of Employment and Labour in the sixth Administration signalled an expanded mandate to the previous Department of Labour. The additional mandate entailed a Department that will coordinate all government efforts to contribute to employment creation. By extension DEL is required to change its approach from mere compliance enforcement to, in particular, coordinate the preservation and creation of jobs.

The reconfiguration of DOL into DEL was conceived of in phases, with the first step being to identify existing programmes, resources, structures and entities of the Department and to leverage these for job preservation and creation, as well as to promote social dialogue to create an environment conducive to improved confidence, investment, economic development and job creation. Successful examples include:

- The Labour Activation Programmes of the UIF;
- The 'normal' TERS programme (Temporary Employer/Employee Relief Scheme) to support struggling companies and to preserve jobs. The CCMA plays a pivotal role in this, in redirecting companies who have applied to make retrenchments towards the TERS programme;
- The role of Nedlac in promoting social dialogue and concretely driving implementation of the Jobs Summit commitments to reduce the cost of doing business and to create and preserve jobs.

**Highlights and Key Achievements over the MTSF Period 2019/24 and in the financial year 2024/25**

**The National Minimum Wage**: The assertion of the National Minimum Wage Act in 2019 set a historic precedent in the protection of about 6.6 million low-earning workers in South Africa and provided a platform for reducing inequality in society and decreasing huge disparities in income in the national labour market. To maintain the relevance of the national minimum wage and to preserve its value, the national minimum wage was reviewed annually in order to protect low-income workers from erosion in their incomes.

The Department of Employment and Labour has reviewed the national minimum wage, which came into effect on 1 March 2024. The NMW was extended to cover farm workers in 2023, and for the first time in 2024 it fully covers domestic workers. Research by the NMW Commission indicates that the NMW has had a minimal effect on employment whilst alleviating poverty and expanding aggregate monetary demand. For marginal companies, genuinely unable to afford the new rates, it is possible to seek an exemption. To be clear: the NMW is not a 'living wage', but it does begin to set a minimum threshold which we seek to review annually, and it has already directly benefited millions of vulnerable workers.

**Occupational Injuries and Diseases Act (COIDA)**: On 6 April 2023, the President Assented into law the Compensation for Occupational Injuries and Diseases Act No. 10 of 2022. The Compensation for Occupational Injuries and Diseases Act (COIDA) previously excluded domestic workers from coverage of workplace diseases and injuries. The Government amended this legislation to ensure that domestic workers are covered for occupational diseases and injuries. Today, about 892,000 domestic workers benefit from the amendments.

**Employment Equity Act**: The Employment Equity Amendment Act, No. 4 of 2022 was assented into law by the President on 6 April 2023 and subsequently published in the Government Gazette No. 48418 dated 14 April 2023. The EE Regulations to implement the EE amendments were finalised but will be published upon the assenting and promulgation of the EE Amendment Bill into law by the President. The changes to the Act will transform the labour market and benefit the majority of our people.

**National Employment Policy**: The Draft NEP is ready for submission to Cabinet to obtain approval for the Public Consultation process. The Department has processed the comments received from the stakeholders approached NEDLAC, Cabinet and Parliament by June 2024. The Public Employment Services Branch is currently mobilizing resources with various donors and Agencies as the NEP intervention remains unfunded.

**Progress to date on the National Labour Migration Policy (NLMP and Employment Amendment Services Bill (EASB)**: The second SEIAS certificate has been received from Presidency. The preliminary certification has been received from office of the Chief State Law Advisor. The Draft Policy and Bill was presented to Cabinet at the close of the financial year 2024/25.

**Unemployment Insurance Act**: The UI Act was amended making way for fathers to take part in the development of their children earlier on in life. Men can take up to ten days of maternity leave.

**UIF LAP**: During the six administration key successes were registered through Unemployment Insurance Fund (UIF). UIF intensified its contribution towards job preservation and creation by training over 25 pilots and aircraft engineers through the Labour Activation Program. Through this program scuba divers and underwater welders were trained and deployed in the labour market. An additional R23 billion has been set aside to train for employment and entrepreneurs over 700 000 individuals stand to benefit.

**COVID -19 TERS**: During the most difficult time in the world when most countries were on lock down in 2020, the UIF disbursed R64 billion, bringing relief to about 5.4 million workers during the pandemic, thus ensuring that the South African economy did not collapse and that workers were not left destitute.

- The figure at the time was the biggest amount that had been paid by the government to help workers, businesses, and the economy to mitigate against the impact of the COVID pandemic. The COVID-19 TERS payments were made possible by the fund's investments with the Public Investment Corporation.

- Between 25 March 2020 and 15 July 2021, the Minister of Employment and Labour issued 8 Policy Directives relating to the introduction, management and amendments of COVID-19 TERS.
- This included the foregoing of several key legislative requirements stipulated in the Unemployment Insurance Act, 2001 (Act No.63 of 2001) to accommodate employers and employees that may have not qualified to benefit from COVID-19 TERS.
- Again, we saw the important role of Nedlac in coordinating the response of social partners to the pandemic, ensuring social dialogue and solidarity, whilst playing a key role in concrete planning for economic revival in the wake of the pandemic.

**Inspection and Enforcement Services:** Of course, progressive labour policies and legislation are only as good as the system of inspection and enforcement that we put in place. The Labour Inspectors of the IES Branch proved their worth during the pandemic. They played a pivotal role in drawing up regulations to make workplaces safe for a return to work during the pandemic, as well as inspecting and enforcing Occupational Health and Safety legislation during the crisis. This is an important example of the importance of having a regulatory framework, not only to promote decent work, but also to rise to the occasion during periods of crisis, such as Covid-19.

**Performance Overview and Challenges**

The Department has a footprint in all the nine Provinces to ensure that people receive the services they deserve. We have presence in all Provinces with 125 Labour Centres throughout the country and it is also important to indicate that without fail all the Provinces are engaged in programs that are taking services to the people continuously. However, there are still many observable challenges in particular long queues turnaround time as well as many unresolved cases in some Provinces.

During the 2024/25 financial year, the Department achieved 73% of its planned Key Performance Indicators, an improvement compared to previous years. Key challenges included budget constraints delaying senior management appointments and increased the vacancy rate of the Department exponentially. Delays in IT infrastructure projects such as the Software Defined Network and migration into SAP ICT Platform. Despite these, the Department maintained strong financial discipline, spending 98.6% of its R3.85 billion budget, with no unauthorized expenditure but reporting irregular and fruitless expenditures.

**Programme Performance and Financial Management**

**Administration:** This programme delivers strategic leadership and support services. It maintained 50% women representation in Senior Management Service (SMS) positions and completed 100% of its cybersecurity roadmap phase 2. However, the vacancy rate rose to 23%, impacting service delivery and delaying the transition to a modern SAP platform, now rescheduled for mid-2025. The programme fully expended its R1.065 billion budget without variance.

**Inspection and Enforcement Services:** Focused on labour law compliance, this programme inspected over 310,000 workplaces, exceeding its target. It served notices to 99% of non-compliant employers within 14 days and referred 83% of cases for prosecution within 30 days. Despite underspending of R52 million due to vacant posts and procurement delays, it effectively raised employment law awareness through advocacy sessions. The programme spent R548 million out of its R600 million budget.

**Public Employment Services:** This programme surpassed all major targets, registering over 1.3 million work seekers (target 950,000), filling nearly 99,000 employment opportunities (target 65,000), and providing employment counselling to over 344,000 individuals (target 260,000). It facilitated job fairs and supported vulnerable groups including persons with disabilities. The programme effectively managed its R930 million budget.

**Self-help Kiosks for Work-seekers:** Public Employment Services (PES) extended its focus to reaching out to disconnected work-seekers, those who do not have access to registration facilities by increasing self-help kiosks, safe space where work-seekers can be provided with free employment services, registration, job searching and employment counselling.

Although Public Employment Services achieved all its targets, placement in learning and employment opportunities remained too low as compared to the number of opportunities and work seekers registered. This is mainly due to skills mismatch against registered opportunities, insufficient work experience amongst most registered work seekers and the absence of tools to track the working lives of work-seekers provided with counselling services.

One of the major constraints that we must name honestly is the underfunding of Public Employment Services (PES). We must confront this limitation if we are serious about shifting the needle on unemployment.

**Employment Creation:** We must also highlight the important work being done by the National Pathway Management Network (NPMN). This network, coordinated in the Presidency and operationally managed through Harambee, serves as a bridge between opportunity and young talent. The SA Youth platform, which is part of the NPMN ecosystem, has already registered over 5 million young people. Critically, it has placed 1.57 million youth in earning opportunities, with 70% of those opportunities secured by women. These are not just numbers—they represent lives changed, families supported, and hope restored.

**Labour Policy and Industrial Relations:** Achieving 80% of its targets, this programme published employment equity reports timely, reviewed the national minimum wage annually, and produced labour market trend reports to support evidence-based policy. It led South Africa's participation in BRICS, G20, and International Labour Organisation forums. However, extension of collective agreements fell short, with only 8.3% completed within set timeframes. The programme fully expended its R1.26 billion allocation.

**International Engagements:** The Department actively advanced South Africa's labour interests internationally, chairing the African Regional Labour Administration Centre (ARLAC) and promoting decent work and youth employment through SADC. It supported global labour policies at the ILO and engaged with BRICS and G20 to enhance cooperation on employment creation and skills development. South Africa was the first African country to host the 5$^{th}$ International Labour Organisation (ILO) Conference on Eradication of Child Labour in 2022. This in itself is a tribute to South Africa's record of promoting healthy and robust Labour Relations and Collective Bargaining System, its record of progressive Labour relations and social compacting through NEDLAC.

**Governance, Risk, and Compliance:** Robust governance frameworks were maintained, including risk management committees and fraud prevention measures such as whistleblowing policies. Occupational Health and Safety committees identified major non-compliance issues like electrical hazards and locked emergency exits. The Department emphasized ethical conduct, conflict of interest management, and compliance with the Public Finance Management Act.

**Human Resource Management:** The Department prioritized diversity and inclusivity, achieving 50% women representation in SMS, 2.6% persons with disabilities, and 21% youth in its workforce. With 8,948 filled posts out of 13,631 approved, the vacancy rate stood at 34.36%. Personnel expenditure totalled over R1.3 billion, representing 35.35% of total expenditure. Turnover was 12.1%, mainly due to contract expirations and resignations. Performance rewards were limited, granted to 0.1% of employees.

**Challenges Facing the Department and the Strategic Focus Over the Medium to Long Term Period**

**Unemployment:** in the country remains a major challenge for the youth. During the MTSF Implementing cycle, South Africa as a country had to adjust to drastic technical recession, post 2020/21, as the impact of Covid-19 began to devastate global economies. Without a doubt, the pandemic brought with it, multiplier effects of different negative economic shocks. Whilst Covid-19 was reported to be a health shock, it inevitably, mutated into a complicated tangle of a demand shock, a supply shock and a financial shock, all coming together at a time when South Africa was poorly fortified economically to deal with it[1].

According to Statistics South Africa (Stats SA), the South African economy slipped into recession in 2019. Again, the real GDP decreased by 2.0% in the first quarter of 2020[2] whilst the Covid-19 impact on the economy was on the rise. Furthermore, Stats SA and the International Monetary Fund (IMF) projections reported that: *"…Because of the Covid-19, the 2020 global economy contracted sharply by -3% **(but South Africa by -6.17% a 6.43% decline from 2019)**, much worse than during the 2008/09 global financial crisis*. The economic fallout, acute in specific sectors, set the country back several years.

**Service Delivery Challenges** faced by the Provinces which are an important service delivery arm of the Department, centred on the provision of sufficient Information Communication Technology (ICT) tools on time as well as availability of the systems. The mandatory reliance on other state institutions for ICT service provision somewhat contributed to the intermittent availability of systems especially the critical service delivery systems. The Department is currently seeking alternative options to ensure consistent availability of systems.

**Employment Creation:** As the baton is passed on to the Seventh Administration and the Government of National Unity (GNU), the first priority of the Medium-Term Development Plan (MTDP) 2024-2029 — ***inclusive economic growth and job creation*** — is the fulcrum on which much else depends. Growth without jobs is exclusion by another name. On our part, as the Department of Employment and Labour, one of the critical instruments we are currently finalising is the National Employment Policy, which seeks to create a deliberate, demand-led framework to translate economic growth into sustainable, decent jobs.

This policy will serve as a guide for the structural reforms and institutional arrangements necessary to ensure that investment leads not just to capital accumulation, but to labour absorption and social inclusion. It is one of the Department's flagship contributions to the reindustrialisation and transformation of the South African economy.

**Moderating workplace conflict:** To ameliorate the impact of the workplace conflict on the economy, the amendments to the LRA introduced compulsory balloting before any labour organisation can embark on industrial action. Furthermore, the amendments empowered the CCMA to intervene on prolonged industrial conflicts that are in the public interest so as to reduce their impact on the economy.

**The NMW Commission:** Will continue to review the national minimum wage annually and make recommendations to the Minister of Employment and Labour on its adjustment. The NMW Commission will also continue to set medium term targets for the national minimum wage and further conduct a review of the wages of domestic and farm sectors and make a recommendation to the Minister on the adjustment of these sectors to be equivalent to the national minimum wage or as close to that amount as the Commission's findings allow.

[1] https://www.capetalk.co.za/articles/379782/south-africa-s-economy-to-shrink-by-23-5-in-2q-2020-absa-forecast

[2] Stats SA released GDP figures on 30 June 2020.

**Workplace Transformation:** Employers continue the status quo with very little advancement being made in the transformation of the workplace. The Commission for Employment Equity has also highlighted their concerns in the slow movement of employers in this regard.
The EEA legislation amendments have been implemented and there have been changes on the part of the inspectorate in order to address the lack of forward momentum in order to deal with the challenges of workplace transformation. Internally, the Inspection and Enforcement Services Branch has undergone a slight change in its structure at provincial level in the inspectorate dealing with EE in order to improve the way it conducts its business in relation to EE.

**Audit Outcomes**

The Auditor-General issued a qualified opinion on the Department's financial statements due to insufficient evidence on receivables and improper accounting of staff debt interest. Material non-compliance included irregular expenditure of approximately R271 million and fruitless expenditure of R1.8 million, mainly from supply chain management breaches and payments for unused SAP software licenses totalling an estimated R23 million loss. Internal control weaknesses were noted, including inadequate investigation of irregular expenditures and insufficient compliance monitoring. The Department spent 98.6% of its R3.85 billion budget with underspending mainly in Inspection and Enforcement Services. Despite this setback, we remain resolute to achieve a clean, fraud and corruption free administration with strengthened internal controls. To Achieve the Departmental Clean Audit, these matters will find priority in our decision making and we will improve on the speed of implementing the Audit Action Plans.

**Capital Investment and Asset Management**

The Department managed six major capital projects for labour centres, facing delays due to external factors such as water shortages. Asset conditions were rated 28% good, 33% fair, and 39% poor. Capital assets additions totalled R77.8 million, primarily in machinery and equipment. Maintenance backlogs increased due to limited progress by the Department of Public Works and Infrastructure.

**Conclusion and Outlook**

The Department acknowledges the challenges including slow economic growth, labour market pressures, and internal capacity constraints. With the lifting of cost containment measures, it plans to fill funded vacancies, continue the SAP system transition which entails the transition of DEL Legacy systems to modern integrated SAP Platform and implement key policy reforms. The reconfiguration and unbundling of UIF and CF aims to improve governance and service delivery. The Department remains committed to fostering a labour market that supports economic growth, decent work, and social equity.

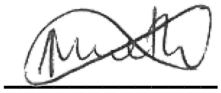
The 2024/25 Annual Performance Report of the Department underscores the Department's multifaceted role in labour regulation, employment services, policy development, and institutional governance, while identifying areas for improvement in financial management and operational efficiency to better serve South Africa's workforce and economy.

This comprehensive Report is not just institutional activity—it is a blueprint for a country that is working to rebuild the dignity of workers. Whether through our Public Employment Initiatives, Inspection and Enforcement of our Labour Legislation to protect vulnerable workers in our society—these programmes of the Department are the scaffolding of our developmental state.

But scaffolding is not enough. We must build. And building requires urgency, investment, and coherence.

Our Department stands ready, and we look forward to walking this path with the most vulnerable workers, marginalised and unemployed in our society —as partners in delivery and in pursuit of a just, inclusive, and transformed South Africa.

My sincere thanks go to the Deputy Ministers, Ms Nemadzinga-Tshabalala MP, and Mr Sibiya MP, the Acting Director-General, Ms Molisane, the senior management and the employees of the Department and its entities for their unwavering support and commitment to realising the vision of the Department for a labour market that is conducive to decent employment.



**Ms N Meth, MP**

**Minister of the Department of Employment and Labour**

**(Date)**

# 3. Deputy Minister Statement

The Department of Employment and Labour derives its mandate from the constitution of the republic of South Africa to regulate the labour market through policies and programmes developed in consultation with social partners, enforcement of labour standards, promoting employment equity, occupational health and safety compliance, and supporting social protection mechanisms. It manages key entities including the Unemployment Insurance Fund (UIF), Compensation Fund (CF), Productivity South Africa, the Commission for Conciliation, Mediation and Arbitration (CCMA), Supported Employment Enterprises (SEE), and the National Economic Development and Labour Council (NEDLAC). Its vision is to foster a labour market conducive to investment, economic growth, and decent work, operating under several key laws such as the Basic Conditions of Employment Act, Employment Equity Act, and Labour Relations Act.

The clients and beneficiaries of our services include Employers, Employees, the Unemployed and Under-Employed, Private Employment Agencies, Trade Unions and Trade Union Federations and Employer Organizations. Programme Administration met a its targets for the 2019/20 financial year although with challenges of budget reduction against the line function demands.

The impact statement driving the Department of Employment and Labour and linked to the seven MTSF Priorities is ***"A Labour Market which is Conducive to Decent Employment"***

Inspection and Enforcement Services within the Department of Employment and Labour, realise decent work by regulating non-employment and employment conditions through inspection and enforcement to achieve compliance with all labour market policies.

In strengthening the working conditions of workers, amendments to the Occupational Health and Safety Act were initiated during the sixth administration and are now at an advanced stage. These amendments will come in handy regarding the spot fines which will serve as a deterrent to non-compliant employers. Furthermore, the amendments will assist in achieving the inclusion of a Health and Safety Management System; inclusion of Full-Time Health and Safety Representatives; inclusion of an employee's right to leave unsafe environment; inclusion of matters related to discrimination and victimization; and the inclusion of Inspector's power to impose fines. Through enforcement of tougher mechanisms, labour inspections remain a priority so as to protect vulnerable workers as well as ensure compliance.

The Labour Inspectorate has intensified efforts to ensure adherence to employment laws across all nine provinces through high impact blitz inspections in partnership with the Department of Home Affairs, the Bargaining Councils and other law enforcement agencies, including the South African Police Service and the Hawks. The scale and scope of these inspections demonstrate our commitment to upholding labour standards nationwide: -

Blitz inspections are the yardstick we use to determine compliance with enforcement where necessary. The impact on non-complying business may be severe.

The National Minimum Wage Act, approved in November 2018 and enacted on 1 January 2019, was a significant step in protecting low-income workers and addressing wage inequality in South Africa.

The Act mandates an annual review and adjustment of the national minimum wage, considering economic factors such as inflation, cost of living, GDP, productivity, and the impact on employment and SMMEs.

Since its implementation, the Act has positively impacted over six million workers, with phased increases ensuring fairer wages for farm and domestic workers by 2022. However, South Africa continues to face

challenges such as high unemployment, sluggish job growth, and rising inequality. While wage increases have improved earnings, non-compliance remains a concern, especially in the domestic and agricultural sectors.

In 2024/25 The Department had conducted 310 798 inspections against a target of 298 104 which constitutes 104% of the target, surpassing the target set for inspections, there were 77 760 employers who did not comply and 100% were served with enforcement notices. There were 5 949 employers who were referred for prosecution within 30 days and R37 973 075.59 was recovered from the prosecutions which included recoveries of R10 412 785.40 under the National Minimum Wage Act that went straight into the coffers of the vulnerable employees.

A 2024 study by the Development Policy Research Unit (DPRU) at the University of Cape Town found a 19% wage growth among covered workers after the minimum wage increase. However, employment among low-wage workers declined, and working hours were reduced as employers adjusted to higher labour costs. Additionally, the agriculture, forestry, and fishing sector contracted by 28.8% due to adverse weather, and the number of SMMEs dropped by 1.3% (over 36,000 businesses).

Despite these challenges, the Act continues to drive wage improvements. Effective 1 March 2025, the national minimum wage rose to R28.79 per hour, a 4.4% increase from R27.58 per hour, comprising a 2.9% inflation adjustment and an additional 1.5% increase. This aims to support low-income workers and mitigate economic hardships. While wage hikes contribute to poverty alleviation, ensuring compliance remains critical to maximizing the benefits of the National Minimum Wage Act.

Over the last several years, there have been low levels of compliance by employers in the various sectors. The overall compliance levels of employers hovers around 55% overall but varies for the various sectors and at the same time varies between SMMEs and the formal sector. The SMME sector has been a low-level focus area. Occupational Health and Hygiene has been largely overlooked since it was introduced in 1993 as part of the Occupational Health and Safety Act, Act 85 of 1993. Coupled to this was the introduction of a second theme in 1993 viz. self-regulation which was introduced at the same time as a similar concept in the LRA in the 1995/96 period namely that of 'workplaceforums'.

To mitigate low employer sectoral compliance in relation to Occupational Health and Safety (OHS), the Department has employed an additional 500 new inspectors to address the various challenges it faces in OHS. The 500 inspectors are funded by the Compensation Fund in a strategic move that sees the inspectorate playing a pivotal role in reducing the burden of incidents on the Fund while ensuring that employers that are not registered are in fact registered as required.

In a critical move to address long outstanding issues introduced with the promulgation of the new Occupational Health and Safety Act 85 of 1993, the Branch will ensure that greater focus is placed on ensuring full compliance by employers in occupational health and hygiene. The Branch, on the policy front, continues to build on the solid foundations of our labour law regime, and has introduced the 22nd Regulation to the OHSA by promulgating the Ergonomics Regulations. Other policies (Regulations) continue to be reviewed at this time to address any shortcomings.

The other challenges that were met were in the governance of the ICT and this led to the revision of the ICT governance framework that allows the Department a gradual step by step adoption of certain requirements to get to acceptable levels. Whilst this has delayed the migration of Inspection and Enforcement Services Case Management System to the modern SAP platform, It was advised that this would be the best approach as opposed to being overly ambitious. The 5IR is already upon us and the Department will also through Inspection and Enforcement Services, start preparing for the 5IR in earnest in order to adjust to the new normal and the future is the 5IR.

Our Department's work is about fundamentally changing the lives of South Africans by creating sustainable employment, enforcing worker rights, and ensuring fair and decent work for all. Through LAP, ESSA, the National Employment Policy, and other key interventions, we aim to align the Department's daily operations with the broader objectives of the government.

We will continue to pursue greater synergy across all DEL programmes so that no initiative runs in isolation and every project aligns with the priorities of inclusive growth and job creation.

We will continue championing a political consciousness that puts the worker and the unemployed at the centre of our strategy, ensuring that our public investments yield real social and economic returns.

I wish to thank the Minister of Employment and Labour, Ms Meth, MP for providing a steady hand of leadership in the Department, the Deputy Minister, Ms Nemadzinga-Tshabalala, MP for her support, the Acting Director General, Ms Molisane for her dedication and leadership and the entire Department of Employment and Labour family for the support in our pursuit to deliver services to the disenfranchised population of South Africa.

_____

**Mr Jomo Sibiya, MP**

**Deputy Minister of the Department of Employment and Labour**

**(Date)**

# 4. Deputy Minister Statement

**Department Mandate and Strategic Objectives**
The Department is responsible for regulating the South African labour market through policy development, enforcement of labour standards, promoting employment equity, occupational health and safety compliance, and supporting social protection mechanisms. It manages key entities including the Unemployment Insurance Fund (UIF), Compensation Fund (CF), Productivity South Africa, the Commission for Conciliation, Mediation and Arbitration (CCMA), Supported Employment Enterprises (SEE), and the National Economic Development and Labour Council (NEDLAC). Its vision is to foster a labour market conducive to investment, economic growth, and decent work, operating under several key laws such as the Basic Conditions of Employment Act, Employment Equity Act, and Labour Relations Act.

- **UIF and Compensation Fund**: Providing social protection and financial relief during periods of job loss, injury, illness, or maternity.
- **Productivity South Africa**: Supporting productivity improvements in distressed firms.
- **Supported Employment Enterprises (SEE)**: Creating economic opportunities for persons with disabilities.

Despite the budget reduction the Department had to prioritise key strategic projects and strategically manage the budget to ensure that it met its mandate and fulfilled constitutional obligation.

One of the most significant investments this budget supported was the Unbundling and Reconfiguration Project—a multi-phase transformation initiative aimed at repositioning the Unemployment Insurance Fund (UIF) and the Compensation Fund (CF) as fully autonomous, high-performing public entities.

The Unbundling and Reconfiguration Project currently underway within the Department should ultimately enable the Fund to have systems and capabilities through which the Fund can have updated employers and employees' registers, linked systems for the lodgement and payment of claims within shorter turnaround times.

The UIF has had the most strain during the Pandemic to a point where the resources were almost stretched but we managed to deliver on the commitment we made in terms of the Ters benefits, although with challenges and some major decisions taken following the interim report released by the Auditor General on the Covid19 Procurement Processes.

The Compensation fund is in the process of structural reform both at a strategic and organizational redesign level and as a consequence, has experienced some systemic challenges but we are assured, that the challenges are not of major proportions that we cannot handle.

Since the reconfiguration and unbundling project's inception, we have made significant progress:

- We have developed draft legislative amendments to the Compensation for Occupational Injuries and Diseases Act and the Unemployment Insurance Act. These are currently being processed through the cluster system to obtain Cabinet's permission for public release. These amendments will establish independent Accounting Authority Boards and Commissioners for each Fund, strengthening governance and accountability.
- We have completed draft Socio-Economic Impact Assessments (SEIAS) for both Bills, ensuring that the proposed reforms are evidence-based and aligned with national development priorities.
- We have finalised the Service Delivery Model for the Department, which will reposition the Department to focus on policy, oversight, and regulation, while empowering the Funds to lead in service delivery and implementation.
- We have also finalised the Operating Models for the CF and UIF, which define how each Fund will function independently. These are scheduled for internal approval by 30 June 2025.
- To drive this transformation, we have established six dedicated workstreams covering strategy, finance, HR, ICT, legal, and change management. These workstreams are actively implementing the foundational elements of the reform.
- We have adopted a phased implementation approach:

- ✓ The Stabilisation Phase has focused on immediate operational improvements, such as digital upgrades and cybersecurity enhancements.
- ✓ The Repurposing Phase, which we are currently in, is focused on organisational redesign, legislative reform, and capacity building.
- ✓ The Modernisation Phase, which will follow, will focus on full digital enablement and long-term sustainability.

Our indicative stretch timelines target submission of the Bills to Cabinet, followed by public consultation in early 2026, and introduction to Parliament by the end of the financial year. We aim for full implementation by April 2027, subject to legislative processes.

For many years, Productivity SA in collaboration with the CCMA and the UIF managed to save millions of jobs. We are now at a point where all our Entities must reach their full potential and respond to the National Duty of preservation and creation of jobs. The Department experienced a broader challenge on the delayed filling of vacancies, and this has impacted in its broader financial expenditure defrayed against the vote at 93.9% and resulting into several variations and virement for Productivity South Africa for the amount of R9.1million to address urgent operational requirements identified by the entity. We need to address the filling of vacancies as a matter of urgency and improve on our speed of implementation on the future projects. Understandably some delays, where unavoidable due to lockdown and disruptions caused by the Pandemic.

Productivity SA offers productivity solutions to small businesses to assist them with continuous improvement and expansion. Productivity SA's Enterprise Development and Support Programmes are designed to promote a productivity and entrepreneurship culture and consciousness to promote decent work, which involves opportunities for work that is productive and delivers fair income.

The R104 million funding by the UIF for the Productivity SA is such one important step in the right direction. The amount is set aside for business turnaround programs with employment creation initiatives and under the circumstances, this is a direct intervention to the unfortunate unemployment situation we are facing as a country.

The **Business Turnaround and Recovery Programme,** funded by the UIF, identifies solutions to restore the businesses' future sustainability and prevent job losses, and develops and implements comprehensive interventions designed to set businesses on a sustainable growth path. It seeks to inspire enterprises to be more vigilant about issues relating to job retention to mitigate on-time productivity decline that increases the likelihood of job losses.

From 2020 to end March 2025, the Productivity South Africa BT&R Programme supported 297 companies, saving 28196 jobs and training 2965 Future Forum members on turnaround solutions. In addition, the BT&R Programme has saved 41% jobs belonging to women, 59% to men. Of all jobs saved, 84% were black, of which the highest occupation was for general workers and cleaners. The highest number of jobs saved were featured in the economic hubs of South Africa – Gauteng, Western Cape and KwaZulu Natal.

The programme has saved 8605 (31%) jobs belonging to the youths and 1405 (5%) jobs belonging to people living with disabilities. With regards to the operational sector, taking a few sectors from high to low, most clients that came into BT&R come from the Manufacturing Sector (31%), followed by CTLF at (12%), then Construction and Engineering at (11%), Food and Beverages, at (10%), Metals and Machinery (7%), Agriculture and Farming at (5%), Transport Storage and Communications (4%) and Pharmaceutical at (3%).

The SEE support by all government Departments and our own Department cannot be over emphasised. We commend this Entity managed by people living with disabilities for the delivery and supply of PPEs to the Western Cape Department and Productivity South Africa. The SEE has factories in 8 Provinces that have created work opportunities for 873 people. We are still looking on establishing a factory in Mpumalanga as it is the only Province thus far without an SEE factory. We have factories in Potchefstroom, Seshego, Rand, Springfield, Silverton, Durban, Pietermaritzburg, Port Elizabeth, Epping, Ndabeni and Kimberley.

SEE supports employment for persons with disabilities through manufacturing across 13 factories. Despite securing major sales orders, SEE experienced a 42% decline in sales revenue and employed only one additional person with disabilities against a target of 150, reflecting operational and funding challenges. Over 95% of the treasury grant was allocated to salaries, limiting operational capacity. SEE spent 79% of its budget and faced irregular expenditure of R23.5 million and fruitless expenditure of R5.5 million. The Auditor-General issued an adverse opinion on SEE's financial statements due to significant accounting and compliance deficiencies.

The Internal Audit, the Audit Committee and the Auditor General's Reports highlight crucial matters deserving of our attention and collective effort. The ineffective implementation of controls is a major issue in the Department and its Entities. To achieve the Departmental Clean Audit, these matters must find priority in our decision making and we need to improve on the speed of implementing the Audit Action Plans.

The CF and UIF are not only critical to our social protection system they are national assets. The UIF provides income protection to workers during periods of unemployment, illness, maternity, and adoption leave, and supports Labour Activation Programmes (LAPs) to reintegrate beneficiaries into the labour market. The CF, on the other hand, delivers a comprehensive package of services that includes insurance, medical aid, pension administration, investment management, orthotics, and rehabilitation.

However, we must acknowledge that these institutions have been faced with persistent challenges over the years. The Auditor-General has repeatedly raised concerns about capacity constraints, weak internal controls, fragmented management oversight, and skills shortages. These issues have contributed to audit disclaimers, delayed service delivery, and public frustration, particularly during periods of crisis such as the COVID-19 pandemic. It is precisely these challenges that the current reform agenda seeks to address.

To mitigate many of these challenges, we are also investing in the modernisation of the ICT landscape to gear the Funds and Public Entities toward operational excellence. This includes building a secure, high-availability digital infrastructure that can withstand the growing risks of cyber threats while enabling real-time, user-friendly service delivery. Our goal is to create a digital backbone that supports automation, transparency, and resilience ensuring that the Funds are not only efficient but also future-ready.

These initiatives are designed to transform how the Compensation Fund and Unemployment Insurance Fund operate making them more responsive, transparent, and citizen focused. The Department remains committed to fostering a labour market that supports economic growth, decent work, and social equity.

This comprehensive report underscores the Department's multifaceted role in labour regulation, employment services, policy development, and institutional governance, while identifying areas for improvement in financial management and operational efficiency to better serve South Africa's workforce and economy. In fighting corruption and maladministration, we are collaborating with **SIU, NPA, and DPCI** wherein some criminal prosecutions have begun on misuse of public funds. Consequence management is being institutionalised. This is no longer an aspiration — it is policy in action.

I wish to thank the Minister of Employment and Labour, Ms Meth, MP for providing a steady hand of leadership in the Department, the Deputy Minister, Mr Jomo Sibiya, MP for his support and the Acting Director General, Ms Molisane for her dedication and leadership and the entire Department of Employment and Labour family for the support in our pursuit to deliver services to the disenfranchised population of South Africa.

_____

**Ms. Judith Nemadzinga-Tshabalala, MP**

**Deputy Minister of the Department of Employment and Labour**

**(Date)**

# 5. Report of the Accounting Officer

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
- Facilitate decent employment creation
- 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 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 organisations, 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 resolution services.
- **Supported Employment Enterprises (SEE).** This entity facilitates supported employment and provides work opportunities for Persons with Disabilities. It develops and implements programmes that promote the employability of persons with disabilities, including persons with permanent disablement as defines in the Compensation for Occupational Injuries and Diseases Act No 130 of 1993, in the light of their evolving need in a changing economy, and performs any other function as may be prescribed by the Minister. The SEE has a factory network across eight of the nine provinces in the country. The entity has invested in wood and metal machinery for all the factories, which is aimed at improving production efficiency and quality. Other investment includes the procurement of vehicles suitable to enable the delivery of all manufactured products to customers on time and in a good state.
- **Unemployment Insurance Fund (UIF).** This entity registers all employers and employees in South Africa for unemployment insurance benefits in terms of the Unemployment Insurance Act 30 of 2001 (UIA), as amended.
- **Compensation Fund (CF).** This entity provides for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases, and to provide for matters connected therewith in terms of the Compensation for Occupational Injuries and Diseases Act 35 of 1993 (COIDA).

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 and challenges of the Department

**Results**

The Annual Report represents the progress made in achieving the Key Performance indicators and targets set out in the Annual Performance Plan for 2024/25. The total number of planned Key Performance Indicators for the Financial Year 2024/25 were 33 and of these 24 (73%) were achieved and 9 (27%) were not achieved. The overall performance displays a decrease as compared to the performance of the previous financial year (2023/24) with performance at 81%. More details are contained in Part B of this Annual Report.

**Challenges**

The Department was governed by tight controls in terms of filling funded vacant posts and these measures were imposed by the DPSA and National Treasury on all posts before they could be filled. The turnaround times in most instances were elongated and caused some delays in filling critical funded posts. The good news is that these measures were removed at the beginning of the new financial year 2025/26 which allows the Department to independently fill all the funded posts while exercising fiscal responsibility.

The Department of Public Service and Administration's circular 49 of 2023 had an impact on the service delivery of the Department. It impacted on the filling of vacancies. The vacancies in the Department increased with 232 posts. Furthermore, the post of Accounting Officer has been vacant for the full financial year. During the year under review there were 4 officials acting in the position. Two were internal and 2 were officials from outside the Department that first had to get to know the Department. The change from the 6$^{th}$ Administration to the 7$^{th}$ Administration also saw a change in the Ministerial components of the Department. The revised procedures regarding the filling of vacancies increased the pressure on the remaining staff members to ensure the work gets done. Some of the other senior staff positions are also either vacant or have someone acting in the position for extended periods. Instability in management can hamper progress in achieving some of the targets set in the Strategic Plan or the Annual Performance Plan.

Some of the Department's offices are not fully operating due to the status of the buildings it occupies, for example the Labour Centre in Klerksdorp is still operating in the city hall and a mobile office which is not conducive for service delivery.

The unavailability of the Departmental ICT network also hampers the service delivery. Some of the computer equipment is outdated and cannot operate the latest versions of programmes and thus require replacement within the constraints of the budget allocations. Some computers still operate on Microsoft Windows 10 platform and cannot be updated to Windows 11. The support for Windows 10 will stop in October 2025.

**Projects for the year and future years**

Corporate Services Branch progress made on the projects listed in the Annual Performance Plan 2024/25.

- **Reconfiguration of the Department -** The project timelines and project charter had been amended to cater for additional deliverables which includes the review of the SEE among others. The main aim of the project is to ensure that the UIF and CF are unbundled from the Department and allow them to operate like fully fledged schedule 3 entities that they are in terms of the PFMA. Beyond the unbundling of the two funds will be the reconfiguration of the Department to ensure clear focus on delivering on its mandate aligned to job creation.
- **Software Defined Network** - This project was deferred to the 2025/2026 financial year due to lack of funds required for implementation. The project will be rollout as part of the Unbundling Programme.
- **10 MBPS data Line** – 16 Sites were identified as high priority sites for the rollout of 10MBPS data lines. The rollout commenced in May 2024 and was completed in October 2024.
- **HBT Rollout** - 93 Offices were identified for the rollout of HBT. Out of the 93 offices the rollout was completed in only 63 offices by 31 March 2025. The remaining 30 offices will be completed in the 2025/26 financial year.
- **Forensic Investigation Services** - Despite the appointment of a 15 competent panel of service providers for the 2024/2025 financial year, we were unable to achieve our target on dealing with fraud and corruption charges within the stipulated timeframes due to significant financial constraints. Only four cases from the backlog were investigated by the panel, highlighting the impact of limited fiscal resources. Continuous monitoring and evaluation are recommended to address these challenges and improve future performance.

**Overview of the financial results of the Department:**

➢ Departmental receipts

| Departmental receipts | 2024/2025 | | | 2023/2024 | | |
|---|---|---|---|---|---|---|
| | Estimate | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sale of goods and services other than capital assets | 16 076 | 12 828 | 3 248 | 9 393 | 11 145 | (1 752) |
| Transfers received | - | - | - | | | |
| Fines, penalties, and forfeits | 1 500 | 2 028 | (528) | 1 450 | 820 | 630 |
| Interest, dividends and rent on land | 1 500 | 3 661 | (2 161) | 1 700 | 2 762 | (1 062) |
| Sale of capital assets | 3 550 | 4 425 | (875) | 477 | 1 783 | (1 306) |
| Financial transactions in assets and liabilities | 7 050 | 10 078 | (3 028) | 5 700 | 5 198 | 502 |
| **Total** | **29 676** | **33 020** | **(3 344)** | **18 720** | **21 708** | **(2 988)** |

**Reasons for over/under collection of revenue**

| Total Revenue Received | 2024/25 | 2023/24 | Variance | Variance | Reasons for Variances |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | % | |
| Sale of goods and services other than capital assets | 12 828 | 11 145 | 1 684 | 15% | More than anticipated revenue has been received i.r.o. the renewal of OHS licences |
| Fines, penalties and forfeits | 2 028 | 820 | 1 208 | 147% | More than anticipated revenue has been received i.r.o. the non-adherence to the LRA |
| Interest, dividends and rent on land | 3 661 | 2 762 | 899 | 33% | More than anticipated revenue has been received i.r.o. the recovery of interest-bearing debts |
| Sale of capital assets | 4 425 | 1 783 | 2 642 | 148% | More than anticipated revenue has been received i.r.o. the sale of motor vehicles at public auctions |
| Financial Transactions in assets and liabilities | 10 078 | 5 198 | 4 880 | 94% | More than anticipated revenue has been received i.r.o. the recovery of debts |

The Department does not render any free services that would have yielded significant revenue had a tariff been levied.

## Programme Expenditure

| Programme Name | 2024/2025 | | | 2023/2024 | | |
|---|---|---|---|---|---|---|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 1 065 150 | 1 065 150 | 0 | 1 045 131 | 1 037 053 | 8 078 |
| Inspection and Enforcement Services | 600 474 | 548 008 | 52 466 | 608 008 | 600 855 | 7 153 |
| Public Employment Services | 929 991 | 929 991 | 0 | 1 039 641 | 1 037 011 | 2 630 |
| Labour Policy and Industrial Relations | 1 259 227 | 1 259 227 | 0 | 1 323 934 | 1 321 061 | 2 873 |
| **TOTAL** | **3 854 842** | **3 802 376** | **52 466** | **4 016 714** | **3 995 980** | **20 734** |

The original allocation for Vote 31: Employment and Labour, as included in the Estimates of National Expenditure for 2024/25, was reflected as R3 604 842 000 and included a provision in respect of transfer payments to the value of R1 555 792 000. During the 2024/25 financial year, an increase of R250 000 000(6.9%) was allocated in the Adjustments Budget process and the final allocation for Vote 31: Employment and Labour was therefore increased to R3 854 842 000.

As per the appropriation Statement for the Department, in respect of the 2024/25 financial year, the total expenditure defrayed against the Vote amounted to R3 802 376 000. This represents an expenditure level of 98.6%.

## Over/Under spending and Virement for 2024/25

**DEPARTMENT OF EMPLOYMENT AND LABOUR**

**FINAL VIREMENT**
**FOR THE FINANCIAL YEAR 2024/2025**

**FINANCIAL STATUS AS AT 31 MARCH 2025**

| | 2024/25 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Appropriation R'000 | Shifting of Funds R'000 | Final Virement R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | ROLL-OVERS | Variance R'000 | Expenditure as % of final appropriation % |
| **1. Administration** | | | | | | | | |
| Current payment | 950 906 | -1 834 | 26 462 | 975 534 | 975 534 | - | - | 100,0% |
| Transfers and subsidies | 5 958 | 5 086 | 83 | 11 127 | 11 127 | - | - | 100,0% |
| Payments for capital assets | 80 429 | -12 286 | 1 312 | 69 455 | 69 455 | - | - | 100,0% |
| Payments for financial assets | - | 9 034 | - | 9 034 | 9 034 | - | - | 100,0% |
| **2. Inspection and Enforcement Services** | | | | | | | | |
| Current payment | 626 812 | -1 466 | -36 046 | 589 300 | 538 540 | - | 50 760 | 91,4% |
| Transfers and subsidies | 1 044 | 1 497 | - | 2 541 | 2 536 | - | 5 | 99,8% |
| Payments for capital assets | 9 976 | -31 | -1 312 | 8 633 | 6 932 | - | 1 701 | 80,3% |
| Payments for financial assets | - | - | - | - | - | - | - | 0,0% |
| **3. Public Employment Services** | | | | | | | | |
| Current payment | 402 877 | 4 222 | 2 965 | 410 064 | 410 064 | - | - | 100,0% |
| Transfers and subsidies | 508 982 | 384 | 9 500 | 518 866 | 518 866 | - | - | 100,0% |
| Payments for capital assets | 5 667 | -4 606 | - | 1 061 | 1 061 | - | - | 100,0% |
| Payments for financial assets | - | - | - | - | - | - | - | 0,0% |
| **4. Labour Policy and Industrial Relations** | | | | | | | | |
| Current payment | 161 682 | 3 436 | -2 964 | 162 154 | 162 154 | - | - | 100,0% |
| Transfers and subsidies | 1 099 220 | -2 347 | - | 1 096 873 | 1 096 873 | - | - | 100,0% |
| Payments for capital assets | 1 289 | -1 089 | - | 200 | 200 | - | - | 100,0% |
| Payments for financial assets | - | - | - | - | - | - | - | 0,0% |
| **Subtotal** | **3 854 842** | **-** | **-** | **3 854 842** | **3 802 376** | **-** | **52 466** | **98,6%** |

### Programme 1: Administration

**Variances:** All variances were less than 5 percent. Even though there is no law that stipulates that the Department should not motivate for anything less than 5 percent, in principle the Department does not motivate for such as the variances are immaterial.

**Virement** of R27 857 000 was applied towards Administration and was allocated to Current Payments (R26 462 000), Transfers and Subsidies (R83 000) and Payments for Capital Expenditure (R1 312 000). This was to defray the overspending due to:

- Overspending on Computer Services was due to payment for the outstanding invoices from (SAP, Alteram and Tech Mahindra). The Department will ensure that the required approval for the payment is received on time for payment to happen in the same month the service is rendered.
- The overspending on legal services was due to litigation matters against the Department that are not predictable in nature. It should be noted that these services are mostly re-active in nature. Payments are made as and when cases are finalised and invoices received from DOJ&CD.
- The Department was in the process to re-allocate the majority of the amount reflecting as travel expenditure to the other three programmes (IES, PES and LP&IR) and provincial offices of the Department. There is backlog from previous months.
- Overspending on fleet services was due to maintenance and repairs of Departmental vehicles in the provinces.

### Programme 2: Inspection and Enforcement Services

The variances are mainly attributed to:

- **Current payments** including,
  - **Compensation of Employees**: Underspending is mainly due to vacant posts.
  - **Goods & Services**: Underspending is mainly attributed due to fewer payments made for Operating payments, Communications, Property Payments, Stationery, Venues & Facilities.
- **Transfers and Subsidies**: Payments to Households were lower than anticipated.

- **Payments for Capital Assets**: Underspending is mainly due to delay in the procurement of ICT equipment and other tools of the trade for the inspectors.

Virement amounting to R37 358 000 was moved from IES due to savings/underspending on Current payments (R36 046 000) and Payments for Capital assets (R1 312 000).

**Programme 3: Public Employment Services**

**Variances:** All variances were less than 5 percent. Even though there is no law that stipulates that the Department should not motivate for anything less than 5 percent, in principle the Department does not motivate for such as the variances are immaterial.

Virement amounting to R12 465 000 was moved to PES to defray overspending on Current payments (R2 965 000) and Transfers and Subsidies (R9 500 000). This was to defray the overspending on:

- Expenditure on cell airtime and 3G cards
- Cleaning services and security contracts in Provinces, the item was under budgeted.
- The over expenditure is a result of the Ministerial roll out of Career Fairs in Provinces, also the number of training sessions held in provinces. In 2025/26, to ensure all provinces prioritise cost containment before approving any spending, the senior managers will be informed of the importance of considering cost-saving measures.

**Programme 4: Labour Policy and Industrial Relations**

**Variances**: All variances were less than 5 percent. Even though there is no law that stipulates that the Department should not motivate for anything less than 5 percent, in principle the Department does not motivate for such as the variances are immaterial.

Virement amounting to R2 964 000 was moved from Goods and Services towards other programmes. This was due to savings as an advance payment for the G20 meeting that was incorrectly allocated as an expense. The G20 meeting is for the 2025/26 financial year.

**Unauthorised Expenditure, Irregular Expenditure and Fruitless and Wasteful Expenditure**

No Unauthorised Expenditure was reported during the 2024/25 financial year. Irregular Expenditure as well as Fruitless and Wasteful Expenditure have been reported in Part E (pages 151 to 153) of this Annual Report.

**Public Private Partnerships**

The Department did not enter into any Public Private Partnerships (PPP) as at 31 March 2025.

**Discontinued Activities / Activities to be Discontinued**

The Department has not identified any activities to be discontinued.

**New or Proposed Activities**

No new activities have been proposed.

**Supply Chain Management**

There are no unsolicited bid proposals for the year under review.

The following Supply Chain management (SCM) processes are in place to prevent irregular expenditure:

- Approved SCM Policy
- Updated Standard Operating Procedures
- Regular Procurement advise to SCM clients

SCM experienced challenges with the utilisation of panels and this was resolved through:

- Standardisation of hourly rates to allow rotation and
- Signing of Service level agreements.

Shortages of human resources, particularly at provincial offices, remain a critical challenge for the Department. The approved organisational structure itself has inherent limitations, and the moratorium on the filling of vacant positions has exacerbated the problem. Efforts to address these issues are ongoing, requiring strategic interventions that balance operational needs with compliance to budgetary and legislative constraints.

The Department did not receive any gifts or donations in kind from non-related parties however, donations were made by the Department to non-related parties.

**Exemptions and deviations received from the National Treasury**

| Service Provider | Exemption/Deviation Description | Amount | Date of approval | Mechanisms |
|---|---|---|---|---|
| Box Fusion | Continued use, licensing and maintenance of SMARTGOV applications for a period of 36 months effective from 01 April 2025 | R50 138 886.48 | 28 March 2025 | Not applicable as the project is not milestone based |

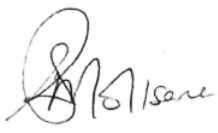
**Events after the reporting date**
There are no events adjusting and non-adjusting that occurred after the reporting date.

**Acknowledgements and Appreciation**

The Department acknowledges the contributions of our staff and the Executive Management in the attainment of the goals contained in this Annual Report, this despite the challenges we experienced in the labour market, the global economy as well as continued energy crisis that hampered service delivery at the various offices.

**Conclusion**
In conclusion, I hereby submit the Department of Employment and Labour's Annual Report for the period ended 31 March 2025.

**Approval and sign-off**
The Annual Financial Statements for the 2024/25 financial year are hereby approved by the Accounting Officer.



**Ms. J Molisane**
**Acting Accounting Officer**
**Department of Employment and Labour**
**Date:** 8 September 2025

# 6. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

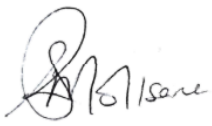
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2025.

Yours faithfully



**Ms. J Molisane**
**Acting Accounting Officer**
**Department of Employment and Labour**
**Date:** 8 September 2025

# 7. Strategic overview

## 1. Vision

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

## 2. 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.

## 3. 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.

# 8. Legislative and other mandates

The Department of Employment and 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:

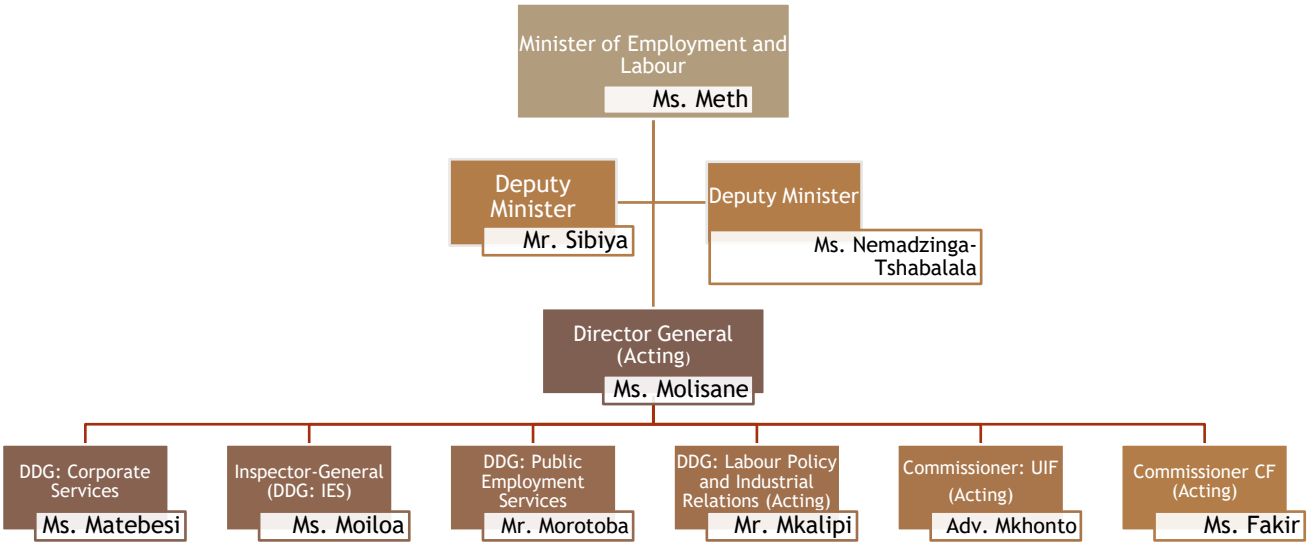
- Basic Conditions of Employment Act (1997)
- Employment Equity Act (1998)
- Employment Services Act (2014)
- Labour Relations Act (1995)
- Occupational Health and Safety Act (1993), and
- National Minimum Wage Act (2018).

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.

## 9. Organisational structure




## 10. Entities reporting to the Minister

The information furnished in this section should correlate with information provided elsewhere in the annual report, for example, in the related party transactions disclosure note to the financial statements and the information on the entities.

The table below indicates the entities that report to the Minister.

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|---|---|---|---|
| **Unemployment Insurance Fund (UIF)** | The Unemployment Insurance Fund 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 | Transfer payment (if required) | Collection of unemployment insurance contributions and payment of benefits to qualifying contributors |
| **Compensation Fund (CF)** | The Compensation Fund's main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases | Transfer payment (for the covering of costs related to injuries sustained on duty of government employees) | Collection of contributions and payment of Medical, Compensation and Pension benefits |
| **Productivity South Africa (Productivity SA)** | 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 | Transfer payment | Products and services of assisted companies are world class and competitive<br>Productivity and competitiveness awareness is high and embraced in South Africa |

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|---|---|---|---|
| | | | Capacitated SMMEs contribute to sustainable employment creation<br><br>Jobs saved in distressed companies<br><br>Productivity research reports for selected sectors produced |
| **Commission for Conciliation, Mediation and Arbitration (CCMA)** | 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 | Transfer payment | The CCMA's compulsory statutory functions are to:<br><br>• Consolidate workplace disputes<br>• Arbitrate certain categories of disputes that remain unresolved after conciliation, establish picketing rules<br>• Facilitate the establishment of workplace forums and statutory councils<br>• Compile and publish information and statistics about CCMA activities<br>• Accredit and consider applications for subsidy by bargaining councils and private agencies, and<br><br>Provide support for the Essential Services Committee |
| **National Economic Development and Labour Council (NEDLAC)** | 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 | Transfer payment | The NEDLAC Act requires the institution to:<br><br>• Strive to promote the goals of economic growth<br>• Participation in economic decision -making and social equity<br>• Seek to reach consensus and conclude agreements on matters pertaining to social and economic policy<br>• Consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament<br>• Encourage and promote the formulation of coordinated policy on social and economic matters<br>• Consider all significant changes to social and economic policy before it is implemented or introduced in Parliament and<br><br>Consider Social Economic Disputes in terms of Section 77 of the Labour Relations Act |
| **Supported Employment Enterprises (SEE)** | 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 | Transfer payment | The Employment Services Act requires the entity to:<br><br>• Facilitate supported employment<br>• Provide work opportunities for persons with disabilities<br>• Develop and implement programmes that promote employability of PwD including persons with permanent disabilities as defined in the Compensation Act<br><br>Perform other functions as prescribed by the Minister |

# Part B: Performance Information

# 1. Auditor-General's Report: Predetermined Objectives

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 162 of the Report of the Auditor-General, published as Part F: Financial Information.

# 2. Overview of Departmental Performance

## 2.1 Service Delivery Environment

Employment Standards

During the 2024/2025 reporting period, the Employment Standards Directorate operated in a dynamic service delivery environment shaped by persistent economic pressures, income inequality, and labour market disparities. Despite these challenges, the directorate successfully reviewed and adjusted the National Minimum Wage (NMW) based on robust quantitative research that assessed its impact on workers, the economy, and household poverty. This adjustment directly benefited millions of low-income workers and advanced the principles of decent work by preserving the wage's real value.

Labour Market Information and Statistics (LMIS)

The LMIS directorate has functioned in a setting where the availability of the Departmental ICT system projects was fairly completed. The majority of projects faced dependencies that postponed some deliverables in the 2024/25 fiscal year with the new go-live in 2025/26. Despite these challenges, the LMIS directorate performed itself in these key areas:

(i) Collecting, processing, analysing, and disseminating internal and external data for the public.
(ii) Enhancing and improving service delivery through the launch of a national LMI system to timely inform all stakeholders.
(iii) Preparing and producing regular labour market trend reports for policy makers in the development of evidence-based decision, and
(iv) Establishing an E-library using the EBSCO[3]-Host platform for knowledge sharing in the Department.

All expected annual labour trend outputs were produced in 2024/25. These reports will be posted on the DEL websites to promptly update policymakers in making evidence-based decisions.

## 2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date. The beneficiaries for the services of the Department are as follows:

- Employed
- Under-employed

[3] EBSCO is known for its research databases, like EBSCOhost, which are used by libraries and researchers worldwide.

- Unemployed
- Injured on duty
- People with Disabilities
- Employers

*Main services and standards*

| Programme | Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---|---|---|---|---|---|
| **Administration** | Supply Chain Management | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall pay 100% of compliant invoices within 30 days of receipt | Pay 100% of compliant invoices within 30 days of receipt | Not achieved<br>96.63% of compliant invoices were paid within 30 days of receipt<br><br>Reason for variance:<br>Head office failed to process invoices within the prescribed period |
| | | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall procure 40% goods and services from women owned businesses | Procure 40% of goods and services from woman owned businesses | Achieved<br>41.3% of goods and services were procured from woman owned businesses |
| **Inspection and Enforcement Services** | Registration and resolution of labour related complaints | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall resolve 80% of legitimate labour related complaints within 90 calendar days of registration. | Resolve 80% of legitimate labour related complaints within 90 calendar days of registration | Not achieved<br>52% (1 059 of 2 034) legitimate labour related complaints were resolved within 90 calendar days of registration<br><br>Reason for variance:<br>Complaints lodged during the last quarter could be still under investigation and within 90-days |
| | Registration of incidents relating to the OHS act | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall finalise 85% of reportable incidents within 90 calendar days | Finalise 85% of reportable incidents within 90 calendar days | Not Achieved<br>41% (283 of 687) of reportable incidents were finalised within 90 calendar days.<br><br>Reason for variance:<br>Incident occurred during the last quarter could be still under investigation and within 90-days |
| | Registration of entities | Employed<br>Under-employed<br>Unemployed<br>Injured on duty | We shall issue a letter or certificate of registration within 60 calendar | Issue a letter or certificate of registration within 60 calendar days of | Not achieved<br>89% |

| Programme | Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---|---|---|---|---|---|
| | | People with Disabilities<br>Employers | days of receiving a valid and complete application | receiving a valid and complete application | (4 836 of 5 432) letters or certificates of registration were issued within 60 calendar days of receiving a valid and complete application.<br><br>Reason for variance:<br>The rest of the outstanding applications are still within 60 days |
| | Exemptions on any aspect of the OHSA | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall issue a certificate of exemption (on aspects of the OHS Act) within 60 calendar days of receiving a valid and complete application | Issue a certificate of exemption (on aspects of the OHS Act) within 60 calendar days of receiving a valid and complete application | Not achieved<br>90% (46 out of 51) exemption letters were issued within 60 calendar days receiving a valid and complete application<br><br>Reason for variance:<br>The rest of the outstanding applications are still within 60 days |
| | Appeal on decision of an inspector | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall issue a letter responding to the appeal application (any decision of an Inspector) within 60 calendar days of receiving a valid and complete application | Issue a letter responding to the appeal application (any decision of an Inspector) within 60 calendar days of receiving a valid and complete application | Achieved<br>100% (16 out of 16) appeal applications were issued within 60 calendar days of receiving a valid and complete application |
| **Public Employment Services** | Placement of work seekers | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall ensure that 65 000 registered employment opportunities are filled by registered work-seekers per year within 20 working days of receiving the opportunity | Ensure that 65 000 registered employment opportunities are filled by registered work-seekers per year within 20 working days of receiving the opportunity | Achieved<br><br>98 869 registered employment opportunities are filled by registered work-seekers per year within 20 working days of receiving the opportunity |
| | Registration of employment opportunities | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall register 115 000 employment opportunities on the Employment Services of South Africa per year within 12 hours of receipt | Register 115 000 employment opportunities on the Employment Services of South Africa per year within 12 hours of receipt | Achieved<br>271 008 Employment opportunities were registered on the Employment Services of South Africa within 12 hours of receipt |

| Programme | Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---|---|---|---|---|---|
| | Registration of work-seekers | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall register 950 000 eligible work-seekers on the Employment Services of South Africa (immediately) per year | Register 950 000 eligible work-seekers on the Employment Services of South Africa (immediately) per year | Achieved<br>1 305 228 eligible work-seekers were registered on the Employment Services of South Africa (ESSA) |
| | Work seekers provided with employment counselling | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall provide employment counselling to 260 000 work-seekers per year who were matched to available opportunities within 3 working days of matching | Provide employment counselling to 260 000 work-seekers per year who were matched to available opportunities within 3 working days of matching | Achieved<br>344 032 work-seekers were provided with employment counselling within 3 working days of matching |
| | Work visa applications | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall adjudicate 80% of complete work visa applications within 30 working days of receipt and make recommendations | Adjudicate 80% of complete work visa applications within 30 working days of receipt and make recommendations | Achieved<br>90% of complete work visa applications within 30 working days of receipt and make recommendations |
| | Registrations of PEAs and TEAs | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall finalise 80% of complete PEAs and TEAs applications within 30 working days of receipt | Finalise 80% of complete PEAs and TEAs applications within 30 working days of receipt | Achieved<br>84%of PEAs and TES applications were finalised within 30 working days of receipt |
| **Labour Policy and Industrial Relations** | Registration of labour organisations | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall register 100% of labour organisations or refuse to register within 60 working days of receiving the application | Register 100% of labour organisations or refuse to register within 60 working days of receiving the application | Achieved<br>100% of labour organisations were registered or refused within 60 working days of receiving the application |
| | Extension of collective agreements | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall extend 100% of collective agreements within 60 working days of receipt, where there is no publication for comments | Extend 100% of collective agreements within 60 working days of receipt, where there is no publication for comments | Not Achieved<br>8.3% of collective agreements were extended within 60 working days of receipt, where there is no publication for comments |
| | | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall extend 100% of collective agreements within 120 working days of receipt, where there is publication for comments before extension of collective agreement | Extend 100% of collective agreements within 120 working days of receipt, where there is publication for comments before extension of collective agreement | Not Achieved<br>No extension requests received<br><br>% of collective agreements were extended within 120 working days of receipt, where there is publication for comments before extension of collective agreement |

| Programme | Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---|---|---|---|---|---|
| | Deregistration of designated employers through the DG Notification process | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall deregister 100% of designated employers (with valid and complete information) within 5 working days of receiving the application | Deregister 100% of designated employers (with valid and complete information) within 5 working days of receiving the application | Achieved<br>100% of applications for deregistration from designated employers (with valid and complete information) were finalised within 5 working days of receiving the application |
| | Annual EE reporting (manual and online services) | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall accept or reject the Employment Equity reports within 24 hours of receipt | Accept or reject the Employment Equity reports within 24 hours of receipt | Achieved<br>100% Employment Equity reports were accepted or rejected within 24 hours of receipt |
| | National Minimum Wage | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall review and adjust the National Minimum Wage annually, based on the date in which the preceding year's adjustment became binding | Review and adjust the National Minimum Wage annually, based on the date in which the preceding year's adjustment became binding | Achieved<br>Conducted 1 review and adjusted 1 NMW, annually based on the date in which the preceding year's adjustment became binding |
| | NMW exemptions | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall grant or reject the application for National Minimum Wage exemption immediately upon receiving the application<br>If the application is selected for audit, a decision to grant or reject the exemption shall be finalised within 17 calendar days of receiving valid and complete supporting documents | Grant or reject the application for National Minimum Wage exemption immediately upon receiving the application<br>If the application is selected for audit, a decision to grant or reject the exemption shall be finalised within 17 calendar days of receiving valid and complete supporting documents | Achieved<br>100% of applications for National Minimum Wage exemption were granted or rejected immediately upon receiving the application |
| | BCEA Variations | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall approve or reject applications for BCEA variation within 60 calendar days of receiving a valid and complete application | Approve or reject applications for BCEA variation within 60 calendar days of receiving a valid and complete application | Achieved<br>63% (A/R) applications for NMW exemption (selected for audit) were granted or rejected within 17 days from date of application<br><br>Reason for variance:<br>The rest of the outstanding applications are |

| Programme | Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---|---|---|---|---|---|
| | | | | | still within 60 days |
| | Labour Market and Information Statistics | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall produce labour market trend reports to inform all interested clients on the performance of the economy and labour market within 12 months after year end | Produce labour market trend reports to inform all interested clients on the performance of the economy and labour market within 12 months after year end | Achieved<br>Four annual labour market trend reports produced by end of March 2025. The reports include:<br>1.Annual Industrial Action report 2024<br>2.Annual Administrative Statistics for the DEL 2024<br>3.Job Opportunity and Unemployment in the South African labour market 2023/24<br>4.Annual Labour Market Bulletin 2023/24 |
| **Transversal service standards** | Complaints, suggestions and compliments<br><br>(Transversal for **ALL** Programmes/ Funds/Provincial operations) | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall acknowledge 95% of written complaints, suggestions and compliments within 24 hours of receipt and the remainder within 36 hours of receipt | Acknowledge 95% of written complaints, suggestions and compliments within 24 hours of receipt and the remainder within 36 hours of receipt | Achieved<br>100% of written complaints were acknowledged within 24 hours of receipt and the remainder within 36 hours of receipt |
| | | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall resolve 95% of complaints (with complete information) within 7 calendar days and the remainder within 14 calendar days | Resolve 95% of complaints (with complete information) within 7 calendar days and the remainder within 14 calendar days | Achieved<br>95% of complaints (with complete information) were resolved within 7 calendar days and 81% of the remainder were resolved within 14 calendar days. The overall resolution rate is 95% |
| | Queue management | Employed<br>Under-employed<br>Unemployed<br>Injured on duty<br>People with Disabilities<br>Employers | We shall prioritise People with disabilities, elderly, nursing mothers with 1 month old or less babies and pregnant women to front of queue upon arrival | Prioritise People with disabilities, elderly, nursing mothers with 1 month old or less babies and pregnant women to front of queue upon arrival | The main service is not on the service standards |

## *Batho Pele arrangements with beneficiaries (Consultation access, etc.)*

| Current/actual arrangements | Desired arrangements | Actual achievements |
|---|---|---|

| | | |
|---|---|---|
| It was a gap year, the new SDIP will be implemented this current year 2025/26 | | |

***Service delivery information tool***

| Current/actual information tools | Desired information tools | Actual achievements |
|---|---|---|
| It was a gap year, the new SDIP will be implemented this current year 2025/26 | | |

***Complaints mechanism***

| Current/actual complaints mechanism | Desired complaints mechanism | Actual achievements |
|---|---|---|
| It was a gap year, the new SDIP will be implemented this current year 2025/26 | | |

## 2.3 Organisational environment

The Department was governed by tight controls in terms of filling of funded vacant posts and these measures were imposed by the DPSA and National Treasury on all posts before they could be filled. The turnaround times in most instances were elongated and caused some delays in filling critical funded posts. The good news is that these measures were removed at the beginning of the new financial year 2025/26 which allows the Department to independently fill all the funded posts while exercising fiscal responsibility.

The Department of Public Service and Administration's circular 49 of 2023 had an impact on the service delivery of the Department. It impacted on the filling of vacancies. The vacancies in the Department increased with 232 posts. Furthermore, the post of Accounting Officer has been vacant for the full financial year. During the year under review there were 4 officials acting in the position. Two were internal and 2 were officials from outside the Department that first had to get to know the Department. The change from the 6$^{th}$ Administration to the 7$^{th}$ Administration also saw a change in the Ministerial components of the Department. The revised procedures regarding the filling of vacancies increased the pressure on the remaining staff members to ensure the work gets done. Some of the other senior staff positions are also either vacant or have someone acting in the position for extended periods. Instability in management can hamper progress in achieving some of the targets set in the Strategic Plan or the Annual Performance Plan.

Some of the Department's offices are not fully operating due to the status of the buildings it occupies, for example the Labour Centre in Klerksdorp is still operating in the city hall and a mobile office which is not conducive for service delivery.

The unavailability of the Departmental ICT network also hampers the service delivery. Some of the computer equipment is outdated and cannot operate the latest versions of programmes and thus require replacement within the constraints of the budget allocations. Some computers still operate on Microsoft Windows 10 platform and cannot be updated to Windows 11. The support for Windows 10 will stop in October 2025.

The transition of the legacy systems to digitalised and modern versions of some of the programmes in the Department are delayed and not yet finalised. The new go-live dates for the outstanding legacy systems are now set as follows:

- PES Go live – Mid May 2025

- LP&IR – Collective Bargaining Go Live – 5 May 2025
- LP&IR – Employment Standards Go Live – 19 May 2025
- LP&IR – Employment Equity Go Live – 6 June 2025

## 2.4 Key policy developments and legislative changes

**Policies**

**Review and amendment of OHS act and its regulations by 31 March 2026**

**2.4.1 Progress with regards the OHS Bill:**

The Bill was referred by the State Law Advisors and the DPME. A Task Team was established to format the Bill in an amendment format as requested by the State Law Advisors. The formatting and the drafting are now completed. The memo that accompanies the bill was drafted. The Bill with its supporting documents was resubmitted to the state law Advisor and DPME in November 2024.

Key Changes to the Current Act
- Inclusion of a Health and Safety Management System
- Inclusion of Full-Time Health and Safety Representatives
- Inclusion of an Employee's right to leave unsafe environment
- Inclusion of discrimination under victimization
- Inclusion of Inspector's power to impose fines

Regulations currently under Review:
- Environmental Regulations for Workplace, 1987
- Noise-Induced Hearing Loss Regulations, 2003
- Lead Regulations 2002
- Regulations for Hazardous Chemical Agents, 2021
- Construction Regulations, 2014
- Driven Machinery Regulations, 2015
- Lift, Escalators and Passenger Conveyor Regulations, 2010
- Electrical Installation Regulations, 2009
- Electrical Machinery Regulations 2011
- Pressure Equipment Regulations 2009
- General Machinery Regulations 1988
- Regulation Concerning the Certificate of Competency 1990

**2.4.2 Employment Services Amendment Bill (ESAB)**
The Employment Services Amendment Bill provides for a legislative framework to give effect to the National Labour Migration Policy. The ESAB provides guidance on the Governance, Administration and Management of interventions to ensure orderly movement of foreign migrant labour to and from South Africa and to other countries.

The policy objective is to reduce the number of foreign nationals employed in the South African Labour Market, to prevent further inflow of irregular economic migrants and continued displacement of citizens, to afford citizens to take over those employment opportunities, and to promote their employment in other countries.

The Draft Policies, i.e. National Employment Policy (NEP), National Labour Migration Policy (NLMP), together with the Employment Services Amendment Bill (ESAB), that could not be completely processed

in 2024-25 financial year, have been presented to the Economic Cluster in March 2025. The cluster recommended the policy to proceed to Cabinet. A submission is already enroute to the Minister, requesting approval to present these legal and policy documents to the Cabinet, for approval.

### 2.4.3 Labour Relations Act Amendment Bill, Basic Conditions of Employment Act Amendment Bill, Employment Equity Act Amendment Bill and National Minimum Wage Act Amendment Bill

The purpose of the Bills is to ensure labour laws remain relevant and responsive to the changes and challenges in the labour market, which include:

- Unemployment, poverty and inequalities,
- Seek what business and labour can sacrifice for job creation without compromising job security, and
- What can be done to help small businesses thrive and create employment.

These labour law reforms furthermore need to respond to the following:

- Changes in the labour market and the nature of work.
- Identified bottlenecks in existing systems.
- Broaden access to collective organisation and bargaining in response to an increasing large group of unprotected workers.
- Rights and protection appropriate to the changing nature of work and an increasing large group of unprotected workers.
- Reducing levels of disputes and simplifying dispute procedures and enable economic growth and sustainability for small and new businesses.

### 2.4.5 COIDA & UIF AMENDMENT BILLS

The Amendments focus on governance and accountability arrangements for the UIF and CF as befits national public entities.

These amendments are enablers to the Unbundling of the UIF and CF. Their separation from the Department of Employment and Labour and the insertion of more appropriate governance and accountability arrangements befit separate and independent PFMA Schedule 3A national public entities.

The Bills do so by adopting a two-pronged approach:

1. They seek to amend the existing Acts, to provide for the establishment of new and appropriately constituted Accounting Authority Boards. These Boards will exercise the Accounting Authority functions of the Funds as they are more suitable for Social Insurance Funds listed as PFMA Schedule 3A National Public Entitles which are by definition located outside of the public service, and
2. It contains additional amendments to the Act to divest the Director-General of operational powers and functions in relation to the Funds and to allocate these to the respective Commissioners as Chief Executive Officer of the Funds.
    - The Bills set the criteria and composition of the Boards and require them to constitute specified board committees including audit and risk committees and board nominations committees to assist in the public and transparent board appointment process.
    - The Bills also set standards for the conduct of directors and reporting requirements which are aimed at promoting the transparency of the Fund's operations so as to ensure value for money in the use of public funds.
    - The Bills further contain amendments to rename the existing advisory Unemployment Insurance Board and the Compensation Fund Board as Advisory Councils to more properly reflect their functions.

- Finally, the Bills contain transitional measures for the transfer of employees and assets from the Department of Employment and Labour to the Funds instead of the current model where services are provided by the DEL on behalf of the funds on a cost recovery basis which has not supported service delivery.

3. **Section 5d** must be broadened to include non UIF contributors as beneficiaries, on terms and conditions as determined by the Executive Authority from time to time.
4. **Definition of UI contributors** should be broadened to include self-employed persons (consultants, gig economy practitioners, performing artists, etc.). Their contributions must be determined so that they provided them with a meaningful benefit.
5. **Employer organisations must not** just contribute to the UIF, but they must constantly declare employees in their employment. Employers must also declare the employees when they are dismissed, retrenched, go on maternity and when deceased so that the UIF can process their due benefits from the employer's submission.
6. **Investment options of the UIF must be broader than just the PIC** and must give the UIF latitude to invest in other Investment Schemes or Organisations.

### 2.4.6 NEDLAC BILL, 2025

The proposed Bill seeks to reform the National Economic Development and Labour Council (NEDLAC) by establishing a more transparent and accountable governance structure. By designating the executive committee as the accounting authority, the Bill aligns NEDLAC with the Public Finance Management Act No. 1 of 1999. This critical change will empower the executive committee to oversee operations effectively, ensuring that NEDLAC can fulfil its evolving mandate amidst the changing economic and social landscape.

The proposed Bill aims to strategically reform the NEDLAC by instituting a more transparent and accountable governance structure. By designating the executive committee as the accounting authority, the Bill ensures alignment with the Public Finance Management Act (PFMA) No. 1 of 1999. This shift empowers the executive committee to effectively oversee operations, enabling NEDLAC to fulfil its evolving mandate within a dynamic economic and social context.

A key strategic feature of the Bill is the transformation of the annual summit into the Lakota, refocusing its role on oversight and review. This change enhances real-time representation by allowing NEDLAC party representatives to be appointed for each session, ensuring relevant and timely participation while upholding accountability. Furthermore, the Bill introduces a single offence for improper disclosure of information, reinforcing compliance and accountability by aligning with the Labour Relations Act No. 66 of 1995. This ensures consistent legal treatment of information sharing and prevents inconsistent penalties for similar offences.

Overall, the Bill serves as a transformative step in modernising NEDLAC, positioning it to better tackle emerging challenges, promote collaboration among socio-economic partners, and contribute to a comprehensive economic recovery strategy. It reflects a strong commitment to transparent governance, stakeholder engagement, and the strengthening of trust and collaboration within our democratic framework.

**The Amendment Bills are aligned to the MTDP 3 priorities:**

1. **Drive Inclusive Growth and Job Creation**: The setting of quotas on the number of foreign nationals that can be employed in economic sectors and occupational categories will result in the increase in employment of locals.

Setting up seamless processes that allow for the attraction of Scarce and Critical skills needed in the economy and a recruitment drive on the diaspora will also contribute towards the growth of the SA Economy.

The OHS Bill unlock business and job opportunities as it strengthens preventive measures that protect workers and support productivity. The proposed amendments align with the Government of National Unity's (GNU) strategic priorities by addressing unemployment, poverty, and inequality.

The labour law bills drive **inclusive growth and job creation** by supporting workforce transformation, reducing regulatory burdens for small businesses, and incentivising employment. It **reduces poverty and tackles the high cost of living** by ensuring fair wages, enhancing job security, and protecting vulnerable workers. Additionally, it contributes to **building a capable, ethical, and developmental state** by improving labour law enforcement, strengthening compliance mechanisms, and fostering collaboration among social partners to ensure responsive and accountable governance.

The strengthening of governance and accountability and staffing arrangements for the Funds will support more efficient delivery on their mandates and improve service delivery which will contribute to the strategic priorities.

2. **Reduce poverty and tackle high cost of living:** Increasing the number of citizens in jobs previously occupied by foreign nationals, will allow them to earn income, restore their dignity, reduce poverty and improve their standard of living.

3. **Build a capable, ethical and developmental state:** The Policy interventions and ESAB will provide for the administration, governance and management of safe and orderly movement of foreign labour to and from South Africa.

**NEDLAC Labour Law Reform process**

The NEDLAC Labour Law Reform process which over a two-year process has considered and made proposed amendments for the Minister to take to Cabinet and Parliament to the following acts:

- Labour Relations Act
- Basic Conditions of Employment Act,
- National Minimum Wage Act, and
- Employment Equity Act

The proposed amendments aim to:

- Support the Government's intention to fight unemployment, poverty, and inequality.
- Improve rights of workers, especially those that are most vulnerable.
- Improve the efficiency of dispute resolution between employers and employees.
- Make it easier for small businesses to trade and comply with labour legislation, and
- Align legislation with recent court cases.

During 2021 and early 2022, all social partners proposed labour law reform proposals at NEDLAC. NEDLAC set up a Labour Law Reform Task Team made up of six-a-side of government, labour and business. A facilitator, legal drafters and technical support were appointed. The process started on 22 April 2022, and parties agreed that there would be three phases:

- Phase One: Amendments to labour laws to improve the efficiency of the labour market institutions mostly with respect to dismissals, retrenchments, collective bargaining and strike action.

- Phase Two: Codes of good practice and secondary legislation.
- Phase Three: Responding to changes in the labour market including protections for non-standard workers.

Work on all phases was mostly completed on 30 July 2024. Issues relating to amendments to the UI & COIDA laws, consequential amendments to regulations and the Just Transition (e.g. heat stress) are ongoing.

To ensure labour laws remain relevant and responsive to the changes and challenges in the labour market, among others, which are unemployment, seek what it is that business and labour can sacrifice or give away to create employment without compromising job security, what can be done to help small businesses thrive and create employment, the proposals were tabled. Over and above this, NEDLAC social partners have articulated that labour law reform needs to respond to the following:

- Changes in the labour market and the nature of work.
- Identified bottlenecks in existing systems.
- Broaden access to collective organisation and bargaining in response to an increasing large group of unprotected workers.
- Rights and protection appropriate to the changing nature of work and an increasing large group of unprotected workers.
- Reducing levels of disputes and simplifying dispute procedures, and
- enable economic growth and sustainability for small and new businesses.

The key provisions are as follows:

- **Simplification of procedural fairness**: It is important for the labour market and will assist in dispute resolution concerning matters that are referred to CCMA or bargaining councils. It will expedite the internal procedures of companies, prevent technicalities and disputes over procedures and reduce the caseload. Research shows that there remains a high level of procedural unfairness cases.
- **Limit on compensation for procedurally unfair dismissals**: Limiting employees to either statutory compensation or contractual damages. This will create certainty in the labour market, stop forum shopping, and encourage business to create jobs by limiting compensation based on the law or contractual damages.
- **Exclude high-paid employees from certain statutory protection**: The proposal is in the context of the numerous examples of extensive litigation instituted and pursued by such employees at the cost of the taxpayer. High-paid employees can negotiate their terms of employment, they should be required to use their resources and should not be protected by the LRA to the same extent as other employees.
- **Inquiry by Arbitrator**: The appointment of an arbitrator to hold in-house inquiry should not require agreement and related amendments to discourage unnecessary and/or frivolous disputes. It avoids duplication of hearings (internal and external), promotes speedier resolution of disputes and reduces pressure on CCMA. It is consistent with the current regulatory architecture and principle of subsidiarity.
- **Redefine Unfair Labour Practice**: To include unreasonable periods of suspension, unreasonable delays in disciplinary procedure, occupational detriment protections linked to the PDA, probation and qualifying period abuses. This will reduce unfair labour practice litigation and encourage employment of new entrants into the labour market.
- **Dismissal and retrenchment procedures**:
  - Revisions to the current codes of good practice on dismissal and dismissal for operational requirements.
  - A new code to regulate the dismissal of employees of small businesses. It will enable and encourage job creation and small business sustainability by setting out employers' obligations clearly.
- **Improved efficiency of bargaining councils**: Extend funding agreements of bargaining councils for 36 months, it will improve management for bargaining councils. Minister to be given the

power to regulate bargaining council exemption procedures, it will improve bargaining council processes.

- **Improved efficiency of the Labour Court**: Allow Labour Court judges to act in the Labour Appeal Court and other related amendments to streamline processes in the Labour Court. This will improve the adjudication of labour disputes and the capacity of the Labour Courts.
- **Limit protection on probation**: Limit the qualifying period to 6 months for dismissal protection without excluding protection in respect of automatically unfair dismissals. It reduces the risk attached to hiring new employees and encourages the employment of new entrants into the labour market.

Alignment of council/ agency jurisdiction: Allow BCs/SCs to resolving disputes through under any employment law. They are currently restricted by statutory exclusions in the LRA, the EEA and the BCEA which increases the case load of the CCMA.

Broader definition of employees: A broader definition of employee will be introduced to allow:

- non-standard workers to join trade unions and participate in collective bargaining
- the Minister to set minimum conditions of employment for these workers through sectoral determination.

This is consistent with the labour law rights provision of the constitution and South Africa's legal obligations in terms of ILO standards.

Alignment of CCMA jurisdiction: The CCMA should be permitted to issue rules to determine the procedures and the forms applicable to CCMA dispute resolution, compliance, and enforcement procedures under any employment law (BCEA, EEA, NMWA etc.).

Limitation of liability: CCMA is receiving damages claims by employers dissatisfied with awards. A standard limitation liability clause similar to that found in other statutes should be included in the LRA applicable to all public labour institutions.

Harmonisation of LRA and EEA dispute resolution: Election for employees to refer "sexual harassment "disputes to the CCMA for arbitration should be extended to all harassment claims to prevent splitting of cases.

Clarification and expansion of CCMA jurisdiction for severance pay claims: CCMA should be given jurisdiction in respect of all "severance pay only" disputes. This amendment aligns the law with the Labour Court decision (Telkom v CCMA) and also prevents duplication of claims.

Introduction of protection for workers who are required to be available for work but are not guaranteed work by their employers. (on Call workers)

Employers are required to specify details such as notice period in the employees' written particulars of employment.

PROPOSALS: IMPACT SMMEs

- **Retrenchment procedures:** Simplified Code of Good Practice to regulate dismissal of employees of small business. It will enable and encourage job creation and small business sustainability.
- **Severance Pay:** Increase statutory severance pay for 2 weeks per year of service (Look at a possibility of UIF assist SMMEs that have been in existence for two years or less).
- **Exclusion from collective agreements:** Proposals to exclude start-ups that have been in existence for two years or less from the extension of collective agreements.

- **Dismissals**: Qualifying period for new entrants into the labour market: The qualification period does not apply to an employee who before commencement of employment has been in full-time employment with one or more employers for a period of 24 months.
- **Compliance orders and claims:** Re process of inspectors issuing compliance orders against employers who do not comply with the NMWA or BCEA and the arbitration of these claims are clarified.
- **Inclusion of condonation for appeals against compliance orders**: If the employer shows good cause at any time, the CCMA may permit the employer to refer a dispute after the time period stated in the order has expired.
- **Specification of CCMA's powers when hearing disputes about compliance orders**: CCMA can now appoint a commissioner to determine by arbitration any dispute referred regarding compliance order, including any application for condonation.
- **Claims for failure to pay any amount**: Clarity has been made that bargaining councils with jurisdiction can hear claims for failure to pay any amount for low paid workers.
- **Penalties for non-compliance with the NMW**: Penalties for non-compliance with the NMW must be paid to employees.

The Public Employment Services Branch will develop a number of policies during the MTEF period to respond to a number of identified challenges:

1. National Employment Policy – the policy will be developed in line with the ILO Employment Policy guidelines to ensure that the country has a coordination framework for all employment initiatives in the country. The policy will be consulted extensively to receive maximum input and to ensure buy-in or support during its implementation stages.
2. **National Labour Migration Policy** – the policy is in line with the Southern African Development Countries (SADC), Minister of Employment/Labour and Ministers of Interior/Home Affairs for all member states to have Migration Policies that will assist in the management of movement of labour and the African Union (AU) protocol on the movement of labour in the region.

The draft implementation plan has been developed for the NLMP. The Department in collaboration with EU will continue to host Provincial Dialogues on Labour Migration at district and local level in order to capacitate the civil society and raise awareness on Labour Migration issues.

**ADVANCE THE SOUTH AFRICAN FOREIGN POLICY FOR A BETTER WORLD**
The Department plays a crucial role in advancing South Africa's national interests and values in various international engagements, including ARLAC, SADC, ILO, BRICS, G20, and other bilateral forums. These roles include:

1. **Attendance to, contribution and influencing the work of ARLAC (African Regional Labour Administration Centre) – Chair of the Governing Council**
As Chair of the ARLAC Governing Council, the Minister:
- Provides strategic leadership in strengthening regional labour administration and employment policies.
- Promotes capacity-building initiatives to enhance labour market governance across African member states.
- Advocates for policies that align with South Africa's labour priorities, such as fair wages, job creation, and social protection.
- Strengthens cooperation among African nations in employment and labour matters.

**2. Attendance to, contribution and influencing the work of SADC Employment and Labour Sector**
Within the Southern African Development Community (SADC):
- The Minister champions regional labour policies that promote decent work, social protection, and job creation.

- Supports the harmonisation of labour laws and standards across SADC member states
- Advocates for youth employment initiatives and the development of skills for the future workforce.
- Engages in discussions on labour migration and cross-border employment policies.

**3. Attendance to, contribution and influencing the work of the International Labour Organisation (ILO)**

As an Africa Group Governing Body representative in the ILO:

- The Minister influences global labour policies that align with South Africa's values of social justice, workers' rights, and fair employment conditions.
- Supports tripartite dialogue among government, business, and labour to strengthen collective bargaining and workplace democracy.
- Promotes policies to combat child labour, forced labour, and workplace discrimination
- Advocates for social protection measures that benefit workers in South Africa and beyond.

**4. Attendance to, contribution and influencing the work of BRICS (Brazil, Russia, India, China, South Africa) Labour and Employment Forum**

Within BRICS, the Minister:

- Strengthens cooperation on employment creation, skills development, and social protection.
- Engages in discussions on the future of work, digital transformation, and labour market trends.
- Promotes South Africa's interests in labour migration, fair working conditions, and sustainable economic growth.
- Works to ensure that South Africa benefits from shared knowledge and best practices among BRICS nations.

**5. Attendance to, contribution and influencing the work of G20 Employment and Labour Ministerial Meetings**

In the G20:

- The Minister participates in shaping global employment strategies, particularly regarding inclusive economic growth and job creation.
- Advocates for labour market policies that support social justice, worker protection, and gender equality.
- Contributes to discussions on global labour market disruptions, including the impact of automation and digitalisation on jobs.
- Supports initiatives that promote fair global supply chains and responsible business practices.

**6. Attendance to, contribution and influencing the work of Bilateral and Multilateral Engagements**

Beyond these major platforms, the Minister also:

- Engages in bilateral labour agreements with strategic countries and international partners to promote job creation, skills development, and labour rights.
- Strengthens diplomatic relations through employment-focused cooperation agreements.
- Represents South Africa in forums addressing critical labour market issues such as, migration, occupational health and safety, and workplace standards.

**STRATEGIES**

Review of Public Employment Services to align it to the changing world of work – supported by World Bank.

Development of Employment Schemes framework – to coordinate and facilitate implementation of short-term employment in the midst of oversupply of labour and absorption to long-term employment across public and private sectors.

**IES STRATEGY**

Decent work, as coined by the International Labour Organization (ILO), summarises the different pillars of work, including employment and its quality, rights at work, representation and voice, and social protection. In responding to decent work, the Inspection and Enforcement Services (IES) Strategy of 2009 acknowledged the necessity of enhancing professionalism and specialisation within the inspectorate to improve capacity and enforcement. The strategy specifically identified the Security, Domestic, and Farming sectors as vulnerable sectors based on a conducted study and anecdotal as well as administrative evidence. The strategy emphasised the need for enhanced legislation and self-regulation as the foundation for effective enforcement and compliance. Consequently, the 2009 Strategy transitioned from addressing planned needs to focusing on four fundamental IES Strategic Areas: capacity development, advocacy and stakeholder relations, inspections, and enforcement, which formed the bedrock of the IES.

The paramount objective of the 2021 IES Strategy was to attain and strengthen the professionalisation and specialisation of the inspectorate, a process that commenced in 2014 and continues to date, through the appointment of qualified inspectors and ongoing training. Further identification of vulnerable workers had been made in sectors such as the Taxi Industry, Expanded Public Works Programme (EPWP), and the transitioning from informal sector to formal as the country had ratified ILO Recommendation 204. Sectoral Determinations have been promulgated and enforced to regulate specific sectors, and the National Minimum Wage was enacted in 2018 to regulate the minimum wage baseline in the country.

The Occupational Health and Safety (OHS) accord of 2002 was signed amongst social partners, and this was followed by the three sectoral accords. This was to ensure that the country subscribed to the principles of decent work. Furthermore, this was supported by the continued partnerships with other agencies, including the Commission for Conciliation, Mediation and Arbitration (CCMA), and Bargaining Councils. Additionally, numerous Memoranda of Understanding (MOUs) have been signed with various partners thus extending coverage to other workers. The reinforcement of enforcement measures was deepened through the amendments of the BCEA, which contemplated the enforcement of the basic standards of employment through the CCMA.

The operating conditions of Labour Inspection had undergone significant changes in recent decades due to developments in the Labour market, which are influenced by technology, and the effects of globalisation. In this context, Labour Inspection must redefine its organisational and interventional strategies to meet the expectations arising from the evolving Labour markets. Labour inspection is an independent profession and demands a professional approach. Thus, the professionalisation of the Labour Inspectorate is an ongoing process that requires staying at the forefront of the cutting edge and pioneering methodologies and technological advancements to ensure an agile and responsive Labour inspectorate. Therefore, Labour Inspectors must focus on pivotal trends that profoundly influence Labour Inspection practices. These include amongst others, non-standard forms of contract and non-standard forms of employment[4] at the expense of social concerns. Labour Inspectors must comprehend how these trends compel them to embrace specialisation, whilst achieving one vision.

[4] Non-standard forms of contract and non-standard forms of employment; the proliferation of small and independent units that are often difficult to supervise, the continued trend of short-lived enterprises with changing ownership and increased mobility, remote work, hybrid models (working from home), the emergence of virtual enterprises and networks, and the escalating pressures of cost and competition.

## 3. Achievement of institutional impacts and outcomes

The Department is contributing towards the 7 Priorities of government as set out in the Medium-Term Strategic Framework (MTSF), the National Development Plan (NDP) and the Department's Revised Strategic Plan 2020-25. The details of the outcomes, indicators, 5-year target and the achievements to date are highlighted in the tables below.

### Priority 1: Capable, Ethical and Developmental State

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-4 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| 1. Functional, Efficient and Integrated Government | Strengthening the institutional capacity of the Department | 1.1 Reduction in the vacancy rate | Vacancy rate maintained at 8% or less | 2020/21 - 11.27% (1 126 vacancies out of 9 991 posts)<br>2021/22 – 9.56%<br>2022/23 - 7.14%<br>2023/24 – 8.63%<br>2024/25 – 23% | The cost containment measures that depended on Treasury and DPSA to provide the go ahead to fill posts that are funded. The Department had to assess affordability of the vacancies versus available budget | Corporate Services |
| | | 1.2 Acquisition, maintenance and improvement of ICT services | 95% system availability | 2020/21- 92% Systems availability Departmental Explore phase 98% complete and Realization Phase is 45% complete. SEE has been de-scoped. System not ready for Go Live<br>2021/22 – 99% Systems Availability<br>2022/23 – N/A<br>2023/24 – N/A<br>(SP indicator was replaced with 2.1 and 2.2 below from 2022/23) | None | Corporate Services |
| | 2. Modern Systems and ICT services | 2.1 Improve Information Security status of the Department | 3-year Cybersecurity roadmap developed | New from 2022/23:<br>The Cyber Security Framework and Roadmap have been developed<br>The Cyber Security Framework was developed and the Cyber security strategy has not been done<br>2023/24 - 100% Implementation of roadmap phase 1 complete<br>2024/25 – 100% implementation of roadmap (CIS) Phase 2) - All targets have been achieved<br>12 x Cybersecurity monthly reports for the year<br>(Cybersecurity services: e.g., Security Operations Management, Security Information and Event Management (SIEM & Security Operations Centre, Compliance Management Services. Vulnerability Tracking and Management, Patch Management. Insider Threat Management (ITM) | None | Corporate Services |

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-4 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| | | 2.2 Legacy systems transitioned to modern integrated SAP Platform | All targeted legacy applications replaced by SAP on HANA [5]as per the roadmap | New from 2022/23: Audit Management is descoped.<br>Contract to deliver was extended to December 2025<br>The User Acceptance Testing for IES and PES is completed and signed off. The SAP Support and Maintained agreement is in place. The service provider has completed all the SAP system patching that was a prerequisite for a Go Live for IES and PES target wed for 16 May 2023. End User refresher training using system is in progress. The SAP license usage report will be activated post Go Live<br>2023/24 – Not Achieved- Go live not achieved, only one of the five deployments was achieved<br>2024/25 – Not Achieved - IES is live and LP&IR – IR is live | Delays in the project.<br>Audit Management is descoped.<br>Contract to deliver was extended to December 2025.<br>New dates for outstanding milestones:<br>PES Go live – Mid May 2025<br>LP&IR – CB Go Live – 5 May 2025<br>LP&IR – ES Go Live – 19 May 2025<br>LP&IR – EE Go Live – 6 June 2025 | Corporate Services |

The challenges faced in QPR 4 reporting is mainly around the filling of vacant posts as these were subjected to a process of cost containment, therefore for most part of the year, the Department had to assess affordability and towards the end of the financial year. The DPSA and Treasury provided concurrence to fill the 293 funded vacant posts towards the end of FY 2024/25. It is anticipated that in the 2025/26 FY the Department should not have any challenges in filling the 293 funded posts as the cost containment measure aka Moratorium has been lifted by the DPSA and Treasury.

SAP project continued to be a challenge in the FY 2024/25 due to the delays experienced and claw back measures have been put in place and the 2025/26 FY is the year for the support and finalisation of the project milestones that were left behind. The most difficult project ever for the Branch and there are issues regarding the continued support beyond the year 2025/26 as the Department does not have the requisite skills to provide support internally.

## Priority 2: Economic transformation and job creation

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| 2. More decent jobs created and sustained, with youth, women and persons with | Contribute to decent employment creation | 2.1 Number of jobs created per year through Job Summit agreement initiatives coordinated | Monitor and report on the target set by the Presidential Job Summit agreement | 2020/21 -Using the official statistics (StatsSA), job creation in 2020/21 was relatively minimal. Not enough to reach the Presidential Job Summit agreement of 275 000 jobs in the year<br>Looking at Year- on-year changes on Employment creation, the stats are captured as follows:<br>Q1 2020: 91 000 jobs created; Q2-Q4 -2020: - 5 245 000 job losses | The slow economic recovery growth is resulting in a delay in the country's labour absorption rate. The labour force is confronted with a high | Labour Policy and Industrial Relations |

[5] "SAP on HANA" refers to using the SAP HANA in-memory database platform to power SAP's software applications, particularly its ERP system, SAP S/4HANA.

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements<br>Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| disabilities prioritised | | through the implementation of Jobs Summit framework agreements | (275 000 jobs created per year)[6] | 2021/22 - Q4-262 000 jobs created vs 479 000 workers lost jobs year on year changes and unemployment rate was at 35.3% by December 2021<br>2022/23 - 84 636<br>2023/24 – Q4 of 2022= 15 934 000 vs Q4 of 2023= 16 723 000. This means 789 000 jobs were created (Year on Year); Unemployment Q1 of 2022=7 753 000 vs Q4 of 2023=7 895 000. This means 142 000 jobs were lost (Year on Year). However, official unemployment rate decreased by 0.6% over the same period<br>2024/25 - Q4 of 2023= 16 723 000 vs Q4 of 2024= 17 078 000. Approximately, 355 000 (or 2.1%) jobs were created where the labour absorption rate increased by 0.3 percentage points (Year on Year Change); Unemployment levels in Q4 of 2023=7 895 000 vs Q4 of 2024=7 991 000. This implies that the number of unemployed persons increased by 96 000 or 1.2%. However, the statistics have also shown that the official unemployment rate decreased by 0.2 percentage point in unemployment rate from 32.1% in Q4 of 2023 to 31.9% in Q4 of 2024. | number of new entrants compared to a low number of industrial job opportunities created every year | |
| | | | | 2020/21 - 37 193<br>2021/22 - 67 058<br>2022/23 - 56 393<br>2023/24 – 89 345<br>2024/25 – 271 008<br>Total: 520 997 | None | Public Employment Services |
| | | 2.2 Number of jobs created through the Presidential Comprehensive Youth Employment interventions | 1 million youth jobs by 2024[7]<br>DEL: 256 050<br>(contributors PES: 190 000, SEE and | 2020/21 -26 486 PES<br>2021/22 - 44 460 PES<br>2022/23 - 56 393 PES<br>2023/24 – 60 078 PES<br>2024/25 – 98 869<br>Total – 286 286 | None | Public Employment Services |

[6] Labour Policy and Industrial Relations monitor the creation of jobs through the Jobs Summit.
[7] DEL will identify all key Departments and private programmes in the employment space, secure agreement on the reporting mechanisms, prepare and submit reports.

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements<br>Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| | | 2.3 Number of youth NEET absorbed in employment | Designated Groups: 1 000; UIF (LAP): 61 050; CF: 4 000) [8] | 2020/21 -26 486 PES<br>2021/22 - 44 460 PES<br>2022/23 -56 393 PES<br>2023/24 – 60 078 PES<br>2024/25 – 58 393<br>Total – 245 810 | None | Public Employment Services |
| | | 2.4 Employment Policy developed, consulted, piloted and implemented | Employment Policy implemented by 2024 | 2020/21 -The Situational Analysis Report developed and tabled at ES Board<br>2021/22 - The draft policy has been developed but not yet approved<br>2022/23 -The Department of Employment and Labour has developed a Draft National Labour Migration Policy (NLMP) as per instruction of the Ministers of Employment and Labour in the SADC Region<br>The Draft National Labour Migration Policy and Employment Services Amendment Bill were approved by Cabinet for public comments in February 2022. The gazette was published for a period of 90 days<br>In accordance with Government's Medium Term Strategic Framework (MTSF) 2019 – 2024, a zero draft NEP was finalised as a coordinated strategy to address the country's persistently high levels of unemployment<br>2023/24 The NEDLAC consultations with social partners on NLMP & ESAB commenced in August 2023. In December 2023 the Branch conducted a workshop for the Social Partners at NEDLAC on Labour Migration. The second SEIAS certificate has been received from the Presidency. The preliminary certification has been received from the office of the Chief State Law Advisor<br>Cabinet Memorandum and presentation prepared for approval to commence with public consultations. Presentation for the Economic and Infrastructure Cluster prepared<br>2024/25 - The Bill was presented to the cluster on 27 March 2025 and the Economic cluster has recommended the Policy and the Bill to be presented to Cabinet | Awaited for economic cluster meeting | Public Employment Services |
| 3. Investing for accelerated inclusive growth | Promote Equity in the labour market | 3.1 Number of Employment Equity Act (EEA) inspections: which includes EE Procedural | The five-year target is anticipated to be 18 420 workplaces inspected and | 2020/21 - 1 988<br>2021/22 – 2 556<br>2022/23 – 4 725<br>2023/24 – 3 152 | Late and delayed responses from employers on submitting the requested documents for the purpose of | Inspection and Enforcement Services |

[8] The detailed information of the Public Entities progress on these indicators are included in the respective Public Entities annual report which was not available at the time of publishing.

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| | | inspections, DG Reviews and Reassessments, workplaces (designated employers) conducted per year to determine compliance with Employment Equity legislation | transformed (inclusive of 1 812 DG Reviews) | 2024/25 – 3 135<br>Total: 15 556 | conducting EEA inspections had an impact on the overall EE performance. | |
| 4. Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities | Protect vulnerable workers<br><br>Promote sound labour relations | 4.1. Number of workplaces inspected per year to determine compliance with the National Minimum Wage Act and the Basic Conditions of Employment Act | The inspectors will visit 838 560 workplaces over the next five years | 2020/21 – 120 101<br>2021/22 - 138 488<br>2022/23 – 168 008<br>2023/24 – 169 295<br>2024/25 – 169 810<br>Total: 765 702 | The overachievement over the MTSF period is due to the fact that during the COVID-19 pandemic Government National Lockdown, OHS inspectors were deemed to be essential workers and for that purpose they continued working during the lockdown period | Inspection and Enforcement Services |

A total of **1 305 228** work seekers were registered in the DEL ESSA system, **98 869** placements were done into jobs. The Employment Policy developed is still a Draft. In preparation for a presentation to the Economic Cluster and to Cabinet, consultations have been held with the following individual government Departments: National Treasury, Department of Public Works and Infrastructure, Department of Higher Education and Training, Department of Planning, Monitoring and Evaluation and Department of Cooperative Governance. The process to develop a draft policy took longer than was anticipated, due to, amongst others, the consultation process with stakeholders.

A total of **344 032** work seekers were provided with Employment Counselling, exceeding the annual target with 132%. This achievement was due to the career fairs held in April and May 2024, employment counsellors being invited to deliver services at izimbizo's held across the country, as well as invitations received from external organisations interested in services provided from the mobile youth centres.

## Priority 3: Education, Skills and Health

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| 5. Safe and healthy work environment | Promote Occupational health services<br><br>Protect vulnerable workers<br><br>Strengthen occupational safety protection<br><br>Development of the Occupational Health and Safety policies | 5.1<br>Number of Employer/User inspected per year to determine compliance with the Occupational Health and Safety legislation | Year 1 = 23 844 – this target is for existing inspectors in FY 2020/21<br>4 x Years = 397 776 (2021/22-2024/25)<br><br>This is what will be achieved in the next 5 x Years = 421 620 | 2020/21 – 33 272<br>2021/22 – 89 220<br>2022/23 – 109 464<br>2023/24 – 106 390<br>2024/25 – 107 808<br>Total: 446 154 | The overachievement over the MTSF period is due to the fact that during the COVID-19 pandemic Government National Lockdown, OHS inspectors were deemed to be essential workers and for that purpose they continued working during the lockdown period | Inspection and Enforcement Services |

## Priority 4: Consolidating the Social Wage through Reliable and Basic Services

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| 6. Comprehensive social security coverage | Strengthening social security | 6.1 Number of Employer audits conducted per year to determine compliance with UIA, UICA and COIDA | Coverage for employees will improve with 131 580 employers visited over the next 5 years | 2020/21 – 23 128<br>2021/22 – 25 978<br>2022/23 – 20 649<br>2023/24 – 29 962<br>2024/25 – 30 045<br>Total: 129 762 | The underachievement over the MTSF was due to the two-year (2020/21 and 2021/22) Government National Lockdown as a result of the COVID-19 pandemic. This resulted in the non-availability of employers/workplaces to inspect. | Inspection and Enforcement Services |

## Priority 6: Social cohesion and safer communities

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| 7. Equal opportunities, inclusion and redress | Promote Equity in the labour market | 7.1 Amendment of the Employment Equity Act | Employment Equity Act amended, enacted and enforced by 2024 | 2020/21 - EE Amendment Bill, 2020 tabled in Parliament through publication of the Bill in Government Gazette dated 20 July 2020<br>• 2021/22 - 2020-2021 EE Annual Report and Public Register published and launch on 25 June 2021<br>• 2021-2022 EE Annual Report and Public Register developed on 24 March 2022<br>The Select Committee of the National Council of Provinces (NCOP) published the EE Amendment Bill for public comments in December 2021 and hosted public hearings on the EE Amendment Bill on 22 February 2022. The Select Committee of the NCOP voted on all the clauses of the EE Amendment Bill on 15 March 2022<br>2022/23 - EE Amendment Bill passed by Parliament (both the NCOP and National Assembly) on 17 May 2022. Subsequently submitted to the Presidency for assenting and promulgation into law.<br>• EE Regulations to implement the EE amendments finalised but will be published upon the assenting and promulgation of the EE Amendment Bill into law.<br>• Sector stakeholder consultations for the setting of proposed sector EE Targets finalised and draft Regulation containing the proposed sector EE Targets finalised but will be published upon the assenting and promulgation of the EE Amendment Bill into law.<br>2023/24 – EE Amendment Act, No. 4 of 2022 assented into law on 6 April 2023 and subsequently published in the Government Gazette on 14 April 2023<br>2024/25 - EE Amendment Act, No. 4 of 2022 came into effect on 1 January 2025. Subsequently, two sets of EE Regulations (i.e. one on General Administrative guidelines and EE templates; and the one on the 5-year sector EE targets) were developed and finalised on 7 March 2025 | None | Labour Policy and Industrial Relations |
| | | 7.2 At least 2% annual increase in the representation of | Set sector targets and monitor to achieve at | 2020/21 - Africans increased by 1.2% (23.5% in 2019 to 24.7% in 2020) at senior management; and Africans increased by 3.5% (i.e. 43.2% in 2019 to 46.7% in | EE targets are still self-regulated by designated employers as per the current Employment Equity Act, 1998. The proposed Sector EE | Labour Policy and Industrial Relations |

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements<br>Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| | | Africans in senior and middle management levels | least 50% of middle and senior management are African by 2024[9] | 2020) at middle management as reported by designated employers in 2020 EE reporting period<br>2021/22 - African representation increased by 0.9% (i.e. from 24.7% in 2020 to 25.6% in 2021) in senior management; and increased by 0.2% (i.e. from 46.7% in 2020 to 46.9% in 2021) in middle management as reported by designated employers in 2021 EE Reporting period<br>2022/23 - Africans increased by 0.4% in 2022/2023 (i.e., from 25.6% in 2021 to 26.0% in 2022) in Senior Management; and increased by 1.5% (i.e., from 46.9% in 2021 to 48.4% in 2022) in Middle Management as reported by designated employers in the 2022 EE reporting period<br>2023/24 – African representation increased by 1.2% (from 26.4% in 2022 to 27.6% in 2023) in Senior management level; and increased by 1.0% (from 48.4% in 2022 to 49.4% in 2023) in Middle management level as reported by designated employers during the 2023 EE reporting cycle<br>2024/25 - Achieved 50% African representation at Middle Management level. African representation increased by 1.0% (from 49.4% in 2023 to 50.4% in 2024) as reported by designated employers during the 2024 EE reporting cycle.<br>Senior Management level. African representation increased by 1.2% (from 27.6% in 2023 to 28.8% in 2024) as reported by designated employers during the 2024 EE reporting cycle | targets regulated by the Minister of DEL will only be effective upon the publication of the proclamation notice of the commencement date of the EE Amendment Act, 2022 | |
| | | 7.3 Number of persons with disabilities employed increased annually with at least 1.5% of the total workforce reported by designated employers | Set sector targets and monitor to achieve at least 2.5% of employed adults between the age of 15 and 65 will be persons with | 2020/21 - Persons with disabilities increased by 0.2% (i.e.1.1% in 2019 to 1.3% in 2020) as reported by designated employers in 2020 EE reporting period<br>2021/22 - Persons with disabilities decreased by 0.1% (i.e. from 1.3% in 2020 to 1.2% in 2021) as reported by designated employers in 2021 EE reporting period<br>2022/23 - Persons with disabilities' representation **remained the same** at **1.2%** in 2022/2023 (i.e. 1.2% in 2021 to 1.2% in 2022) in the total workforce as | EE targets are still self-regulated by designated employers as per the current Employment Equity Act, 1998. The proposed Sector EE targets regulated by the Minister of DEL will only be effective upon the publication of the proclamation notice of the commencement date of the EE Amendment Act, 2022 | Labour Policy and Industrial Relations |

[9] The underlying architecture of the Employment Equity Act does not allow for the Department to ensure this rate of transformation. The EEA is predicated on voluntary compliance and therefore the Department cannot force companies to transform at this rate.

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| | | | disabilities by 2024[10] | reported by designated employers in the 2022 EE reporting period<br><br>2023/24 – Persons with disabilities' representation remained unchanged at 1.2% of the total workforce in both 2022 and 2023 as reported by designated employers during the 2023 EE Reporting cycle<br><br>2024/25 - Not achieved<br><br>The representation of persons with disabilities increased by 0.1% from 1.2% of the total workforce in 2023 to 1.3% of the total workforce in 2024 as reported by designated employers during the 2024 EE Reporting cycle | Self-regulation of EE targets by designated employers – 5-year sector EE targets for the designated groups, including Africans will only be effective from 2025/2026 financial year | |
| | | 7.4 Development of Income differential data collection tool (EEA4 form) for designated employers | Income differential data collection tool (EEA4 form) for designated employers developed and implemented by 2022 | 2020/21 - EEA4 form developed and implemented on 8 August 2019 (Government Gazette No.42627) | None | Labour Policy and Industrial Relations |

## Priority 7: A better Africa and a better World

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| 8. A Better South Africa | Strengthen multilateral and bilateral relations | 8.1 Country obligation to SADC and AU fulfilled | 90% of obligations fulfilled | 2020/21 - Managed to coordinate and facilitate participation in SADC and AU Ministerial meetings and all sectoral meetings<br><br>At SADC (DEL) managed to push for a single African candidate as ILO DG. This was endorsed by the AU again<br><br>2021/22 – On 29 November 2021, South Africa deposited with the ILO the instrument of ratification of the Violence and Harassment Convention, 2019 (No. 190) | None | Labour Policy and Industrial Relations |

[10]The underlying architecture of the Employment Equity Act does not allow for the Department to ensure this rate of transformation. The EEA is predicated on voluntary compliance and therefore the Department cannot force companies to transform at this rate. The Department's proposal in this regard would be to track and report on the employment of persons with disability on an annual basis.

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements<br>Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| | | | | 2022/23 - South Africa successfully hosted the first Global Child labour conference on African soil. The Vth Global Child Labour Conference was hosted with the support of the ILO. It was a forum of many firsts; the first in which children participated; the first to host a Nobel Peace Laureates platform; the first to host a Legacy Forum constituted by all previous hosts of the event and the first fully hybrid within the ILO regional meetings<br><br>2023/24 –South Africa successfully hosted and chaired the BRICS presidency for the period of 2023. For the first time the Employment and Labour sectors adopted a programme of action on productivity ecosystem platform for decent work under the leadership of South Africa<br><br>South Africa managed to facilitate effective participation of its delegates into the June 2023 International Labour Conference<br><br>South Africa ensured a coherent SADC approach at the ILO<br><br>South Africa has developed a business case for the G20 presidency in 2025<br><br>2024/25 – The 2024/2025 reporting period, the Department of Employment and Labour significantly advanced South Africa's international labour agenda through sustained multilateral and regional engagement, strategic leadership, and technical influence across key global platforms. These efforts have not only elevated South Africa's standing within international labour institutions but have also contributed meaningfully to shaping regional coherence and global policy directions.<br>African Regional Labour Administration Centre (ARLAC) South Africa's enduring commitment to regional labour capacity-building was recognised through its election as Chair of the ARLAC Governing Council for 2025. This honour, bestowed upon the Honourable Minister of Employment and Labour by consensus of Member States, reflects the Department's leading role in strengthening labour administration frameworks across the continent. Under South Africa's stewardship, ARLAC is poised to deepen its strategic focus on institutional reform, training innovation, and policy harmonisation.<br><br>Southern African Development Community (SADC)<br><br>The Department continued to anchor its international work in strong regional collaboration. Through ongoing advocacy for robust national social dialogue processes, South Africa contributed to a reaffirmed consensus within SADC: that all labour disputes or concerns intended for the International Labour Organization (ILO) must first be addressed within the regional bloc. This stance not only reinforces the principle of subsidiarity but also enhances the | | |

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | Actual Achievements<br>Year 1-5 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|
| | | | | collective voice and negotiating power of the region on the global stage | | |
| | | 8.2 Payment of South African contributions to international organisations (in which we are a member) in full and on time | South Africa's participation in international organisations is secured to advance national interest | 2019/20 – N/a<br>2020/21 - All relevant payments to both ILO and ARLAC was done timeously<br>2021/22 - All relevant payments to both ILO and ARLAC was done timeously<br>2022/23 - All relevant payments to all International Organisations to which we are members was done timeously<br>2023/24 – Both the annual affiliation fees for ARLAC and ILO were processed and paid two weeks within the timeframe<br>2024/25 - All relevant payments to both ILO and ARLAC was done timeously | None | Labour Policy and Industrial Relations |

# 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

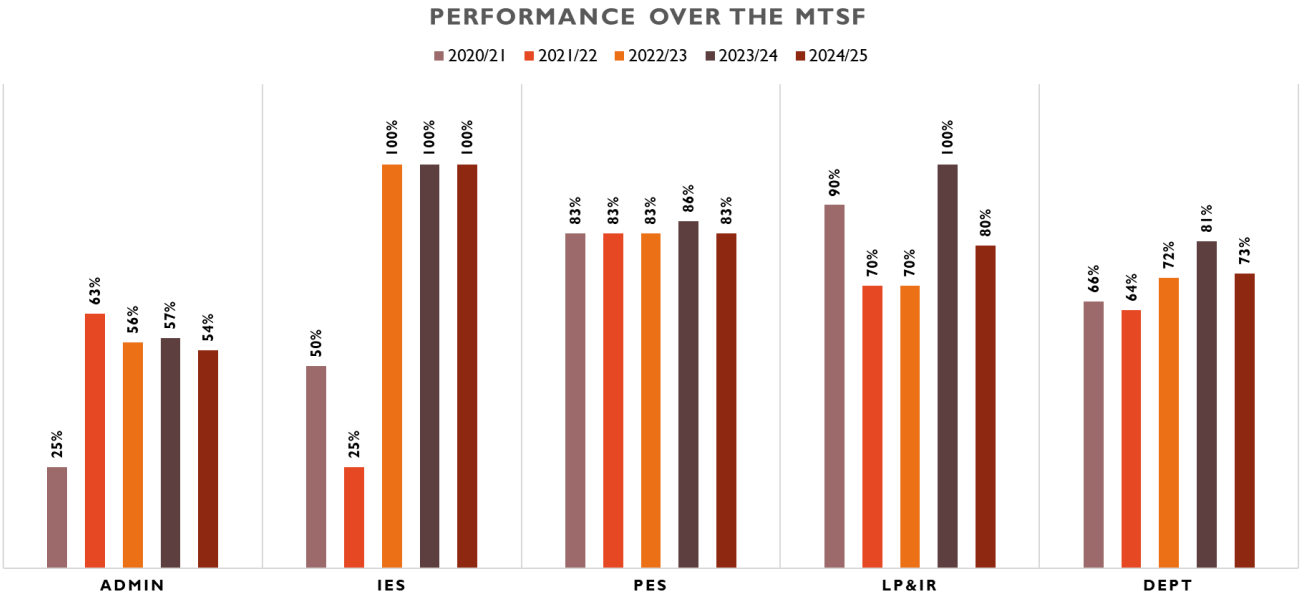
**Summary of The Achievements of the Annual Performance Plan for the Financial Year**

The total number of Key Performance Indicators for this Financial Year was 33 as published in the Annual Performance Plan 2024/25.

Programme contributions to the Key Performance Indicators are outlined in the table below:

| BRANCH | Annual Planned Indicators | Indicators with Targets for year | Achieved | Not Achieved | % Achieved |
|---|---|---|---|---|---|
| Administration | 13 | 13 | 7 | 6 | 54% |
| Inspections and Enforcement Services | 4 | 4 | 4 | 0 | 100% |
| Public Employment Services | 6 | 6 | 5 | 1 | 83% |
| Labour Policy and Industrial Relations | 10 | 10 | 8 | 2 | 80% |
| **OVERALL PERFORMANCE** | 33 | 33 | 24 | 9 | 73% |

Summary of the Department's Achievements over the last five financial years.




In summary the Department's achievement of performance indicators has increased since the first year in the 5-year cycle that ended on 31 March 2025. The Departmental performance increased from 66% in 2020/21, which was also known as the Covid-19 lockdown year that hampered service delivery due to limited access. In the financial year 2024/25 financial year the performance was at 73%.

The impact of the DPSA directive 49[11] could be felt across the Department, but more specifically in Administration that have indicators linked to the filling of posts which was hampered by this directive. It also took long to fill vacancies and as a result certain offices were unable to achieve the set targets due to capacity constraints after officials resigned from the Department. This is

[11] DPSA directive 49. The directive was effective until 31 March 2024. It was then extended to 31 March 2025. The directive outlined control measures on the filling of vacancies on PERSAL system to support Executive Authorities to operate within the Medium-Term Expenditure Framework (MTEF) and financial ceilings for their Departments' when creating and filling vacant posts.

more evident in the smaller sections where the person that left was unable to transfer skills and knowledge to those remaining. These are the cases when an official retires or due to untimely death of an official.

## 4.1 Programme 1: Administration

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

**Sub-Programme and purpose:** 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.

***Outcomes, Outputs, Output Indicators, Targets and Actual Achievements***

ICT plans into the outer years include the following strategic objectives in line with the ICT strategy. The execution years will be 2025/2026 and 2026/2027.

- Complete migration to multi-cloud environment.

- Provision of the Capability for Enabling Hyper-Automation of Applicable Processes, Services and KPA by Deploying Cloud Capabilities.
- Creation of an Intelligent and Integrated Labour Information System.
- Provisioning of eLearning platforms.
- Introduce and formalise a Research & Development and innovation capability that will encourage stakeholder participation for all service planning and delivery areas.

The Department recognises the requirement to have a disaster management plan as the events of disasters are on the rise. However, after studying the guidelines on development of a disaster management plan, it was noted that the guidelines are focused more on the external events that require the local authorities and the organs of state that mainly provides basic functions during, pre and post disaster.

Currently, the Department has a Business Continuity Plan (BCP), which is under review to respond to any disruption or disaster, whether internal, or external that may affect its operations. The process of reviewing the BCP includes amongst others, conducting the threat and vulnerability assessment to identify and assess key threats or risks that may disrupt its operations and implement measures to reduce or minimise the probability and the impact should that threat materialise.

The BCP outlines the processes, strategies and action plans to respond to a disaster, recover from it and resume the Department's critical operations, should the measures implemented, to prevent any disastrous situation, be unsuccessful.

In addition, the Department has a Contingency Plan (Incident Management Plan) in place to tackle any incident(s) to prevent it from escalating to a disaster, with the support of local and the relevant authorities on standby to respond when necessary.

## ***Table 4.1.1: Programme 1: Administration***

| Programme: Administration | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| Strengthen the institutional capacity of the Department | Filling of vacancies | 1.1 All Vacant Funded posts filled within 12 months | Achieved<br>Q1-9.65%<br>Q2-8.76%[12]<br>Q3- 7.62%[13]<br>Q4-7.14% | Achieved<br>Q1 - 6.83%<br>Q2 - 6.78%<br>Q3 - 7.66%<br>Q4 - 8.63% | All funded vacant posts filled within 12 months of being vacant | Not Achieved<br>23% vacancy rate<br>(1 091 of 5 172 DEL posts vacant) | Fiscal austerity measures introduced for the Public Service in Directive 49 | The cost containment measures that depended on Treasury and DPSA to provide the go ahead to fill posts that are funded. The Department had to assess affordability of the vacancies versus available budget |
| | Gender Responsive recruitment | 2.1 % of SMS positions occupied by women per annum | Achieved<br>Q2-52.4%<br>Q4-47% | Achieved<br>46% (36 of 79 filled posts) | 47% of SMS posts occupied by women by end of the year | Achieved<br>50% (70 of the 140 SMS posts filled are women) | None | None |
| | | 2.2 % of positions occupied by youth per annum | N/a | Not Achieved<br>21.2% (1 077 of 5 079 filled posts) | 24% of posts occupied by youth by end of the year | Not Achieved<br>21.4% (1 912 of 8 945 filled posts are youth) | Fiscal austerity measures introduced for the Public Service in Directive 49 | Directive was lifted w.e.f. 1 April 2025. Department started process for recruitment and selection |
| | | 2.3 % of positions occupied by PwDs per annum | N/a | Not Achieved<br>2.5% (127 of 5 079 filled posts) | 2,3% of posts occupied by PwD by end of the year | Achieved<br>2.6% (237 of the 8 945 posts filled with PwD) | None | None |

[12]The vacancy rate in quarter 2 only included DEL posts and discounted the CF and UIF posts.
[13]The vacancy rate in quarter 3 only included DEL posts and discounted the CF and UIF posts.

| **Programme: Administration** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | Modern Systems and ICT services | 3.1 % implementation of the roadmap to improve Information Security status of the Department per annum | Not Achieved<br>The Cyber Security Framework and Roadmap have been developed | Achieved<br>100% Implementation of roadmap phase 1 completed | 100% implementation of roadmap (CIS) phase 2 | Achieved<br>100% implementation of roadmap (CIS) Phase 2)<br>All targets have been achieved | None | None |
| | | 3.2 Legacy systems transitioned to modern integrated SAP Platform per annum | Not Achieved<br>The User Acceptance Testing for IES and PES is completed and signed off. The SAP Support and Maintained agreement is in place. The service provider has completed all the SAP system patching that was a pre requisite for a Go Live for IES and PES target wed for 1 July 2023. End User refresher training using system is in progress. The SAP license usage report will be activated post Go Live | Not Achieved<br>For International Relations the system went live on 30 November 2023.<br>For Employment Equity unit show and tell and integration testing is complete and the UAT testing signoff is scheduled for 13 May 2024.<br>Show and Tell for Collective Bargaining, LMIS and Employment Standard is completed. UAT signoffs remain outstanding. | Legacy systems transitioned to modern integrated SAP Platform concluded by 31 March 2025 | Not Achieved<br>Audit Management was descoped.<br>Contract to deliver was extended to December 2025<br>Only IES is live<br>LP&IR – IR is live | Not achieved 100% transition as systems listed did not go live as planned | New go-live dates:<br>PES Go live – Mid May 2025<br>LP&IR – CB Go Live – 5 May 2025<br>LP&IR – ES Go Live – 19 May 2025<br>LP&IR – EE Go Live – 6 June 2025 |
| | Programme to prevent and fight corruption in the Department | 4.1 Percentage rollout of Ethics Work Plan annually | Not Achieved<br>Reports on other remunerative work submitted to | Not Achieved<br>Ethics Strategy and implementation | 100% Rollout of Ethics Work Plan for the year | Not Achieved<br>86% (19 of 22 activities finalised) | The submission for the following three (3) items is enroute to the Executive Authority due to delays and | Submissions will be approved in new financial year |

| Programme: Administration | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | | | DG on 31 March 2023 | plan not in place and therefore achievements cannot be confirmed | | | changes of personnel responsible<br>1. Establishment of the Social and Ethics Committee,<br>2. Appointment of the Ethics Champion and<br>3. Appointment of the social and ethics committee members | |
| | | 4.2 Percentage of corruption/ fraud cases finalised by Department through investigations within 6 months of receipt | Not Achieved<br>Q1- 6% Cases finalised<br>Q2 -67,7% Cases finalised<br>No fraud cases in quarter 3 and 4 | Not Achieved<br>54% of cases finalised within 6 months of receipt<br>(27 out of 50 cases) | 75% cases finalised within 6 months of receipt | Not Achieved<br>45% of cases finalised within 6 months of receipt<br>(38 out of 84 cases)[14] | 30% Deviation from 75% planned target | Capacity constrains to deal with the backlog and new cases received<br>Financial constraints to allocate outstanding cases to the appointed panel of service providers |
| | | 4.3 Percentage of consequence management cases related to corruption cases finalised by Employment Relations (ER) through investigation within 90 days | New | Achieved<br>83% (5 of 6 cases received for the year) | 80% of cases finalised by ER within 90 days | Not Achieved<br>38% (3 of 8 cases)<br>(total 5 cases finalised, but only 3 was finalised within 90 days) | Human capital constraints. Employment Relations has 90 working days to finalise all misconduct cases. The cases received within the quarter is still within the required time frame | Sourcing Departmental representatives from other Departments to assist with the work load. Implement as from 1 April 2025 |

[14] According to the TID, the numbers are non-cumulative, meaning Q2 includes Q1 data, and Q4 includes Q3 data as the indicator states the number of cases finalised within 6 months. Therefore, for the Annual Performance report Q2 and Q4 information where consolidated and reflected on the APR.

| Programme: Administration | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | Annual financial statements submitted to the National Treasury by 31 May each year and IFS reports submitted to the National Treasury on due dates as determined by National Treasury | 5.1 Number of Annual Financial Statements (AFS) and Interim Financial Statements (IFS) submitted per year that comply with guidelines issued by the National Treasury | Achieved<br>AFS submitted by the 31 May 2022<br>IFS submitted by the 3 August 2022<br>IFS submitted by the 31 October 2022<br>IFS by 31 January 2023 | Achieved<br>AFS submitted by the 31 May 2023<br>IFS1 submitted by the 31 July 2023<br>IFS2 submitted by the 31 October 2023<br>IFS3 by 31 January 2024 | 1 AFS by 31 May, and 3 IFS 30 days after each quarter | Achieved<br>1 AFS submitted on 31 May 2024, and 3 IFS submitted on 31 July 2024, 31 October 2024 and 31 January 2025 respectively | None | None |
| | Detection and reporting of Irregular and/or Unauthorised expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines | 6.1 Percentage reporting of all detected Irregular and/or Unauthorised expenditure cases per financial year, to the Accounting Officer | Achieved<br>Irregular expenditure:<br>100%<br>R107 847 000<br>Unauthorised expenditure:<br>None detected during the reporting period. | Achieved<br>100% Irregular Expenditure cases for the reporting period reported (12 of 12 cases)<br>R62 787 000 | 100% reporting of the detected occurrences | Achieved<br>100% (283 Irregular Expenditure cases detected and reported) | None | None |
| | Detection and reporting of Fruitless and Wasteful expenditure, to the Accounting Officer and National Treasury in terms of National Treasury's guidelines | 7.1 Percentage reporting of all detected Fruitless and Wasteful Expenditure cases per financial year, to the Accounting Officer | Achieved<br>Fruitless and Wasteful expenditure: 100%<br>R17 499 000 | Achieved<br>100% (Fruitless and Wasteful Expenditure 122 detected and 122 reported)<br>R981 000 | 100% reporting of the detected occurrences | Achieved<br>100% (144 Fruitless and Wasteful Expenditure cases detected and reported) | None | None |
| | Reconfiguration of Department to fully realised its employment mandate | 8.1 Reconfiguration of Department including unbundling of UIF and CF | New | Achieved<br>Progress report on the unbundling of the UIF and CF | Unbundling of UIF and CF progress report | Achieved<br>Reconfiguration report update<br>1. Governance Framework and Terms of | None | None |

| Programme: Administration | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | | | | submitted by 31 October 2023 | | References have been drafted for approval. Lower-level governance structures are being operationalised.<br>2. Draft legislative amendments for unbundling of UIF and CF are under discussion with UIF and CF management.<br>3. Design workshops: the branches/UIF/CF workshops have been completed.<br>4. Developed a proposed DEL macrostructure and new regional management model<br>5. Service delivery improvement initiatives commenced: CF website development underway which incorporates AI technology.<br>6. Engagement of staff at senior management and provincial level are on-going | | |

***Linking performance with budgets***

After the Adjusted budget process Administration budget increased by R27.8 million, with the final allocation of R1.065 billion for the 2024/25 financial year. Total expenditure of R1.065 billion was recorded, an expenditure level of 100%. This is in comparison to the prior year Budget R1.045 billion and a total expenditure of R1.037 million or 99.2% for 2023/24.

As per the appropriation Statement for the Department, in respect of the 2024/25 financial year, the total expenditure defrayed against the Vote amounted to R3 802 376 000. This represents an expenditure level of 98.6%.

***Table 4.1.2 Programme 1: Administration Sub-programme expenditure***

| Sub- Programme Name | 2024/2025 | | | 2023/2024 | | |
|---|---|---|---|---|---|---|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Ministry | 58 249 | 58 249 | 0 | 44 608 | 44 455 | 153 |
| Management | 327 093 | 327 093 | 0 | 344 128 | 344 128 | - |
| Corporate Services | 312 922 | 312 922 | 0 | 301 796 | 297 172 | 4 624 |
| Office of the Chief Financial Officer | 144 247 | 144 247 | 0 | 151 613 | 148 312 | 3 301 |
| Office Accommodation | 222 639 | 222 639 | 0 | 202 986 | 202 986 | - |
| **Total** | **1 065 150** | **1 065 150** | **0** | **1 045 131** | **1 037 053** | **8 078** |

***Strategy to overcome areas of under performance***

The Branch has designed a plan to follow in ensuring that all the funded vacant posts are filled within the 8 months period as stated in the APP 2025/26. The 2024/25 FY was limited by the fact that DPSA and Treasury had to provide concurrence before any post could be filled in line with cost saving measures. The targets relating to the Youth / PwDs were inevitably affected equally due to the above limitations. The Ethics unit has been given additional capacity to assist with the implementation of the Ethics strategies and plans in the new financial year as well as the governance structures charged with deliverables around ethics management. The challenges faced with the completion of the SAP Diphetogo project has also seen some amendments to the original project plan which means the project is continuing in the 2025/26 financial year. This project had experienced major delays and the Department worked out a claw back plan while certain areas were completed in the latter months of the previous financial year.

## 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***

- The Branch is still aligning its targets to achieve a decent work agenda for the country and to deal with inequalities and protection of vulnerable workers.
- The targets set aim to address the problematic and high risks sectors.
- These inspections will also address the issue of undocumented foreign nationals in collaboration with the DHA & SAPS and also unregistered private agencies.
- The same targets will increase compliance in terms of COIDA & UIA and transformation of the labour market.
- Emphasis will continue to be placed on quality-oriented inspections

Protect vulnerable workers through the inspection and enforcement of labour legislation by ensuring that employers adhere to decent work principles by the end of 2024/25 by:

- conducting 298 104 compliance inspections
- serving 95% of noncompliant employers inspected with a notice in terms of relevant employment law within 14 calendar days of inspection
- referring for prosecution 65% of employers who fail to comply with a served notice within 30 working days
- increasing awareness of employment law through formal advocacy sessions at 4 seminars and 2 conferences.

**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 employment laws, 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 in the programme.

***Statutory and Advocacy Services*** gives effect to the legislative enforcement requirement and educates stakeholders on labour legislation.

## ***Outcomes, Outputs, Output Indicators, Targets and Actual Achievements***

The Department has from 1 April 2024 to 31 March 2025 carried out 19 101 UI inspections in the enforcement of UIF and CF legislation. Out of 19 101 UI inspections conducted 11 444 employers were found non-compliant and were served with enforcement notices.

In the same period 10 944 COID inspections were conducted and 7 577 employers were found non-compliant and were served with enforcement notices.

2 349 Employers remained non-compliant after the expiry of enforcement notices under UI and 2 349 (100%) were referred for prosecution within 30 days.

980 employers remained non-compliant after the expiry of enforcement notices under COID and 980 (100%) were referred for prosecution within 30 days. The total number of all received cases regarding all competencies is 7 203 and 5 949 (83%) were referred for prosecution by Statutory Services of IES.

The impact created is that R9 595 649.78 was enforced under COID and R1 675 630.38 under UI. This has immensely contributed to the creation of just society by providing a social safety net thereby contributing to inclusive economic growth. Monies paid to the employees were as follows: BCEA R26 059 104.86, NMWA R10 412 785.40 and UIA R1 501 185.33.

The Department contributes to Outcome 14 of contribution to nation building and creation of social cohesion through the inspection of designated employers and enforcement of compliance aimed at affirmation action measures designed to redress the imbalances of the past regarding designate groups (Black people, women, and people with disabilities). In that regard, the Department has inspected 3 135 of designated employers and 1 958 were found non-compliant and served with enforcement notices. The absence of sectoral targets has contributed to the slow levels of transformation within the sectors of the labour market. The promulgation of the regulations will positively affect the inspection model and review of the IES SOP to accommodate this positive changes.

Regarding the informal economy research inspections were conducted to establish interventions in compliance with the ILO Recommendation 204 in the quest to deal with vulnerability and contribute to inclusive economic growth and decent work agenda.

***Table 4.2.1: Programme 2: Inspection and Enforcement Services***

| Programme: Inspection and Enforcement Services | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| • Promote Occupational health services<br>• Contribute to decent employment creation<br>• Protect vulnerable workers<br>• Strengthen occupational safety protection<br>• Promote sound labour relations<br>• Development of the Occupational Health and Safety policies | 1. Workers protected through inspection and enforcement of employment law | 1.1 Number of employers / workplaces /users inspected per year to determine compliance with employment law | Achieved<br>312 792 | Achieved<br>308 799 | 298 104 | Achieved<br>310 798 | 12 694 | The overachievement is as a result of improved and proper planning. Where needed, blitz inspections were conducted. Inspectors are encouraged to embrace optimum performance |
| | | 1.2 Percentage of non-compliant employers/ workplaces/users of those inspected served with a notice in terms of relevant employment law within 14 calendar days of the inspection | Achieved<br>98% (72 898 of the 74 559) | Achieved<br>99% (74 305 of 74 858) | 95% | Achieved<br>99% (77 139 of 77 760) | 4% | A concerted effort was made to achieve the target. The Branch encourages the issuing of notices to non-compliant employers as it benefits the vulnerable workers and improves enforcement. |
| | | 1.3 Percentage of non-compliant employers/ workplaces/users received by Statutory Services settled out of Court or CCMA / referred for prosecution within 30 working days | Achieved<br>79% (6 138 of 7 766) | Achieved<br>89% (6 719 of 7 583) | 65% | Achieved<br>83% (5 949 of 7 201) | 18% | The Branch puts a premium on decisively dealing with recalcitrant workplaces/ employers. In instances where there would still be noncompliance after the issuance of |

| Programme: Inspection and Enforcement Services | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | | | | | | | | notices, it is ascertained that these be dealt with. |
| | | 1.4 Number of formal Advocacy sessions conducted per year to increase awareness of employment law | Achieved<br>8 X Seminar<br>2 X Conference | Achieved<br>9 X Seminars (Advocacy Sessions)<br>2 X Conferences | 4 x Seminars and 2 conferences to be held | Achieved<br>16 | 10 | Extra Advocacy Sessions (Breakfast Session for the Hospitality Sector in Cape Town as well as an Advocacy Seminar & Stakeholder Engagement for the Agriculture Sector in Graaff-Reinet in the Eastern Cape) were held over and above the scheduled Advocacy Seminar for the Agriculture Sector in White River, Mpumalanga). |

## ***Linking performance with budgets***

After the Adjusted budget process Inspection and Enforcement Services budget decreased by R37,3 million, with the final allocation of R600 million for the 2024/25 financial year. Total expenditure of R548 million was recorded, an expenditure level of 91,3%. This is in comparison to the prior year Budget R608 million and a total expenditure of R601 million or 98,8% for 2023/24.

### ***Table 4.2.2: Programme 2: Inspection and Enforcement Services Sub-programme expenditure***

| Sub- Programme Name | 2024/2025 | | | 2023/2024 | | |
|---|---|---|---|---|---|---|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Management and Support Services: IES | 7 278 | 7 278 | 0 | 14 621 | 14 356 | 265 |
| Occupational Health and Safety | 165 | - | 165 | 3 493 | - | 3 493 |
| Registration: IES | 55 699 | 36 690 | 19 009 | 99 759 | 99 759 | - |
| Compliance, Monitoring and Enforcement Services | 514 797 | 489 948 | 24 849 | 473 969 | 473 454 | 515 |
| Training of Staff: IES | 6 452 | 2 090 | 4 362 | 4 519 | 2 297 | 2 222 |
| Statutory and Advocacy | 16 083 | 12 002 | 4 080 | 11 647 | 10 989 | 658 |
| **Total** | **600 474** | **548 008** | **52 466** | **608 008** | **600 855** | **7 153** |

## *Programme 2: Inspection and Enforcement Services: Tables with additional information*

**Table 4.2.3 Breakdown of Indicator 1.1: Number of Inspections per province**

| Province | Planned target | Actual Achieved | Number Compliant | Variance |
|---|---|---|---|---|
| Eastern Cape | 31 884 | 33 212 | 28 198 | 1 328 |
| Free State | 26 628 | 30 155 | 24 215 | 3 527 |
| Gauteng | 61 236 | 62 897 | 50 317 | 1 661 |
| Kwa-Zulu Natal | 63 720 | 67 034 | 45 963 | 3 314 |
| Limpopo | 27 780 | 28 319 | 21 703 | 539 |
| Mpumalanga | 21 528 | 22 798 | 15 154 | 1 270 |
| Northern Cape | 12 636 | 12 772 | 8 354 | 136 |
| North West | 19 680 | 21 192 | 16 284 | 1 512 |
| Western Cape | 32 724 | 32 090 | 22 572 | -634 |
| HO | 288 | 329 | 278 | 41 |
| **Total** | **298 104** | **310 798** | **233 038** | **12 694** |

**Table 4.2.4 - Breakdown of Indicator 1.2: Percentage of Notices served per province**

| Province | Number of employers not complying | No. served with a notice within 14 days | % served with a notice | Variance |
|---|---|---|---|---|
| Eastern Cape | 5 014 | 4 775 | 95% | 0% |
| Free State | 5 940 | 5 940 | 100% | 5% |
| Gauteng | 12 580 | 12 580 | 100% | 5% |
| Kwa-Zulu Natal | 21 071 | 20 765 | 99% | 4% |

| Province | Number of employers not complying | No. served with a notice within 14 days | % served with a notice | Variance |
|---|---|---|---|---|
| Limpopo | 6 616 | 6 601 | 100% | 5% |
| Mpumalanga | 7 644 | 7 644 | 100% | 5% |
| Northern Cape | 4 418 | 4 418 | 100% | 5% |
| North West | 4 908 | 4 907 | 100% | 5% |
| Western Cape | 9 518 | 9 458 | 99% | 4% |
| HO | 51 | 51 | 100% | 5% |
| **Total** | **77 760** | **77 139** | **99%** | **4%** |

**Table 4.2.5 - Breakdown of Indicator 1.3: Percentage Prosecution per province**

| Province | No of workplaces/employers'/ user/ machinery received by Statutory Services | No of workplaces/employers'/ user/ machinery referred for prosecution | % of workplaces/employers'/ user/ machinery referred for prosecution | 65% Variance |
|---|---|---|---|---|
| Eastern Cape | 448 | 433 | 97% | 32% |
| Free State | 639 | 611 | 96% | 31% |
| Gauteng | 1 042 | 978 | 94% | 29% |
| Kwa-Zulu Natal | 2 153 | 1 591 | 74% | 9% |
| Limpopo | 267 | 245 | 92% | 27% |
| Mpumalanga | 860 | 725 | 84% | 19% |
| Northern Cape | 824 | 679 | 82% | 17% |
| North West | 137 | 125 | 91% | 26% |
| Western Cape | 831 | 562 | 68% | 3% |
| HO | 2 | 0 | 0% | -65% |
| **Total** | **7 203** | **5 949** | **83%** | **18%** |

**Table 4.2.6 - Annual Achievement for 2024/2025 per Legislation**

| ANNUAL TARGET | EE | | | BCEA | | | OHS | | |
|---|---|---|---|---|---|---|---|---|---|
| | Target | Achieved | Variance | Target | Achieved | Variance | Target | Achieved | Variance |
| Eastern Cape | 300 | 277 | -23 | 19 980 | 20 444 | 464 | 8 808 | 9 623 | 815 |
| Free State | 216 | 234 | 18 | 13 404 | 14 196 | 792 | 10 572 | 12 902 | 2 330 |
| Gauteng | 924 | 985 | 61 | 36 600 | 36 045 | -555 | 18 708 | 20 363 | 1 655 |
| Kwa-Zulu Natal | 636 | 502 | -134 | 34 836 | 34 890 | 54 | 24 504 | 26 886 | 2 382 |
| Limpopo | 300 | 210 | -90 | 16 452 | 16 756 | 304 | 8 592 | 8 694 | 102 |
| Mpumalanga | 300 | 306 | 6 | 13 224 | 12 942 | -282 | 5 568 | 6 277 | 709 |
| Northern Cape | 216 | 156 | -60 | 6 360 | 6 429 | 69 | 3 624 | 3 665 | 41 |
| North West | 216 | 223 | 7 | 10 920 | 11 772 | 852 | 6 288 | 7 490 | 1 202 |
| Western Cape | 216 | 242 | 26 | 17 088 | 16 336 | -752 | 11 904 | 11 579 | -325 |
| HO | 0 | 0 | 0 | 0 | 0 | 0 | 288 | 329 | 41 |
| **TOTAL** | **3 324** | **3 135** | **-189** | **168 864** | **169 810** | **946** | **98 856** | **107 808** | **8 952** |

| ANNUAL TARGET | EAS | | | COID | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Target | Achieved | Variance | Target | Achieved | Variance | Target | Achieved | Variance |
| Eastern Cape | 1 624 | 1 631 | 7 | 1 172 | 1 237 | 65 | 31 884 | 33 212 | 1 328 |
| Free State | 1 624 | 1 802 | 178 | 812 | 1 021 | 209 | 26 628 | 30 155 | 3 527 |
| Gauteng | 3 604 | 3 694 | 90 | 1 400 | 1 810 | 410 | 61 236 | 62 897 | 1 661 |
| Kwa-Zulu Natal | 2 344 | 3 157 | 813 | 1 400 | 1 599 | 199 | 63 720 | 67 034 | 3 314 |
| Limpopo | 1 624 | 1 706 | 82 | 812 | 953 | 141 | 27 780 | 28 319 | 539 |
| Mpumalanga | 1 624 | 1 905 | 281 | 812 | 1 368 | 556 | 21 528 | 22 798 | 1 270 |
| Northern Cape | 1 624 | 1 970 | 346 | 812 | 552 | -260 | 12 636 | 12 772 | 136 |
| North West | 1 444 | 794 | -650 | 812 | 913 | 101 | 19 680 | 21 192 | 1 512 |
| Western Cape | 2 344 | 2 442 | 98 | 1 172 | 1 491 | 319 | 32 724 | 32 090 | -634 |
| HO | 0 | 0 | 0 | 0 | 0 | 0 | 288 | 329 | 41 |
| **TOTAL** | **17 856** | **19 101** | **1 245** | **9 204** | **10 944** | **1 740** | **298 104** | **310 798** | **12 694** |

*Additional information on Programmes 2 (IES) – not for Auditing*

## *PROGRAMME 2: INSPECTION AND ENFORCEMENT SERVICES*

**Table 4.2.7 - Employment Equity Act - Number of workplaces (designated employers) inspected per year to determine compliance with Employment Equity Legislation**

| Prov | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Q4 and APR Total for year | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % |
| **EC** | 75 | 56 | 26 | 46% | 150 | 143 | 43 | 30% | 225 | 221 | 53 | 24% | 300 | 277 | 84 | 30% |
| **FS** | 54 | 56 | 33 | 59% | 108 | 114 | 58 | 51% | 162 | 169 | 77 | 46% | 216 | 234 | 93 | 40% |
| **GP** | 231 | 268 | 51 | 19% | 462 | 538 | 151 | 28% | 693 | 808 | 268 | 33% | 924 | 985 | 344 | 35% |
| **KZN** | 159 | 110 | 32 | 29% | 318 | 256 | 80 | 31% | 477 | 323 | 92 | 28% | 636 | 502 | 168 | 33% |
| **LP** | 75 | 44 | 20 | 45% | 150 | 88 | 36 | 41% | 225 | 137 | 56 | 41% | 300 | 210 | 74 | 35% |
| **MP** | 75 | 36 | 11 | 31% | 150 | 142 | 34 | 24% | 225 | 259 | 95 | 37% | 300 | 306 | 112 | 37% |
| **NC** | 54 | 58 | 41 | 71% | 108 | 94 | 47 | 50% | 162 | 125 | 70 | 56% | 216 | 156 | 80 | 51% |
| **NW** | 54 | 37 | 22 | 59% | 108 | 104 | 54 | 52% | 162 | 152 | 75 | 49% | 216 | 223 | 144 | 65% |
| **WC** | 54 | 54 | 22 | 41% | 108 | 116 | 36 | 31% | 162 | 181 | 44 | 24% | 216 | 242 | 78 | 32% |
| **TOTAL** | **831** | **719** | **258** | **36%** | **1 662** | **1 595** | **539** | **34%** | **2 493** | **2 375** | **830** | **35%** | **3 324** | **3 135** | **1 177** | **38%** |

***Table 4.2.8 - Basic Conditions of Employment Act:*** **Number of workplaces inspected per year to determine compliance with Basic Conditions of Employment**

| Province | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Q4 and APR Total for year | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % |
| **EC** | 4 995 | 5 152 | 4 718 | 92% | 9 990 | 10 572 | 9 536 | 90% | 14 985 | 15 328 | 13 743 | 90% | 19 980 | 20 444 | 18 572 | 91% |
| **FS** | 3 351 | 3 559 | 3 234 | 91% | 6 702 | 7 215 | 6 584 | 91% | 10 053 | 10 469 | 9 638 | 92% | 13 404 | 14 196 | 13 109 | 92% |
| **GP** | 9 150 | 8 759 | 8 140 | 93% | 18 300 | 18 684 | 17 499 | 94% | 27 450 | 27 598 | 25 850 | 94% | 36 600 | 36 045 | 33 683 | 93% |
| **KZN** | 8 709 | 8 812 | 7 615 | 86% | 17 418 | 17 883 | 15 354 | 86% | 26 127 | 26 206 | 22 310 | 85% | 34 836 | 34 890 | 29 176 | 84% |
| **LP** | 4 113 | 4 332 | 4 095 | 95% | 8 226 | 8 648 | 8 108 | 94% | 12 339 | 12 337 | 11 608 | 94% | 16 452 | 16 756 | 15 762 | 94% |
| **MP** | 3 306 | 3 294 | 2 752 | 84% | 6 612 | 6 533 | 5 427 | 83% | 9 918 | 9 638 | 7 890 | 82% | 13 224 | 12 942 | 10 646 | 82% |
| **NC** | 1 590 | 1 710 | 1 023 | 60% | 3 180 | 3 164 | 2 238 | 71% | 4 770 | 4 384 | 3 179 | 73% | 6 360 | 6 429 | 4 757 | 74% |
| **NW** | 2 730 | 2 901 | 2 593 | 89% | 5 460 | 5 994 | 5 403 | 90% | 8 190 | 8 712 | 7 867 | 90% | 10 920 | 11 772 | 10 582 | 90% |
| **WC** | 4 272 | 4 060 | 3 701 | 91% | 8 544 | 8 470 | 7 686 | 91% | 12 816 | 12 531 | 11 399 | 91% | 17 088 | 16 336 | 14 937 | 91% |
| **TOTAL** | 42 216 | 42 579 | 37 871 | 89% | 84 432 | 87 163 | 77 835 | 89% | 126 648 | 127 203 | 113 484 | 89% | 168 864 | 169 810 | 151 224 | 89% |

***Table 4.2.9 - Public Employment Services Act*** **- Percentage of inspections on request by PES on work permits applications, PEAs and TES conducted within 25 calendar days.**

| Prov | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Q4 and APR Total for year | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Requests for Inspections | Inspected within 25 calendar days | Number Compliant | Compliance % | Requests for Inspections | Inspected | Number Compliant | Compliance % | Requests for Inspections | Inspected | Number Compliant | Compliance % | Requests for Inspections | Inspected | Number Compliant | Compliance % |
| **EC** | 0 | 0 | 0 | 0% | 22 | 22 | 22 | 100% | 29 | 29 | 29 | 100% | 29 | 29 | 29 | 100% |
| **FS** | 0 | 0 | 0 | 0% | 8 | 8 | 8 | 100% | 0 | - | 0 | 0% | 15 | 15 | 14 | 93% |
| **GP** | 0 | 0 | 0 | 0% | 132 | 132 | 124 | 94% | 224 | 224 | 214 | 96% | 277 | 277 | 260 | 94% |
| **KZN** | 0 | 0 | 0 | 0% | 28 | 28 | 21 | 75% | 32 | 32 | 24 | 75% | 43 | 43 | 34 | 79% |
| **LP** | 5 | 4 | 2 | 5% | 17 | 12 | 6 | 50% | 24 | 21 | 8 | 38% | 31 | 28 | 28 | 100% |
| **MP** | 32 | 32 | 16 | 32% | 57 | 57 | 34 | 60% | 67 | 67 | 38 | 57% | 89 | 89 | 56 | 63% |
| **NC** | 0 | - | 0 | 0% | 2 | 4 | 2 | 50% | 0 | - | 0 | 0% | 2 | 2 | 2 | 100% |
| **NW** | 5 | 4 | 2 | 5% | 6 | 5 | 2 | 40% | 2 | 2 | 2 | 100% | 2 | 2 | 1 | 50% |
| **WC** | 30 | 23 | 12 | 30% | 30 | 23 | 12 | 52% | 30 | 23 | 12 | 52% | 123 | 96 | 84 | 88% |
| **TOTAL** | **72** | **63** | **32** | **72%** | **302** | **291** | **231** | **79%** | **408** | **398** | **327** | **82%** | **611** | **581** | **508** | **87%** |

***Table 4.2.10 - Occupational Health and Safety Act*** **- Number of Employer/User inspected per year to determine their compliance with the Occupational Health and Safety legislation.**

| Prov | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Q4 and APR Total for year | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % |
| **EC** | 2 202 | 2 419 | 2 054 | 85% | 4 404 | 4 992 | 4 189 | 84% | 6 606 | 7 224 | 5 908 | 82% | 8 808 | 9 623 | 7 664 | 80% |
| **FS** | 2 643 | 3 409 | 2 689 | 79% | 5 286 | 6 700 | 5 207 | 78% | 7 929 | 9 902 | 7 772 | 78% | 10 572 | 12 902 | 9 999 | 77% |
| **GP** | 4 677 | 4 980 | 3 614 | 73% | 9 354 | 10 409 | 7 723 | 74% | 14 031 | 15 313 | 11 275 | 74% | 18 708 | 20 363 | 14 473 | 71% |
| **KZN** | 6 126 | 6 768 | 4 017 | 59% | 12 252 | 13 857 | 8 182 | 59% | 18 378 | 20 074 | 11 611 | 58% | 24 504 | 26 886 | 15 169 | 56% |
| **LP** | 2 148 | 2 042 | 1 100 | 54% | 4 296 | 4 314 | 2 315 | 54% | 6 444 | 6 385 | 3 355 | 53% | 8 592 | 8 694 | 4 568 | 53% |
| **MP** | 1 392 | 1 592 | 861 | 54% | 2 784 | 3 050 | 1 755 | 58% | 4 176 | 4 417 | 2 517 | 57% | 5 568 | 6 277 | 3 319 | 53% |
| **NC** | 906 | 1 025 | 678 | 66% | 1 812 | 1 990 | 1 322 | 66% | 2 718 | 2 832 | 2 024 | 71% | 3 624 | 3 665 | 2 633 | 72% |
| **NW** | 1 572 | 1 872 | 1 253 | 67% | 3 144 | 3 741 | 2 582 | 69% | 4 716 | 5 538 | 3 819 | 69% | 6 288 | 7 490 | 4 909 | 66% |
| **WC** | 2 976 | 2 838 | 1 563 | 55% | 5 952 | 5 869 | 3 311 | 56% | 8 928 | 8 620 | 4 901 | 57% | 11 904 | 11 579 | 6 601 | 57% |
| **HO** | 72 | 74 | 64 | 86% | 144 | 163 | 137 | 84% | 216 | 261 | 218 | 84% | 288 | 329 | 278 | 84% |
| **TOTAL** | **24 714** | **27 019** | **17 893** | **66%** | **49 428** | **55 085** | **36 723** | **67%** | **74 142** | **80 566** | **53 400** | **66%** | **98 856** | **107 808** | **69 613** | **65%** |

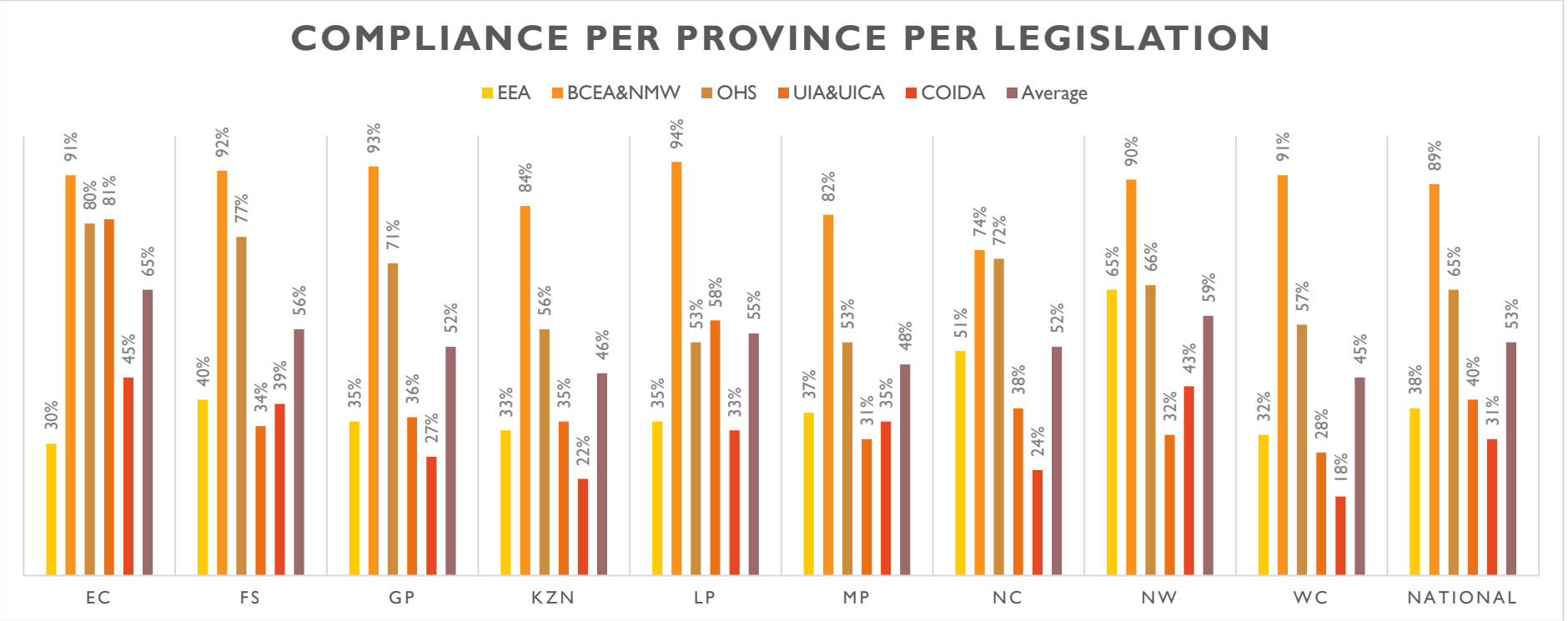
***Table 4.2.11 - Employment Audit Services*** **- Number of procedural and employer payroll audits conducted per annum to determine compliance with *Unemployment Insurance Act* and *Unemployment Insurance Contributions Act***

| Prov | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Q4 and APR Total for year | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % |
| **EC** | 406 | 403 | 328 | 81% | 812 | 865 | 709 | 82% | 1 218 | 1 258 | 1 018 | 81% | 1 624 | 1 631 | 1 327 | 81% |
| **FS** | 406 | 364 | 80 | 22% | 812 | 854 | 324 | 38% | 1 218 | 1 269 | 466 | 37% | 1 624 | 1 802 | 616 | 34% |
| **GP** | 901 | 907 | 339 | 37% | 1 802 | 1 779 | 663 | 37% | 2 703 | 2 573 | 920 | 36% | 3 604 | 3 694 | 1 335 | 36% |
| **KZN** | 586 | 641 | 216 | 34% | 1 172 | 1 430 | 578 | 40% | 1 758 | 2 215 | 826 | 37% | 2 344 | 3 157 | 1 101 | 35% |
| **LP** | 406 | 440 | 268 | 61% | 812 | 876 | 539 | 62% | 1 218 | 1 280 | 774 | 60% | 1 624 | 1 706 | 984 | 58% |
| **MP** | 406 | 508 | 139 | 27% | 812 | 928 | 299 | 32% | 1 218 | 1 400 | 445 | 32% | 1 624 | 1 905 | 600 | 31% |
| **NC** | 406 | 411 | 168 | 41% | 812 | 978 | 371 | 38% | 1 218 | 1 297 | 521 | 40% | 1 624 | 1 970 | 749 | 38% |
| **NW** | 361 | 187 | 79 | 42% | 722 | 388 | 159 | 41% | 1 083 | 506 | 186 | 37% | 1 444 | 794 | 258 | 32% |
| **WC** | 586 | 615 | 152 | 25% | 1 172 | 1 218 | 357 | 29% | 1 758 | 1 830 | 526 | 29% | 2 344 | 2 442 | 687 | 28% |
| **TOTAL** | **4 464** | **4 476** | **1 769** | **40%** | **8 928** | **9 316** | **3 999** | **43%** | **13 392** | **13 628** | **5 682** | **42%** | **17 856** | **19 101** | **7 657** | **40%** |

***Table 4.2.12 - Compensation for Occupational Injuries and Diseases Act*** **- Number of employer audits conducted per year to determine compliance with Compensation for Occupational Injuries and Diseases Act (COIDA)**

| Prov | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Q4 and APR Total for year | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % | Target | Inspected | Number Compliant | Compliance % |
| **EC** | 293 | 294 | 108 | 37% | 586 | 621 | 229 | 37% | 879 | 919 | 369 | 40 | 1 172 | 1 237 | 551 | 45% |
| **FS** | 203 | 238 | 111 | 47% | 406 | 498 | 231 | 46% | 609 | 721 | 323 | 45 | 812 | 1 021 | 398 | 39% |
| **GP** | 350 | 360 | 75 | 21% | 700 | 761 | 213 | 28% | 1 050 | 1 217 | 314 | 26 | 1 400 | 1 810 | 482 | 27% |
| **KZN** | 350 | 292 | 40 | 14% | 700 | 744 | 155 | 21% | 1 050 | 1 153 | 229 | 20 | 1 400 | 1 599 | 349 | 22% |
| **LP** | 203 | 225 | 86 | 38% | 406 | 422 | 130 | 31% | 609 | 626 | 236 | 38 | 812 | 953 | 315 | 33% |
| **MP** | 203 | 338 | 115 | 34% | 406 | 595 | 220 | 37% | 609 | 880 | 323 | 37 | 812 | 1 368 | 477 | 35% |
| **NC** | 203 | 147 | 27 | 18% | 406 | 329 | 77 | 23% | 609 | 425 | 110 | 26 | 812 | 552 | 135 | 24% |
| **NW** | 203 | 206 | 79 | 38% | 406 | 422 | 178 | 42% | 609 | 649 | 275 | 42 | 812 | 913 | 391 | 43% |
| **WC** | 293 | 331 | 68 | 21% | 586 | 679 | 136 | 20% | 879 | 1 056 | 207 | 20 | 1 172 | 1 491 | 269 | 18% |
| **TOTAL** | **2 301** | **2 431** | **709** | **29%** | **4 602** | **5 071** | **1 569** | **31%** | **6 903** | **7 646** | **2386** | **31** | **9 204** | **10 944** | **3 367** | **31%** |

**Graph 4.2.1- Percentage Compliance per Province and per Legislation**




**Analysis of the compliance rates per legislation**

Based on the compliance per Labour Legislation of those employers inspected, employers should do more to ensure compliance with Labour Law. The highest compliance levels per legislation are on the BCEA and NMW at 89% nationally with the highest compliance in Eastern Cape and the lowest compliance in the Northern Cape at 74%. The second highest compliance level is OHSA on 65% compliance nationally and the Eastern Cape the highest compliance at 80% and the lowest compliance in Limpopo and Mpumalanga at 53%. The third highest compliance levels are for the Employer Audits on UIA and UICA at 40% compliance nationally and the Eastern Cape Province with the highest compliance on 81% and the lowest levels in Western Cape at 28%. The compliance for the Employment Equity Act is 38% nationally with the Northwest Province the highest at 65% and the Eastern Cape the lowest at 30%. The lowest compliance rate nationally is the COIDA at 31% with Eastern Cape the highest at 45% and Western Cape the lowest at 18%. The compliance on the Employment Services Act was excluded from the graphics as only re-active inspections are currently performed based on the number of requests received from the Branch Public Employment Services.

## 4.3 Programme 3: Public Employment Services

**Purpose:** Assist companies and workers to adjust to changing labour market conditions.

**Objectives**

- Provide public employment services and collaborate with the Presidency's Programme Management Office, the UIF, other Departments to support work seekers. PES will contribute through:
  - Registering **950 000** work seekers on ESSA by 31 March 2025
  - Registering **115 000** work opportunities on the employment services of South Africa database system by 31 March 2024
  - Providing employment counselling to **260 000** work seekers by 31 March 2025
  - Filling **65 000** registered employment opportunities by 31 March 2025
  - Make recommendations on the proposed National Labour Migration Policy and the Employment Services Amendment Bill by 31 March 2025
  - Conduct **9** Job and or Career Fairs, 1 per province by 31 March 2025.
- Develop frameworks for the provision of interventions, funding transfers and monitoring use of allocated funds to promote employment in:
  - Supported Employment Factories to increase employment levels of Persons with Disabilities
  - Non-governmental organisations through subsiding incomes of Persons with Disabilities that they employ
  - The Public Sector through re-imbursements to the Compensation Fund for administration services for public sector medical claims
  - The private and public sector through productivity promotion and Turn Around Solutions initiated by Productivity South Africa
  - The public sector through re-imbursement of UIF Claims that were payable to the public servants
  - In the Public sector through providing employment for young people and Pathway management across participating Departments as part of Departmental contribution towards Presidential Youth Employment initiative.

**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 Non-profit organisations to promote the employment of Persons with Disabilities.

***Supported Employment Enterprises*** promotes work and employment opportunities for people with disabilities by improving the administration, production and financial management of SEE.

***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.

## ***Outcomes, Outputs, Output Indicators, Targets and Actual Achievements***

The Public Employment Services branch worked on the enrolment of work seekers in the Department's ESSA system. A total of **1 305 228** work seekers were registered on the system in quarter 4. Enrolment of work seekers is a critical step in providing support to work-seekers and enables the Department to better understand the demographics of the work seekers and to have accurate labour market intelligence. During the period, the Department held several jobs fairs through-out the country which were attended by hundreds of work seekers, hence the increase in numbers.

Up to **271 008** work and learning opportunities were registered**.** Further, the employment counsellors provided support to **344 032** work seekers. This is particularly important given the emotional distress caused by unemployment and negative effects of the economic downturn. The absorption of labour into the labour market has consequently been very slow, indicating the need for more demand led interventions. A total of **98 869** registered work and learning opportunities were filled by registered work seekers (i.e. placements) of whom **62 100 (63%)** are women, **36 769 (37%)** are males**, 58 393 (59%)** are youth and **491 (0.5%)** are People with Disabilities**.**

***Table 4.3.1: Programme 3: Public Employment Services***

| Programme: Public Employment Services | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| Contribute to decent employment creation | Work seekers registered | 1.1 Number of work-seekers registered on Employment Services of South Africa per year | Achieved<br>1 069 496 | Achieved<br>1 087 858 | 950 000 | Achieved<br>1 305 228 | 355 228 | High levels of unemployment and Increased capacity within the PES establishment at Labour Centre level |
| | Work and learning opportunities registered | 2.1 Number of employment opportunities registered on the Employment Services South Africa per year | Achieved<br>147 847 | Achieved<br>154 817 | 115 000 | Achieved<br>271 008 | 156 008 | Increase in capacity in the form of new Interns recruited under the Presidential Stimulus Initiative and ESPs dedicated service to employers to register opportunities |
| | Employment counselling provided | 3.1 Number of registered work-seekers provided with employment counselling per year | Achieved<br>325 914 | Achieved<br>333 395 | 260 000 | Achieved<br>344 032 | 84 032 | Large numbers of work seekers were serviced during the Career Fairs held in April and May. Employment Counsellors were invited to several izimbizo's across the country. External organisations also invited Employment Counsellors to deliver services from the mobile youth centres |
| | Work seekers placed in work and learning opportunities | 4.1 Number of registered employment opportunities filled by registered work seekers per year | Achieved<br>84 636 | Achieved<br>89 345 | 65 000 | Achieved<br>98 869 | 33 869 | Increased capacity at Labour Centre level, increase in the number of opportunities registered, high levels of matching, extensive counselling sessions, resulted in the higher uptake of referred candidates by employers |
| | 5. Job and or Career Fairs conducted to | 5.1 Number of Jobs and or Career Fairs | N/a | Achieved<br>25 | 9 | Achieved<br>9 | 0 | N/a |

| Programme: Public Employment Services | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | promote employment | conducted in provinces per year | | | | | | |
| | 6. Migration Policy and Bill to regulate employment of foreign nationals developed | 6.1 A National Labour Migration Policy (NLMP) and Employment Services Amendment Bill (ESAB) finalised and approved by the Minister for submission to Cabinet by end of the year | Not Achieved<br>0<br>The Department of Employment and Labour has developed a Draft National Labour Migration Policy (NLMP) as per instruction of the Ministers of Employment and Labour in the SADC Region.<br>The Draft National Labour Migration Policy and Employment Services Amendment Bill were approved by Cabinet for public comments in February 2022. The gazette was published for a period of 90 days. The Department in collaboration with ILO and Social Partners hosted the country's National Labour Migration Dialogue and the draft policy was presented | Not Achieved<br>The NEDLAC consultations with social partners on NLMP & ESAB commenced in August 2023<br>In December 2023 the Branch conducted a workshop for the Social Partners at NEDLAC on Labour Migration<br>The second SEIAS certificate has been received from Presidency<br>The preliminary certification has been received from office of the Chief State Law Advisor | 1 NLMP and ESAB finalised and approved for submission to Cabinet by the Minister | Not- achieved<br>The Bill was presented to the cluster on 27 March 2025 and the Economic cluster has recommended the Policy and the Bill to be presented to Cabinet | NLMP and ESAB have not yet been approved | Waited for economic cluster meeting |

| Programme: Public Employment Services | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | | | The Department has processed the comments received from the stakeholders and intends approaching NEDLAC, Cabinet and Parliament by June 2023<br><br>In accordance with Government's Medium Term Strategic Framework (MTSF) 2019 – 2024, a zero draft NEP was finalised as a coordinated strategy to address the country's persistently high levels of unemployment. This draft policy was presented to the Inter Ministerial Committee and Senior management of the Department as well as the Employment Services Board | | | | | |

***Linking performance with budgets***

The Public Employment Services programme adjusted appropriation budget allocated of R929.991 million in 2024/2025, the actual expenditure R929.991 million, transfers to Public Entities under non-profit institutions allocated R206.341 million and transfer R206.140 million and have variance of R201 thousand, reason for the variance funds was not utilised was due to the fact that 4 of the organisations have not submitted evidence for the total amount of PwD allocated, and 1 organisation has not submitted the evidence for the full amount for admin costs. Therefore, the subsidies have been adjusted in the 3rd quarterly transfer which resulted in the underspending. Department agencies and accounts allocated R253.480 million and actual expenditure R253.480 million.

***Table 4.3.2: Programme 3: Public Employment Services Sub-programme expenditure***

| Sub- Programme Name | 2024/2025 | | | 2023/2024 | | |
|---|---|---|---|---|---|---|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Management and Support Services: PES | 303 399 | 303 399 | - | 367 621 | 367 621 | - |
| Employer Services | 122 006 | 122 006 | - | 116 719 | 116 296 | 187 |
| Work-Seeker Services | 213 278 | 213 278 | - | 242 257 | 240 741 | 1 516 |
| Designated Groups Special Services | 21 456 | 21 456 | - | 25 156 | 24 467 | 689 |
| Supported Employment Enterprises and Subsidies to Designated Workshops | 184 684 | 184 684 | - | 207 915 | 207 915 | - |
| Productivity South Africa | 70 972 | 70 972 | - | 71 721 | 71 721 | 1 |
| Unemployment Insurance Fund | 1 | - | - | 1 | | 1 |
| Compensation Fund | 12 508 | 12 508 | - | 6 995 | 6 995 | |
| Training of Staff: PES | 1 688 | 1 688 | - | 1 256 | 1 256 | |
| **Total** | **929 991** | **929 991** | **-** | **1 039 641** | **1 037 011** | **2 630** |

***Strategy to overcome areas of under performance***

The Draft policies, i.e. National Employment Policy (NEP), National Labour Migration Policy (NLMP), together with the Employment Services Amendment Bill (ESAB), that could not be completely processed in 2024-25 financial year, have been presented to the Economic Cluster in March 2025, the cluster recommended the policy to be proceed to Cabinet. A Submission is already enroute to the Minister, requesting approval to present these legal and policy documents to the Cabinet, for approval.

## Programme 3: Public Employment Services: Additional Information

**Table 4.3.3 Annual Achievement for 2024/25 per Province**

| Indicator | 1.1 Number of work-seekers registered | | | 2.1 Number of employment opportunities registered | | |
|---|---|---|---|---|---|---|
| | Target | Achieved | Variance | Target | Achieved | Variance |
| Eastern Cape | 104 500 | 119 436 | 14 936 | 16 100 | 30 099 | 13 999 |
| Free State | 57 000 | 83 728 | 26 728 | 9 200 | 15 272 | 6 072 |
| Gauteng | 218 500 | 229 658 | 11 158 | 20 700 | 86 200 | 65 500 |
| Kwa-Zulu Natal | 142 500 | 156 801 | 14 301 | 18 400 | 37 358 | 18 958 |
| Limpopo | 57 000 | 69 401 | 12 401 | 12 650 | 20 179 | 7 529 |
| Mpumalanga | 66 500 | 78 215 | 11 715 | 9 200 | 15 531 | 6 331 |
| Northern Cape | 38 000 | 47 010 | 9 010 | 6 900 | 27 175 | 20 275 |
| North West | 57 000 | 72 870 | 15 870 | 8 050 | 17 667 | 9 617 |
| Western Cape | 114 000 | 134 837 | 20 837 | 13 800 | 21 002 | 7 202 |
| *Online | 95 000 | 313 272 | 218 272 | 0 | 525 | 525 |
| **TOTAL** | 950 000 | 1 305 228 | 355 228 | 115 000 | 271 008 | 156 008 |
| * Online refers to work-seekers self-registration through kiosk stations and internet. Statistics will be allocated to provinces as soon as enhancements are completed. | | | | * Online refers to work-seekers self-registration through kiosk stations and internet. Statistics will be allocated to provinces as soon as enhancements are completed. | | |

| Indicator | 3.1 Number that received employment counselling | | | 4.1 Number of employment opportunities filled | | |
|---|---|---|---|---|---|---|
| | Target | Achieved | Variance | Target | Achieved | Variance |
| Eastern Cape | 33 020 | 41 072 | 8 052 | 9 100 | 11 642 | 2 542 |
| Free State | 22 698 | 32 555 | 9 857 | 5 200 | 8 260 | 3 060 |
| Gauteng | 53 638 | 68 186 | 14 548 | 11 700 | 17 551 | 5 851 |
| Kwa-Zulu Natal | 33 020 | 48 846 | 15 826 | 10 400 | 17 875 | 7 475 |
| Limpopo | 26 832 | 39 882 | 13 050 | 7 150 | 13 163 | 6 013 |
| Mpumalanga | 30 940 | 38 381 | 7 441 | 5 200 | 5 939 | 739 |
| Northern Cape | 14 456 | 17 269 | 2 813 | 3 900 | 7 091 | 3 191 |
| North West | 20 644 | 32 334 | 11 690 | 4 550 | 6 658 | 2 108 |
| Western Cape | 24 752 | 25 498 | 746 | 7 800 | 10 690 | 2 890 |
| *Online | 0 | 9 | 9 | 0 | 0 | 0 |
| **TOTAL** | 260 000 | 344 032 | 84 032 | 65 000 | 98 869 | 33 869 |
| *Online refers to registered work-seekers who received counselling services and modified their profiles through kiosk stations and internet | | | | | | |

## *PROGRAMME 3: PUBLIC EMPLOYMENT SERVICES*

**Table 4.3.4 - Number of work-seekers registered on Employment Services of South Africa per year**

| Province | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Quarter 4 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Men | Women | Youth | PwD | Men | Women | Youth | PwD | Men | Women | Youth | PwD | Men | Women | Youth | PwD |
| EC | 12 568 | 13 914 | 15 290 | 332 | 27 635 | 29 523 | 31 849 | 415 | 40 248 | 43 252 | 46 282 | 549 | 56 808 | 62 628 | 66 065 | 652 |
| FS | 7 201 | 8 058 | 9 220 | 11 | 15 820 | 18 007 | 19 374 | 31 | 26 609 | 29 997 | 32 450 | 123 | 39 520 | 44 208 | 49 386 | 178 |
| GP | 26 114 | 32 826 | 35 444 | 105 | 56 204 | 69 055 | 69 021 | 337 | 78 170 | 93 105 | 91 678 | 596 | 104 677 | 124 981 | 123 072 | 721 |
| KZN | 16 576 | 22 619 | 27 250 | 34 | 35 757 | 47 005 | 54 972 | 145 | 53 432 | 69 476 | 79 048 | 214 | 68 969 | 87 832 | 97 451 | 236 |
| LP | 5 091 | 8 278 | 8 005 | 8 | 15 304 | 21 753 | 21 589 | 53 | 23 379 | 31 557 | 31 116 | 131 | 29 566 | 39 835 | 39 323 | 150 |
| MP | 7 009 | 7 512 | 9 355 | 11 | 16 252 | 18 243 | 22 390 | 19 | 26 723 | 28 362 | 35 231 | 25 | 37 521 | 40 694 | 50 183 | 32 |
| NC | 5 502 | 6 489 | 6 900 | 10 | 11 503 | 12 510 | 13 173 | 39 | 16 399 | 17 535 | 17 874 | 85 | 22 537 | 24 473 | 24 318 | 97 |
| NW | 7 021 | 7 529 | 8 693 | 6 | 17 603 | 17 445 | 18 974 | 28 | 26 158 | 25 444 | 27 082 | 62 | 36 219 | 36 651 | 40 096 | 71 |
| WC | 12 911 | 17 381 | 16 876 | 79 | 30 045 | 39 531 | 37 110 | 225 | 42 816 | 56 207 | 53 133 | 283 | 57 732 | 77 105 | 71 821 | 374 |
| Other | 92 065 | 152 072 | 176 414 | 10 289 | 102 821 | 170 471 | 199 998 | 512 | 109 316 | 183 142 | 214 965 | 584 | 116 962 | 196 310 | 231 667 | 676 |
| **Total** | **192 058** | **276 678** | **313 447** | **10 885** | **328 944** | **443 543** | **488 450** | **1 804** | **443 250** | **578 077** | **628 859** | **2 652** | **570 511** | **734 717** | **793 382** | **3 187** |

**Graph 4.3.1 – Number of work-seekers registered per designated groups**

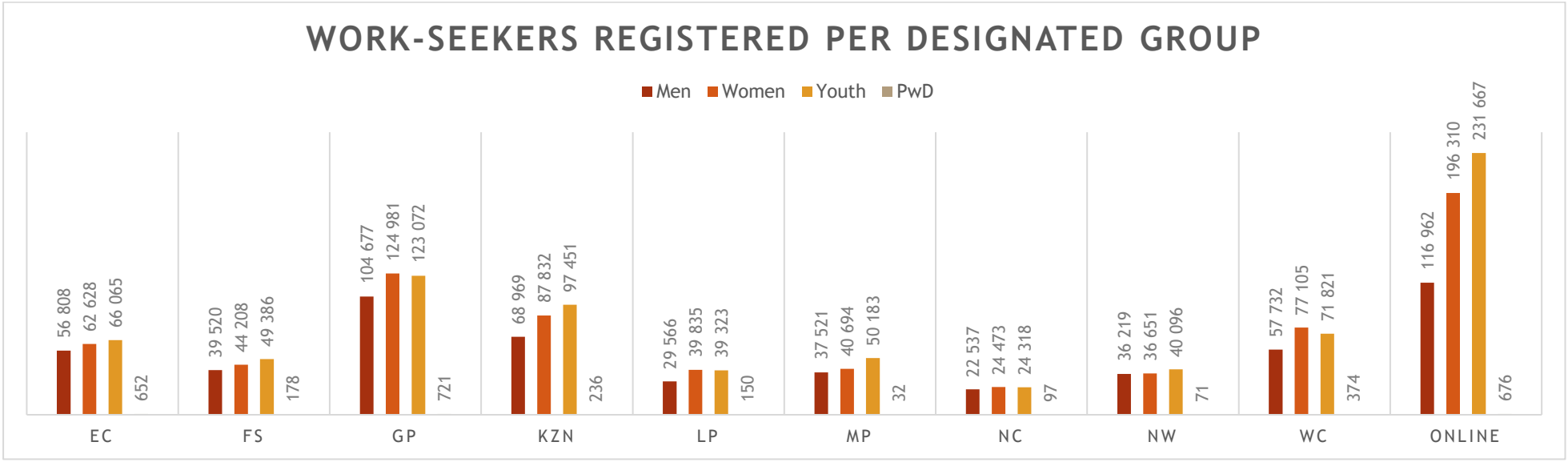


**Table 4.3.5 - Number of registered work-seekers provided with employment counselling per year**

| Province | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Quarter 4 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Men | Women | Youth | PwD | Men | Women | Youth | PwD | Men | Women | Youth | PwD | Men | Women | Youth | PwD |
| EC | 3 487 | 5 717 | 6 619 | 42 | 7 972 | 12 931 | 14 821 | 115 | 11 477 | 18 503 | 21 208 | 250 | 15 667 | 25 405 | 29 069 | 311 |
| FS | 2 866 | 4 621 | 5 354 | 26 | 6 167 | 10 480 | 11 913 | 72 | 8 624 | 14 484 | 16 427 | 139 | 12 337 | 20 218 | 23 483 | 176 |
| GP | 5 506 | 10 056 | 12 476 | 55 | 11 329 | 21 160 | 25 651 | 142 | 16 280 | 29 937 | 35 641 | 225 | 23 903 | 44 283 | 52 707 | 295 |
| KZN | 4 474 | 10 585 | 12 501 | 52 | 9 488 | 21 133 | 24 904 | 137 | 12 886 | 27 982 | 32 651 | 238 | 15 683 | 33 163 | 37 826 | 296 |
| LP | 3 241 | 7 446 | 7 996 | 44 | 6 417 | 15 821 | 16 833 | 134 | 9 676 | 22 767 | 23 509 | 200 | 12 123 | 27 759 | 28 377 | 252 |
| MP | 3 233 | 4 858 | 6 214 | 22 | 7 830 | 13 023 | 16 047 | 64 | 11 481 | 18 452 | 22 653 | 98 | 14 414 | 23 960 | 29 129 | 130 |
| NC | 1 744 | 1 970 | 2 632 | 17 | 4 155 | 4 625 | 6 201 | 43 | 5 881 | 6 675 | 8 388 | 72 | 8 114 | 9 155 | 11 607 | 87 |
| NW | 2 820 | 4 361 | 5 372 | 12 | 6 298 | 9 842 | 11 909 | 54 | 8 822 | 14 220 | 16 840 | 95 | 12 171 | 20 163 | 23 871 | 115 |
| WC | 2 051 | 4 060 | 4 647 | 26 | 3 854 | 7 942 | 8 824 | 49 | 5 795 | 11 420 | 12 844 | 73 | 8 645 | 16 853 | 18 719 | 124 |
| Other | | | | | | | | | 5 | 4 | 9 | | 5 | 4 | 9 | - |
| **Total** | **29 422** | **53 674** | **63 811** | **296** | **63 510** | **116 957** | **137 103** | **810** | **90 927** | **164 444** | **190 170** | **1 390** | **123 062** | **220 963** | **254 797** | **1 786** |

**Graph 4.3.2 - Number of work-seekers provided with counselling per designated group**

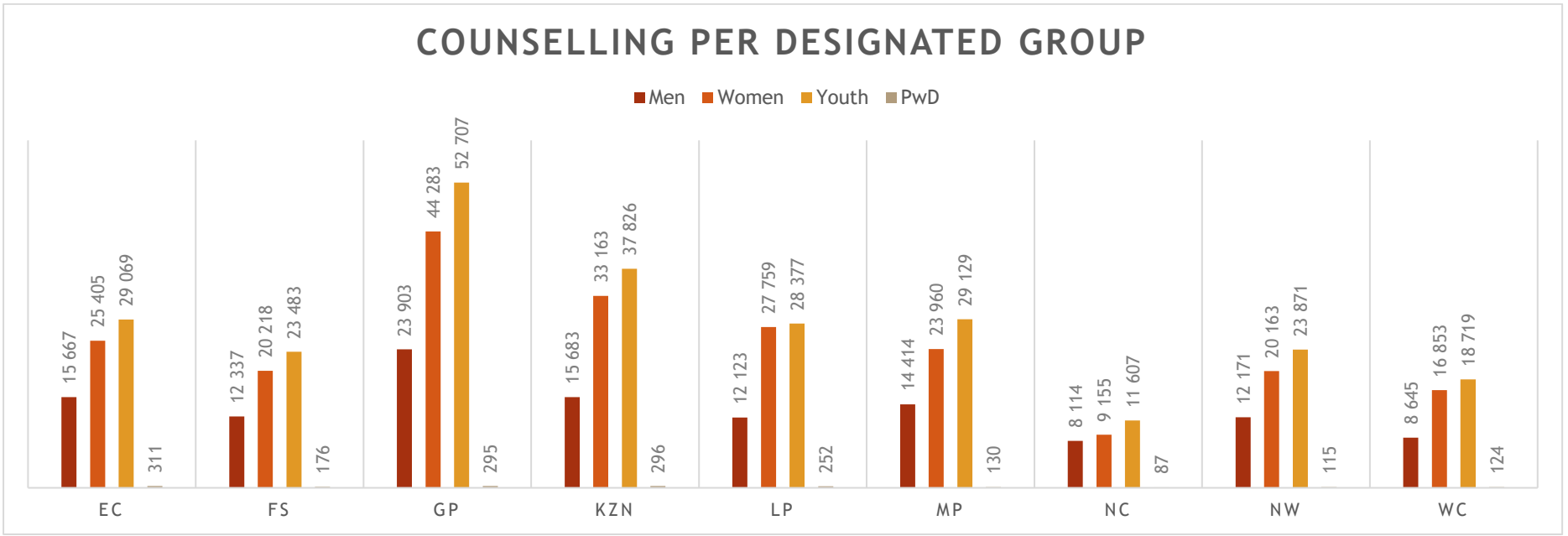
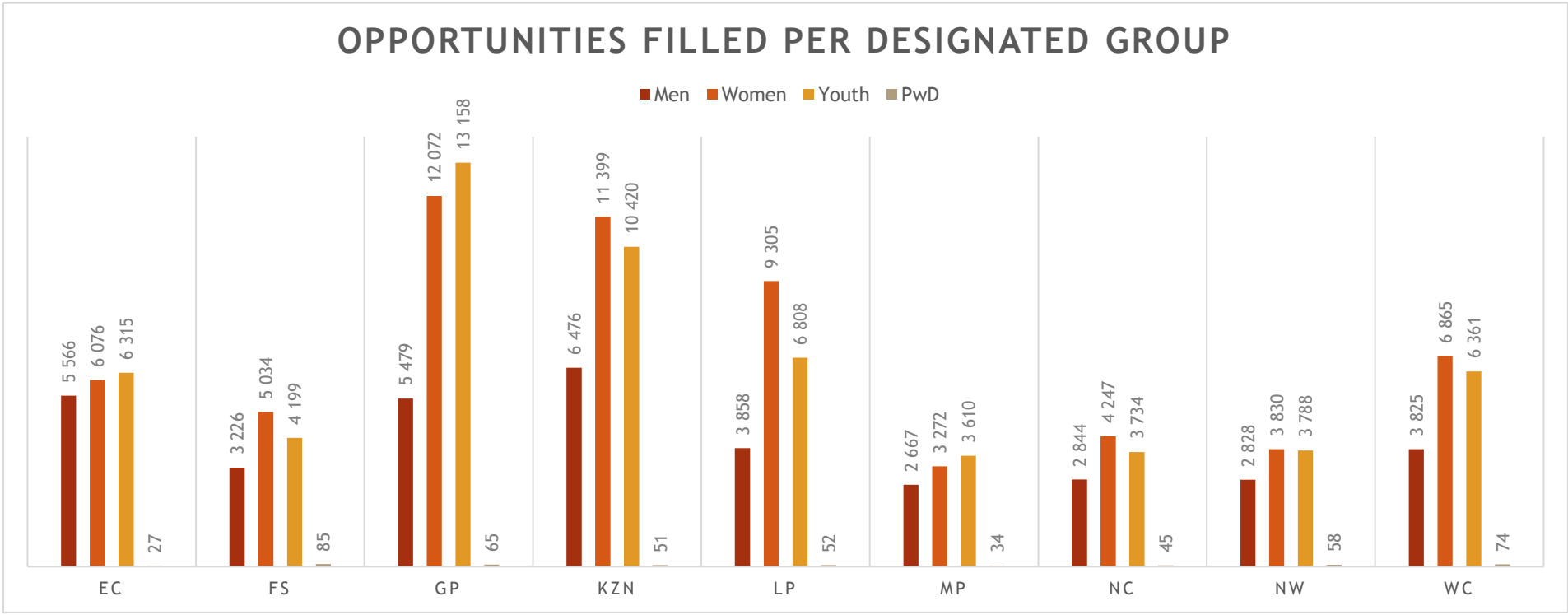


**Table 4.3.6 - Number of registered employment opportunities filled by registered work seekers per year**

| Province | Quarter 1 | | | | Quarter 2 | | | | Quarter 3 | | | | Quarter 4 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Men | Women | Youth | PwD | Men | Women | Youth | PwD | Men | Women | Youth | PwD | Men | Women | Youth | PwD |
| EC | 1 552 | 1 700 | 2 342 | 27 | 3 032 | 2 974 | 2 680 | 25 | 4 381 | 4 334 | 5 837 | 33 | 5 566 | 6 076 | 6 315 | 27 |
| FS | 988 | 1 700 | 1 848 | 24 | 1 593 | 2 471 | 8 993 | 14 | 2 389 | 3 608 | 3 880 | 22 | 3 226 | 5 034 | 4 199 | 85 |
| GP | 1 548 | 2 842 | 3 765 | 42 | 2 965 | 7 476 | 5 798 | 66 | 4 103 | 9 318 | 11 275 | 69 | 5 479 | 12 072 | 13 158 | 65 |
| KZN | 2 074 | 3 159 | 3 500 | 33 | 3 552 | 5 546 | 2 099 | 44 | 4 106 | 6 251 | 6 972 | 41 | 6 476 | 11 399 | 10 420 | 51 |
| LP | 1 457 | 2 694 | 2 310 | 39 | 2 653 | 4 975 | 4 445 | 40 | 3 193 | 7 347 | 6 128 | 50 | 3 858 | 9 305 | 6 808 | 52 |
| MP | 858 | 953 | 1 160 | 12 | 1 324 | 1 853 | 2 604 | 53 | 1 804 | 2 376 | 2 915 | 44 | 2 667 | 3 272 | 3 610 | 34 |
| NC | 549 | 844 | 908 | 17 | 1 302 | 1 710 | 4 068 | 24 | 1 923 | 3 018 | 3 060 | 70 | 2 844 | 4 247 | 3 734 | 45 |
| NW | 922 | 1 026 | 1 294 | 6 | 1 913 | 2 553 | 3 683 | 39 | 2 066 | 2 688 | 3 111 | 26 | 2 828 | 3 830 | 3 788 | 58 |
| WC | 1 134 | 1 732 | 2 104 | 21 | 1 821 | 2 725 | 2 063 | 63 | 2 569 | 4 533 | 4 978 | 44 | 3 825 | 6 865 | 6 361 | 74 |
| **Total** | **11 082** | **16 650** | **19 231** | **221** | **20 155** | **32 283** | **36 433** | **368** | **26 534** | **43 473** | **48 156** | **399** | **36 769** | **62 100** | **58 393** | **491** |

**Graph 4.3.3 - Number of opportunities filled per designated group**



## 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:
  - publishing the 2023/2024 employment equity annual report and public register by 30 June 2024, and
  - developing the 2024/2025 employment equity annual report and public register by 31 March 2025
- 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 registration of qualifying labour organisations by 31 March 2025
- Monitor and evaluate the impact of labour legislation to promote an evidence-based labour policy intervention through the production of research and labour market trend reports by 31 March 2025.

**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, 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 not compliant, 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 by developing and promoting employment equity policy instruments – as mandated by the amended Employment Equity Act (1998) – to eliminate discrimination and promote equitable representation in the workplace
- ***Employment Standards*** protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997) and publishing national minimum wages for all sectors, as mandated by the National Minimum Wage Act (2018)
- ***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 by providing dispute-prevention and 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 national and 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 and for the operations of the Presidential Climate Commission.

## ***Outcomes, Outputs, Output Indicators, Targets and Actual Achievements***

In relation to the promotion of equity in the labour market, all the annual targets set for 2024-2025 financial year have been successfully achieved before the prescribed timeframes. In this regard, 2024-2024 EE Annual Report (24th CEE Annual Report) and Public Register were published before end June 2024. Sector numerical EE targets for all economic sectors were developed and concluded in March 2025. Subsequently, the 2024-2025 EE Annual Report (25th CEE Annual Report) and Public Register were developed and submitted for approval for publication before end March 2025. In terms of the Employment Equity Act, 1998 (EEA), the beneficiaries of affirmative action are the designated groups, which are inclusive of women and persons with disabilities.

In the 2024/2025 financial year, the Employment Standards Directorate reviewed and adjusted the national minimum wage. This adjustment ensured that the real value of the minimum wage was maintained, thereby safeguarding the purchasing power of the lowest-paid workers. This achievement directly supports the Department's mandate by contributing to improved wage equity, narrowing the gender pay gap, promoting collective bargaining, and aligning with broader economic policy objectives. It also strengthens the regulatory framework governing basic conditions of employment.

The directorate further contributes to the achievement of priorities of children through the continued enforcement of regulations that prohibit work by children under the age of 15 and impose conditions on permissible work for children aged 15 and above who are no longer subject to compulsory schooling. These efforts reinforce national and international commitments to eliminating child labour and ensuring children's rights are protected.

As part of the Labour Market Policy (LMP) activities, the LMIS directorate produced and distributed labour market trend reports. The information covered in these reports relates to the Department's strategic objective of monitoring the impact of legislation. Policymakers can use it to make evidence-based decisions because of the labour imbalances in the country. During the financial year 2024/25, the LMIS directorate produced four annual labour trend reports that inform on the current situation on the labour market stability for conducive investment and economic growth. A variety of statistical information, both internal and external, was examined, analysed, and reported. All annual reports can currently be found on the Department's websites.

**BRICS Labour Cooperation**

South Africa maintained its role as a catalyst for innovation within BRICS, particularly through the promotion of the Productivity Ecosystem initiative. This year marked a significant milestone as the initiative was expanded to include newly acceded BRICS Member States. For the first time in the history of BRICS Labour and Employment cooperation, a unified Programme of Action was adopted—formalising the ecosystem's value and consolidating member commitment to productivity-driven development across labour markets.

**G20 Presidency Participation**

As an active participant in the G20 under the 2025 Presidency, the Department led the coordination and delivery of two highly successful G20 Employment Working Group (EWG) meetings, with preparations for the upcoming Labour and Employment Ministers' Meeting (LEMM) already well advanced. South Africa's leadership in content development and logistical execution has garnered wide recognition, leading to requests from other G20 tracks for technical and operational support. In delivering these outcomes, the Department also prioritised internal capacity development, affording staff critical exposure to high-level event planning and multilateral negotiation processes.

**International Labour Organisation (ILO)**

South Africa continued to be a driving force in shaping the priorities and positions of both SADC and the African continent within the ILO. The Department's advocacy has contributed to enhanced African coordination in global labour discourse. The ILO Director-General's Office has consistently acknowledged South Africa's influential role in promoting decent work and social justice. South Africa's re-election to the ILO Governing Body for the 2024–2027 term further cements its position as a key factor in international labour governance.

**Institutional Reflections and Challenges**

While notable progress was achieved, the Department continues to face internal capacity constraints—particularly in the area of policy analysis and technical backstopping. A limited pool of skilled personnel has resulted in a disproportionate workload for a few dedicated officials. Addressing these capacity gaps remains critical to sustaining and deepening South Africa's influence in international fora.

In relation to the promotion of equity in the labour market, all the annual targets set for 2024-2025 financial year have been successfully achieved before the prescribed timeframes. In this regard, 2024-2024 EE Annual Report (24$^{th}$ CEE Annual Report) and Public Register were published before end June 2024. Sector numerical EE targets for all economic sectors were developed and concluded in March 2025. Subsequently, the 2024-2025 EE Annual Report (25$^{th}$ CEE Annual Report) and Public Register were developed and submitted for approval for publication before end March 2025. In terms of the Employment Equity Act, 1998 (EEA), the beneficiaries of affirmative action are the designated groups, which are inclusive of women and persons with disabilities.

## ***Table 4.4.1: Programme 4: Labour Policy and Industrial Relations***

| **Programme: Labour Policy and Industrial Relations** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| Promote Equity in the Labour Market | Amend the Employment Equity Act to enable the regulation of Sector EE Targets by 2023 | 1.1 Sector EE targets developed and concluded | N/A | Achieved<br>Draft Regulations on five-year sector EE targets re-published for public comment for 90 days on 1 February 2024 | Five-year sector EE targets developed and concluded by 31 March 2025 | Achieved<br>Developed and concluded Sector EE Targets in Regulations on 07 March 2025 | None | None |
| | A number of policy instruments developed and promoted to enhance the implementation of EEA per annum | 2.1 Annual EE Report and Public Register published per annum | Achieved<br>2021-2022 Annual EE Report published on 10 June and Public Register published in GG No. 46332 dated 6 May 2022. Both launched by Minister on 23 June 2022 | Achieved<br>2022-2023 Annual EE Report and Public Register published and launched on 23 June 2023 | 2023-2024 Annual EE Report and Public Register published by 30 June 2024 | Achieved<br>• 2023-2024 Annual EE Report published on 24 June 2024.<br>• EE Public Register published in Government **Gazette No. 50687** on 24 May 2024 | None | None |
| | | 2.2 Annual EE report and Public Register developed per annum | Achieved<br>2021-2022 Annual EE Report published on 10 June and Public Register published in GG No. 46332 dated 6 May 2022. Both launched by Minister on 23 June 2022 | Achieved<br>2023-2024 Annual EE Report and Public Register developed prior to 31 March 2024 (i.e. 2023-2024 EE Annual Report on 20 March 2024 and Public Register on 21 February 2024) | 2024-2025 Annual EE report and Public Register developed by 31 March 2025 | Achieved<br>• 2024-2025 Annual EE Report developed by 20 March 2025<br>• EE Public Register developed by 07 February 2025 | None | None |
| | Annually review the national minimum wage level | 3.1 National minimum wage reviewed and approved by the Minister of Employment and Labour by | Achieved<br>The National Minimum Wage level reviewed and published in government gazette number | Achieved<br>The National Minimum Wage level reviewed and published in the Government Gazette | The national minimum wage level reviewed and published in the government gazette by 31 March 2025 | Achieved<br>The national minimum wage level was reviewed and published in the government gazette No.: 52053 | None | None |

| Programme: Labour Policy and Industrial Relations | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | | 31 March each year | 48094 dated 21 February 2023 | number 50073 dated 2 February 2024 | | on 04 February 2025 | | |
| | Collective agreements assessed and verified by 31 March each year | 4.1 Percentage of collective agreements where parties are not representative assessed and verified within 120 working days of receipt per annum | Achieved<br>100% (4 received, 4 verified) collective agreements extended to non-parties within 120 working days | Achieved<br>0 applications | 100% of collective agreements where parties are not representative assessed and verified within 120 working days by 31 March 2025 | Not Achieved<br>0% (0 of 1) | -100% | Delay in approval of submissions |
| | | 4.2 Percentage of collective agreements assessed and verified within 60 working days of receipt per annum | Not Achieved<br>90% (20 received, 18 verified) collective agreements extended to non-parties within 60 working days | Achieved<br>29 received:<br>29 verified and extended to non-parties | 100% of collective agreements assessed and verified within 60 working days by 31 March 2025 | Not Achieved<br>45% (20 received, 9 approved within 60 working days, 11 extend longer than 60 working days) | -55% | Delays in approval of submissions |
| | Labour organisations' applications for registration approved or refused within 90 working days of receipt per annum | 5.1 Percentage of labour organisations' applications for registration approved or refused within 90 working days of receipt per annum | Achieved<br>Hundred and thirty-two (132) applications received<br>• Hundred and twenty-five (125) refused<br>Seven (7) approved | Achieved<br>128 received:<br>120 Refused<br>8 Approved | 100% of labour organisations' applications for registration approved or refused within 90 working days by 31 March 2025 | Achieved<br>100% (117 received, 111 Refused, 6 Approved) | None | None |
| Strengthen multilateral and bilateral relations | Progress reports on bilateral cooperation and multilateral obligations | 6.1 Number of progress reports on bilateral cooperation and multilateral obligations submitted to | Not Achieved<br>1 Annual implementation report submitted to Minister for sign | Achieved<br>1 Annual implementation report submitted to Minister for sign off after 30 April 2023 | 2 Reports on the implementation of bilateral cooperation and multilateral obligations signed | Achieved<br>The implementation report was submitted to the Minister for sign-off before 30 April | None | None |

| Programme: Labour Policy and Industrial Relations | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | submitted to the minister annually | the minister annually | off after 30 April 2022<br>Achieved<br>1 Mid-term implementation report submitted to Minister for sign off by 31 October 2022 | Achieved<br>1 Mid-term implementation report submitted to Minister for sign off by 31 October 2023 | off by the Minister annually:<br>1 Annual implementation report submitted to the Minister for sign-off by 30 April 2024<br>1 Mid -term implementation report submitted to the Minister by 31 October 2024 for sign-off | 2024. (DMS: 34463/1)<br>Mid -term implementation report submitted to the Minister by 31 October 2024 for sign-off | | |
| Monitor the impact of legislation | Analyse and report on the labour market trends annually | 7.1 Number of labour market trend reports produced per annum | Achieved<br>2 Annual LM reports produced by end of September 2022.<br>These annual LM reports include:<br>Annual Labour Market Bulletin and Job Opportunity and Unemployment in SA labour market for 2021/22 financial year were produced and submitted to the CD-LMP by 30 Sept 2022<br>Achieved<br>2 Annual LM reports produced by end of March 2023. | Achieved<br>4 Annual Labour market trend reports produced by 31 March 2024<br>These annual reports include:<br>1. Annual Labour Market Bulletin 2022/23<br>2. Job Opportunity and Unemployment in the SA 2022/23<br>3. Industrial Action Report 2023<br>4. Annual Administrative Statistics report 2023 | Four annual labour market trend reports produced by 31 March 2025 | Achieved<br>4 reports produced for the year<br>By September 2025, two annual labour market trend reports had been made. These were the Annual Labour Market Bulletin and the Job Opportunity and Unemployment in the SA labour market for the 2023/24 financial year<br>By March 2025, another two annual labour market trend reports such as Annual Administrative Statistics and Industrial Action | None | None |

| Programme: Labour Policy and Industrial Relations | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Outcome** | **Output** | **Output Indicator** | **Audited Actual Performance 2022/2023** | **Audited Actual Performance 2023/2024** | **Planned Annual Target 2024/2025** | **Actual Achievement 2024/2025** | **Deviation from planned target to Actual Achievement 2024/2025** | **Reasons for deviations** |
| | | | These annual LM reports include:<br><br>Annual Administrative Statistics report 2022 and Industrial Action Report 2022were produced and submitted to the CD-LMP by 28 March 2023 | All reports are in the process to be printed and disseminated | | reports had been produced | | |
| | Research reports developed on the impact of labour legislation to the labour market | 8.1 Number of Research reports on the impact of labour legislation to the labour market produced per annum | Achieved<br><br>1. Gender Discrimination, sexism and stereotypes<br><br>2. Impact assessment of employment creation interventions<br><br>3. Ethics in the Department<br><br>4. Support of Employment and Income in the Context of the COVID-19 Crisis | Achieved<br><br>1. Benchmark study on Silicosis in the non-mining sector.<br>2. Assessment of policy solutions adopted by the South African government on young people's entry into employment.<br>3. Client Satisfaction Survey (CSS).<br>4. Ensuring Social Security for all | 2 research reports completed by 31 March 2025 | Achieved<br><br>Two research reports completed by 31 March 2025 which are:<br><br>1. Employee Satisfaction Survey<br>**2.** Work from home – A Baseline study in the Department of Employment and Labour | None | None |

***Linking performance with budgets***

In relation to the promotion of equity in the labour market, all the annual targets set for 2024-2025 financial year have been successfully achieved before the prescribed timeframes. In this regard, 2024-2024 EE Annual Report (24th CEE Annual Report) and Public Register were published before end June 2024. Sector numerical EE targets for all economic sectors were developed and concluded in March 2025. Subsequently, the 2024-2025 EE Annual Report (25th CEE Annual Report) and Public Register were developed and submitted for approval for publication before end March 2025. In terms of the Employment Equity Act, 1998 (EEA), the beneficiaries of affirmative action are the designated groups, which are inclusive of women and persons with disabilities.

Expenditure during the 2024/2025 financial year was effectively aligned with the planned outputs of the Employment Standards Programme. A significant portion of the budget was directed towards the quantitative research to check the impact of the NMW, the prevailing situation in the labour market, the broader economy, and household poverty and inequality. This investment enabled the directorate to preserve the wage's real value and advance decent work principles by improving the earnings of vulnerable workers.

After the Adjusted budget process Labour Policy and Industrial Relations budget decreased by R2.9 million, with the final allocation of R1.259 billion for the 2024/25 financial year. Total expenditure of R1.259 billion was recorded, an expenditure level of 100%. This is in comparison to the prior year Budget R1.323 billion and a total expenditure of R1.321 billion or 99,2% for 2023/24.

***Table 4.4.2 – Programme 4: Labour Policy and Industrial Relations Sub-programme expenditure***

| Sub- Programme Name | 2024/2025 | | | 2023/2024 | | |
|---|---|---|---|---|---|---|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Management and Support Services: LP&IR | 15 568 | 15 568 | - | 16 472 | 16 055 | 417 |
| Strengthen Civil Society | 23 892 | 23 892 | - | 24 854 | 24 854 | - |
| Collective Bargaining | 17 621 | 17 621 | - | 19 197 | 18 903 | 294 |
| Employment Equity | 12 842 | 12 842 | - | 13 946 | 13 872 | 74 |
| Employment Standards | 13 185 | 13 185 | - | 13 387 | 12 581 | 806 |
| Commission for Conciliation, Mediation and Arbitration | 975 853 | 975 853 | - | 1 041 163 | 1 041 163 | - |
| Research, Policy and Planning | 6 301 | 6 301 | - | 9 492 | 8 797 | 695 |
| Labour Market Information and Statistics | 49 144 | 49 144 | - | 50 359 | 49 799 | 560 |
| International Labour Matters | 68 982 | 68 982 | - | 61 454 | 61 427 | 27 |
| National Economic Development and Labour Council | 75 839 | 75 839 | - | 73 610 | 73 610 | - |
| **Total** | **1 259 227** | **1 259 227** | **-** | **1 323 934** | **1 321 061** | **2 873** |

***Strategy to overcome areas of under performance***

The indicator on Collective agreements assessed and verified by 31 March each year was removed from the Annual Performance Plan for 2025/26 and placed in the Annual Operational Plan as it is demand driven to be reported annually.

# 5. TRANSFER PAYMENTS

## 5.1 Transfer payments to public entities

| Name of Public Entity | Key Outputs of the public entity | Amount transferred to the public entity R'000 | Amount spent by the public entity R'000 | Achievements of the public entity |
|---|---|---|---|---|
| Productivity SA (PSA) | Promote a culture of productivity in the workplace.<br>Facilitate and evaluate productivity improvement and competencies in workplaces.<br>To support enterprises facing economic distress and initiatives aimed at preventing job losses<br>Support initiatives aimed at preventing job losses.<br>Measure and evaluate productivity in the workplace.<br>Generation and dissemination of productivity related research and statistics | **R70 972** | **R61 472** | **1323** SMMEs and other enterprises supported through Competitiveness Improvement Interventions to improve their competitiveness and sustainability<br>**2696** entrepreneurs, workers and managers capacitated to promote the culture of productivity<br>**423** Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa<br>**10** advocacy and public awareness campaigns held to support the Productivity movement in South Africa<br>**4** research reports and publications on priority sectors published and disseminated<br>**2** statistical reports on productivity and competitiveness published |
| National Economic Development and Labour Council (NEDLAC) | Reaching agreement on important socio-economic issues where each social partner has a role to play<br>Input by social partners on the development of policy and legislation before being finalised by the executive and/or going into the parliamentary process | ***R75 839*** | ***R93 411*** | NEDLAC concluded engagements on seven key pieces of legislation, regulations and policies, including Gas Amendment Bill, Expanded Public Works Programme (EPWP) Policy, Second Amendment to the Immigration Regulations (Immigration Act of 2002), National Labour Migration Policy, Electronic Deeds Registration Systems Amendment Bill<br>NEDLAC convened twelve dialogue sessions addressing strategic and policy issues such as Tobacco Products and Electronic Delivery Systems Control Bill, White Paper on Local Government (WPLG), Energy and Electricity Issues, Enabling a Just |

| Name of Public Entity | Key Outputs of the public entity | Amount transferred to the public entity R'000 | Amount spent by the public entity R'000 | Achievements of the public entity |
|---|---|---|---|---|
| | Two Pot Retirement System | | | Transition: Optimising Labour Law and Labour Market Regulations for a Just Transition, National Policing Policy and Government Budget Planning<br><br>The Public Finance Chamber established a Task Team that led the successful implementation of the Two-Pot Retirement System. The team developed a detailed implementation plan, identified risks and mitigation measures as well as milestone tracking mechanism |
| | Labour Law Reforms | | | The Labour Law Reform Task Team concluded its work in November 2024, finalising extensive amendments to four key labour statutes, these included:<br>• 47 amendments to the Labour Relations Act (LRA)<br>• 13 amendments to the Basic Conditions of Employment Act (BCEA)<br>• 2 amendments to the National Minimum Wage Act (NMWA)<br>• 3 amendments to the Employment Equity Act (EEA) |
| | NEDLAC 29th Annual Summit | | | The 29th Annual Summit, held on 06 September 2024, commemorated "30 Years of NEDLAC" and reflected on the institution's contribution to democratic development. Highlights included the following:<br>• Launch of the 30 Years of Democracy Review Report and handover of the report to the Minister of Employment and Labour<br>• Recognition of the former leaders of social partners for their contribution at NEDLAC |
| | NEDLAC Information Sharing Symposium on Social Dialogue | | | |

| Name of Public Entity | Key Outputs of the public entity | Amount transferred to the public entity R'000 | Amount spent by the public entity R'000 | Achievements of the public entity |
|---|---|---|---|---|
| | Labour School<br><br>Research Outputs<br><br>Presidential Climate Commission<br><br>Improvements to the NEDLAC house | | | • Report on NEDLAC's performance for 2023/24 financial year<br><br>NEDLAC, in partnership with the International Labour Organisation (ILO), hosted a successful Information Sharing Symposium on Social Dialogue on 05 September 2024. The hybrid event facilitated exchange between dialogue institutions from South Africa, Algeria, Senegal and representatives from neighbouring SADC countries<br><br>Organised Labour convened its Annual Labour School from 20 to 22 January 2025<br><br>Two research reports were finalised through the Trade and Industry Chamber, focusing on Employee Share Ownership Plans (ESOPs) and Inclusion of Social Clauses in South Africa's Trade Agreements<br><br>The Presidential Climate Commission (PCC) advanced South Africa's climate policy landscape with critical recommendations and technical reports to steer a just and resilient climate transition. Building on the President's 2024 State of the Nation Address, the PCC developed and adopted the National Climate Change Response Fund (CCRF) concept note, as a flagship mechanism to mobilize, scale and deploy climate finance, in particular for adaptation and resilience needs, positioning it for consideration by the National Treasury and the Department of Forestry, Fisheries and the Environment<br><br>Conversion of all lights in the building into energy efficient LED lighting |

| Name of Public Entity | Key Outputs of the public entity | Amount transferred to the public entity R'000 | Amount spent by the public entity R'000 | Achievements of the public entity |
|---|---|---|---|---|
| Commission for Conciliation, Mediation and Arbitration (CCMA) | 1.1.1. Sustainable and well-resourced organisation<br>1.2.1. Improved Human Resource Management<br>1.3.1. Improved efficiencies<br>2.1.1. Orderly Collective Bargaining Processes<br>2.2.1. Engaged workplaces<br>2.3.1. Improved essential services dispute resolution<br>3.1.1. Contribution to Presidential priorities<br>4.1.1. Resolved disputes<br>4.2.1. Improved access and knowledge of CCMA services<br>4.3.1. Averted job losses<br>4.4.1. Reduced labour market volatility<br>5.1.1. Generation of business intelligence<br>5.1.2. Good governance | **R975 853** | R1 010 138,377 (Inclusive of the approved 2023/24 surplus of R28 467 147) | The CCMA has achieved 90% (28/31) performance as of 31st March 2025. |
| Compensation Fund | Medical expenses of civil servants injured on duty | R 12 508 | R 12 508 | Payments for medical invoices of civil servants injured on duty |

## 5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2024 to 31 March 2025

| Name of transferee | Type of organisation | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred R'000 | Amount spent by the entity R'000 | Reasons for the funds unspent by the entity |
|---|---|---|---|---|---|---|
| Sheltered Employment Enterprises (SEE) | Unscheduled/unlisted trading entity | • Operational and administrative Cost of the Entity<br>• Provide additional employment for PwDs<br>• Manufacturing of goods for sale | • Operational and administrative Cost of the Entity<br>• Provide additional employment for PwDs<br>• Manufacturing of goods for sale | ***R184 684*** | ***R184 684*** | N/A |
| Industrial Development Corporation | State owned development finance institution established through the IDC Act | Fund administration costs:<br>• Deployment of funds to organisations that were awarded the | • Yes | ***R57 500*** | ***R1 870*** | R127m was approved for 8 projects by 31 March 2025. Funding to these projects will be disbursed as |

| Name of transferee | Type of organisation | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred R'000 | Amount spent by the entity R'000 | Reasons for the funds unspent by the entity |
|---|---|---|---|---|---|---|
| | | Innovation Fund grant- primarily for training young people and transitioning them to job or income earning opportunities for items such as training, stipends, inputs, project staff/ operational costs | | | | and when milestones are reached, as agreed to in the Grant Agreement signed with partners. This allows the fund manager to better manage performance risk of partners receiving the funding upfront without reaching milestones. |
| Government Technical Advisory Centre | Government Entity | • Fund the implementation National Pathway Management which is a component of Presidential Youth Employment Initiatives | • Yes | ***170 000*** | ***R85 000*** | The implementation periods of the NPM are not aligned to the financial year.<br><br>The National Pathway Manager submits their quarterly report, the evidence is verified before funds are transferred. Thus, at the end of March 2025 was waiting for the report to be submitted, then verified before the Funds are transferred. |
| Designated groups | NPO | • Subsidising PwD with monthly stipend | • Yes | ***R21 456*** | ***R 21 265*** | Number of PwD's allocated to receive the subsidies were less, and not all administrative subsidies were utilised. |

***The total budget for the year amounts to R91.3 million compared to the expenditure of R93.3 million. The budget includes the transfer from the Department, interest income, donor funding income and the surplus funds retained after approval from the National Treasury. These amounts further exclude the impact of any service in kind revenue to be recognised on the annual financial statements for GRAP purposes.**

## 6. CONDITIONAL GRANTS

This is not applicable for the Department of Employment and Labour.

# 7. DONOR FUNDS

## 7.1. Donor Funds Received

- Donor funding was received from the European Union to benefit the Education for Employability (E4E) project.

*Donor Fund E4E:*

| | |
|---|---|
| **Name of donor** | European Union |
| **Full amount of the funding** | R84 933 500,00 |
| **Period of the commitment** | 2022 to 2025 |
| **Purpose of the funding** | ***The overall objective of the Education for Employability (E4E) Sector Budget Support Reform Programme (SBSRP) is "more inclusive, equitable and quality education and employment prospects for South African youth"*** |
| **Expected outputs** | • Study on the transitioning of PwDs from supported employment into the open labour market<br>• Research status of learner psychometric assessment tools<br>• Purchase of 14 mobile Employment Services units (vehicles), deployed throughout Provincial operations, with Wi Fi Solution, Spec subject to Network<br>• Development of a mobile Placement and Matching application (APP), to enable the school leavers, graduates and unemployed, to connect to employers that are offering opportunities that are relevant to the qualifications and work experience of the users<br>• Resource development and empowerment for PwDs - on life skill, job readiness, entrepreneur programme and exposure<br>• Conducting of sales expo and product exhibition of work done by PwDs to corporates & business as networking platform and exposure of work to open labour market - 3 per province<br>• Focus group interviews to confirm needs (sessions of about 35 people to do work schemes, needs analysis in each of the 4 provinces selected for the pilot)<br>• A permanent Jobs Expo site operationalised for the purposes of exposing school leavers, graduates and unemployed, to expose them to job opportunities that employers are offering, to better enable their placement into available opportunities in the labour market<br>• Job & career fairs conducted to enhance placement of work seekers in work & learning opportunities<br>• Policy Dialogues conducted on Labour Migration and Governance<br>• International Benchmarking Study conducted on skills transfer<br>• Skills transfer guidelines developed |
| **Actual outputs achieved** | • Fourteen mobile Employment Services units (vehicles), acquired and deployed throughout Provincial operations, with Wi Fi Solution, Spec subject to Network<br>• Sales expos and product exhibitions of work done by PwDs conducted to corporates and business as networking platform and exposure of work to open labour market - 3 per province<br>• Job and career fairs conducted to enhance placement of work seekers in work and learning opportunities<br>• 14 Policy Dialogue sessions were conducted on Labour<br>• Migration and Governance<br>• International Benchmarking Study conducted on skills transfer |
| **Amount received (R'000)** | Funding received from National Treasury in tranche's<br>- Amount first received **R35.081 million**, the expenditure as at end March 2023 was **R4.543** million<br>- Opening Balance in 2023/24 **R59.924 million**, the expenditure at end of March 2024 was **R27.200 million**<br>- Opening Balance in 2024/25 **R33.956 million**, the expenditure at end of March 2025 is **R12.370 million**, the remaining amount on this tranche is **R21.587 million** |
| **Amount spent by the Department (R'000)** | Total amount spent: **R44.113 million** |
| **Reasons for the funds unspent** | Delays experienced in fund transfers from EU to the three Departments participating in the Project. HRM processes in getting needed contract resources for the Project prohibited progress in the implementation |
| **Monitoring mechanism by the donor** | Mid Term Review and evaluation of the Project was conducted towards the end of 2023 to early 2024. Reports are submitted to the Project Steering Committee. These were discussed at quarterly Project Steering Committee meetings. The |

| | |
|---|---|
| | donor, EU, granted extension of the Project term by two years to compensate for the time delays in fund transfers and other challenges experienced |

# 8. CAPITAL INVESTMENT

## **8.1.** Capital investment, maintenance and asset management plan

The Department has six main capital projects, namely Taung Labour Centre, Ulundi Labour Centre, Swellendam Satellite Office, Ermelo labour Centre, Sandton Labour Centre, and Carolina Labour Centre. These projects are currently at different stages respectively, which are detailed in the table here below. The Department has also undertaken maintenance project, such as the installation of water tanks, and generators at various Labour Centres, these are detailed under item number six (6) and seven (7) in the table below with a detailed description below the table.

*Table: Current Projects*

| Item | Project list | Status Quo | Expected completion date |
|---|---|---|---|
| 1 | Taung Labour Centre: Construction | Awaiting installation of borehole with booster pumps and storage tanks due to water shortage in Greater Taung area. DEL to supply temporary water tanks with booster pumps while awaiting DPWI project to be completed | July 2025 |
| 2 | Ulundi Labour Centre: Rehabilitation | Currently under design and tender documents being finalised | Tender to run in June 2025 and completion expected in September 2027 |
| 3 | Ermelo Labour Centre: Construction | At tender stage | December 2027 |
| 4 | Carolina Labour Centre: Construction | Awaiting installation of bulk services by local municipality | April 2028 |
| 5 | Sandton Labour Centre: Renovation | Awaiting tender award by COEGA | April 2027 |
| 6 | Installation of water tanks Mdantsane, East London, Roodepoort; Krugersdorp and Carletonville; | Tender process failed for Gauteng area and new process to run. Eastern Cape tanks to be on tender soon. | March 2026 |
| 7 | Installation of emergency power generators Atteridgeville, Soshanguve and Phuthaditjaba | Process taken over by HO of DPWI for Gauteng area and planning underway. Free State project out on tender | September 2026 |

The Upington Labour Centre renovation, installation of the Hoedspruit Satellite Office Water tank as well as the installation of Fresh Air- supply in two boardrooms in Laboria House were completed in the financial year in question. The seven (7) projects, as indicated above indicates the respective anticipated completion date for each. The Department has no plans to down-grade or close any of its facilities and there are no known developments which would impact the progress of the projects currently under construction or the Department's current expenditure on capital infrastructure.

Furthermore, The Department's asset holdings over the period in question has not changed, and there was no adverse impact on its assets holding. No assets will be scrapped or disposed, and no theft can be reported, as all assets are recorded in an Asset Register, in accordance with the GIAMA Act, Act 19 of 2007 and in accordance to the National Treasury requirements.

As far as maintenance are concerned in relations to the immovable assets, the maintenance backlog has become grown, as there is no real progress in addressing all the maintenance challenges.by DPWI. Furthermore, there is no real maintenance plan by DPWI. DPWI, however, did register projects for the Repair and Renovation of the Cape Town, Seshego, and Phalaborwa Labour Centres. Project for repair and renovation of Phuthaditjaba Labour Centre is on tender awarding stage

A joint Task Team on immovable assets was established to plan all capital, refurbishment and maintenance challenges on all infrastructure projects, but had to be cancelled due to no progress being made on projects. Meetings with all project managers take place regularly to track progress.

The assets under the Department management can be summarised as follows:

- 28% Good
- 33% Fair
- 39% Poor

**Table 8.1.1 - Capital investment, maintenance and asset management plan**

| Infrastructure projects | | | 2024/25 | | | 2023/24 | | |
|---|---|---|---|---|---|---|---|---|
| | | | Final appropriation R'000 | Actual expenditure R'000 | (Over) / Under Expenditure R'000 | Final appropriation R'000 | Actual expenditure R'000 | (Over) / Under Expenditure R'000 |
| **Capital Projects** | | | **60 271** | **10 376** | **49 895** | **54 920** | **20 269** | **34 651** |
| PO | EC | East London PO WT | 850 | 0 | 850 | 420 | 0 | 420 |
| PO | EC | Lusikisiki: Construct | 50 | 0 | 50 | 50 | 0 | 50 |
| PO | EC | Mdantsane: Generator | 500 | 0 | 500 | 633 | 0 | 633 |
| PO | EC | Mdantsane: WT | 400 | 0 | 400 | 290 | 0 | 290 |
| PO | EC | Mdantsane: Carports | 700 | 0 | 700 | 290 | 0 | 290 |
| PO | FS | Phuthaditjaba WT and Gen | 714 | 0 | 714 | 107 | 0 | 107 |
| PO | GP | Sandton Refurb | 11 368 | 0 | 11 368 | 700 | 0 | 700 |
| PO | GP | Atteridgeville: Generator | 532 | 43 | 489 | 500 | 39 | 461 |
| PO | GP | Bronkhorstspruit: Construct | 8 820 | 457 | 8 363 | 3 010 | 0 | 3 010 |
| PO | GP | Pretoria: HQ Install fresh air | 34 | 0 | 34 | 638 | 655 | -17 |
| PO | GP | Soshanguve: Air-cons | 578 | 0 | 578 | 368 | 0 | 368 |
| PO | GP | Soshanguve: Generator | 544 | 43 | 501 | 500 | 39 | 461 |
| PO | GP | Temba: Construct | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | GP | Roodepoort, Krugersdorp and Carletonville: WT | 1 964 | 0 | 1 964 | 500 | 0 | 500 |
| PO | KZN | Prospecton: R&R | 500 | 121 | 379 | 50 | 0 | 50 |
| PO | KZN | Ulundi: Rehab | 1 010 | 390 | 620 | 1 027 | 0 | 1 027 |
| PO | LP | Bochum: Construct | 50 | 0 | 50 | 200 | 0 | 200 |
| PO | LP | Hoedspruit WT | 435 | 405 | 30 | 435 | 0 | 435 |
| PO | LP | Phalaborwa: WT | 7 | 7 | 0 | 41 | 0 | 41 |
| PO | LP | Seshego: WT | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | MP | Belfast WT | 250 | 0 | 250 | 500 | 0 | 500 |
| PO | MP | Bethal: Construct | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | MP | Carolina: Construct | 1 200 | 0 | 1 200 | 500 | 0 | 500 |
| PO | MP | Ermelo: Construct | 3 000 | 1 047 | 1 953 | 5 500 | 0 | 5 500 |
| PO | MP | Hendrina WT | 300 | 0 | 300 | 380 | 0 | 380 |
| PO | MP | Lydenburg: Generator | 350 | 0 | 350 | 690 | 0 | 690 |
| PO | MP | Lydenburg: WT | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | MP | Standerton: Construction | 325 | 1 148 | -823 | 12 735 | 8 607 | 4 128 |
| PO | MP | Witbank: Construct | 1 500 | 0 | 1 500 | 500 | 0 | 500 |
| PO | MP | Witbank: Generator | 400 | 0 | 400 | 748 | 0 | 748 |
| PO | MP | Waterval-Boven: Upgrading | 50 | 0 | 50 | 0 | 0 | 0 |
| PO | NC | Upington: Refurbishment | 7 359 | 6 445 | 914 | 12 536 | 7 519 | 5 017 |
| PO | NC | Kuruman: Refurbishment | 300 | 0 | 300 | 0 | 0 | 0 |
| PO | NW | Brits: Construct | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | NW | Rustenburg WT | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | NW | Rustenburg: Covered waiting | 0 | 0 | 0 | 9 | 0 | 9 |
| PO | NW | Vryburg: Construction | 114 | 0 | 114 | 114 | 0 | 114 |
| PO | NW | Taung: Construct | 2 400 | 72 | 2 328 | 5 470 | 3 388 | 2 082 |
| PO | WC | Atlantis Gen | 300 | 0 | 300 | 629 | 0 | 629 |
| PO | WC | Atlantis WT | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | WC | Knysna Construct | 0 | 0 | 0 | 150 | 0 | 150 |
| PO | WC | Paarl: Construct | 0 | 0 | 0 | 200 | 0 | 200 |

| Infrastructure projects | | | 2024/25 | | | 2023/24 | | |
|---|---|---|---|---|---|---|---|---|
| | | | Final appropriation R'000 | Actual expenditure R'000 | (Over) / Under Expenditure R'000 | Final appropriation R'000 | Actual expenditure R'000 | (Over) / Under Expenditure R'000 |
| PO | WC | Swellendam: Construction | 13 367 | 198 | 13 169 | 4 500 | 22 | 4 478 |

**Table 8.1.1 - Capital investment, maintenance and asset management plan**

| Infrastructure projects | | | 2024/25 | | | 2023/24 | | |
|---|---|---|---|---|---|---|---|---|
| | | | Final appropriation R'000 | Actual expenditure R'000 | (Over) / Under Expenditure R'000 | Final appropriation R'000 | Actual expenditure R'000 | (Over) / Under Expenditure R'000 |
| **Capital Projects** | | | **60 271** | **10 376** | **49 895** | **54 920** | **20 269** | **34 651** |
| PO | EC | East London PO WT | 850 | 0 | 850 | 420 | 0 | 420 |
| PO | EC | Lusikisiki: Construct | 50 | 0 | 50 | 50 | 0 | 50 |
| PO | EC | Mdantsane: Generator | 500 | 0 | 500 | 633 | 0 | 633 |
| PO | EC | Mdantsane: WT | 400 | 0 | 400 | 290 | 0 | 290 |
| PO | EC | Mdantsane: Carports | 700 | 0 | 700 | 290 | 0 | 290 |
| PO | FS | Phuthaditjaba WT and Gen | 714 | 0 | 714 | 107 | 0 | 107 |
| PO | GP | Sandton Refurb | 11 368 | 0 | 11 368 | 700 | 0 | 700 |
| PO | GP | Atteridgeville: Generator | 532 | 43 | 489 | 500 | 39 | 461 |
| PO | GP | Bronkhorstspruit: Construct | 8 820 | 457 | 8 363 | 3 010 | 0 | 3 010 |
| PO | GP | Pretoria: HQ Install fresh air | 34 | 0 | 34 | 638 | 655 | -17 |
| PO | GP | Soshanguve: Air-cons | 578 | 0 | 578 | 368 | 0 | 368 |
| PO | GP | Soshanguve: Generator | 544 | 43 | 501 | 500 | 39 | 461 |
| PO | GP | Temba: Construct | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | GP | Roodepoort, Krugersdorp and Carletonville: WT | 1 964 | 0 | 1 964 | 500 | 0 | 500 |
| PO | KZN | Prospecton: R&R | 500 | 121 | 379 | 50 | 0 | 50 |
| PO | KZN | Ulundi: Rehab | 1 010 | 390 | 620 | 1 027 | 0 | 1 027 |
| PO | LP | Bochum: Construct | 50 | 0 | 50 | 200 | 0 | 200 |
| PO | LP | Hoedspruit WT | 435 | 405 | 30 | 435 | 0 | 435 |
| PO | LP | Phalaborwa: WT | 7 | 7 | 0 | 41 | 0 | 41 |
| PO | LP | Seshego: WT | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | MP | Belfast WT | 250 | 0 | 250 | 500 | 0 | 500 |
| PO | MP | Bethal: Construct | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | MP | Carolina: Construct | 1 200 | 0 | 1 200 | 500 | 0 | 500 |
| PO | MP | Ermelo: Construct | 3 000 | 1 047 | 1 953 | 5 500 | 0 | 5 500 |
| PO | MP | Hendrina WT | 300 | 0 | 300 | 380 | 0 | 380 |
| PO | MP | Lydenburg: Generator | 350 | 0 | 350 | 690 | 0 | 690 |
| PO | MP | Lydenburg: WT | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | MP | Standerton: Construction | 325 | 1 148 | -823 | 12 735 | 8 607 | 4 128 |
| PO | MP | Witbank: Construct | 1 500 | 0 | 1 500 | 500 | 0 | 500 |
| PO | MP | Witbank: Generator | 400 | 0 | 400 | 748 | 0 | 748 |
| PO | MP | Waterval-Boven: Upgrading | 50 | 0 | 50 | 0 | 0 | 0 |
| PO | NC | Upington: Refurbishment | 7 359 | 6 445 | 914 | 12 536 | 7 519 | 5 017 |
| PO | NC | Kuruman: Refurbishment | 300 | 0 | 300 | 0 | 0 | 0 |
| PO | NW | Brits: Construct | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | NW | Rustenburg WT | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | NW | Rustenburg: Covered waiting | 0 | 0 | 0 | 9 | 0 | 9 |
| PO | NW | Vryburg: Construction | 114 | 0 | 114 | 114 | 0 | 114 |
| PO | NW | Taung: Construct | 2 400 | 72 | 2 328 | 5 470 | 3 388 | 2 082 |
| PO | WC | Atlantis Gen | 300 | 0 | 300 | 629 | 0 | 629 |
| PO | WC | Atlantis WT | 0 | 0 | 0 | 0 | 0 | 0 |
| PO | WC | Knysna Construct | 0 | 0 | 0 | 150 | 0 | 150 |
| PO | WC | Paarl: Construct | 0 | 0 | 0 | 200 | 0 | 200 |
| PO | WC | Swellendam: Construction | 13 367 | 198 | 13 169 | 4 500 | 22 | 4 478 |

# Part C: Governance

## *1. Introduction*

The Department is committed to maintain the highest standards of governance in the management of public finances and resources by means of effective, efficient and economical usage of all resources.

## *2. Risk Management*

Sections 38(1)(a)(i) of the PFMA, requires the Accounting Officers to ensure that their Institutions have and maintain effective, efficient and transparent systems of risk management. The Accounting Officer of the Department has taken the responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the PFMA.

The Department has an approved Risk Management Framework, Risk Management Policy and Implementation Plan. Risk Management Committee (RMC) Charter was reviewed for relevance and applicability, and the RMC Charter was approved by the Accounting Officer.

Risk Management conducted its annual risk assessment in line with the Department's strategic and operational objectives. Monitoring is conducted on quarterly basis to determine the effectiveness of its risk management strategy and to identifies new and emerging risks.

The Department has a fully established National Risk Management Committee (NRMC) chaired by an Independent Chairperson. The Committee plays an oversight role and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Risk Management Committee (RMC) of the Department is fully constituted and have complied with its responsibilities arising from Public Sector Risk Management Framework and its approved Charter.

Risk Management has played an integral part in the Department Employment and Labour environment to adequately identify and deal with potential risks. The Department has regularly assessed significant risks that could have an impact on the achievement of its outcomes, at a strategic and operational level, and monitored progress on a quarterly basis. Risks were prioritised based on likelihood and impact (inherently and residually) and additional mitigations were agreed upon to reduce the risks to acceptable levels.

The Department has noted progress on the implementation of Compliance Management, and Business Continuity Management.

The responsibilities of the Audit Committee with respect to risk management are formally defined in its charter. The Audit Committee is responsible for oversight of the Department control, governance and risk management. Furthermore, the Committee has provided the Accounting Officer and management with independent counsel, advice and direction in respect of risk management.

Risk Management continues to be embedded into the strategic and operational processes of the Department as required by the Public Finance Management Act (Act 1 of 1999 as amended by Act 29 of 1999) (PFMA) and Treasury regulations TR3.2.1 that supports the achievement of the Department's strategic and operational objectives. This concerted effort is attributed to the Department's improved performance and the risk culture.

## *3. Fraud and corruption*

The Department is mandated by the Public Service Regulation, 2016 Chapter 3 Part 3 Anti-Corruption and Ethics Management 22(a)-(e) and subscribes to a culture of zero tolerance to fraud and corruption and emphasises a high level of awareness against any form of fraud, corruption, theft, or irregularities.

The Department has a fraud prevention strategy and policy and the progress made in implementing the fraud prevention strategy was as follows:

Mechanisms are in place to report fraud and corruption and how these operate through Whistle blowing - The need for officials to make confidential disclosure about suspected fraud and corruption.

As part of fraud and corruption detection mechanism, the Department has and maintains a whistle blowing policy that:

- Clearly specifies that whistle-blowers will be protected from occupational detriment
- Specifies that whistle-blowers details will be kept confidential
- Specify any other ways (other than the National Anti-Corruption Hotline) of reporting internally in the Department
- Ensure ongoing awareness campaigns promoting the hotline and other avenues for reporting fraud and corruption
- Establish Programs that inform employees on the nature and working of protected disclosures and witness protection
- Establish a standard process for dealing with reports once they are received
- Set out how to act on reports once received.

The reporting mechanisms were as follows: Fraud Hotlines, Fraud Email, Fax Line, Anonymous letters and Personal visits.

Any fraud or corruption cases reported were pursued through investigation including amongst others:

- Disciplinary steps/action taken in terms of Resolution 1 of 2003, Disciplinary Code and Procedure for the Public Service
- Instituted civil action in terms of the PFMA and the Public Service Act/Regulations
- Initiated criminal prosecution by reporting the matter to the South African Police Service and any other relevant law enforcement agency.

## *4. Minimising conflict of interest*

Conflict of interest refers to a conflict between the public duties and private interests of a DEL employee in which the employee has private interests which could improperly influence the performance of his/her official duties and responsibilities. In an effort to minimise the potential conflict of interest, the Ethics Office conducted and facilitated the following:

- Submission of annual financial disclosures by all employees on SMS and MMS, Finance, Supply Chain Management, and Assistant and Deputy Directors on the OSD category
- Verification by the Ethics office of financial disclosure submitted by officials
- Submission of financial disclosure to DPSA/OPSC
- In instance where conflict of interest is identified, officials are required to take action to remove the conflict
- Assessment of applications for Other Remunerative Work (ORW) to identify any possibility or potential conflict of interest

- In instances where conflict of interest is identified, the application for other Remunerative Work is declined
- Administration of gifts, hospitality and other benefits to establish if employees in receipt of such gifts could be potentially compromised and/or conflicted
- In instances where conflict of interest is identified, acceptance of gift is declined

## *5. Code of conduct*

The Code of Conduct is a formal set of ethical standards and behavioural guideline that public servants must follow. It outlines acceptable conduct, professional integrity, and accountability in the performance of official duties. The nature of the code is:

- Tell employees what is expected of them (prescriptive)
- It helps to reduce misconduct (preventative)
- It forms part of the terms and conditions of employment (binding)

The code of conduct has the following effects on the Department:

- Promotes ethical culture by encouraging honesty, fairness and professionalism amongst officials
- Buids public trust, when officials act with integrity, the Department earns credibility and respects from the public
- Improves service delivery, it reduces misconduct, absenteeism, and corruption, leading to more efficient service to the public
- Provides clear guidance, it helps officials make decisions in line with government values
- Reduces risk, it limits legal, reputational, and operational risk by ensuring compliance with laws and ethical standards.

## *6. Health safety and environmental issues*

The Department have a Health and Safety Committee to manage health, safety and environmental issues within. The work done for the year are mentioned below.

OHS Inspection & Awareness: Monthly inspection reports were received from all provinces, including Head Office.

**OHS awareness sessions were held in various locations**:

- Polokwane & Lephalale: 17-18 July 2024
- Thohoyandou: 23-24 July 2024
- Mpumalanga: 27 November 2024
- KZN (Pietermaritzburg, New Castle, Richards Bay, DLC): March 2025
- A session in the Northern Cape, scheduled for November 19-28, 2024, was postponed by the province.
- The OHS Terms of Reference were presented to the newly appointed OHS Representative in Polokwane on February 13, 2025.

**OHS Inspections Conducted:**

- Gauteng Provincial Office 17 April 2024
- Head Office 24 April 2024
- Polokwane Provincial Office 26 June 2024
- Bloemfontein Provincial Office 19 August 2024

- North West (NW):
- Mogwase: 14 August 2024
- Brits: 15 August 2024
- Mpumalanga (MP):
- Standerton: 20 August 2024
- Mkhonto: 21 August 2024
- Ermelo: 22 August 2024
- Western Cape (WC):
- Paarl: 4 September 2024
- Athlone: 5 September 2024
- Other Locations:
- Mpumalanga Provincial Office: 17 February 2025
- Sandton Labour Centre: 21 February 2025

**OHS Meetings:**

National OHS Meetings:

27-28 June 2024

26-27 September 2024

5-6 December 2024

4-5 March 2025

Local OHS Meetings:

24 April 2024

Rescheduled from 6 December 2024 to 19 March 2025 due to low attendance.

**Training and Support:**

- Ergonomics training for OHS representatives was held in Pretoria (8-9 October 2024) and East London (17-18 October 2024)
- OHS representatives received emergency lighting training from IES on 8 August 2024
- National OHS and Security Committee members were trained on 12 July 2024 with presentations from SAPS, IES, SSA and Disaster management
- OHS representatives supported EHWP during a sports event at Kgosi Mampuru on 3 December 2024 to ensure compliance.

**Major Non-Compliance Report**

1. Electrical and Lighting Hazards

- Defective luminaires: Multiple lighting fixtures not operational, leading to inadequate illumination
- Unlabelled electrical distribution board/box: Presents a serious safety risk in emergencies
- Cluttered cables, exposed wires, and detached plug points: Major electrical hazards that increase fire and electrocution risk.

2. Safety and Emergency Preparedness

- Emergency door/exit door locked: Life-threatening issue in case of fire or evacuation
- Obstruction of emergency routes and firefighting equipment: Access is impeded, compromising emergency response

- Expired fire extinguishers: Non-functional fire safety equipment
- Expired First Aid box contents: Immediate health risk due to lack of usable emergency medical supplies
- No valid Certificate of Compliance: Indicates that the building may not meet required safety standards.

3. Infrastructure and Building Condition

- Dilapidated infrastructure: General structural degradation compromising safety and usability
- Leakages in ablution facilities: Water damage and hygiene concerns
- Torn chairs / damaged furniture: Poses physical hazards and reflects poor maintenance
- Dirty and loose carpets, broken windows, and blinds: Trip hazards and reduced comfort/safety
- Clutter and poor housekeeping: Includes old files, inadequate storage, and poor cleaning practices.

## *7. Portfolio committees*

The Portfolio Committee on Employment and Labour held meetings as listed in the table below.

| Date of meeting | Matters Raised by Portfolio Committee | Response by Department | Resolved Yes/No |
|---|---|---|---|
| 9 July 2024 | Election of Chairperson of new Portfolio Committee | Chairperson Boyce Maneli was elected Chairperson of the Portfolio Committee | Yes |
| 28 August 2024 | 6th Administration Parliamentary Committee Legacy Report as well as 5-year review | The Minister of Employment and Labour, City of Cape Town and the West Coast District Municipality in partnership with the institutions higher education and training and industry players are to establish and solidify job placement opportunity initiatives, including skills and training initiatives to tackle unemployment, and close the skills gap. | No |
| 7-11 October 2024 | Portfolio oversight visits in Gauteng | They met with delegations in Head Office, Unemployment Insurance Fund, Compensation Fund, Labour Centres in Pretoria, Soweto and Kempton Park. They also went on a farm/workplace inspection on a mushroom farm to gain first-hand experience of an inspection. | Yes |
| 23 October 2024 | Considering for adoption of the Draft: Budgetary Review and Recommendation Report (BRRR) and Quarterly Performance Report (QPR3) of DEL and Entities | -DEL- The Department should speed up the process of filling critical vacant positions to ensure stability in the Labour and Employment portfolio.<br>-SEE- The Department should speed up the process of establishing the SEE factory in Mpumalanga province. DEL should continue engagements with the National Treasury to reinstate the revoked preferential procurement status of SEE to stimulate demand for its products and thus prevent further job losses<br><br>-Nedlac must brief the Portfolio Committee on the outcome of the work of the Governance Task Team regarding its restructuring to ensure that it is fit for purpose.<br><br>-UIF The entity must speed up the process of appointing interns, especially unemployed graduates to reduce the workload | No |

| Date of meeting | Matters Raised by Portfolio Committee | Response by Department | Resolved Yes/No |
|---|---|---|---|
| | | -CF The Fund should speed up the process of sourcing own technology to address the ICT challenges.<br><br>-CCMA-The Department should explore the ways in which the entity can be adequately funded to avoid compromising the service quality. | |
| 13 November 2024 | Briefing by Department on the National Labour Migration Policy (NLMP), DEL QPR1 and QPR2 of 2024/25 including SEE | - The development of the NLMP was based on extensive research into the history and evolution of migration in South Africa, as well as the proposals contained in the Department of Home Affairs (DHA) White Paper on Citizenship, Immigration, and Refugees.<br><br>-DEL is tabling final version of the National Labour Migration Policy (NLMP) for approval and the release thereof to the public. | No |
| 27 November 2024 | Briefing by DEL on the Repositioning of the Unemployment Insurance Fund (UIF) and the Compensation Fund (CF) | DEL EXCO, guided by the Minister, and the GTAC team will work with the Department to design the new DEL structure, assisting it with a new departmental vision, mission, strategy, budget programmes, operating model and organogram. The unbundling process is envisaged to occur over the next two years. The current GTAC project end date is the 31 December 2024, and this will have to be extended by at least 2 years to complete this complex project. The process is envisaged to be complete by December 2026. | No |
| 26 February 2025 | Briefing of DEL on the Analysis, Implications and Impact of the President's SONA 2025 | The Minister responded by mentioning that DEL has developed an annual programme of action to address issues raised in the SONA 2025.<br>-DDG:CS emphasized that DEL is implementing the government Preferential Procurement Policy targeting businesses owned by women, youth and people with disabilities to ensure they receive an equitable share in procurement opportunities.<br>-<br>-The UIF committed that it will provide funding for interventions (such as training and business development) that are aimed at enabling retrenched workers to re-enter employment (as employees or as self-employed) to improve the lives of the UIF contributors and ensure the continuation of contribution payments and contribute to economic growth<br>-The CF committed to improving its recruitment processes to include extensive assessment tests and tools to ensure the prospective employees have both the skill and experience to solve the disclaimer and improve service delivery.<br>-NEDLAC committed to considering policies and bills tabled by the government to empower black people, women and persons with disabilities and reduce poverty. | No |
| 12 March 2025 | Update by DEL on the Labour Activation Programme (LAP) | LAP aim is to reduce the proportion of youth (ages 15–29) that are not in Education, Employment, or Training by an additional 5% by 2030. Focus is on gender disparities and expanding access to quality jobs for young people, with special emphasis on empowering young women in the workforce. LAP emphasised that the | No |

| Date of meeting | Matters Raised by Portfolio Committee | Response by Department | Resolved Yes/No |
|---|---|---|---|
| | | next step towards monitoring progress for the 2030 employment target is a collaboration between government, private sector, and education institutions. | |

## *8. SCOPA resolutions*

There was no SCOPA meeting and therefore no resolutions for the Department for the year under review.

## *9. Prior modifications to audit reports*

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter |
|---|---|---|
| **Qualification** | **2023/24** | **Unqualified opinion** |
| **Disclaimer** | **None** | **None** |
| **Adverse opinion** | **None** | **None** |
| **Matters of non-compliance** | **None** | **None** |
| **Emphasis of matter** | **None** | **None** |
| | | |
| **Other Matters** | | |
| | | |
| **Annual financial statements** | | |
| The annual financial statements submitted for audit were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the Public Finance Management Act (PFMA) | | |
| Material misstatements of related party disclosure note, accruals and payables not recognised, operating leases, irregular expenditure, movable tangible assets and capital commitments identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion | 2022/23 | • Confirmations requested from Entities reporting to the Department, in respect of related party transactions.<br>• Monthly review of the lead schedules by managers to ensure correctness of transactions, prior disclosure<br>• The Department, in the 2024/25 financial year, commenced with the procurement process of an accounting program for the preparation of the financial statements.<br>• The accounting program will eliminate the manual process of entering figures in the lead schedule and will provide sufficient time for analysis of transactions prior disclosure |
| **Expenditure management** | | |
| Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R275 178 000, as disclosed in note 25 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with PPPFA2022 | 2022/23 | • The Department entered into information technology (IT) contracts in prior financial years, these contracts were for extended periods i.e. over several financial years<br>• Subsequent, to auditing the contracts, in the previous financial years, the Auditor-General of South Africa (AGSA), deemed the contracts to be irregular<br>• Expenditure incurred in a specific reporting period, and not the contract value, is disclosed as irregular. The expenditure incurred in the previous financial years, for the IT contracts, were disclosed in those respective financial years<br>• The bulk of expenditure, as disclosed in the March 2024 Annual Financial Statements, are in respect of legacy contracts, as the service was only rendered and invoiced in the 2023/24 reporting period<br>• Consequence management is a tool utilised by the Department to deter officials from incurring Unauthorised, Irregular, as well as Fruitless and Wasteful expenditure |
| Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R981 000, as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of fruitless and wasteful expenditure was caused by vehicle damage and no show on flights and accommodation | 2022/23 | |

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter |
|---|---|---|
| Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3 | 2023/24 | Non-adherence to the treasury regulation 8.2.3 to result in consequence management – letter of non-compliance to be issued to the responsible official(s). |
| **Consequence management** | | |
| The Auditor-General of South Africa was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1) (h) (iii) of the PFMA. This was because investigations into irregular expenditure were not performed | 2022/23 | • The Department established a Loss Control Committee (LCC) to perform the tasks as outlined in National Treasury Instruction no. 4 of 2022/23<br>• The LCC is responsible to perform an assessment, determination and subsequently redirect the report to the appropriate unit to perform and finalise the investigation |
| The Auditor-General of South Africa was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1) (h) (iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed | 2022/23 | |
| **Procurement and contract management** | | |
| The preference point system was not applied in some of the procurement of goods and services as required by section 2(a) of the PPPFA and Treasury Regulation 16A6.3(b) | 2023/24 | • Training and Awareness: Provide training to relevant staff on the application of Preferential Procurement Regulations, emphasising the correct allocation of points<br>• Implement Oversight Measures: Establish robust oversight mechanisms to monitor adherence to regulations and verify the correct application of points |
| **Internal control deficiencies** | | |
| Management did not ensure that there were effective controls over information technology systems, consequently, significant weaknesses were identified | 2023/24 | • The Department developed several comprehensive audit actions plans, with due dates, to the thirty-eight (38) audit communications as issued by the AGSA, during the respective reporting period<br>• A total of twelve (12) actions were resolved and a total of twenty-six (26) actions were initiated with an anticipated due date of mid-2025 |
| Preventative controls were not implemented to ensure reliable financial reporting and compliance with applicable laws and regulations, as material misstatements and instances of non-compliance were identified during the audit process | 2023/24 | • Monthly review of the lead schedules by managers to ensure correctness of transactions, prior disclosure<br>• The Department has commenced with the procurement process of an accounting program for the preparation of the financial statements<br>• The accounting program will eliminate the manual process of entering figures in the lead schedule and will provide sufficient time for analysis of transactions prior disclosure |
| Leadership did not ensure that consequence management is fully implemented and supported by investigation reports | 2023/24 | • The Department established a Loss Control Committee (LCC) to perform the tasks as outlined in National Treasury Instruction no. 4 of 2022/23<br>• The LCC is responsible to perform an assessment and determination, subsequently redirect the report to the appropriate unit to perform and finalise the investigation |
| **Material irregularities** | | |
| **Payments for unused / underutilised software licenses** | | |
| It was noted that there are 13 licence types that are currently being underutilised. As per the "Master Services Agreement" between SAP and the Department of Employment and Labour, dated February 2017, the SAP licence terms require a fixed percentage of annual maintenance fees as payable, based on 22% of the licence entitlement base purchased ("AMC")<br><br>The entitlement base purchased for the identified licences is R94 395 265. Therefore, the apportioned AMC that would have been paid over the contractual period for the underutilised licences would be R23 032 444, even though these licences were not in use, which constitute non-compliance with section 38 (1) (b) of the PFMA | 2023/24 | • Review SAP license requirements with the new appointed SAP PCOE partners |

## *10. Internal Control Unit*

The following tasks were performed by the Internal Control (Financial Control) Unit:

- Ensure compliance with prescripts in respect of revenue, payments and the transversals systems (i.e. Basic Accounting System, PERSAL and LOGIS)
- BAS, Safety Web and Safety Net system training provided to the respective system users during awareness and training sessions
- Annual review of procedure manuals to ensure compliance to amended financial prescripts as issued by National Treasury and to incorporate new procedures developed to address the Auditor-General's audit communications
- Document control management in respect of financial transactions to detect duplicate and fraudulent transactions.

## *11. Internal Audit and Audit Committees*

**Purpose and mandate**

The purpose of Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

**Vision and strategy**

To be a strategic partner providing value-add, objective, independent assurance and advisory services to enhance the effectiveness of the Department's governance, risk and control processes.

The strategy of the Internal Audit is to build a capable and competent Internal Audit Function that will effectively and efficiently execute their mandate to strengthen the Governance, Risk Management and Control.

**Charter, methodology and internal audit plans**

The Internal Audit Charter for the 2024/25 financial year was approved by the Audit Committee, endorsed by the Accounting Officer and implemented. The internal audit plans were consulted with senior management and approved by the Audit Committee.

**Independence and objectivity**

The internal audit function is independently positioned with direct accountability to the Audit Committee and administratively to the Accounting Officer. However, the Organisational structure shows the administrative reporting to the Deputy Director General: Corporate Service.

Internal Audit staff maintain their objectivity and declare any potential conflict at the planning phase of audits.

**Internal audit modality**

The Internal Audit Function was fully in-sourced, with co-sourcing of areas Information and Communication Technology (ICT) audit, with the appointment of service provider's in at least two projects during the financial year.

**Staffing**

The Internal Audit Function has staffing of 17 approved posts, of which 35% (6/17) of the posts have been vacant for the 12 months of the 2024/25 financial year and beyond. The staffing of the Internal

Audit Function is inadequate, with no specialised skills, i.e. IT audits, to fulfil the mandate of the IAF on the Department ICT environment and other key specialised areas.

**Quality assurance and improvement program**
A quality assurance and improvement program was implemented in the financial year but remained stagnant with no improvement beyond 76% due to the no-implementations of the recommendations on the following:

- The repositioning and capacitation of the Internal Audit Function
- The lack of development of the data analytics tools.

**Stakeholder relationships**

The Internal Audit Function has established and maintained good relations with the Senior Management and key stakeholders of the Department and SEE. The relationships are maintained through continuous consultations and communications through different executive structures, such Executive Committees and Branch structures. This has enabled the Internal Audit to execute the audit approved audit plan.

**Planned and completed audits**

The Internal Audit Function achieved 75% completion rate of the Department Internal Audit plan, which consists of 15/20 audits for the financial year.

The Internal Audit Function further achieved 86% completion rate of the Supported Employment Enterprise (SEE) Internal Audit plan, which entails 12/14 audits for the financial year.

**Ad hoc projects**
Senior Management ad-hoc requests were considered.

**Internal audit recommendations**
The Internal Audit recommendations at the strategic and annual plans development level are considered and implemented to a greater extent. However, not fully implemented in other areas, with some still in progress for extended period.

**Value add**

Internal Audit conducted value add audits in area of the Department and SEE strategic plan, Annual Performance Plans and development of the Action Plan’s.

**Limitations**

The limitation of the Internal Audit is based on the lack of adequate structure (i.e. IT audits), secretariat for the Audit Committee and no data analytics tools to effectively perform real-time audits.

- Attendance of audit committee meetings by audit committee members *(Tabular form)*

| Name | Qualifications | Professional Affiliation (e.g. SAICA, IIA, IOD(SA)) | Appointment: Term of Office | | No. of meetings attended 2024/25 | Has the AC member declared private and business interests in every meeting? (Yes/No) | Is the AC member an employee of an organ of state? (Yes / No) | No. of other ACs that the member served on during the reporting period (whether in the public sector or not) | No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Start date | End Date | | | | | |
| Mr Tshepo Mofokeng<br>Chairperson | ▪ Certified Internal Auditor<br>▪ Certificate in Risk Management Assurance<br>▪ Chartered Accountant (South Africa)<br>▪ Bachelor of Commerce<br>▪ Bachelor of Accounting | IIA | 11/2024 | 10/2027 | 2 | Yes | No | 2 | IIA Board |
| Ms. Jane Sedie Masite | ▪ Certified Internal Auditor (CIA)<br>▪ Certified Internal Control Professional (CICP)<br>▪ Chartered Internal Auditor (CMIIA)<br>▪ Certified Fraud Examiner (CFE)<br>▪ Qualification in Internal Audit Leadership, (QIAL)<br>▪ Chartered Government Internal Auditor (CGIA)<br>▪ B Com Degree | IIA<br>CIAGOL<br>ACFE<br>IODSA<br>IRMSA<br>CIGFARO<br>ICI | 10/2023<br><br><br><br>12/2020 | 09/2026 | 7 | Yes | No | 3 | Risk Committee |
| Ms Jabulile Nkosi | ▪ Certified Internal Auditor (CIA)<br>▪ Certified Information Systems Auditor (CISA)<br>▪ Bachelor of Accounting Sciences<br>▪ Higher Diploma in Computer Systems<br>▪ BCompt Accountancy<br>▪ Higher Diploma Computer Auditing | IIA<br>ISACA | 06/2020 | 01/2026 | 8 | Yes | No | 2 | N/A |
| Mr LM Mangquku CA(SA) | • Chartered Accountant (South Africa)<br>• Master of Business Leadership<br>• Advanced Company Law I&II<br>• Honours Bachelor of Accounting Sciences<br>• Bachelor in Commerce Honours (Accounting) | SAICA | 12/2024<br><br><br>O5/2021 | 05/2025<br><br><br>04/2024 | 8 | YES | NO | 7 | 1 |

## 12. *Audit Committee Report*

We are pleased to present our report for the financial year ended 31 March 2025.

**Part 1: Audit Committee Reflections – 2024/25**

The role of the Committee was to provide an oversight of the Department risk management, internal controls (i.e. financial reporting) and governance processes.

The members of the Committee are independent and declare their conflict in the meetings to maintain objectivity.

The Chief Audit Executive role is providing the leadership role within the Internal Audit Function. The key challenges are the extensive delays in the implementation of Committee resolutions, which includes the inadequacies of the Internal Audit Function structure and the lack of funding of the Internal Audit Function in order to co-source specialised areas.

**Part 2: Audit Committee Composition and Meeting Attendance**

The Committee consists of 4 members. The committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened 8 times during the year with 4 being ordinary meetings and the remainder special meetings.

Include each member's name, position, qualifications and meeting attendance in tabular form as set out below:

| **Name**<br>**(Position)** | **Qualifications** | **Is the AC member an employee of an organ of state? (Yes / No)** | **Number of ordinary meetings attended** | **Number of special meetings attended** |
|---|---|---|---|---|
| Mr Tshepo Mofokeng<br>Chairperson<br>(Appointed 01 October 2024) | ▪ Certified Internal Auditor<br>▪ Certificate in Risk Management Assurance<br>▪ Chartered Accountant (South Africa)<br>▪ Bachelor of Commerce<br>▪ Bachelor of Accounting | **No** | **2/2** | **None** |
| Mr. Sikhuthali Nyangintsimbi<br>Chairperson<br>(End of term 30 September 2024) | ▪ Bachelor of Commerce<br>▪ Master's in Philosophy (Internal Auditing)<br>▪ Master's in Business Leadership<br>▪ Certified Internal Auditor<br>▪ Certificate in Risk Management Assurance<br>▪ Certified Government Auditing Professional<br>▪ Certificate in Control Self-Assessment | **No** | **2/4** | **4/4** |
| Ms. Jane Masite | ▪ Certified Internal Auditor, (CIA)<br>▪ Certified Internal Control Professional (CICP)<br>▪ Chartered Internal Auditor, (CMIIA)<br>▪ Certified Fraud Examiner (CFE)<br>▪ Qualification in Internal Audit Leadership (QIAL)<br>▪ Chartered Government Internal Auditor (CGIA)<br>▪ B Com Degree | No | 3/4 | 4/4 |
| Ms Jabulile Nkosi | ▪ Certified Internal Auditor (CIA)<br>▪ Certified Information Systems Auditor (CISA)<br>▪ Bachelor of Accounting Sciences<br>▪ Higher Diploma in Computer Systems<br>▪ BCompt Accountancy<br>▪ Higher Diploma Computer Auditing | No | 4/4 | 4/4 |

| Name (Position) | Qualifications | Is the AC member an employee of an organ of state? (Yes / No) | Number of ordinary meetings attended | Number of special meetings attended |
|---|---|---|---|---|
| Mr Luyanda Mangquku | ▪ Chartered Accountant (South Africa)<br>▪ Master of Business Leadership<br>▪ Advanced Company Law I&II<br>▪ Honours Bachelor of Accounting Sciences<br>▪ Bachelor in Commerce Honours (Accounting) | No | 4/4 | 4/4 |

## Part 3: Audit Committee Focus Areas

The following was reviewed during the year under review:

### Effectiveness of the internal control systems

The PFMA requires the Accounting Officer to ensure that the Department has and maintains effective, efficient and transparent systems of financial, risk management and internal control, whilst it is the Committee's role to review the effectiveness of internal controls and oversee risk management. Reviews on the effectiveness of the internal controls were conducted, and they covered financial, operational, compliance and risk assessment.

In accordance with the PFMA, Internal Audit provides the Committee and management with reasonable assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The Committee's review of the findings of the Internal Audit work, which was based on the enterprise risk assessments conducted at the Department, revealed certain shortcomings in mitigating those risks, which were brought to the attention of the Department.

Through the Committee's analysis of the audit reports and engagement with the Department, the Committee reports that the system of internal controls for the period under review was not entirely adequate and effective in improving the control environment and to reduce the risks to an acceptable level. However, the Department has made great strides in enhancing the control environment in other areas.

The Committee is concerned that, in some instances the matters reported in prior years were not fully and satisfactorily addressed. Management has embarked on a number of initiatives to remedy these shortcomings and the Committee continued to monitor the corrective measures implemented during the course of the year.

Discussions have been held with the Accounting Officer and management on steps to be taken to improve the internal control environment, as well ensuring that officials are accountable for areas under their control.

### Effectiveness of the Internal Audit Function (IAF)

Internal Audit is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the significant areas of the Department and its operations.

The Committee is responsible for ensuring that the Department's internal audit function is independent and has the necessary resources, skills, standing, and authority within the Department to enable it to discharge its responsibilities effectively. The vacancies within the unit

are a concern for the Committee, especially ICT audit skills. The Internal Auditors have unrestricted access to the Committee.

The Committee reviewed and approved the Internal Audit Plan annually. Internal audit's activities are measured against the approved internal audit plan and the Chief Audit Executive tables quarterly progress reports in this regard to the Committee.

In the year under review, the Internal Audit Activity developed and implemented a risk based strategic and operational coverage plan that encompassed the following areas:

- Financial audits conducted at the finance unit such as review of financial statements, budget management review and transfer payments and grants allocations reviews
- Audits of performance information are conducted at all branches
- Operational audits, such as review of human resource management and IES performance management
- Information Communication Technology audits, which include SAP controls review and ICT Project Management.

Internal Audit also conducted follow-up audits to ensure that efficient and effective internal controls are implemented and to ensure that the commitments made by the accounting officer to resolve Auditor General South Africa (AGSA)'s findings are implemented.

The internal audit overall opinion which was determined based on the audit results for the financial year under review indicates that the control environment is partially adequate and partially effective.

The Committee is satisfied that Internal Audit had appropriately and satisfactorily discharged its functions and responsibilities during the year under review.

**Effectiveness of risk management**

The Committee is responsible for the oversight of the risk management function. The Risk Management Committee reports to the Committee on the Department's management of risk on a quarterly basis. The Risk Management Committee is chaired by a person who is a specialist and is independent of the Department of Employment and Labour.

The Committee has reviewed the strategic risk register and the reports from the Risk Management Committee and is concerned with the level of maturity of the risk management process.

The operational and service delivery risks continued to be reviewed and considered by the committee as they affected the major operations of the Department, which has been due to the massive investment in the modernisation of Department's processes and systems.

The Committee concluded that management must take risk management seriously and embed the culture in their day-to-day activities to ensure that the strategic objectives of the Department are achieved.

**Adequacy, reliability, and accuracy of performance information**

The Committee has considered the performance information reports submitted to the AGSA for review and is satisfied with the measures Management has put in place to manage performance.

**Compliance with legal and regulatory provisions**

The Committee received and reviewed the reports on compliance with laws, and these reports highlighted adherence to statutory and regulatory obligations. The Committee was satisfied that the Department has established a compliance framework, examining its design and implementation in fostering a culture of legal observance. A key focus was placed on the integration and effectiveness of the Department's risk management processes in proactively identifying, assessing, and mitigating compliance-related exposures. Overall, the findings reflect on the Department's commitment to upholding legal mandates while identifying specific areas for continuous improvement in its compliance infrastructure and operational integrity.

**The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation**

The Department has been reporting monthly and quarterly to Treasury as is required by the PFMA. The Committee has reviewed the quarterly and annual financial statements and its disclosure notes to be included in the annual report. Weaknesses identified during the reviews by the internal audit function were reported to management for corrective actions. We have also reviewed the AGSA's management report and management's response, actions will be monitored to rectify issues raised by the AGS.

**Combined Assurance**

The Committee has requested management to implement the combined assurance framework that will assist in advancing and facilitating the combined assurance activities.

**Evaluation of the annual financial statements**

The Committee reviewed the Annual Financial Statements (AFS) of the Department for their compliance with the applicable Accounting Standards and that the accounting policies used are appropriate. The AFS were reviewed with the following focus:

- Significant financial reporting judgements and estimates
- Clarity and completeness of disclosure, and whether disclosures made have been set properly in context
- Changes in the accounting policies and practices
- Significant adjustments resulting from the audit
- Compliance with accounting standards and legal requirements
- Explanation for the accounting treatment adopted
- Reasons for year-on-year fluctuations
- Asset valuations and revaluations, and
- Re-assessment of the useful life of the assets.

The Committee is concerned about the significant adjustments to the AFS submitted for audit and has engaged management to re-assess its reporting processes to ensure improved financial reports. The review of Annual Financial Statements and the Annual Report for the 2024/25 Financial Year was done at the Committee's meeting held on 30 May 2025.

**External Audit**

The Committee, in consultation with the Accounting Officer, noted the terms of the Auditor - General South Africa's engagement letter, audit strategy, and audit fees in respect of the 2024/25 financial year.

We have reviewed the Department's management treatment action plan for audit issues raised in the prior year and we are concerned about the pace of resolution of some of the issues.

The Committee has also had in committee meetings with the audit team from the AGSA. The Committee confirms that it has been kept abreast about the audit process.

**Auditor-General's Report**

The Committee has reviewed the Auditor-General of South Africa's management and audit reports for the financial year ended 31 March 2025, even though is a concerning report it concurs with their conclusions. The Committee therefore accepts the audit opinion and conclusion expressed by the Auditor-General of South Africa on the annual financial statements, annual performance report and annual report. However, there are a number of steps that have been proposed by the committee to remedy the qualification.

**Conclusion**

The Committee recognises the challenging circumstances under which the Department operates as it attempts to deal with certain risks that are outside its risk-bearing capacity, given its ongoing systems and process transformation, its finite resources, and its staff reductions. This is mentioned in response to its expanding operations and actions. The Committee has asked management to conduct a root cause analysis of some of its major weaknesses, as identified by the various assurance providers.

To ensure the necessary effectiveness in governance, accountability, and clean administration, the Committee advises that the Department prioritize the adequate and effective execution and regular monitoring of the audit action plans for both internal and external audit.

**Tshepo Mofokeng**
**Chairperson of the Audit Committee**
**Department of Employment and Labour**
**13 August 2025**

## *13. B-BBEE Compliance Performance Information*

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

| **Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 - 8) with regards to the following:** | | |
|---|---|---|
| **Criteria** | **Response Yes / No** | **Discussion** (***include a discussion on your response and indicate what measures have been taken to comply***) |
| Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law? | No | Please be informed that the BBBEE evaluation for the Department was not conducted this year due to ongoing legal proceedings questioning the validity of the BBBEE Act. |
| Developing and implementing a preferential procurement policy? | No | The Department used specific goals for procurement |
| Determining qualification criteria for the sale of state-owned enterprises? | No | Please be informed that the BBBEE evaluation for the Department was not conducted this year due to ongoing legal proceedings questioning the validity of the BBBEE Act. |
| Developing criteria for entering into partnerships with the private sector? | No | Please be informed that the BBBEE evaluation for the Department was not conducted this year due to ongoing legal proceedings questioning the validity of the BBBEE Act. |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment? | No | Please be informed that the BBBEE evaluation for the Department was not conducted this year due to ongoing legal proceedings questioning the validity of the BBBEE Act. |

Please be informed that the BBBEE evaluation for the Department was not conducted this year due to ongoing legal proceedings questioning the validity of the BBBEE Act.

# Part D: Human Resource Management

## 1. *Introduction*

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

## 2. *Overview of human resources*

The Human Resource Chief Directorate values the contribution of employees in enabling the Department to achieve its mandate. Amongst other interventions, Employee Health and Wellness Programmes have been implemented for all employees of the Department with the aim of assisting employees to maintain physical, emotional and mental health. The Department has continued to comply with the Performance Management and development System with the automation of the PMDS system paying off in terms on management of the system. The Department also continues to prioritise training and development of its workforce. This includes ensuring compliance in having an approved Workplace Skills Plan. Advocacy sessions on human resource policies and procedures have been conducted in order to improve efficiencies and build capacity of the users. While faced with the challenge of cost containment measures which had a negative impact in realising the vacancy rate target, the Department has made progress in achieving 50% of women at SMS level, 2.6% for persons with disabilities and 21% of youth as at 31 March 2025.

## 3. *Human Resources Oversight Statistics*

Below are some key statistics related to the Department's Human Resources.

### 3.1 Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel.
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

*Table 3.1.1 Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025*

| Programme | Total expenditure (R'000) | Personnel expenditure (R'000) | Training expenditure (R'000) | Professional and special services expenditure (R'000) | Personnel expenditure as a % of total expenditure | Average personnel cost per employee (R'000) |
|---|---|---|---|---|---|---|
| Administration | 1 065 150 | 437 920 | 3 129 | 11 308 | 41.11 | 543 |
| Inspection & Enforcement Services | 548 008 | 441 845 | 907 | 10 | 80.63 | 467 |
| Public Employment Services | 929 991 | 350 987 | 875 | 251 | 37.74 | 650 |
| Labour Policy & Industrial Relations | 1 259 227 | 113 433 | 196 | 1 885 | 9.01 | 751 |
| **Total** | **3 802 376** | **1 344 185** | **5 107** | **13 454** | **35.35** | **550** |

*Exclusive of UIF, CF and SEE

*Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025*

| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|---|---|---|---|---|
| Unskilled (SR1-2) | 21 461 | 1.60 | 0 | 0 |
| Skilled (level 3-5) | 136 701 | 10.17 | 470 | 291 |
| Highly skilled production (levels 6-8) | 706 506 | 52.56 | 1 494 | 473 |
| Highly skilled supervision (levels 9-12) | 373 595 | 27.79 | 420 | 890 |
| Senior and Top management (levels 13-16) | 99 921 | 7.43 | 59 | 1 694 |
| Other: Executives | 6 001 | 0.45 | 3 | 2 000 |
| **Total** | **1 344 185** | **100.00** | **2 445** | **550** |

*Exclusive of UIF, CF and SEE

*Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025*

| Programme | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|---|---|---|---|---|---|---|---|---|
| | Amount (R'000 | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Administration | 300 941 | 22.39 | 7 739 | 0.58 | 15 341 | 1.14 | 31 123 | 2.32 |
| Inspection & Enforcement Services | 317 118 | 23.59 | 681 | 0.05 | 17 149 | 1.28 | 32 028 | 2.38 |
| Public Employment Services | 256 168 | 19.06 | 544 | 0.04 | 8 860 | 0.66 | 16 571 | 1.23 |
| Labour Policy & Industrial Relations | 79 120 | 5.88 | 25 | 0.00 | 2 690 | 0.20 | 5 453 | 0.41 |
| **Total** | **953 347** | **70.92** | **8 989** | **0.67** | **44 040** | **3.28** | **85 175** | **6.34** |

*Exclusive of UIF, CF and SEE

*Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025*

| Salary band | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|---|---|---|---|---|---|---|---|---|
| | Amount (R'000 | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Unskilled (SR1-2) | 20 962 | 1.56 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Semi-skilled (SR3-5) | 89 597 | 6.66 | 1 926 | 0.14 | 8 395 | 0.63 | 16 174 | 1.20 |
| Skilled (SR6-8) | 501 595 | 37.32 | 5 726 | 0.43 | 31 489 | 2.34 | 57 330 | 4.27 |
| Professional Qualified (SR9-12) | 272 130 | 20.24 | 1 337 | 0.10 | 4 156 | 0.31 | 10 848 | 0.81 |
| Senior Management (SR13-16) | 65 767 | 4.89 | 0 | 0.00 | 0 | 0.00 | 800 | 0.06 |
| Other: Executive | 3 296 | 0.25 | 0 | 0.00 | 0 | 0.00 | 23 | 0.00 |
| **Total** | **953 347** | **70.92** | **8 989** | **0.67** | **44 040** | **3.28** | **85 175** | **6.34** |

*Exclusive of UIF, CF and SEE

## 3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2025*

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---|---|---|---|---|
| Administration | 959 | 792 | 17.41 | 22 |
| PES | 653 | 516 | 20.90 | 298 |
| LP&IR | 169 | 147 | 13.0 | 0 |
| IES | 1 098 | 882 | 19.70 | 2 |
| UIF | 7 383 | 3 607 | 51.10 | 76 |
| CF | 3 210 | 2 878 | 10.30 | 25 |
| SEE | 159 | 126 | 20.80 | 0 |
| **Total** | **13 631** | **8 948** | **34.36** | **423** |

*Inclusive of DEL, UIF, CF and SEE

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2025*

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---|---|---|---|---|
| Lower skilled (1-2) | 0 | 0 | 0 | 400 |
| Skilled (3-5) | 1 306 | 1 140 | 12.71 | 6 |
| Highly skilled production (6-8) | 10 674 | 6 381 | 40.22 | 0 |
| Highly skilled supervision (9-12) | 1 484 | 1 291 | 13.01 | 9 |
| Senior management (13-16) | 164 | 133 | 18.90 | 8 |
| Other: Executives | 3 | 3 | 0 | 0 |
| **Total** | **13 631** | **8 948** | **34.36** | **423** |

*Inclusive of DEL, UIF, CF and SEE

**Note: The numbers in this table 3.2.2 is a snapshot as on 31 March 2025 and therefore cannot be compared to the numbers used in table 3.1.2 which is based on the average personnel numbers over the 12-month period.**

*Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2025*

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---|---|---|---|---|
| Inspectors | 1 863 | 1672 | 10.25% | 0 |
| ESPs & Counsellors | 341 | 314 | 7.92% | 298 |
| Medical Practitioners | 93 | 78 | 16.13% | 0 |
| **Total** | **2 297** | **2064** | **10.14%** | **298** |

## 3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on

advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

*Table 3.3.1 SMS post information as on 31 March 2025*

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|---|---|---|---|---|---|
| Director-General | 1 | 0 | 0 | 1 | 100% |
| Salary Level 15 | 8 | 5 | 62.50% | 3 | 37.50% |
| Salary Level 14 | 32 | 27 | 84.38% | 5 | 15.63% |
| Salary Level 13 | 123 | 101 | 82.11% | 22 | 17.89% |
| Other: Executives | 3 | 3 | 100% | 0 | 0% |
| **Total** | **167** | **136** | **81.40%** | **31** | **18.60%** |

*Inclusive of DEL, UIF, CF and SEE

*Table 3.3.2 SMS post information as on 30 September 2024*

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|---|---|---|---|---|---|
| Director-General/ Head of Department | 1 | 0 | 0 | 1 | 100% |
| Salary Level 15 | 8 | 5 | 62.50% | 3 | 37.50% |
| Salary Level 14 | 32 | 28 | 87.50% | 4 | 12.50% |
| Salary Level 13 | 123 | 102 | 82.93% | 21 | 17.07% |
| Other: Executives | 3 | 3 | 100% | 0 | 0% |
| **Total** | **167** | **138** | **82.64%** | **29** | **17.37%** |

*Inclusive of DEL, UIF, CF and SEE

*Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025*

| SMS Level | Advertising | Filling of Posts | |
|---|---|---|---|
| | Number of vacancies per level advertised in 6 months of becoming vacant | Number of vacancies per level filled in 6 months of becoming vacant | Number of vacancies per level not filled in 6 months but filled in 12 months |
| Director-General | None | None | None |
| Salary Level 15 | None | None | None |
| Salary Level 14 | 1 | 0 | 0 |
| Salary Level 13 | 2 | 0 | 0 |
| **Total** | **3** | **0** | **0** |

*Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2024 and 31 March 2025*

| Reasons for vacancies not advertised within six months |
|---|
| **Vacancy Advertising Delay**: DEL vacancies were not advertised or filled initially due to an ongoing affordability assessment. This was in line with Directive 49, which requires prior concurrence from the Minister for the Public Service and Administration (MPSA). **Concurrence Received**: The required concurrence from the MPSA was obtained in February 2025, after which the relevant posts were advertised.<br>**SMS Positions (CF and UIF):** Most Senior Management Service (SMS) positions from the Compensation Fund (CF) and Unemployment Insurance Fund (UIF) were re-advertised.<br>**Reasons for re-advertisement included:** No suitable candidates found during the initial recruitment; Changes or reviews of job profiles. Some recruitment processes are still ongoing. |

| Reasons for vacancies not filled within twelve months |
|---|
| Moratorium |

**Notes**

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, Departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

*Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2024 and 31 March 2025*

| Reasons for vacancies not advertised within six months |
|---|
| None |

| Reasons for vacancies not filled within six months |
|---|
| None |

**Notes**

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, Departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of Department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

## 3.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

*Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2024 and 31 March 2025*

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|---|---|---|---|---|---|---|---|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| Lower Skilled (Levels1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 1 306 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 10 674 | 2 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 1 484 | 17 | 0 | 1 | 5.9 | 0 | 0 |
| Senior Management Service Band A | 123 | 3 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 32 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band C | 8 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other: Executives | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **13 631** | **22** | **0** | **1** | **0** | **0** | **0** |

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2024 and 31 March 2025*

| Gender | African | Asian | Coloured | White | Total |
|---|---|---|---|---|---|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** | **0** |

| | |
|---|---|
| Employees with a disability | **0** |

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

*Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2024 and 31 March 2025*

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|---|---|---|---|---|
| Director | 1 | 11 | 14 | The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 14. When the post was measured it was lower than the salary earned |
| Business Analyst | 2 | 11 | 12 | The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the post was measured it was lower than the salary earned |
| DD: Solution and Application Development | 1 | 11 | 12 | The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 12. When the post was measured it was lower than the salary earned |
| DD: Data Centre Network and Security | 1 | 11 | 12 | The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 12. When the post was measured it was lower than the salary earned |
| ICT Project Manager | 2 | 11 | 12 | The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the post was measured it was lower than the salary earned |
| System Engineer | 2 | 8 | 12 | The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 12. When the post was measured it was lower than the salary earned |
| SAP Analyst | 4 | 9 | 11 | The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 11. When the post was measured it was lower than the salary earned |
| Contract and Licence Controller | 1 | 9 | 11 | The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 11. When the post was measured it was lower than the salary earned |
| System Engineer | 3 | 8 | 11 | The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 11. When the post was measured it was lower than the salary earned |
| Network Engineer | 1 | 8 | 11 | The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 11. When the post was measured it was lower than the salary earned |
| ASD: Configurations Management | 1 | 9 | 10 | The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 10. When the post was measured it was lower than the salary earned |
| Field ICT Technicians | 7 | 8 | 10 | The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 10. When the post was measured it was lower than the salary earned |
| System Security Engineer | 1 | 8 | 10 | The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 10. When the post was measured it was lower than the salary earned |
| System Engineer | 2 | 8 | 10 | The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 10. When the post was measured it was lower than the salary earned |
| Field ICT Technicians | 12 | 8 | 9 | The incumbents were transferred on section 197 from EOH to ICT posts and were already on salary level 9. When the post was measured it was lower than the salary earned |
| Remote ICT Technician | 1 | 8 | 9 | The incumbent was transferred on section 197 from EOH to an ICT post and was already on salary level 9. When the posts were measured it was lower than the salary earned |
| **Total number of employees whose salaries exceeded the level determined by job evaluation** | | | | **42** |
| **Percentage of total employed** | | | | **0.6%** |

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

*Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025*

| Gender | African | Asian | Coloured | White | Total |
|---|---|---|---|---|---|
| **Female** | 6 | 0 | 0 | 4 | 10 |
| **Male** | 11 | 2 | 5 | 14 | 32 |
| **Total** | **17** | **2** | **5** | **19** | **42** |

| | | | | | |
|---|---|---|---|---|---|
| **Employees with a disability** | 0 | 0 | 0 | 1 | 1 |

*Inclusive of DEL, UIF, CF and SEE

## 3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

*Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2024 and 31 March 2025*

| Salary band | Number of employees at beginning of period-1 April 2024 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|---|---|---|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Levels3-5) | 1 164 | 23 | 21 | 1.8 |
| Highly skilled production (Levels 6-8) | 6 530 | 98 | 259 | 4.0 |
| Highly skilled supervision (Levels 9-12) | 1 328 | 27 | 69 | 5.2 |
| Senior Management Service Bands A | 105 | 0 | 6 | 5.7 |
| Senior Management Service Bands B | 27 | 0 | 3 | 11.10 |
| Senior Management Service Bands C | 5 | 0 | 0 | 0 |
| Senior Management Service Bands D | 0 | 0 | 0 | 0 |
| Other: Executives | 2 | 3 | 2 | 100 |
| Contracts | 593 | 527 | 825 | 0 |
| **Total** | **9 754** | **678** | **1 185** | **12.1** |

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025*

| Critical occupation | Number of employees at beginning of period-April 2024 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|---|---|---|---|---|
| Inspectors | 1 735 | 31 | 90 | 5.2 |
| ESPs & Counsellors | 297 | 4 | 1 | 0.3 |
| Medical Practitioners | 71 | 14 | 5 | 7.0 |
| **TOTAL** | **2 103** | **49** | **96** | **4.6** |

The table below identifies the major reasons why staff left the Department.

*Table 3.5.3 Reasons why staff left the Department for the period 1 April 2024 and 31 March 2025*

| Termination Type | Number | % of Total Resignations |
|---|---|---|
| Death | 23 | 1.9% |
| Resignation | 179 | 19.0%% |
| Expiry of contract | 825 | 67.6% |
| Dismissal – operational changes | 0 | 0% |
| Dismissal – misconduct | 19 | 1.6% |
| Dismissal – inefficiency | 0 | 0% |
| Discharged due to ill-health | 8 | 0.7% |
| Retirement | 94 | 7.9% |
| Transfer to other Public Service Departments | 35 | 0.1% |
| Other: Political Office Bearers | 2 | 0.1% |
| **Total** | **1 185** | **100%** |
| **Total number of employees who left as a % of total employment** | **9 754*** | **12.15%** |
| Death | 23 | 1.9% |

***Calculation of the total percentage is based on the total number of employees as at 01 April 2024**

*Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025*

| Occupation | Employees 1 April 2024 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|---|---|---|---|---|---|
| Inspectors | 1 735 | 51 | 2.90 | 39 | 2.2 |
| ESPs & Counsellors | 297 | 12 | 4.00 | 0 | 0 |
| Medical Practitioners | 71 | 5 | 7.00 | 0 | 0 |
| **Total** | **2 103** | **68** | **3.23** | **39** | **1.9** |

***Inclusive of DEL, CF and UIF**

*Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025*

| Salary Band | Employees 1 April 2024 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | **0** | **0** | **0** | **0** | **0** |
| Skilled (Levels3-5) | 1 164 | 4 | 0.3 | **928** | 80% |
| Highly skilled production (Levels 6-8) | 6 530 | 115 | 1.8 | 6204 | 95% |
| Highly skilled supervision (Levels 9-12) | 1 328 | 32 | 2.4 | 1245 | 94% |
| Senior Management (Level 13-16) | 137 | 2 | 1.5 | 0 | 0% |
| **Total** | **9 159*** | **153** | **1.7** | **8377** | **91%** |

*Inclusive of DEL, UIF, CF and SEE

***Kindly note that the above information excludes SMS members whom we still awaiting the submission to be signed.**
***The reason for non-payment of pay progression for other employees was due to (Maximum notch and under-performance.**

## 3.6 Employment Equity

*Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025*

| Occupational category | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers (SR 13 - 16) | 59 | 2 | 7 | 0 | 55 | 3 | 2 | 5 | 133 |
| Professionals (SR 11 -12) | 232 | 9 | 10 | 11 | 229 | 18 | 2 | 17 | 528 |
| Technicians and associate professionals (SR 7 - 10) | 1 619 | 88 | 35 | 56 | 1 529 | 126 | 37 | 131 | 3 621 |
| Clerks (SR 4 - 6) | 1 783 | 203 | 54 | 51 | 1 978 | 253 | 50 | 99 | 4 471 |
| Elementary occupations (SR 3) | 74 | 9 | 2 | 1 | 96 | 8 | 1 | 1 | 192 |
| Other: Executives | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 3 |
| **Total** | **3 768** | **311** | **108** | **119** | **3 889** | **408** | **92** | **253** | **8 948** |
| Employees with disabilities | 96 | 11 | 5 | 13 | 80 | 10 | 4 | 18 | 237 |

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025*

| Occupational band | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management (SR 15 - 16) | 3 | 0 | 0 | | 2 | 0 | 0 | | 5 |
| Senior Management (SR 13- 14) | 56 | 2 | 7 | | 53 | 3 | 2 | 5 | 128 |
| Professionally qualified and experienced specialists and mid-management (SR 9 - 12) | 582 | 25 | 19 | 24 | 551 | 47 | 13 | 30 | 1 291 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (SR 6 - 8) | 2 664 | 236 | 71 | 80 | 2 784 | 301 | 62 | 183 | 6 381 |
| Semi-skilled and discretionary decision making (SR 3 - 5) | 462 | 48 | 11 | 15 | 497 | 57 | 15 | 35 | 1 140 |
| Unskilled and defined decision making (SR 1 - 2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other: Executives | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 3 |
| **Total** | **3 768** | **311** | **108** | **119** | **3 889** | **408** | **92** | **253** | **8 948** |

*Inclusive of DEL, UIF, CF and SEE

*Table 3.6.3 Recruitment for the period 1 April 2024 to 31 March 2025*

| Occupational band | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionally qualified and experienced specialists and mid-management | 10 | 0 | 0 | 0 | 16 | 1 | 0 | 0 | 27 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 45 | 0 | 0 | 0 | 18 | 1 | 0 | 0 | 64 |
| Semi-skilled and discretionary decision making | 30 | 1 | 0 | | 22 | 2 | 0 | 1 | 56 |
| Unskilled and defined decision making | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Other: Executives | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 3 |
| **Total** | **87** | **1** | **0** | **0** | **58** | **4** | **0** | **1** | **151** |
| Employees with disabilities | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

***Inclusive of DEL, UIF, CF and SEE**

*Table 3.6.4 Promotions for the period 1 April 2024 to 31 March 2025*

| Occupational band | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| **Top Management** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 1 | 0 | 0 | 0 | 1 | 0 | 0 | | 2 |
| Professionally qualified and experienced specialists and mid-management | 12 | 1 | 0 | | 17 | 2 | 0 | | 32 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 52 | 5 | 2 | 2 | 49 | 3 | 0 | 2 | 115 |
| Semi-skilled and discretionary decision making | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 1 | 4 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **66** | **6** | **2** | **2** | **69** | **6** | **0** | **3** | **154** |
| Employees with disabilities | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 3 |

*Table 3.6.5 Terminations for the period 1 April 2024 to 31 March 2025*

| Occupational band | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 2 | 0 | 0 | 1 | 5 | 0 | 0 | 1 | 9 |
| Professionally qualified and experienced specialists and mid-management | 29 | 0 | 2 | 4 | 31 | 0 | 0 | 3 | 69 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 126 | 18 | 6 | 5 | 73 | 8 | 7 | 16 | 259 |
| Semi-skilled and discretionary decision making | 8 | 0 | 1 | 0 | 12 | 0 | 0 | 0 | 21 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other: Executives | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| **Total** | **166** | **18** | **9** | **10** | **122** | **8** | **7** | **20** | **360** |
| Employees with Disabilities | 5 | 0 | 2 | 1 | 2 | 0 | 1 | 2 | 13 |

*Table 3.6.6 Disciplinary action for the period 1 April 2024 to 31 March 2025*

| Disciplinary action | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| **Total** | 192 | 14 | 5 | 1 | 172 | 7 | 3 | 1 | 395 |

*Table 3.6.7 Skills development for the period 1 April 2024 to 31 March 2025*

| Occupational category | Male | | | | Female | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 59 | 2 | 7 | 1 | 52 | 3 | 2 | 5 | 131 |
| Professionals | 237 | 9 | 12 | 15 | 239 | 18 | 3 | 17 | 550 |
| Technicians and associate professionals | 357 | 18 | 11 | 21 | 329 | 30 | 11 | 13 | 790 |
| Clerks | 3 043 | 273 | 76 | 82 | 3 171 | 349 | 75 | 217 | 7 286 |
| Service and sales workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Plant and machine operators and assemblers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | 71 | 9 | 2 | 0 | 96 | 8 | 1 | 1 | 188 |
| Other: Executives | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 3 |
| **Total** | **3 768** | **311** | **108** | **119** | **3 889** | **408** | **92** | **253** | **8 948** |
| Employees with disabilities | 96 | 11 | 5 | 13 | 80 | 10 | 4 | 18 | 237 |

*** Excludes the additional employees**

## 3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

*Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2024*

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|---|---|---|---|---|
| Director-General/ Head of Department | 1 | 0 | 0 | 0% |
| Salary Level 16 | 0 | 0 | 0 | 0% |
| Salary Level 15 | 8 | 5 | 5 | 100% |
| Salary Level 14 | 33 | 30 | 21 | 70% |
| Salary Level 13 | 123 | 102 | 98 | 96% |
| **Total** | **165** | **137** | **124** | **90.51%** |

*Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2025*

| Reasons |
|---|
| Change in leadership affected the signing of Performance Agreements |
| Suspension |
| Sick leave |

*Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2025*

| Reasons |
|---|
| Due to change in leadership, the process on the signing of performance agreements for SMS members was affected. |

## 3.8 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

*Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2024 to 31 March 2025*

| Race and Gender | Beneficiary Profile | | | Cost | |
|---|---|---|---|---|---|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| **African** | **7** | **7 802** | **0.10** | **296.35** | **84 484.00** |
| Male | 4 | 3 852 | 0.10 | 171.60 | 42 900.00 |
| Female | 3 | 3 950 | 0.10 | 124.75 | 41 584.00 |
| **Asian** | **0** | **216** | **0** | **0** | **0** |
| Male | 0 | 117 | 0 | 0 | 0 |
| Female | 0 | 99 | 0 | 0 | 0 |
| **Coloured** | **0** | **740** | **0** | **0** | **0** |
| Male | 0 | 328 | 0 | 0 | 0 |
| Female | 0 | 412 | 0 | 0 | 0 |
| **White** | **0** | **403** | **0** | **0** | **0** |
| Male | 0 | 129 | 0 | 0 | 0 |
| Female | 0 | 274 | 0 | 0 | 0 |
| **Total** | **7*** | **9 161**** | **0.10** | **296.35** | **42 336.00** |

**Inclusive of DEL, CF and UIF**
***Performance bonuses were from the previous cycle**
****Excluding of Executives**

*Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2024 to 31 March 2025*

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|---|---|---|---|---|---|---|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Lower Skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (level 3-5) | 0 | 1 164 | 0 | 0 | 0 | 0 |
| Highly skilled production (level 6-8) | 3 | 6 530 | 0.05 | 119.94 | 39 982.00 | 0 |
| Highly skilled supervision (level 9-12) | 3 | 1 328 | 0.23 | 126.09 | 42 030.00 | 0 |
| **Total** | **6** | **9 022** | **0.07** | **246.04** | **41 006.00** | **0** |

***NB: Paid Performance bonuses are based on outstanding cases for the previous performance cycles e.g. 2018/2019.***

*Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2024 to 31 March 2025*

| Critical occupation | Beneficiary Profile | | | Cost | |
|---|---|---|---|---|---|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Inspectors | 0 | 1 672 | 0% | 0 | 0 |
| ESP & Counsellors | 0 | 314 | 0% | 0 | 0 |
| Medical Practitioners | 0 | 78 | 0% | 0 | 0 |
| **Total** | **0** | **2 064** | **0%** | **0** | **0** |

***NB: Paid Performance bonus is based on outstanding cases for the previous performance cycles e.g. 2018/2019.***

*Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2024 to 31 March 2025*

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|---|---|---|---|---|---|---|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Band A | 1 | 105 | 1.10 | 50 318.70 | 50 318.70 | **0.00** |
| Band B | 0 | 27 | 0 | 0 | 0 | 0.00 |
| Band C | 0 | 5 | 0 | 0 | 0 | 0.00 |
| Band D | 0 | 0 | 0 | 0 | 0 | 0.00 |
| **Total** | **1** | **137** | **1.10** | **50 318.70** | **50 318.70** | **0.00** |

Note: The information is based on the paid performance bonus from the performance cycle 2018/2019 that was owed to the employee.

## 3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

*Table 3.9.1 Foreign workers by salary band for the period 1 April 2024 and 31 March 2025*

| Salary band | 01 April 2024 | | 31 March 2025 | | Change | |
|---|---|---|---|---|---|---|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower skilled | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Lev. 6-8) | 2 | 28.57 | 2 | 33.33 | 0 | 0 |
| Highly skilled supervision (Lev. 9-12) | 4 | 57.14 | 4 | 66.67 | 0 | 0 |
| Contract (level 9-12) | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (level 13-16) | 1 | 14.29 | 0 | 0 | 1 | 100 |
| **Total** | **7** | **100** | **6** | **100** | **1** | **0** |

*Table 3.9.2 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025*

| Major occupation | 01 April 2024 | | 31 March 2025 | | Change | |
|---|---|---|---|---|---|---|
| | Number | % of total | Number | % of total | Number | % Change |
| Principal Inspector | 1 | 16.6 | 1 | 20 | 0 | 0 |
| SAP Analyst | 1 | 16.6 | 1 | 20 | 0 | 0 |
| Medical officer | 1 | 16.6 | 1 | 20 | 0 | 0 |
| OHS Inspector | 1 | 16.6 | 1 | 20 | 0 | 0 |
| Business Analyst | 1 | 16.6 | 1 | 20 | 0 | 0 |
| Special advisor (MIN) | 1 | 16.6 | 0 | 0 | 1 | 100 |
| **Total** | **6** | **100** | **5** | **100** | **1** | **16.6** |

## 3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

*Table 3.10.1 Sick leave for the period 1 January 2024 to 31 December 2024*

| Salary band | Total days | % Days with Medical certification | Number of Employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated Cost (R-value) |
|---|---|---|---|---|---|---|
| Lower Skills (Level 1-2) | - | - | - | - | - | - |
| Skilled (levels 3-5) | 6 140 | 74.60 | 781 | 11.00 | 8.00 | 6 689.00 |
| Highly skilled production (levels 6-8) | 35 850 | 73.40 | 4 913 | 69.40 | 7.00 | 59 133.00 |
| Highly skilled supervision (levels 9 -12) | 6 468 | 78.00 | 955 | 13.50 | 7.00 | 20 458.00 |
| Top and Senior management (levels 13-16) | 638 | 85.40 | 83 | 1.20 | 8.00 | 3 237.00 |
| Contract (Levels 6-8) | 34 | 82.40 | 8 | 0.10 | 4.00 | 58.00 |
| Contract (Levels 9-12) | 5 | 100.00 | 1 | 0.00 | 5.00 | 18.00 |
| Contract Other | 920 | 57.10 | 333 | 4.70 | 3.00 | 388.00 |
| Other | 19 | 84.20 | 3 | 0.00 | 6.00 | 52.00 |
| **Total** | **50 074** | **74.00** | **7 077** | **100.00** | **7.00** | **90 032.00** |

*Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2024*

| Salary band | Total days | % Days with Medical certification | Number of Employees using disability leave | % of total employees using disability leave | Average days per employee | Estimated Cost (R-value) |
|---|---|---|---|---|---|---|
| Lower skilled (Levels 1-2) | - | - | - | - | - | - |
| Skilled (Levels 3-5) | 1 202 | 100 | 43 | 13.20 | 28.00 | 1 390.00 |
| Highly skilled production (Levels 6-8) | 7 753 | 99.40 | 239 | 73.50 | 32.00 | 13 335.00 |
| Highly skilled supervision (Levels 9-12) | 1 327 | 100 | 42 | 12.90 | 32.00 | 5 148.00 |
| Senior management (Levels 13-16) | 43 | 100 | 1 | 0.30 | 43.00 | 213.00 |
| **Total** | **10 325** | **99.60** | **325** | **100.00** | **32.00** | **20 087.00** |

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

*Table 3.10.3 Annual Leave for the period 1 January 2024 to 31 December 2024*

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|---|---|---|---|
| Lower skilled (Levels 1-2) | - | - | - |
| Skilled Levels 3-5) | 22 842 | 1 041 | 22.00 |
| Highly skilled production (Levels 6-8) | 165 579.18 | 6 705 | 25.00 |
| Highly skilled supervision (Levels 9-12) | 34 098 | 1 397 | 24.00 |
| Senior management (Levels 13-16) | 3 297 | 140 | 24.00 |
| Contract (Levels 3-5) | 40 | 5 | 8.00 |
| Contract (Levels 6-8) | 199 | 27 | 7.00 |
| Contract (Levels 9-12) | 91 | 10 | 9.00 |
| Contract (Levels 13-16) | 55- | 7 | 8.00 |
| Contract other | 5 264 | 662 | 8.00 |
| Other | 75 | 3 | 25.00 |
| **Total** | **231 540.55** | **9 997** | **23.00** |

*Table 3.10.4 Capped leave for the period 1 January 2024 to 31 December 2024*

| Salary band | Total days of capped leave taken | Number of Employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2025 |
|---|---|---|---|---|
| Lower skilled (Levels 1-2) | - | - | - | - |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 25.00 |
| Highly skilled production (Levels 6-8) | 46 | 15 | 3 | 20.00 |
| Highly skilled supervision (Levels 9-12) | 13 | 3 | 4 | 25.00 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 33.00 |
| **Total** | 59 | 18 | 3 | 21.00 |

The following table summarise payments made to employees as a result of leave that was not taken.

*Table 3.10.5 Leave payouts for the period 1 April 2024 and 31 March 2025*

| Reason | Total amount (R'000) | Number of employees | Average per employee (R-value) |
|---|---|---|---|
| Annual – Discounting with Resignation (Work Days) | 3 557 | 242 | 14 698.00 |
| Annual – Discounting: Contract expiry (Work Days) | 2 112 | 238 | 8 874.00 |
| Annual – Discounting: Unused vac credits (Suspension) | 266 | 8 | 33 250.00 |
| Annual – Discounting: Unused vac credits (Work Days) | 218 | 8 | 27 250.00 |
| Annual – Gratuity: Death/Retirement/Medical Retirement (Work Days) | 4 975 | 98 | 50 765.00 |
| Capped – Gratuity: Death/ Retirement/Medical Retirement (Work Days) | 5 707 | 68 | 83 926.00 |
| **Total** | **16 834** | **662** | **25 529.00** |

## 3.11 HIV/AIDS & Health Promotion Programmes

*Table 3.11.1 Steps taken to reduce the risk of occupational exposure*

| Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any) | Key steps taken to reduce the risk |
|---|---|
| **Persons with Disabilities** | Articles and workshops |
| **Youth** | Articles and workshops |
| **Adults and pre-retirees** | Articles and Training |
| **Employees with high level of stress** | Taught to identify early signs and seek help |
| **Employees abuse substances and alcohol** | Articles and Workshops |
| **Uncircumcised males** | Articles |

*Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)*

| Question | Yes | No | Details, if yes |
|---|---|---|---|
| 1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | X | | Acting Director HRM: Ms. Rudah L. |
| 2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | X | | DEL has established Employee Health and Wellness Unit. 12 employees from the Department including Compensation Fund and Unemployment insurance Fund. A budget allocation of R5000 000, 00 |
| 3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | X | | Implementing all four Pillar's of Employee Health and Wellness, Wellness management Pillar, Safety Health Risk Quality Management Pillar, Health & Productivity Management Pillar and HIV/AIDS and TB management Pillar. |
| 4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | X | | Yes, Kanama CK, Makala I, Molelekwa R, Phala S, Letsoalo H, Thenga G, and Shirinda N. |
| 5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | X | | Harassment Policy, Employee Health and Wellness Policy, Health and Productivity management Policy, Employment Equity Act |
| 6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | X | | Workplace testing is voluntary and confidential, Employee HIV status is not can never be disclosed or used for any purpose. |
| 7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved. | X | | Yes, most employees are now on treatment and improvement on ill health absenteeism. |
| 8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | X | | DEL is using the System Monitoring tool and EHW Service provider reports to analyse the implementation of the programme and guide future plans. |

## 3.12 Labour Relations

*Table 3.12.1 Collective agreements for the period 1 April 2024 and 31 March 2025*

| Subject matter | Date |
|---|---|
| **Total number of Collective agreements** | **None** |

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

*Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 and 31 March 2025*

| Outcomes of disciplinary hearings | Number | % of total |
|---|---|---|
| Correctional counselling | 1 | 0.6% |
| Verbal warning | 4 | 2.3% |
| Written warning | 95 | 54% |
| Final written warning | 34 | 19.3% |
| Suspended without pay | 8 | 4.5% |
| Fine | 0 | 0% |
| Demotion | 0 | 0% |
| Dismissal | 15 | 8.5% |
| Not guilty | 0 | 0% |
| Case withdrawn | 19 | 10.8% |
| **Total** | **176** | **100%** |

| | |
|---|---|
| **Total number of Disciplinary hearings finalised** | **176** |

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025*

| Type of misconduct | Number | % of total |
|---|---|---|
| Abscondment | 12 | 3% |
| Absenteeism | 16 | 4.1% |
| Abuse Of State Asset | 2 | 0.5% |
| Irregular Appointment | 0 | 0% |
| Damage of State Vehicle | 18 | 4.6% |
| Improper Conduct | 25 | 6.3% |
| Contravention of Departmental Policy | 78 | 19.7% |
| Dereliction of Duty | 7 | 1.8% |
| Insubordination | 23 | 5.8% |
| Misrepresentation | 6 | 1.5% |
| Fraud | 33 | 8.4% |
| Fruitless and Wasteful Expenditure | 2 | 0.5% |
| Negligence | 19 | 4.8% |

| Type of misconduct | Number | % of total |
|---|---|---|
| Non-Disclosure of Financial Interest | 79 | 20% |
| Remunerative Work Without Permission | 0 | 0% |
| Underperformance | 9 | 2.3% |
| Non-Submission of Performance Agreement | 56 | 14.2% |
| Soliciting a Bribe | 10 | 2.5% |
| Non-Payment of Invoice Within 30 Days | 0 | 0% |
| Sharing SMARTGOV | 0 | 0.% |
| **Total** | **395** | **100%** |

***Inclusive of DEL, UIF, CF and SEE**

*Table 3.12.4 Grievances logged for the period 1 April 2024 and 31 March 2025*

| Grievances | Number | % of Total |
|---|---|---|
| *Number of grievances resolved* | 131 | 64% |
| Number of grievances not resolved | 34 | 36% |
| **Total number of grievances lodged** | **205** | **100%** |

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025*

| Disputes | Number | % of Total |
|---|---|---|
| Number of disputes upheld | 11 | 15% |
| Number of disputes dismissed | 19 | 26% |
| Number of disputes pending | 44 | 59% |
| **Total number of disputes lodged** | **74** | **100%** |

***Inclusive of DEL, UIF, CF and SEE**

*Table 3.12.6 Strike actions for the period 1 April 2024 and 31 March 2025*

| | |
|---|---|
| **Total number of persons working days lost** | 0 |
| **Total costs working days lost** | 0 |
| **Amount recovered as a result of no work no pay (R'000)** | 0 |

*Table 3.12.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025*

| | |
|---|---|
| *Number of people suspended* | 22 |
| **Number of people whose suspension exceeded 30 days** | 22 |
| **Average number of days suspended** | 60 |
| **Cost of suspension(R'000)** | R2 364 571.47 |

## 3.13 Skills development

This section highlights the efforts of the Department with regard to skills development.

*Table 3.13.1 Training needs identified for the period 1 April 2024 and 31 March 2025*

| Occupational category | Gender | Number of employees as at 1 April 2024 | Training needs identified at start of the reporting period | | | |
|---|---|---|---|---|---|---|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 67 | 0 | 6 | 5 | 11 |
| | Male | 71 | 0 | 2 | 1 | 3 |
| Professionals | Female | 281 | 0 | 64 | 7 | 71 |
| | Male | 275 | 0 | 72 | 10 | 82 |
| Technicians and associate professionals | Female | 389 | 0 | 128 | 13 | 141 |
| | Male | 424 | 0 | 111 | 17 | 128 |
| Clerks | Female | 3 851 | 0 | 1 156 | 120 | 1 276 |
| | Male | 3 501 | 0 | 976 | 157 | 1 133 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 147 | 0 | 88 | 12 | 100 |
| | Male | 155 | 0 | 85 | 17 | 102 |
| Sub Total | Female | **4 735** | **0** | **1 442** | **157** | **1 599** |
| | Male | **4 426** | **0** | **1 246** | **202** | **1 448** |
| **Total** | | **9 161*** | **0** | **2 688** | **359** | **3 047** |

**Inclusive of DEL, UIF, CF and SEE**
***Inclusive of Executives (2)**

*Table 3.13.2 Training provided for the period 1 April 2024 and 31 March 2025*

| Occupational category | Gender | Number of employees as at 1 April 2024 | Training provided within the reporting period | | | |
|---|---|---|---|---|---|---|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 67 | 0 | 4 | 9 | **13** |
| | Male | 71 | 0 | 0 | 3 | **3** |
| Professionals | Female | 281 | 0 | 15 | 31 | **46** |
| | Male | 275 | 0 | 13 | 20 | **33** |
| Technicians and associate professionals | Female | 389 | 0 | 20 | 37 | **57** |
| | Male | 424 | 0 | 18 | 44 | **62** |
| Clerks | Female | 3 851 | 137 | 347 | 312 | **796** |
| | Male | 3 501 | 69 | 297 | 245 | **611** |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | **0** |
| | Male | 0 | 0 | 0 | 0 | **0** |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | **0** |
| | Male | 0 | 0 | 0 | 0 | **0** |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | **0** |
| | Male | 0 | 0 | 0 | 0 | **0** |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | **0** |
| | Male | 0 | 0 | 0 | 0 | **0** |
| Elementary occupations | Female | 147 | 0 | 22 | 3 | **25** |
| | Male | 155 | 0 | 20 | 5 | **25** |
| Sub Total | Female | **4 735** | **137** | **408** | **392** | **937** |
| | Male | **4 426** | **69** | **348** | **319** | **734** |
| **Total** | | **9 161*** | **206** | **756** | **709** | **1 671** |

**Inclusive of DEL, UIF, CF and SEE**
***Inclusive of Executives (2)**

## 3.14 Injury on duty

The following tables provide basic information on injury on duty.

*Table 3.14.1 Injury on duty for the period 1 April 2024 and 31 March 2025*

| Nature of injury on duty | Number | % of total |
|---|---|---|
| Required basic medical attention only | 23 | 88.5% |
| Temporary Total Disablement | 2 | 7.7% |
| Permanent Disablement | 0 | 0% |
| Fatal | 1 | 3.8% |
| **Total** | **26** | **100%** |

## 3.15 Utilisation of Consultants

The following tables relate information on the utilisation of consultants in the Department. In terms of the Public Service Regulations "consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a Department against remuneration received from any source:

(a) The rendering of expert advice

(b) The drafting of proposals for the execution of specific tasks and

(c) The execution of a specific task which is of a technical or intellectual nature but excludes an employee of a Department.

*Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025*

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|---|---|---|---|
| Advisory Services: Draft advisory opinion for the Internal Court of Justice | 1 (Halton Cheadle) | Six Months | R276 000.00 |
| Legal drafting of the two sets of EE Regulations by Cheadle Thompson and Hayson (DL 29710). | 1 | 90 days (19/09/2024 - 7/12/2024) | R297 850,00 |
| Understanding and Measuring the Extent of the Platform Economy and Its Impact of the Labour Market | 5 | 6 months | R499 885.85 |
| Measuring the Impact of Increases in the National Minimum Wage | 3 | Project duration is 36(thirty-six) months<br>The project started on 28 June 2022 and will end 28 June 2025 | R 1 568 177.94<br>One million, five hundred and sixty-eight thousand, one hundred and seventy-seven rand and ninety-four cents |
| An Analysis of Income Differentials in South Africa | 4 | Project duration is 6(six) months<br>The project started on 09 July 2024 and will end 09 January 2025 | R 488 663.75<br>(Four hundred and eighty-eight thousand six hundred and sixty-three rand and seventy-five cents) |

| Total number of projects | Total individual consultants | Total duration -Work days | Total contract value in Rand |
|---|---|---|---|
| **None** | | | |

*Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025*

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---|---|---|---|
| None | | | |

*Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025*

| Project title | Total Number of consultants that worked on project | Duration (Work days) | Donor and contract value in Rand |
|---|---|---|---|
| None | | | |

| Total number of projects | Total individual consultants | Total duration Work days | Total contract value in Rand |
|---|---|---|---|
| None | | | |

*Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025*

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---|---|---|---|
| None | | | |

## 3.16 Severance Packages

*Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2024 and 31 March 2025*

| Salary band | Number of applications received | Number of applications referred to the MPSA | Number of applications supported by MPSA | Number of packages approved by Department |
|---|---|---|---|---|
| Lower skilled (Levels 1-2) | N/A | N/A | N/A | N/A |
| Skilled Levels 3-5) | N/A | N/A | N/A | N/A |
| Highly skilled production (Levels 6-8) | N/A | N/A | N/A | N/A |
| Highly skilled supervision (Levels 9-12) | N/A | N/A | N/A | N/A |
| Senior management (Levels 13-16) | N/A | N/A | N/A | N/A |
| **Total** | N/A | N/A | N/A | N/A |

# Part E: PFMA Compliance Report

## *1. Irregular, fruitless and wasteful, unauthorised expenditure and material losses*

### 1.1. Irregular expenditure

#### a) Reconciliation of irregular expenditure

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| **Opening balance** | 939 897 890.55 | 305 938 084.33 |
| Prior year error | - | - |
| **As restated** | 939 897 890.55 | 305 938 084.33 |
| Add: Irregular expenditure confirmed | 275 178 022.77 | 634 820 976.58 |
| Less: Irregular expenditure condoned | - | - |
| Less: Irregular expenditure not condoned and removed | (1 846 299.96) | (861 170.36) |
| Less: Irregular expenditure written off | - | - |
| Less: Irregular expenditure recoverable | - | - |
| **Closing balance** | **1 213 229 613.36** | **939 897 890.55** |

**Reconciliation notes to the Annual Financial Statements**

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Irregular expenditure that was under assessment in the prior year | - | - |
| Irregular expenditure that relates to the prior year and identified in the current year | - | - |
| Irregular expenditure for the current year | 275 178 022.77 | 634 820 976.58 |
| **Total** | **275 178 022.77** | **634 820 976.58** |

#### b) Details of current and previous irregular expenditure (under assessment, determination, and investigation)

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Irregular expenditure under assessment | 5 464 000.00 | 12 842 830.05 |
| Irregular expenditure under determination | 627 993 574.80 | 349 051 000.00 |
| Irregular expenditure under investigation | 4 732 558.04 | 934 509.32 |
| **Total** | **638 190 132.84** | **362 828 339.37** |

#### c) Details of current and previous irregular expenditure condoned

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Irregular expenditure condoned | - | - |
| **Total** | **-** | **-** |

### d) Details of current and previous irregular expenditure removed - (not condoned)

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Irregular expenditure NOT condoned and removed | (1 846 299.96) | (861 170.36) |
| **Total** | **(1 846 299.96)** | **(861 170.36)** |

### e) Details of current and previous irregular expenditure written off (irrecoverable)

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Irregular expenditure written off | - | - |
| **Total** | **-** | **-** |

### f) Details of current and previous irregular expenditure recovered

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Irregular expenditure recoverable | - | - |
| **Total** | **-** | **-** |

### g) Details of current and previous disciplinary or criminal steps taken as a result of irregular expenditure

| Disciplinary steps taken |
|---|
| None |

## 1.2. *Fruitless and wasteful expenditure*

### a) Reconciliation of fruitless and wasteful expenditure

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| **Opening balance** | 46 774 342.06 | 45 881 441.75 |
| Prior year error | - | - |
| **As restated** | 46 774 342.06 | 45 881 441.75 |
| Add: Fruitless and wasteful expenditure confirmed | 1 813 551.23 | 980 918.46 |
| Less: Fruitless and wasteful expenditure written off | (435 456.72) | (48 697.86) |
| Less: Fruitless and wasteful expenditure recoverable | (45 300.76) | (39 320.29) |
| **Closing balance** | **48 107 135.81** | **46 774 342.06** |

## Reconciliation notes to the Annual Financial Statements

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Fruitless and wasteful expenditure that was under assessment in the prior year | - | - |
| Fruitless and wasteful expenditure that relates to the prior year and identified in the current year | - | - |
| Fruitless and wasteful expenditure for the current year | 1 813 551.23 | 980 918.46 |
| **Total** | **1 813 551.23** | **980 918.46** |

### b) Details of current and previous fruitless and wasteful expenditure (under assessment, determination, and investigation)

| Description[15] | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Fruitless and wasteful expenditure under assessment | 113 064.05 | 311 131.36 |
| Fruitless and wasteful expenditure under determination | 48 714 607.44 | 45 293 606.38 |
| Fruitless and wasteful expenditure under investigation | 7 418.16 | 1 372 346.79 |
| **Total** | **48 835 089.65** | **46 977 084.53** |

### c) Details of current and previous fruitless and wasteful expenditure written off (irrecoverable)

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Fruitless and wasteful expenditure written off | (435 456.72) | (48 697.86) |
| **Total** | **(435 456.72)** | **(48 697.86)** |

### d) Details of current and previous fruitless and wasteful expenditure recovered

| Description | 2024/25 | 2023/24 |
|---|---|---|
| | R' | R' |
| Fruitless and wasteful expenditure recoverable | (45 300.76) | (39 320.29) |
| **Total** | **(45 300.76)** | **(39 320.29)** |

### e) Details of current and previous disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

| Disciplinary steps taken |
|---|
| None |

## 1.3. *Unauthorised expenditure*

The Department did not incur unauthorised expenditure during the 2024/2025 financial year.

## 2. *Late and/or non-payment of suppliers*

| Description | Number of invoices | Consolidated Value |
|---|---|---|
| | | R-value |
| Valid invoices received | 6 575 | R918 861 769.74 |
| Invoices paid **within** 30 days or agreed period | 6 542 | R772 192 957.67 |
| Invoices paid **after** 30 days or agreed period | 33 | R146 668 812.07 |
| Invoices older than 30 days or agreed period (***unpaid and without dispute***) | 1 | R18 480.00 |
| Invoices older than 30 days or agreed period (***unpaid and in dispute***) | - | - |

**Invoices paid after 30 days or agreed period**

Invoices were delivered without delivery notes, or the delivery notes were not signed. The end user had to do a proper verification and ensure that the barcodes were correct.
Invoices had discrepancies that had to be resolved on the amounts between what was ordered and what was invoiced.
Invoices were paid after thirty days due to LOGIS system related problems.
Invoices were paid after thirty days due to delayed approvals for 15% expansion and increase in the threshold limit.
Invoices were paid late due to Supplier delay in providing bank details for payment.
The end user had to follow SCM processes for an additional amount that was incurred.
Commitment on the Order was depleted and clarity had to be obtained if invoice amount was within the expansion threshold of 15%.
Due to LOGIS system related problems relating to asset barcodes that had to be resolved.
End user mistakenly archived the e-mailed invoice instead of submitting for payment.
End user submitted invoice after thirty (30) days.

**Invoice older than 30 days or agreed period (*unpaid and without dispute*)**

Invoice received by end user on 28 February 2025 and submitted to Finance on 20 March 2025 but could not be authorised due to non-availability of budget.

## 3. *Supply Chain Management*

### **3.1.** Procurement by other means

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| To attend the Public Sector and Risk Indaba | CIGFARO | Deviation | HO 02/04/2024-25 | R39 |
| Public sector conference | The institute of internal auditors South Africa | Deviation | HO 07/04/2024-25 | R29 |
| Procure the Halton Cheadle services to draft a response for the International Court of Justice advisory opinion on the right to strike under convention 87 | Halton Cheadle | Deviation | HO 12/05/2024-25 | R276 |
| Multichoice to procure annual renewal of 25 units for DSTV | Multichoice | Deviation | HO 13/05/2024-25 | R125 |
| renewal of the Membership Subscription with the Association of Certified Fraud Examiners (ACFE) | Association of Certified Fraud Examiners (ACFE) | Deviation | HO 16/05/2024-25 | R7 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| External Venue and facilities for Inaugural Barayi Lecture. | University of Johannesburg | Deviation | HO 15/05/2024-25 | R736 |
| Procure service of Interpreters | DLV Communication | Deviation | HO 18/05/2024-25 | R10 |
| Renewal of the Iqual Database Maintenance | Predicate Logistics | Deviation | HO 35/06/2024-25 | R86 |
| To utilize Ukhozi Forensic and Consulting Services to conduct gadget mirror imaging for investigation purposes for the Directorate: Financial Management | Ukhozi Forensic and Consulting | Deviation | HO 36/06/2024-25 | R300 |
| Renewal of the IIA Membership | Institute of Internal Auditors SA | Deviation | HO 59/07/2024-25 | R47 |
| Membership Affiliation for Risk Management Officials | Association of Certified Fraud Examiners SA | Deviation | HO 75/07/2024-25 | R59 |
| 17th ACFE Africa Conference and Exhibition | Association of Certified Fraud Examiners SA | Deviation | HO 65/07/2024-25 | R83 |
| Advanced Excel Training Internal Audit Official | Leadership Academy | Deviation | HO 64/07/2024-25 | R44 |
| Emergency Procurement for the Supply and Installation of Perimeter Fence and Security Lights | Cedza Security Technologies and Projects | Deviation | n/a | R170 |
| The Compliance Institute of Southern Africa Annual Conference on the 28-29 of August 2024 for the Directorate: Risk Management | Compliance Institute of Southern Africa | Deviation | HO 92/08/2024-25 | R40 |
| 27th South African Internal Audit Hybrid Auditors Conference arranged by The Institute of Internal Auditors South Africa | The Institute of Internal Auditors South Africa | Deviation | HO 86/08/2024-25 | R45 |
| training on Performance Auditing in the public sector | Leadership Academy | Deviation | HO 91/08/2024-25 | R43 |
| training on Combined Assurance - Internal Auditors | Leadership Academy | Deviation | HO 89/08/2024-25 | R29 |
| The Institute of Risk Management South Africa (IRMSA) annual conference | IRMSA | Deviation | HO 88/08/2024-25 | R85 |
| Training on Fraud Prevention and Detection | Leadership Academy | Deviation | HO 90/08/2024-25 | R11 |
| To utilize Rain Chartered Accountants to procure co-sourced investigation services to be utilized by Risk Management for Fraud and Corruption Case | Rain Chartered Accountants | Deviation | HO 100/08/2024-25 | R669 |
| An approval be granted to utilize Quantec Enterprise (Pty) Ltd to procure STATA Software License for large data analysis | Quantec Enterprise (Pty) Ltd | Deviation | HO 101/08/2024-25 | R285 |
| To utilize Cheadle Thompson & Haysom inc. Attorneys for the legal drafting of the 2 sets of Employment Equity Regulations | Cheadle Thompson & Haysom inc. Attorneys | Deviation | HO 138/09/2024-25 | R298 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| for the Directorate: Employment Equity | | | | |
| To utilize Juta for eight (08) delegates to attend the Juta's Annual Labour Law Update Seminar taking place on 04 November 2024 at CSIR Convention Centre Pretoria for the Directorate: Employment Relations | CSIR Convention Centre Pretoria | Deviation | HO 119/08/2024-25 | R43 |
| To utilize Wolters Kluwer for the renewal of Team-Mate Audit Management Software for 16 licenses for a period of 12 months, for the Directorate: ICT Applications Solution and Maintenance | Wolters Kluwer | Deviation | HO 118/08/2024-25 | R80 |
| The utilization of 3G Relocations to Procure Service for Relocation of Furniture for the Minister from the Eastern Cape (Mthatha) to Western Cape (Belville) | 3G Relocations | Deviation | HO 121/09/2024-25 | R18 |
| For three (3) Head Office officials to attend the National Internal Control Culture Shift Conference 2024 from the 25-27 of September 2024 at the Protea Hotel Karidene Beach, Durban for the Directorate: Risk Management | Chartered Institute of Audit Governance Oversight and Leadership (CIAGOL) | Deviation | HO 142/09/2024-25 | R24 |
| For (4) Internal Audit officials to attend the 2024 National Culture Shift and Internal Control Conference in Durban on the 25-27 September 2024 for the Directorate: Internal Audit | Chartered Institute of Audit Governance Oversight and Leadership (CIAGOL) | Deviation | HO 141/09/2024-25 | R31 |
| Venue & facilities for 250 attendees for Occupational Health and Safety conference to be held in Western Cape, from 20-22 November 2024 for the Directorate: Occupational Health and Safety | Two Oceans Aquarium | Deviation | HO 149/09/2024-25 | R972 |
| To procure 16 Smart Q-Led TV's and Smart projector | Makro (MAAA0140880) | Deviation | HO 198/11/2024 | R258 |
| To procure venue and facilities and catering for the 16 Days of Activism Against Women and Children, World AIDS Day and Disability Day event | Correctional Service Pretoria (MAAA1261367) | Deviation | HO 142/09/2024 | R75 |
| To procure services of Emergency Medical Services for DEL commemoration of WAD,16 Days of Activism and IDPWD | Gauteng Provincial Health (MAAA0131799) | Deviation | HO 201/12/2024-25 | R5 |
| Training of the end-users' administrators of LexisNexis software for pre-screening | LexisNexis (MAAA0089283) | Deviation | HO 210/12/2024-25 | R2 |
| To procure lock cylinders for Cape Town Offices from Multi- | Multi-Lock Company (MAAA0002717) | Deviation | HO 218/01/2024-25 | R141 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| Locking Vehicle Tracking Security System | | | | |
| To procure Global Internal Audit Standards Training | Leadership Academy | Deviation | HO 221/01/2024-25 | R66 |
| Advance Excel for Internal Auditors (face-to-face) for one (1) official | Leadership Academy | Deviation | HQ256/03/2024-25 | R7 |
| Instructor-led Certified Internal Auditor (CIA) Part 1 training course for three (3) officials | Leadership Academy | Deviation | HQ257/03/2024-25 | R35 |
| Hilton Garden Inn Umhlanga Arch in Durban for the 2nd G20 Employment Working Group (EWG) Meeting from 07-11 April 2025 | Hilton Garden Inn Umhlanga Arch MAAA1220831 | Deviation | DBAC 37/03/2024-25 | R15 104 |
| procure promotional items (tablecloths, country flag, wooden table name plate, golf-shirt) for the G20 meeting | SEE | Deviation | HQ268/03/2024-25 | R203 |
| CSIR to conduct Forensic Investigation on Cyber Security breach which transpired though SITA VPN | CSIR | Deviation | DBAC 40/03/2024-25 | R5 427 |
| Renewal of Iqual License | Predicate | Deviation | EL-008607 | R62 |
| Purchasing Iqual license | Predicate | Deviation | EL-008680 | R80 |
| Training | Predicate | Deviation | EL-008684 | R7 |
| Purchasing Iqual license | Predicate | Deviation | EL-008781 | R80 |
| Catering Services | Rengqwa Investments | Deviation | EL-008855 | R17 |
| Catering Services | Rengqwa Investments | Deviation | EL-008858 | R17 |
| Catering Services | Rengqwa Investments | Deviation | EL-008847 | R17 |
| Catering Services | Rengqwa Investments | Deviation | EL-008858 | R17 |
| Catering Services | Theleka Catering Services T/A Divine Foods | Deviation | EL-008850 | R19 |
| Catering Services | Theleka Catering Services T/A Divine Foods | Deviation | EL-008856 | R29 |
| Catering Services | Theleka Catering Services T/A Divine Foods | Deviation | EL-008853 | R29 |
| Catering Services | Billion Judz | Deviation | EL-008859 | R31 |
| Catering Services | Billion Judz | Deviation | EL-0088572 | R29 |
| Catering Services | Jali-Kampuku Trding Enterprise | Deviation | EL-008848 | R18 |
| Rental and Hiring Services | Mpelwane Development Projects | Deviation | EL-008849 | R49 |
| Rental and Hiring Services | Mpelwane Development Projects | Deviation | EL-008852 | R92 |
| Catering Services | Ngolese Transport | Deviation | EL-008860 | R38 |
| Catering Services | Bulcof Security and Cleaning Services | Deviation | EL-008861 | R17 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| Renewal of Career Counsellors (Continuous Professional Development) CPD Points certificates to stay registered with HPCSA | Solution Focused Institute | Deviation | FS09-05-24/25 | R 49 |
| Rubber Stamps with safety features for the whole province | Government Printing Works | Deviation | FS04-04-24/25 | R 253 |
| Parking Service for 7 vehicle LC Sasolburg | Fichard Gebou | Deviation | FS148/12/24/25 | R 29 |
| Hiring of venue for 3 days Career Fairs event | Mangaung Metropolitan Municipality | Deviation | FS84-09/24/25 | R 26 |
| Radio airtime and advert slots to market Departmental service | Sesotho FM stereo | Deviation | FS70/09/24/25 | R 78 |
| radio airtime and advert slots to market Departmental service | Setilec (Metsimaholo FM) | Deviation | FS69/09/24/25 | R 77 |
| Attendance and Presentation at SAAPAM, 23rd Annual Conference | SAAPAM | Deviation | FS72/09/24/25 | R7 |
| external venue and catering for UIF midterm review | President Hotel | Deviation | FS104/10/24/25 | R121 |
| radio airtime and advert slots to market Departmental service | Central Media Group | Deviation | FS71/09/24/25 | R245 |
| IRMSA conference for risk | The Institute of Risk Management | Deviation | FS87/09/24/25 | R54 |
| Catering Services for Jobs & Careers fair for 450 delegates at Rabasotho hall in Tembisa | Mami Flavours and Catering events | Deviation | GP-15-04-24/25 | R106 |
| Employer Breakfast Session for 150 employers and 45 delegates in Kempton Park Civic Centre | Rammase Catering and events | Deviation | GP-16-04-24/25 | R60 |
| Sound System for the jobs & Careers fair for 450 delegates in Rabasotho Hall in Tembisa | Odirile Thuto Business Enterprise | Deviation | GP-17-04-24/25 | R23 |
| Sound System for the employer breakfast session for 150 delegates in Kempton Park Civic Centre | Saferight Group | Deviation | GP-18-04-24/25 | R23 |
| Mobile toilets x12 at Rabasotho Hall in Tembisa | A1 Catering & Events | Deviation | GP-20-04-24/25 | R42 |
| Registration and Membership Fees | Charted Institute of Procurement and Supply | Deviation | GP-28-04-24/25 | R6 |
| Risk Management officials to attend the Annual IRMSA Conference | Institute of Risk Management | Deviation | GP-141-09-24/25 | R67 |
| Plumbing and Drying up of the office | Ntandokayise Omuhle (Pty)Ltd | Deviation | 04/04/2024 | R25 |
| Iqual | Predicate Logistics | Deviation | 07/08/2024 | R110 |
| Registration with SANC | South African Nursing Council | Deviation | 25/10/2024 | R5 |
| Medical Negligence and Health sector Mediation Training and CDP Points for 3 officials | University of Cape Town | Deviation | 05/12/2024 | R69 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| Plumbing and Drying up of the office | Ntandokayise Omuhle (Pty)Ltd | Deviation | 27/11/2024 | R58 |
| Annual membership fees | Health Professions Council of South Africa | Deviation | 28/03/2025 | R5 |
| Outside broadcast for PES Career Job Fair at Giyani and Tzaneen | VISION FM | Deviation | LP-32-05-24/25 and 22/05/2024 | R 43 |
| Training for Career Councillors | PSYSSA | Deviation | LP-54-08-24/25 | R5 |
| Training for Career Councillors | PSYSSA | Deviation | LP-71-10-24/25 | R15 |
| movement of sharp machine from old office to the new Standerton office | Apex Business System | Deviation | MP02-04-24/25 Date: 18/04/2024 | R 4 |
| Continuation of Iqual system | Predicate Logistics | Deviation | MP38-09-24/25 | R 74 |
| Annual South African Psychology Congress Member | PSYSSA | Deviation | MP51-10-24/25 Date: 07/10/2024 | R30 |
| Annual membership fee with Chartered Governance Institute of Southern Africa | CGISA | Deviation | MP77-01-24/25 Date: 13/01/2025 | R5 |
| Request approval for the second opinion incapacity assessment | Alexander Forbes | Deviation | MP74-01-24/25: 06/01/2025 | R18 |
| Approval request for the Mpumalanga career/ Jobs Fair and the handing over of LAP contracts | Mbombela Stadium Management | Deviation | DBAC 43/03/2024-25: 28/03/2025 | R2 280 |
| External Venue and Catering in Hartswater for Stakeholders session for the Service to the people Campaign | Die Kasteel Hartswater | Deviation | SBAC01/04/10/2024 | R 100 |
| Locksmith | Hurricane Locksmith | Deviation | NW09/04/24 2024/04/09 | R 7 |
| Installation of water tank | Five Star General Plumbing | Deviation | 19/04/2024 | R 31 |
| Advertisement | Bojanala FM | Deviation | NW31/10/24-25 | R 9 |
| Advertisement | Mafisa FM | Deviation | NW32/10/24-25 | R 17 |
| Maintenance of Iqual | Predicate Logistics | Deviation | | R 62 |
| Use of external venue | Ngwenya Trading | Deviation | NW/11/02/2025 | R92 |
| Training of staff | Predicate Logistics | Deviation | NW/47/01/24-25 | R7 |
| Request to procure emergency services for Vredenburg Jobs Fair - Department of Health | Western Cape Government MAAA0215587 | Deviation | DD9-04-24/25 | R9 |
| Request to repair 2 x Brother printers - Mustek Limited | Mustek Limited MAAA0017792 | Deviation | DD21-05-24/25 | R8 |
| Request approval to procure advertising services- Daily Voice | Independent Media - The Daily Voice MAAA0080421 | Deviation | DD42-07-24/25 | R40 |
| Request approval to render concrete testing services at disaster site in George - Roadlab Laboratories | Roadlab Laboratories MAAA0166051 | Deviation | DD44-07-24/25 | R12 |
| Request approval to procure advertising services- Die Son | Media24 - Die MAAA1327610 | Deviation | DD45-07-24/25 | R16 |

| Project description | Name of supplier | Type of procurement by other means | Contract number | Value of contract R'000 |
|---|---|---|---|---|
| IRMSA Annual Conference from 01 - 03 October 2024 - The Institute of Risk Management | The Institute of Risk Management<br>MAAA0060000 | Deviation | DD78-09-24/25 | R54 |
| Request to repair Laptop x1 by accredited Service Provider. | Partserve Channel Support<br>MAAA0096166 | Deviation | DD71-09-24/25 | R3 |
| Request for ZoomText magnifier single reader for visually impaired | Sensory Solutions<br>MAAA0587993 | Deviation | DD106-11-24/25 | R13 |
| Request for outside venue for IES EXCO meeting | Premier Resort Knysna MAAA0169597 | Deviation | 40-09/12/24-25 | R182 |
| Request to procure CIP training for Level 1-3 | National School of Government MAAA0080390 | Deviation | DD126/12/2024-25 | R25 |
| Request to procure CIP training for Level 4-5 | National School of Government MAAA0080390 | Deviation | 32-09/12/24-25 | R163 |
| Request to procure CIP training for Level 6-12 | National School of Government MAAA0080390 | Deviation | 33-09/12/24-25 | R135 |
| Request to procure emergency plumbing services for Atlantis office | Leilaas Electrical and Building Distributors PTY Ltd - MAAA0034117 | Deviation | DD158-2024/2025 | R6 |
| **Total** | | | | **R31 373** |

### 3.1. Contract variations and expansions

| Project description | Name of supplier | Contract modification type (Expansion or Variation) | Contract number | Original contract value | Value of previous contract expansion/s or variation/s (if applicable) | Value of current contract expansion or variation |
|---|---|---|---|---|---|---|
| | | | | R'000 | R'000 | R'000 |
| None | | | | | | |
| **Total** | | | | | | |

# Part F: Financial Information

# Report of the Auditor-General to Parliament on Vote no. 31: Department of Employment and Labour

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Department of Employment and Labour set out on pages 174 to 255, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the department of employment and labour as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for qualified opinion

#### Non-current receivables

3. I was unable to obtain sufficient appropriate audit evidence that non-current receivables had been properly accounted for, as supporting documents to substantiate the receivables was not provided. I was unable to confirm non-current receivables by alternative means due to the status of the accounting records. Consequently, I was unable to determine whether any adjustment was necessary to the non-current receivables stated at R59 million in note 11 to the financial statements.

### Context for opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

5. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Responsibilities of the accounting officer for the financial statements

7. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA; and for such

internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations or has no realistic alternative but to do so.

### Responsibilities of the auditor-general for the audit of the financial statements

9. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 171, forms part of my auditor's report.

## Report on the audit of the annual performance report

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

12. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

| Programme | Page numbers | Purpose |
|---|---|---|
| Programme 2: Inspection and enforcement services | P 68-78 | Protect vulnerable workers through the inspection and enforcement of labour legislation. |
| Programme 3: Public employment services | P 70-88 | Assist companies and workers to adjust to changing labour market conditions. |
| Programme 4: Labour policy & industrial relations | P 89-96 | 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. |

13. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

14. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

15. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

16. The material findings on the reported performance information for the selected programme are as follows:

### Programme 4 - Labour policy & industrial relations

### Indicator 4.2 Percentage of collective agreements assessed and verified within 60 working days

17. The achievement of 45% was reported against a target of 100% in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

### Indicator 7.1 Number of labour market trend reports produced per annum

18. The achievement of 100% was reported against a target of 100% in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

**Other matters**

19. I draw attention to the matters below.

### Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.

21. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 60 to 96.

### Programme 4: Labour policy & industrial relations

| *Targets achieved: 80%*<br>*Budget spent 100%* | | |
|---|---|---|
| Key indicator not achieved | Planned target | Reported achievement |
| 4.1 Percentage of collective agreements where parties are not representative assessed and verified within 120 working days of receipt per annum | 100% | 0% |
| 4.2 Percentage of collective agreements assessed and verified within 60 working days of receipt per annum. | 100% | 45% |

### Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 4: Labour Policy & Industrial Relations management did not correct the misstatements and I reported material findings in this regard.

## Report on compliance with legislation

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and

readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Annual financial statements

27. The annual financial statements submitted for audit were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) and (b) of the PFMA.

28. Material misstatements of receivables, movable tangible capital assets and irregular expenditure disclosure note were corrected but the uncorrected material misstatements on non-current receivables resulted in the financial statements receiving a qualified opinion.

### Expenditure management

29. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R271 191 348 as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statements was caused by SCM process not followed.

30. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 814 600 as disclosed in note 25 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

### Asset management

31. Proper control systems were not in place at the department to ensure the safeguarding of assets, as required by section 38(1)(d) of the PFMA.

### Consequence management

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

34. I was unable to obtain sufficient appropriate audit evidence that losses resulting from some fruitless and wasteful expenditure were recovered from the liable persons, as required by treasury regulation 9.1.4.

### Procurement and contact management

35. Some of the contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).

36. Some of the contracts were awarded to bidders based on evaluation/adjudication criteria that were not stipulated and/or differed from those stipulated in the original invitation for bidding and quotations as required by Treasury Regulation 16A6.3(a) and (b).

37. Tenders which achieved the minimum qualifying score for functionality criteria were not evaluated further in accordance with 2017 Preferential Procurement Regulation 5(7).

38. Contracts were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding, in contravention of the 2017 Preferential Procurement Regulation 4(1) and 4(2).

39. IT related goods and services, classified as mandatory, were not procured through SITA as required by Treasury Regulation 16A6.3(e) and section 7(3) of the SITA Act.

## Other information in the annual report

40. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

41. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

42. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

43. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

## Internal control deficiencies

44. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

45. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

46. Preventative controls were not implemented to ensure reliable financial and performance reporting, as material misstatements were identified during the audit process.

47. Management did not ensure that all instances of irregular, fruitless and wasteful expenditure are investigated, and that consequence management is implemented as required by the PFMA.

48. Management did not adequately review and monitor compliance with applicable laws and regulations.

## Material irregularities

49. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

**Status of previously reported material irregularities**

### Payments for unused/underutilised software licences

50. The department implemented an Enterprise Resource Planning (ERP) system for the department, the Unemployment Insurance Fund (UIF) and Compensation Fund (CF). The department selected System Application Products (SAP) as the preferred ERP solution and procured SAP licences through a software licence and support agreement, dated February 2017 (Master Services Agreement) from SAP for a period of three years. The licence agreement consisted of 86 licence types. The cost of the licences amounted to approximately R232 million, while the maintenance and support amounted to approximately R51 million (22% of the maintenance base of R230 million) payable annually.

51. It was noted that 13 licence types were not deployed or utilised by the department, UIF or CF and that maintenance and support cost for these licences were paid. As per the Master Services Agreement between SAP and the department, the maintenance and support payable require a fixed percentage of the annual support maintenance fees, based on 22% of the licence entitlement base purchased (AMC). In addition, there were about 39 licence types purchased that were indicated as a future requirement, yet maintenance and support costs were being paid. Furthermore, for the licence types that were deployed, the number of users paid for were more than the actual users and maintenance and support costs were also being paid.

52. The entitlement base purchased for the identified licences is R208 million. Therefore, the apportioned AMC that would have been paid over the contractual period for the underutilised licences is R23 million, even though these licences were not in use, which resulted in a non-compliance with section 45 (b) of the PFMA.

53. The accounting officer was notified on 6 September 2023 of the material irregularity and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded to the material irregularity on 11 October 2023 and a supplementary response was received 30 January 2024.

54. The responses were assessed and I determined that the accounting officer did not take appropriate actions address the material irregularity. I notified the accounting officer on 26 July 2024 of the following recommendations, which should have been implemented by 29 January 2025 with a progress report by 29 October 2024:

    - Appropriate action should be taken to investigate the non-compliance in order to determine if any official should be held responsible. The investigation should also determine the reasons and circumstances that led to the unutilised licences, for the purpose of addressing control weaknesses.
    - The financial loss should be quantified.
    - All persons liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.
    - Appropriate action should be taken to ensure that resources of the department are used in an effective and efficient manner and as part of this, progress should be monitored against the project implementation plan and corrective actions should be taken where there are delays.
    - Effective and appropriate disciplinary steps should be initiated, without undue delay, against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA."

55. The accounting officer failed to submit the progress report and a written response with substantiating documentation on the implementation of the recommendations at the stipulated due.

56. I issued a directive to the accounting officer to determine the amount of the financial loss and recover such loss, or make progress with the recovery of the loss, from the responsible person(s) by 23 September 2025. In addition, I notified the accounting officer of the following remedial action to address the material irregularity, which must be implemented by the same date:

    - Appropriate action must be taken to investigate the non-compliance in order to determine if any official should be held responsible. The investigation should also determine the reasons and circumstances that led to the unutilised licences, for the purpose of addressing control weaknesses.
    - The financial loss must be quantified
    - All persons liable for the losses must be identified and appropriate action must commence to recover the financial loss. The recovery process must not be unduly delayed.
    - Appropriate acting must be taken to ensure that resources of the department are used in an effective and efficient manner and as part of this progress must be monitored against the project implementation plan and corrective actions must be taken where there are delays.
    - Effective and appropriate disciplinary steps must be initiated, without undue delay against any official that the investigation found to be responsible, as required by section 38(1)(h) of the PFMA.

57. A progress report on the implementation of the remedial action and execution of the directive was required by 23 July 2025. The progress report with substantiating documentation was received on 23 July 2025 and I am in process of the assessing the report.

Auditor-General.

Pretoria

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department's to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Section, regulation or paragraph |
|---|---|
| Public Finance Management Act 1 of 1999 | Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b) |
| Treasury Regulations, 2005 | Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4 |
| Construction Industry Development Board Act 38 of 2000 | Section 18(1) |
| Construction Industry Development Board Regulations, 2004 | Regulation 17; 25(7A) |
| Division of Revenue Act 24 of 2024 | Section 11(6)(a); 12(5); 16(1); 16(3)(a)(i); 16(3)(a)(ii) |
| National Health Act 61 of 2003 | Section 13 |
| National Treasury Instruction No. 5 of 2020/21 | Paragraph 4.8; 4.9; 5.3 |
| Second amendment National Treasury Instruction No. 5 of 2020/21 | Paragraph 1 |
| Erratum National Treasury Instruction No. 5 of 2020/21 | Paragraph 2 |
| National Treasury Instruction No. 1 of 2021/22 | Paragraph 4 |
| National Treasury Instruction No. 4 of 2015/16 | Paragraph 3.4 |
| National Treasury SCM Instruction No. 4A of 2016/17 | Paragraph 6 |
| National Treasury Instruction No. 7 of 2017/18 | Paragraph 4.3 |
| PFMA National Treasury SCM Instruction No. 03 of 2021/22 | Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6 |
| National Treasury SCM Instruction No. 11 of 2020/21 | Paragraph 3.4(a); 3.4(b); 3.9 |
| National Treasury SCM Instruction No. 2 of 2021/22 | Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1 |
| Practice note 11 of 2008-9 | Paragraph 2.1; 3.1 (b) |
| National Treasury Practice Note 5 of 2009/10 | Paragraph 3.3 |
| National Treasury Practice Note 7 of 2009/10 | Paragraph 4.1.2 |
| Preferential Procurement Policy Framework Act 5 of 2000 | Section 1; 2.1(a); 2.1(f) |
| Preferential Procurement Regulations, 2022 | Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4 |
| Preferential Procurement Regulations, 2017 | Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section 34(1) |
| Public Service Regulations, 2016 | Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii) |
| State Information Technology Agency Act 88 of 1998 | Section 7(3) |

## *1. Annual Financial Statements*

Table of Contents


| | |
|---|---|
| Appropriation Statement | *175* |
| Notes to the Appropriation Statement | *195* |
| Statement of Financial Performance | *197* |
| Statement of Financial Position | *198* |
| Statement of Changes in Net Assets | *199* |
| Cash Flow Statement | *200* |
| Notes to the Annual Financial Statements (including Accounting Policies) | *201* |
| Annexures | *236* |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| Appropriation per programme | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024/25 | | | | | | | 2023/24 | |
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| **Programme:** | | | | | | | | | |
| 1. Administration | 1 037 293 | - | 27 857 | 1 065 150 | 1 065 150 | - | 100.0% | 1 045 131 | 1 037 053 |
| 2. Inspection & Enforcement Services | 637 832 | - | (37 358) | 600 474 | 548 008 | 52 466 | 91.3% | 608 008 | 600 855 |
| 3. Public Employment Services | 917 526 | - | 12 465 | 929 991 | 929 991 | - | 100.0% | 1 039 641 | 1 037 011 |
| 4. Labour Policy & Industrial Relations | 1 262 191 | - | (2 964) | 1 259 227 | 1 259 227 | - | 100.0% | 1 323 934 | 1 321 061 |
| **TOTAL** | **3 854 842** | **-** | **-** | **3 854 842** | **3 802 376** | **52 466** | **98.6%** | **4 016 714** | **3 995 980** |
| **TOTAL (brought forward)** | | | | | | | | | |
| **Reconciliation with statement of financial performance** | | | | | | | | | |
| **ADD:** Departmental receipts | | | | 33 020 | | | | 21 708 | |
| **ADD:** Aid assistance | | | | 33 957 | | | | 59 924 | |
| **Actual amounts per statement of financial performance (total revenue)** | | | | **3 921 819** | | | | **4 098 346** | |
| **ADD:** Aid assistance | | | | | 12 370 | | | | 27 200 |
| **Actual amounts per statement of financial performance (total expenditure)** | | | | | **3 814 746** | | | | **4 023 180** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| Appropriation per economic classification | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024/25 | | | | | | | 2023/24 | |
| Economic classification | Approved Budget R'000 | Shifting of Funds R'000 | Virement R'000 | Final Budget R'000 | Actual Expenditure R'000 | Variance R'000 | Expenditure as % of final budget % | Final Budget R'000 | Actual Expenditure R'000 |
| **Current payments** | **2 142 277** | **4 358** | **(9 583)** | **2 137 052** | **2 086 292** | **50 760** | **97.6%** | **2 118 614** | **2 102 068** |
| Compensation of employees | 1 486 793 | (67 008) | (33 081) | 1 386 704 | 1 344 185 | 42 519 | 96.9% | 1 408 299 | 1 395 350 |
| Salaries and wages | 1 238 500 | (41 824) | (29 253) | 1 167 423 | 1 137 898 | 29 525 | 97.5% | 1 194 667 | 1 186 093 |
| Social contributions | 248 293 | (25 184) | (3 828) | 219 281 | 206 287 | 12 994 | 94.1% | 213 632 | 209 257 |
| Goods and services | 655 484 | 71 366 | 23 498 | 750 348 | 742 107 | 8 241 | 98.9% | 710 315 | 706 718 |
| Administrative fees | 6 212 | 2 057 | - | 8 269 | 8 269 | - | 100.0% | 7 705 | 7 650 |
| Advertising | 11 920 | (4 682) | - | 7 238 | 7 238 | - | 100.0% | 5 334 | 5 334 |
| Minor assets | 7 838 | 2 188 | - | 10 026 | 9 522 | 504 | 95.0% | 9 563 | 9 390 |
| Audit costs: External | 16 424 | 2 409 | - | 18 833 | 18 833 | - | 100.0% | 15 753 | 15 753 |
| Bursaries: Employees | 3 046 | 5 889 | - | 8 935 | 8 935 | - | 100.0% | 7 947 | 7 938 |
| Catering: Departmental activities | 6 827 | (1 228) | - | 5 599 | 4 936 | 663 | 88.2% | 8 101 | 7 854 |
| Communication | 42 021 | (7 369) | - | 34 652 | 33 730 | 922 | 97.3% | 37 142 | 37 076 |
| Computer services | 110 477 | (3 255) | - | 107 222 | 107 222 | - | 100.0% | 106 243 | 106 243 |
| Consultants: Business and advisory services | 15 338 | (1 884) | - | 13 454 | 13 454 | - | 100.0% | 12 526 | 12 526 |
| Scientific and technological service | 300 | (300) | - | - | - | - | - | - | - |
| Legal services | 4 646 | 16 810 | - | 21 456 | 21 433 | 23 | 99.9% | 33 399 | 33 399 |
| Contractors | 6 580 | (3 639) | - | 2 941 | 2 941 | - | 100.0% | 5 044 | 4 984 |
| Agency and support / outsourced services | 519 | (519) | - | - | - | - | - | 3 | - |
| Entertainment | 234 | (102) | - | 132 | 119 | 13 | 90.2% | 141 | 137 |
| Fleet services | 23 715 | 13 002 | 8 958 | 45 675 | 45 638 | 37 | 99.9% | 39 848 | 39 811 |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 4 460 | (451) | - | 4 009 | 4 009 | - | 100.0% | 6 000 | 5 954 |
| Consumable: Stationery, printing and office supplies | 17 177 | (6 936) | - | 10 241 | 9 984 | 257 | 97.5% | 14 926 | 14 586 |
| Operating leases | 170 136 | 10 075 | - | 180 211 | 180 201 | 10 | 100.0% | 151 959 | 151 952 |
| Property payments | 89 070 | 4 264 | - | 93 334 | 93 256 | 78 | 99.9% | 89 230 | 89 230 |
| Transport provided: Departmental activity | 794 | (789) | - | 5 | 5 | - | 100.0% | 633 | 633 |
| Travel and subsistence | 81 468 | 38 729 | 14 560 | 134 757 | 134 757 | - | 100.0% | 127 167 | 126 954 |
| Training and development | 14 968 | (6 094) | - | 8 874 | 5 107 | 3 767 | 57.6% | 7 209 | 5 193 |
| Operating payments | 7 061 | 1 192 | - | 8 253 | 8 096 | 157 | 98.1% | 6 770 | 6 765 |
| Venues and facilities | 13 575 | 12 329 | (20) | 25 884 | 24 105 | 1 779 | 93.1% | 13 836 | 13 520 |
| Rental and hiring | 678 | (330) | - | 348 | 317 | 31 | 91.1% | 3 836 | 3 836 |
| **Transfers and subsidies** | **1 615 204** | **4 620** | **9 583** | **1 629 407** | **1 629 402** | **5** | **100.0%** | **1 781 022** | **1 780 197** |
| Provinces and municipalities | 866 | (26) | 59 | 899 | 899 | - | 100.0% | 954 | 954 |
| Municipalities | 866 | (26) | 59 | 899 | 899 | - | 100.0% | 954 | 954 |
| Municipal bank accounts | 866 | (26) | 59 | 899 | 899 | - | 100.0% | 954 | 954 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Departmental agencies and accounts | 1 295 673 | 3 | 9 524 | 1 305 200 | 1 305 200 | - | 100.0% | 1 404 984 | 1 404 982 |
| Social security funds | 12 509 | (1) | - | 12 508 | 12 508 | - | 100.0% | 6 996 | 6 995 |
| Departmental agencies and accounts | 1 283 164 | 4 | 9 524 | 1 292 692 | 1 292 692 | - | 100.0% | 1 397 988 | 1 397 987 |
| Foreign governments and international organisations | 23 192 | (2 428) | - | 20 764 | 20 764 | - | 100.0% | 22 520 | 22 520 |
| Public corporations and private enterprises | 57 500 | - | - | 57 500 | 57 500 | - | 100.0% | 87 000 | 87 000 |
| Public corporations | 57 500 | - | - | 57 500 | 57 500 | - | 100.0% | 87 000 | 87 000 |
| Other transfers to public corporations | 57 500 | - | - | 57 500 | 57 500 | - | 100.0% | 87 000 | 87 000 |
| Non-profit institutions | 230 233 | (201) | - | 230 032 | 230 032 | - | 100.0% | 257 925 | 257 236 |
| Households | 7 740 | 7 272 | - | 15 012 | 15 007 | 5 | 100.0% | 7 639 | 7 505 |
| Social benefits | 7 529 | 6 428 | - | 13 957 | 13 952 | 5 | 100.0% | 6 861 | 6 727 |
| Other transfers to households | 211 | 844 | - | 1 055 | 1 055 | - | 100.0% | 778 | 778 |
| **Payments for capital assets** | **97 361** | **(18 012)** | **-** | **79 349** | **77 648** | **1 701** | **97.9%** | **117 046** | **113 683** |
| Buildings and other fixed structures | 39 513 | (28 635) | - | 10 878 | 10 878 | - | 100.0% | 19 712 | 19 712 |
| Buildings | 39 513 | (28 635) | - | 10 878 | 10 878 | - | 100.0% | 19 712 | 19 712 |
| Machinery and equipment | 57 499 | 1 399 | (1 312) | 57 586 | 55 885 | 1 701 | 97.0% | 84 909 | 81 738 |
| Transport equipment | 8 547 | 12 584 | - | 21 131 | 21 131 | - | 100.0% | 43 747 | 43 747 |
| Other machinery and equipment | 48 952 | (11 185) | (1 312) | 36 455 | 34 754 | 1 701 | 95.3% | 41 162 | 37 991 |
| Software and other intangible assets | 349 | 9 224 | 1 312 | 10 885 | 10 885 | - | 100.0% | 12 425 | 12 233 |
| **Payments for financial assets** | **-** | **9 034** | **-** | **9 034** | **9 034** | **-** | **100.0%** | **32** | **32** |
| **Total** | **3 854 842** | **-** | **-** | **3 854 842** | **3 802 376** | **52 466** | **98.6%** | **4 016 714** | **3 995 980** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| **Programme 1: Administration** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2024/25** | | | | | | | **2023/24** | |
| | **Approved Budget** | **Shifting of Funds** | **Virement** | **Final Budget** | **Actual Expenditure** | **Variance** | **Expenditure as % of final budget** | **Final Budget** | **Actual Expenditure** |
| | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Sub programme** | | | | | | | | | |
| 1. Ministry | 47 729 | - | 10 520 | 58 249 | 58 249 | - | 100.0% | 44 608 | 44 455 |
| 2. Management | 311 068 | - | 16 025 | 327 093 | 327 093 | - | 100.0% | 344 128 | 344 128 |
| 3. Corporate Services | 310 804 | 806 | 1 312 | 312 922 | 312 922 | - | 100.0% | 301 796 | 297 172 |
| 4. Office of the Chief Financial Officer | 129 223 | 15 024 | - | 144 247 | 144 247 | - | 100.0% | 151 613 | 148 312 |
| 5. Office Accommodation | 238 469 | (15 830) | - | 222 639 | 222 639 | - | 100.0% | 202 986 | 202 986 |
| **Total for sub programmes** | **1 037 293** | **-** | **27 857** | **1 065 150** | **1 065 150** | **-** | **100.0%** | **1 045 131** | **1 037 053** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| **Current payments** | **950 906** | **(1 834)** | **26 462** | **975 534** | **975 534** | **-** | **100.0%** | **952 803** | **945 070** |
| Compensation of employees | 483 807 | (45 886) | - | 437 921 | 437 921 | - | 100.0% | 452 131 | 444 398 |
| Salaries and wages | 404 130 | (36 219) | - | 367 911 | 367 911 | - | 100.0% | 384 253 | 376 520 |
| Social contributions | 79 677 | (9 667) | - | 70 010 | 70 010 | - | 100.0% | 67 878 | 67 878 |
| Goods and services | 467 099 | 44 052 | 26 462 | 537 613 | 537 613 | - | 100.0% | 500 672 | 500 672 |
| Administrative fees | 3 696 | 485 | - | 4 181 | 4 181 | - | 100.0% | 4 096 | 4 096 |
| Advertising | 8 429 | (2 049) | - | 6 380 | 6 380 | - | 100.0% | 1 529 | 1 529 |
| Minor assets | 4 471 | 3 123 | - | 7 594 | 7 594 | - | 100.0% | 5 499 | 5 499 |
| Audit costs: External | 16 424 | 2 409 | - | 18 833 | 18 833 | - | 100.0% | 15 753 | 15 753 |
| Bursaries: Employees | 2 433 | 6 133 | - | 8 566 | 8 566 | - | 100.0% | 7 409 | 7 409 |
| Catering: Departmental activities | 1 451 | 146 | - | 1 597 | 1 597 | - | 100.0% | 1 262 | 1 262 |
| Communication | 20 169 | (204) | - | 19 965 | 19 965 | - | 100.0% | 21 767 | 21 767 |
| Computer services | 104 238 | (302) | - | 103 936 | 103 936 | - | 100.0% | 103 410 | 103 410 |
| Consultants: Business and advisory services | 7 089 | 4 219 | - | 11 308 | 11 308 | - | 100.0% | 5 057 | 5 057 |
| Scientific and technological service | - | - | - | - | - | - | - | - | - |
| Legal services | 3 895 | 17 175 | - | 21 070 | 21 070 | - | 100.0% | 33 305 | 33 305 |
| Contractors | 5 173 | (3 967) | - | 1 206 | 1 206 | - | 100.0% | 1 126 | 1 126 |
| Agency and support / outsourced services | 26 | (26) | - | - | - | - | - | - | - |
| Entertainment | 139 | (57) | - | 82 | 82 | - | 100.0% | 97 | 97 |
| Fleet services | 11 965 | 8 770 | 8 958 | 29 693 | 29 693 | - | 100.0% | 25 472 | 25 472 |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 1 798 | 613 | - | 2 411 | 2 411 | - | 100.0% | 2 423 | 2 423 |
| Consumable: Stationery, printing and office supplies | 7 956 | (4 128) | - | 3 828 | 3 828 | - | 100.0% | 6 168 | 6 168 |
| Operating leases | 167 316 | 10 253 | - | 177 569 | 177 569 | - | 100.0% | 149 566 | 149 566 |
| Property payments | 63 399 | (2 201) | - | 61 198 | 61 198 | - | 100.0% | 59 389 | 59 389 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 25 175 | 5 719 | 17 504 | 48 398 | 48 398 | - | 100.0% | 48 653 | 48 653 |
| Training and development | 6 571 | (3 442) | - | 3 129 | 3 129 | - | 100.0% | 2 591 | 2 591 |
| Operating payments | 2 511 | 2 826 | - | 5 337 | 5 337 | - | 100.0% | 3 596 | 3 596 |
| Venues and facilities | 2 477 | (1 145) | - | 1 332 | 1 332 | - | 100.0% | 2 498 | 2 498 |
| Rental and hiring | 298 | (298) | - | - | - | - | - | 6 | 6 |
| **Transfers and subsidies** | **5 958** | **5 086** | **83** | **11 127** | **11 127** | **-** | **100.0%** | **4 838** | **4 838** |
| Provinces and municipalities | 866 | (26) | 59 | 899 | 899 | - | 100.0% | 951 | 951 |
| Municipalities | 866 | (26) | 59 | 899 | 899 | - | 100.0% | 951 | 951 |
| Municipal bank accounts | 866 | (26) | 59 | 899 | 899 | - | 100.0% | 951 | 951 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Departmental agencies and accounts | - | 4 | 24 | 28 | 28 | - | 100.0% | 20 | 20 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies | - | 4 | 24 | 28 | 28 | - | 100.0% | 20 | 20 |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 5 092 | 5 108 | - | 10 200 | 10 200 | - | 100.0% | 3 867 | 3 867 |
| Social benefits | 4 881 | 4 556 | - | 9 437 | 9 437 | - | 100.0% | 3 503 | 3 503 |
| Other transfers to households | 211 | 552 | - | 763 | 763 | - | 100.0% | 364 | 364 |
| **Payments for capital assets** | **80 429** | **(12 286)** | **1 312** | **69 455** | **69 455** | **-** | **100.0%** | **87 458** | **87 113** |
| Buildings and other fixed structures | 39 513 | (28 635) | - | 10 878 | 10 878 | - | 100.0% | 19 712 | 19 712 |
| Buildings | 39 513 | (28 635) | - | 10 878 | 10 878 | - | 100.0% | 19 712 | 19 712 |
| Machinery and equipment | 40 916 | 7 124 | - | 48 040 | 48 040 | - | 100.0% | 63 660 | 63 507 |
| Transport equipment | 8 547 | 12 584 | - | 21 131 | 21 131 | - | 100.0% | 40 877 | 40 877 |
| Other machinery and equipment | 32 369 | (5 460) | - | 26 909 | 26 909 | - | 100.0% | 22 783 | 22 630 |
| Software and other intangible assets | - | 9 225 | 1 312 | 10 537 | 10 537 | - | 100.0% | 4 086 | 3 894 |
| **Payments for financial assets** | **-** | **9 034** | **-** | **9 034** | **9 034** | **-** | **100.0%** | **32** | **32** |
| **Total** | **1 037 293** | **-** | **27 857** | **1 065 150** | **1 065 150** | **-** | **100.0%** | **1 045 131** | **1 037 053** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| **Programme 2: Inspection & Enforcement Services** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2024/25** | | | | | | | **2023/24** | |
| | **Approved Budget** | **Shifting of Funds** | **Virement** | **Final Budget** | **Actual Expenditure** | **Variance** | **Expenditure as % of final budget** | **Final Budget** | **Actual Expenditure** |
| | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Sub programme** | | | | | | | | | |
| 1. Management & Support Services: Inspection & Enforcement Services | 7 240 | 38 | - | 7 278 | 7 278 | - | 100.0% | 14 621 | 14 356 |
| 2. Occupational Health & Safety | 9 898 | (38) | (9 695) | 165 | - | 165 | - | 3 493 | - |
| 3. Registration: Inspection & Enforcement Services | 82 049 | - | (26 350) | 55 699 | 36 690 | 19 009 | 65.9% | 99 759 | 99 759 |
| 4. Compliance, Monitoring & Enforcement | 516 110 | - | (1 313) | 514 797 | 489 948 | 24 849 | 95.2% | 473 969 | 473 454 |
| 5. Training of Staff: Inspection & Enforcement Services | 6 452 | - | - | 6 452 | 2 090 | 4 362 | 32.4% | 4 519 | 2 297 |
| 6. Statutory & Advocacy Services | 16 083 | - | - | 16 083 | 12 002 | 4 081 | 74.6% | 11 647 | 10 989 |
| **Total for sub programmes** | **637 832** | **-** | **(37 358)** | **600 474** | **548 008** | **52 466** | **91.3%** | **608 008** | **600 855** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| **Current payments** | **626 812** | **(1 466)** | **(36 046)** | **589 300** | **538 540** | **50 760** | **91.4%** | **585 706** | **578 790** |
| Compensation of employees | 527 828 | (7 418) | (36 046) | 484 364 | 441 845 | 42 519 | 91.2% | 492 762 | 488 333 |
| Salaries and wages | 437 494 | (7 112) | (32 218) | 398 164 | 368 639 | 29 525 | 92.6% | 411 031 | 410 782 |
| Social contributions | 90 334 | (306) | (3 828) | 86 200 | 73 206 | 12 994 | 84.9% | 81 731 | 77 551 |
| Goods and services | 98 984 | 5 952 | - | 104 936 | 96 695 | 8 241 | 92.1% | 92 944 | 90 457 |
| Administrative fees | 1 353 | 1 211 | - | 2 564 | 2 564 | - | 100.0% | 2 147 | 2 092 |
| Advertising | 1 153 | (973) | - | 180 | 180 | - | 100.0% | 33 | 33 |
| Minor assets | 1 732 | (30) | - | 1 702 | 1 198 | 504 | 70.4% | 2 683 | 2 683 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | 613 | (437) | - | 176 | 176 | - | 100.0% | 358 | 349 |
| Catering: Departmental activities | 2 248 | (294) | - | 1 954 | 1 291 | 663 | 66.1% | 938 | 897 |
| Communication | 17 236 | (8 410) | - | 8 826 | 7 904 | 922 | 89.6% | 8 432 | 8 432 |
| Computer services | - | - | - | - | - | - | - | - | - |
| Consultants: Business and advisory services | 393 | (383) | - | 10 | 10 | - | 100.0% | 237 | 237 |
| Scientific and technological service | - | - | - | - | - | - | - | - | - |
| Legal services | 751 | (663) | - | 88 | 65 | 23 | 73.9% | 94 | 94 |
| Contractors | 348 | 215 | - | 563 | 563 | - | 100.0% | 519 | 459 |
| Agency and support / outsourced services | 493 | (493) | - | - | - | - | - | 3 | - |
| Entertainment | 23 | 3 | - | 26 | 13 | 13 | 50.0% | 11 | 10 |
| Fleet services | 9 227 | 3 428 | - | 12 655 | 12 618 | 37 | 99.7% | 11 213 | 11 207 |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 2 374 | (1 307) | - | 1 067 | 1 067 | - | 100.0% | 2 762 | 2 724 |
| Consumable: Stationery, printing and office supplies | 3 451 | (833) | - | 2 618 | 2 361 | 257 | 90.2% | 2 813 | 2 800 |
| Operating leases | 858 | (807) | - | 51 | 41 | 10 | 80.4% | 129 | 127 |
| Property payments | 14 802 | 354 | - | 15 156 | 15 078 | 78 | 99.5% | 14 065 | 14 065 |
| Transport provided: Departmental activity | 794 | (794) | - | - | - | - | - | 55 | 55 |
| Travel and subsistence | 28 909 | 20 123 | - | 49 032 | 49 032 | - | 100.0% | 40 462 | 40 462 |
| Training and development | 5 088 | (414) | - | 4 674 | 907 | 3 767 | 19.4% | 3 040 | 1 084 |
| Operating payments | 2 854 | (2 319) | - | 535 | 378 | 157 | 70.7% | 712 | 707 |
| Venues and facilities | 4 253 | (1 285) | - | 2 968 | 1 189 | 1 779 | 40.1% | 2 215 | 1 917 |
| Rental and hiring | 31 | 60 | - | 91 | 60 | 31 | 65.9% | 23 | 23 |
| **Transfers and subsidies** | **1 044** | **1 497** | **-** | **2 541** | **2 536** | **5** | **99.8%** | **2 270** | **2 226** |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Departmental agencies and accounts | - | - | - | - | - | - | - | 4 | 4 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies | - | - | - | - | - | - | - | 4 | 4 |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - | - |
| Households | 1 044 | 1 497 | - | 2 541 | 2 536 | 5 | 99.8% | 2 266 | 2 222 |
| Social benefits | 1 044 | 1 205 | - | 2 249 | 2 244 | 5 | 99.8% | 1 948 | 1 904 |
| Other transfers to households | - | 292 | - | 292 | 292 | - | 100.0% | 318 | 318 |
| **Payments for capital assets** | **9 976** | **(31)** | **(1 312)** | **8 633** | **6 932** | **1 701** | **80.3%** | **20 032** | **19 839** |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 9 976 | (31) | (1 312) | 8 633 | 6 932 | 1 701 | 80.3% | 13 916 | 13 723 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 9 976 | (31) | (1 312) | 8 633 | 6 932 | 1 701 | 80.3% | 13 916 | 13 723 |
| Software and other intangible assets | - | - | - | - | - | - | - | 6 116 | 6 116 |
| **Payments for financial assets** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **637 832** | **-** | **(37 358)** | **600 474** | **548 008** | **52 466** | **91.3%** | **608 008** | **600 855** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| **Programme 3: Public Employment Services** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2024/25** | | | | | | | **2023/24** | |
| | **Approved Budget** | **Shifting of Funds** | **Virement** | **Final Budget** | **Actual Expenditure** | **Variance** | **Expenditure as % of final budget** | **Final Budget** | **Actual Expenditure** |
| | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Sub programme** | | | | | | | | | |
| 1. Management & Support Services: Public Employment Services | 283 284 | 17 150 | 2 965 | 303 399 | 303 399 | - | 100.0% | 367 621 | 367 621 |
| 2. Employer Services | 115 464 | 6 542 | - | 122 006 | 122 006 | - | 100.0% | 116 719 | 116 296 |
| 3. Work Seeker Services | 236 937 | (23 659) | - | 213 278 | 213 278 | - | 100.0% | 242 257 | 240 741 |
| 4. Designated Groups Special Services | 21 657 | (201) | - | 21 456 | 21 456 | - | 100.0% | 25 156 | 24 467 |
| 5. Supported Employment Enterprises | 184 684 | - | - | 184 684 | 184 684 | - | 100.0% | 207 915 | 207 915 |
| 6. Productivity South Africa | 61 472 | - | 9 500 | 70 972 | 70 972 | - | 100.0% | 71 721 | 71 720 |
| 7. Unemployment Insurance Fund | 1 | (1) | - | - | - | - | - | 1 | - |
| 8. Compensation Fund | 12 508 | - | - | 12 508 | 12 508 | - | 100.0% | 6 995 | 6 995 |
| 9. Training Of Staff: Public Employment Services | 1 519 | 169 | - | 1 688 | 1 688 | - | 100.0% | 1 256 | 1 256 |
| **Total for sub programmes** | **917 526** | **-** | **12 465** | **929 991** | **929 991** | **-** | **100.0%** | **1 039 641** | **1 037 011** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| **Current payments** | **402 877** | **4 222** | **2 965** | **410 064** | **410 064** | **-** | **100.0%** | **422 716** | **422 716** |
| Compensation of employees | 360 697 | (12 675) | 2 965 | 350 987 | 350 987 | - | 100.0% | 352 256 | 352 256 |
| Salaries and wages | 298 355 | 2 196 | 2 965 | 303 516 | 303 516 | - | 100.0% | 303 553 | 303 553 |
| Social contributions | 62 342 | (14 871) | - | 47 471 | 47 471 | - | 100.0% | 48 703 | 48 703 |
| Goods and services | 42 180 | 16 897 | - | 59 077 | 59 077 | - | 100.0% | 70 460 | 70 460 |
| Administrative fees | 926 | 201 | - | 1 127 | 1 127 | - | 100.0% | 920 | 920 |
| Advertising | 805 | (551) | - | 254 | 254 | - | 100.0% | 1 592 | 1 592 |
| Minor assets | 1 302 | (761) | - | 541 | 541 | - | 100.0% | 838 | 838 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | 193 | - | 193 | 193 | - | 100.0% | 180 | 180 |
| Catering: Departmental activities | 1 569 | 44 | - | 1 613 | 1 613 | - | 100.0% | 4 903 | 4 903 |
| Communication | 3 602 | 1 313 | - | 4 915 | 4 915 | - | 100.0% | 5 874 | 5 874 |
| Computer services | 5 203 | (2 233) | - | 2 970 | 2 970 | - | 100.0% | 2 750 | 2 750 |
| Consultants: Business and advisory services | 1 011 | (760) | - | 251 | 251 | - | 100.0% | 2 256 | 2 256 |
| Scientific and technological service | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | 414 | 259 | - | 673 | 673 | - | 100.0% | 1 526 | 1 526 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | 34 | (23) | - | 11 | 11 | - | 100.0% | 14 | 14 |
| Fleet services | 2 352 | 846 | - | 3 198 | 3 198 | - | 100.0% | 2 962 | 2 962 |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 225 | 166 | - | 391 | 391 | - | 100.0% | 771 | 771 |
| Consumable: Stationery, printing and office supplies | 1 867 | (431) | - | 1 436 | 1 436 | - | 100.0% | 2 270 | 2 270 |
| Operating leases | - | 41 | - | 41 | 41 | - | 100.0% | 44 | 44 |
| Property payments | 8 930 | 6 389 | - | 15 319 | 15 319 | - | 100.0% | 14 190 | 14 190 |
| Transport provided: Departmental activity | - | 5 | - | 5 | 5 | - | 100.0% | 578 | 578 |
| Travel and subsistence | 9 846 | 13 679 | - | 23 525 | 23 525 | - | 100.0% | 20 531 | 20 531 |
| Training and development | 1 519 | (644) | - | 875 | 875 | - | 100.0% | 932 | 932 |
| Operating payments | 761 | (199) | - | 562 | 562 | - | 100.0% | 804 | 804 |
| Venues and facilities | 1 527 | (607) | - | 920 | 920 | - | 100.0% | 3 187 | 3 187 |
| Rental and hiring | 287 | (30) | - | 257 | 257 | - | 100.0% | 3 338 | 3 338 |
| **Transfers and subsidies** | **508 982** | **384** | **9 500** | **518 866** | **518 866** | **-** | **100.0%** | **611 283** | **610 592** |
| Provinces and municipalities | - | - | - | - | - | - | - | 3 | 3 |
| Municipalities | - | - | - | - | - | - | - | 3 | 3 |
| Municipal bank accounts | - | - | - | - | - | - | - | 3 | 3 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Departmental agencies and accounts | 243 981 | (1) | 9 500 | 253 480 | 253 480 | - | 100.0% | 290 187 | 290 185 |
| Social security funds | 12 509 | (1) | 9 500 | 12 508 | 12 508 | - | 100.0% | 6 996 | 6 995 |
| Departmental agencies | 231 472 | - | - | 240 972 | 240 972 | - | 100.0% | 283 191 | 283 190 |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 57 500 | - | - | 57 500 | 57 500 | - | 100.0% | 87 000 | 87 000 |
| Public corporations | 57 500 | - | - | 57 500 | 57 500 | - | 100.0% | 87 000 | 87 000 |
| Other transfers to public corporations | 57 500 | - | - | 57 500 | 57 500 | - | 100.0% | 87 000 | 87 000 |
| Non-profit institutions | 206 341 | (201) | - | 206 140 | 206 140 | - | 100.0% | 233 071 | 232 382 |
| Households | 1 160 | 586 | - | 1 746 | 1 746 | - | 100.0% | 1 022 | 1 022 |
| Social benefits | 1 160 | 586 | - | 1 746 | 1 746 | - | 100.0% | 929 | 929 |
| Other transfers to households | - | - | - | - | - | - | - | 93 | 93 |
| **Payments for capital assets** | **5 667** | **(4 606)** | **-** | **1 061** | **1 061** | **-** | **100.0%** | **5 642** | **3 703** |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 5 326 | (4 605) | - | 721 | 721 | - | 100.0% | 5 642 | 3 703 |
| Transport equipment | - | - | - | - | - | - | - | 2 870 | 2 870 |
| Other machinery and equipment | 5 326 | (4 605) | - | 721 | 721 | - | 100.0% | 2 772 | 833 |
| Software and other intangible assets | 341 | (1) | - | 340 | 340 | - | 100.0% | - | - |
| **Payments for financial assets** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **917 526** | **-** | **12 465** | **929 991** | **929 991** | **-** | **100.0%** | **1 039 641** | **1 037 011** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| **Programme 4: Labour Policy & Industrial Relations** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2024/25** | | | | | | | **2023/24** | |
| | **Approved Budget** | **Shifting of Funds** | **Virement** | **Final Budget** | **Actual Expenditure** | **Variance** | **Expenditure as % of final budget** | **Final Budget** | **Actual Expenditure** |
| | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Sub programme** | | | | | | | | | |
| 1. Management & Support Services: Labour Policy & Industrial Relations | 16 903 | (1 335) | - | 15 568 | 15 568 | - | 100.0% | 16 472 | 16 055 |
| 2. Strengthen Civil Society | 23 892 | - | - | 23 892 | 23 892 | - | 100.0% | 24 854 | 24 854 |
| 3. Collective Bargaining | 19 313 | (1 692) | - | 17 621 | 17 621 | - | 100.0% | 19 197 | 18 903 |
| 4. Employment Equity | 13 022 | (180) | - | 12 842 | 12 842 | - | 100.0% | 13 946 | 13 872 |
| 5. Employment Standard | 18 659 | (2 510) | (2 964) | 13 185 | 13 185 | - | 100.0% | 13 387 | 12 581 |
| 6. Commission for Conciliation, Mediation & Arbitration | 975 853 | - | - | 975 853 | 975 853 | - | 100.0% | 1 041 163 | 1 041 163 |
| 7. Research, Policy & Planning | 10 721 | (4 420) | - | 6 301 | 6 301 | - | 100.0% | 9 492 | 8 797 |
| 8. Labour Market Information & Statistic | 53 303 | (4 159) | - | 49 144 | 49 144 | - | 100.0% | 50 359 | 49 799 |
| 9. International Labour Matters | 54 686 | 14 296 | - | 68 982 | 68 982 | - | 100.0% | 61 454 | 61 427 |
| 10. National Economic development & Labour Council | 75 839 | - | - | 75 839 | 75 839 | - | 100.0% | 73 610 | 73 610 |
| **Total for sub programmes** | **1 262 191** | **-** | **(2 964)** | **1 259 227** | **1 259 227** | **-** | **100.0%** | **1 323 934** | **1 321 061** |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| | Approved Budget | Shifting of Funds | Virement | Final Budget | Actual Expenditure | Variance | Expenditure as % of final budget | Final Budget | Actual Expenditure |
| **Economic classification** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Current payments** | **161 682** | **3 436** | **(2 964)** | **162 154** | **162 154** | **-** | **100.0%** | **157 389** | **155 492** |
| Compensation of employees | 114 461 | (1 029) | - | 113 432 | 113 432 | - | 100.0% | 111 150 | 110 363 |
| Salaries and wages | 98 521 | (689) | - | 97 832 | 97 832 | - | 100.0% | 95 830 | 95 238 |
| Social contributions | 15 940 | (340) | - | 15 600 | 15 600 | - | 100.0% | 15 320 | 15 125 |
| Goods and services | 47 221 | 4 465 | (2 964) | 48 722 | 48 722 | - | 100.0% | 46 239 | 45 129 |
| Administrative fees | 237 | 160 | - | 397 | 397 | - | 100.0% | 542 | 542 |
| Advertising | 1 533 | (1 109) | - | 424 | 424 | - | 100.0% | 2 180 | 2 180 |
| Minor assets | 333 | (144) | - | 189 | 189 | - | 100.0% | 543 | 370 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 1 559 | (1 124) | - | 435 | 435 | - | 100.0% | 998 | 792 |
| Communication | 1 014 | (68) | - | 946 | 946 | - | 100.0% | 1 069 | 1 003 |
| Computer services | 1 036 | (720) | - | 316 | 316 | - | 100.0% | 83 | 83 |
| Consultants: Business and advisory services | 6 845 | (4 960) | - | 1 885 | 1 885 | - | 100.0% | 4 976 | 4 976 |
| Scientific and technological service | 300 | (300) | - | - | - | - | - | - | - |
| Legal services | - | 298 | - | 298 | 298 | - | 100.0% | - | - |
| Contractors | 645 | (146) | - | 499 | 499 | - | 100.0% | 1 873 | 1 873 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - |
| Entertainment | 38 | (25) | - | 13 | 13 | - | 100.0% | 19 | 16 |
| Fleet services | 171 | (42) | - | 129 | 129 | - | 100.0% | 201 | 170 |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 63 | 77 | - | 140 | 140 | - | 100.0% | 44 | 36 |
| Consumable: Stationery, printing and office supplies | 3 903 | (1 544) | - | 2 359 | 2 359 | - | 100.0% | 3 675 | 3 348 |
| Operating leases | 1 962 | 588 | - | 2 550 | 2 550 | - | 100.0% | 2 220 | 2 215 |
| Property payments | 1 939 | (278) | - | 1 661 | 1 661 | - | 100.0% | 1 586 | 1 586 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 17 538 | (792) | (2 944) | 13 802 | 13 802 | - | 100.0% | 17 521 | 17 308 |
| Training and development | 1 790 | (1 594) | - | 196 | 196 | - | 100.0% | 646 | 586 |
| Operating payments | 935 | 884 | - | 1 819 | 1 819 | - | 100.0% | 1 658 | 1 658 |
| Venues and facilities | 5 318 | 15 366 | (20) | 20 664 | 20 664 | - | 100.0% | 5 936 | 5 918 |
| Rental and hiring | 62 | (62) | - | - | - | - | - | 469 | 469 |
| **Transfers and subsidies** | **1 099 220** | **(2 347)** | **-** | **1 096 873** | **1 096 873** | **-** | **100.0%** | **1 162 631** | **1 162 541** |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |

## *APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

| | 2024/25 | | | | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|
| **Economic classification** | **Approved Budget** R'000 | **Shifting of Funds** R'000 | **Virement** R'000 | **Final Budget** R'000 | **Actual Expenditure** R'000 | **Variance** R'000 | **Expenditure as % of final budget** % | **Final Budget** R'000 | **Actual Expenditure** R'000 |
| Departmental agencies and accounts | 1 051 692 | - | - | 1 051 692 | 1 051 692 | - | 100.0% | 1 114 773 | 1 114 773 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies | 1 051 692 | - | - | 1 051 692 | 1 051 692 | - | 100.0% | 1 114 773 | 1 114 773 |
| Foreign governments and international organisations | 23 192 | (2 428) | - | 20 764 | 20 764 | - | 100.0% | 22 520 | 22 520 |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 23 892 | - | - | 23 892 | 23 892 | - | 100.0% | 24 854 | 24 854 |
| Households | 444 | 81 | - | 525 | 525 | - | 100.0% | 484 | 394 |
| Social benefits | 444 | 81 | - | 525 | 525 | - | 100.0% | 481 | 391 |
| Other transfers to households | - | - | - | - | - | - | - | 3 | 3 |
| **Payments for capital assets** | **1 289** | **(1 089)** | - | **200** | **200** | **-** | **100.0%** | **3 914** | **3 028** |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 281 | (1 089) | **-** | 192 | 192 | - | 100.0% | 1 691 | 805 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 1 281 | (1 089) | - | 192 | 192 | - | 100.0% | 1 691 | 805 |
| Software and other intangible assets | 8 | - | - | 8 | 8 | - | 100.0% | 2 223 | 2 223 |
| **Payments for financial assets** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **1 262 191** | - | **(2 964)** | **1 259 227** | **1 259 227** | **-** | **100.0%** | **1 323 934** | **1 321 061** |

## *NOTES TO THE APPROPRIATION STATEMENT*
## *for the year ended 31 March 2025*

### 1. Detail of transfers and subsidies as per Appropriation Act (after Virement)

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-F of the Annual Financial Statements.

### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement)

Detail of these transactions can be viewed in the note 1 (Annual Appropriation) to the Annual Financial Statements.

### 3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

### 4. Explanations of material variances from Amounts Voted (after Virement):

### 4.1 Per programme

| PROGRAMME 1<br>Administration | Final Budget<br>R'000 | Actual Expenditure<br>R'000 | Variance<br>R'000 | Variance as a % of Final Budget<br>% |
|---|---|---|---|---|
| Current payments | 975 534 | 975 534 | - | 0.0% |
| Transfers and subsidies | 11 127 | 11 127 | - | 0.0% |
| Payment for capital assets | 69 455 | 69 455 | - | 0.0% |
| Payment for financial assets | 9 034 | 9 034 | - | 0.0% |
| **Total** | **1 065 150** | **1 065 150** | **-** | **0.0%** |

| PROGRAMME 2<br>Inspection & Enforcement Services | Final Budget<br>R'000 | Actual Expenditure<br>R'000 | Variance<br>R'000 | Variance as a % of Final Budget<br>% |
|---|---|---|---|---|
| Current payments | 589 300 | 538 540 | 50 760 | 8.6% |
| Transfers and subsidies | 2 541 | 2 536 | 5 | 0.2% |
| Payment for capital assets | 8 633 | 6 932 | 1 701 | 19.7% |
| **Total** | **600 474** | **548 008** | **52 466** | **8.7%** |

**The variances are mainly attributed to:**
**Current payments including:**
Compensation of Employees: Underspending is mainly due to vacant posts.
Goods & Services: Underspending is mainly attributed due to fewer payments made for operating payments, communications, property payments, stationery and venues & facilities.
**Payments for Capital Assets:** Underspending is mainly due to delay in the procurement of ICT equipment.

| PROGRAMME 3<br>Public Employment Services | Final Budget<br>R'000 | Actual Expenditure<br>R'000 | Variance<br>R'000 | Variance as a % of Final Budget<br>% |
|---|---|---|---|---|
| Current payments | 410 064 | 410 064 | - | 0.0% |
| Transfers and subsidies | 518 866 | 518 866 | - | 0.0% |
| Payment for capital assets | 1 061 | 1 061 | - | 0.0% |
| **Total** | **929 991** | **929 991** | **-** | **0.0%** |

| PROGRAMME 4<br>Labour Policy & Industrial Relations | Final Budget<br>R'000 | Actual Expenditure<br>R'000 | Variance<br>R'000 | Variance as a % of Final Budget<br>% |
|---|---|---|---|---|
| Current payments | 162 154 | 162 154 | - | 0.0% |
| Transfers and subsidies | 1 096 873 | 1 096 873 | - | 0.0% |
| Payment for capital assets | 200 | 200 | - | 0.0% |
| **Total** | **1 259 227** | **1 259 227** | **-** | **0.0%** |

## 4.2 Per economic classification

| | Final Budget<br>R'000 | Actual Expenditure<br>R'000 | Variance<br>R'000 | Variance as a % of Final Budget<br>% |
|---|---|---|---|---|
| **Current payments** | | | | |
| Compensation of employees | 1 386 704 | 1 344 185 | 42 519 | 3.1% |
| Goods and services | 750 348 | 742 107 | 8 241 | 1.1% |
| **Transfers and subsidies** | | | | |
| Provinces and municipalities | 899 | 899 | - | 0.0% |
| Departmental agencies and accounts | 1 305 200 | 1 305 200 | - | 0.0% |
| Public corporations and private enterprises | 57 500 | 57 500 | - | 0.0% |
| Foreign governments and international organisations | 20 764 | 20 764 | - | 0.0% |
| Non-profit institutions | 230 032 | 230 032 | - | 0.0% |
| Households | 15 012 | 15 007 | 5 | 0.0% |
| **Payments for capital assets** | | | | |
| Buildings and other fixed structures | 10 878 | 10 878 | - | 0.0% |
| Machinery and equipment | 57 586 | 55 885 | 1 701 | 3.0% |
| Software and other intangible assets | 10 885 | 10 885 | - | 0.0% |
| **Payments for financial assets** | 9 034 | 9 034 | - | 0.0% |
| **Total** | **3 854 842** | **3 802 376** | **52 466** | **1.4%** |

Refer to reasons for variances in the above-mentioned programmes.

***DEPARTMENT OF EMPLOYMENT AND LABOUR***
***VOTE 31***

## *STATEMENT OF FINANCIAL PERFORMANCE*
## *for the year ended 31 March 2025*

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| **REVENUE** | | | |
| Annual appropriation | 1 | **3 854 842** | 4 016 714 |
| Departmental revenue | 2 | **33 020** | 21 708 |
| Aid assistance | | **33 957** | 59 924 |
| **TOTAL REVENUE** | | **3 921 819** | 4 098 346 |
| **EXPENDITURE** | | | |
| **Current expenditure** | | **2 098 516** | 2 110 025 |
| Compensation of employees | 4 | **1 344 185** | 1 395 350 |
| Goods and services | 5 | **742 107** | 706 718 |
| Aid assistance | 3 | **12 224** | 7 957 |
| **Transfers and subsidies** | | **1 629 412** | 1 780 220 |
| Transfers and subsidies | 7 | **1 629 402** | 1 780 197 |
| Aid assistance | 3 | **10** | 23 |
| **Expenditure for capital assets** | | **77 784** | 132 903 |
| Tangible assets | 8 | **66 899** | 120 670 |
| Intangible assets | 8 | **10 885** | 12 233 |
| **Payments for financial assets** | 6 | **9 034** | 32 |
| **TOTAL EXPENDITURE** | | **3 814 746** | 4 023 180 |
| **SURPLUS/(DEFICIT) FOR THE YEAR** | | **107 073** | 75 166 |
| **Reconciliation of Net Surplus/(Deficit) for the year** | | | |
| Voted funds | | **52 466** | 20 734 |
| Annual appropriation | | **52 466** | 20 734 |
| Departmental revenue and NRF receipts | 13 | **33 020** | 21 708 |
| Aid assistance | 3 | **21 587** | 32 724 |
| **SURPLUS/(DEFICIT) FOR THE YEAR** | | **107 073** | 75 166 |

***DEPARTMENT OF EMPLOYMENT AND LABOUR***
***VOTE 31***

## *STATEMENT OF FINANCIAL POSITION*
## *as at 31 March 2025*

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | **240 027** | 538 628 |
| Cash and cash equivalents | *9* | **113 020** | 191 076 |
| Prepayments and advances | *10* | **2 056** | 7 969 |
| Receivables | *11* | **124 951** | 339 583 |
| **Non-current assets** | | **60 944** | 38 658 |
| Prepayments and advances | *10* | **1 720** | 1 887 |
| Receivables | *11* | **59 224** | 36 771 |
| **TOTAL ASSETS** | | **300 971** | 577 286 |
| **LIABILITIES** | | | |
| **Current liabilities** | | **285 801** | 555 471 |
| Voted funds to be surrendered to the Revenue Fund | *12* | **52 466** | 20 734 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | *13* | **7 031** | 1 448 |
| Bank overdraft | *14* | **-** | 495 512 |
| Payables | *15* | **204 717** | 5 053 |
| Aid assistance unutilised | *3* | **21 587** | 32 724 |
| **Non-current liabilities** | | **549** | 610 |
| Payables | *16* | **549** | 610 |
| **TOTAL LIABILITIES** | | **286 350** | 556 081 |
| **NET ASSETS** | | **14 621** | 21 205 |
| **Represented by:** | | | |
| Recoverable revenue | | **14 621** | 21 205 |
| **TOTAL** | | **14 621** | 21 205 |

***DEPARTMENT OF EMPLOYMENT AND LABOUR***
***VOTE 31***

## *STATEMENT OF CHANGES IN NET ASSETS*
## *as at 31 March 2025*

| | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---|---|---|
| **Recoverable revenue** | | |
| Opening balance | **21 205** | 16 517 |
| Transfers: | **(6 584)** | 4 688 |
| Debts revised | **(3 687)** | (1 006) |
| Debts recovered (included in Departmental revenue) | **(9 883)** | (4 229) |
| Debts raised | **6 986** | 9 923 |
| **TOTAL** | **14 621** | 21 205 |

## *CASH FLOW STATEMENT*
## *for the year ended 31 March 2025*

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts | | **3 917 394** | 4 096 563 |
| Annual appropriation funds received | 1.1 | **3 854 842** | 4 016 714 |
| Departmental revenue received | 2 | **24 934** | 17 163 |
| Interest received | 2.3 | **3 661** | 2 762 |
| Aid assistance received | 3 | **33 957** | 59 924 |
| Net (increase)/decrease in net working capital | | **420 209** | (35 572) |
| Surrendered to Revenue Fund | | **(48 171)** | (231 740) |
| Surrendered to RDP Fund/Donor | | **(32 724)** | (30 538) |
| Current payments | | **(2 098 516)** | (2 110 025) |
| Payments for financial assets | | **(9 034)** | (32) |
| Transfers and subsidies paid | | **(1 629 412)** | (1 780 220) |
| **Net cash flow available from operating activities** | 17 | **519 746** | (91 564) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for capital assets | 8 | **(77 784)** | (132 903) |
| Proceeds from sale of capital assets | 2.4 | **4 425** | 1 783 |
| (Increase)/decrease in non-current receivables | 11 | **(22 453)** | 10 871 |
| (Increase)/decrease in non-current prepayments and advances | 10 | **167** | 117 |
| **Net cash flow available from investing activities** | | **(95 645)** | (120 132) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Increase/(decrease) in net assets | | **(6 584)** | 4 688 |
| Increase/(decrease) in non-current payables | | **(61)** | 610 |
| **Net cash flows from financing activities** | | **(6 645)** | 5 298 |
| Net increase/(decrease) in cash and cash equivalents | | **417 456** | (206 398) |
| Cash and cash equivalents at beginning of period | | **(304 436)** | (98 038) |
| **Cash and cash equivalents at end of period** | 18 | **113 020** | (304 436) |

## *PART A: ACCOUNTING POLICIES*

**Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the Department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

| | |
|---|---|
| **1.** | **Basis of preparation**<br>The financial statements have been prepared in accordance with the Modified Cash Standard. |
| **2.** | **Going concern**<br>The financial statements have been prepared on a going concern basis. |
| **3.** | **Presentation currency**<br>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department. |
| **4.** | **Rounding**<br>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000). |
| **5.** | **Foreign currency translation**<br>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt. |
| **6.** | **Comparative information** |
| **6.1** | **Prior period comparative information**<br>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements. |
| **6.2** | **Current year comparison with budget**<br>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement. |

| | |
|---|---|
| **7.** | **Revenue** |
| **7.1** | **Appropriated funds**<br>Appropriated funds comprise of Departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).<br>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.<br>Appropriated funds are measured at the amount's receivable.<br>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position. |
| **7.2** | **Departmental revenue**<br>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.<br>Departmental revenue is measured at the cash amount received.<br>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.<br>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position. |
| **7.3** | **Accrued Departmental revenue**<br>Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:<br>• it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and<br>• the amount of revenue can be measured reliably.<br>The accrued revenue is measured at the fair value of the consideration receivable.<br>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.<br>Write-offs are made according to the Department's debt write-off policy. |
| **8.** | **Expenditure** |
| **8.1** | **Compensation of employees** |
| **8.1.1** | **Salaries and wages**<br>Salaries and wages are recognised in the statement of financial performance on the date of payment. |
| **8.1.2** | **Social contributions**<br>Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.<br>Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment. |

| | |
|---|---|
| **8.2** | **Other expenditure**<br>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.<br>Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value. |
| **8.3** | **Accruals and payables not recognised**<br>Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.<br>Due to the nature of activities, costs may be split between entities of the Department. The Department discloses all costs in the note with a narration to reflect amounts relating to its entities. |
| **8.4** | **Leases** |
| **8.4.1** | **Operating leases**<br>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as Departmental revenue.<br>The operating lease commitments are recorded in the notes to the financial statements.<br>Due to the nature of activities, costs may be split between entities of the Department. The Department discloses all costs in the note with a narration to reflect amounts relating to its entities. |
| **9.** | **Aid assistance** |
| **9.1** | **Aid assistance received**<br>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.<br>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position. |
| **9.2** | **Aid assistance paid**<br>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position. |
| **10.** | **Cash and cash equivalents**<br>Cash and cash equivalents are stated at cost in the statement of financial position.<br>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.<br>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and bank overdrafts. |

| | |
|---|---|
| **11.** | **Prepayments and advances** |
| | Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash. |
| | Prepayments and advances are initially and subsequently measured at cost. |
| | Prepayments and advances before 1 April 2024 are recorded until the goods and services are received. |
| | Due to the nature of activities, costs may be split between entities of the Department. The Department discloses only its portion of the costs in the note. |
| **12.** | **Financial assets** |
| **12.1** | **Financial assets (not covered elsewhere)** |
| | A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. |
| | At the reporting date, a Department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. |
| **12.2** | **Impairment of financial assets** |
| | Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements. |
| **13.** | **Payables** |
| | Payables recognised in the statement of financial position are recognised at cost. |
| **14.** | **Capital assets** |
| **14.1** | **Immovable capital assets** |
| | Immovable assets reflected in the asset register of the Department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. |
| | Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. |
| | Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements. |
| **14.2** | **Movable capital assets** |
| | Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. |
| | Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. |
| | All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. |
| | Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. |

| | |
|---|---|
| | Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use. |
| **14.3** | **Intangible capital assets**<br>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.<br>Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.<br>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.<br>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.<br>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.<br>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. |
| **14.4** | **Project costs: Work-in-progress**<br>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.<br>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.<br>Where the Department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion. |
| **15.** | **Provisions and contingents** |
| **15.1** | **Provisions**<br>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date. |

| | |
|---|---|
| **15.2** | **Contingent liabilities**<br>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably. |
| **15.3** | **Contingent assets**<br>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department. |
| **15.4** | **Capital commitments**<br>Capital commitments are recorded at cost in the notes to the financial statements.<br>Due to the nature of activities, costs may be split between entities of the Department. The Department discloses all costs in the note with a narration to reflect amounts relating to its entities. |
| **16.** | **Unauthorised expenditure**<br>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.<br>Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:<br>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or<br>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or<br>• transferred to receivables for recovery.<br>Unauthorised expenditure recorded in the notes to the financial statements comprise of:<br>• unauthorised expenditure that was under assessment in the previous financial year<br>• unauthorised expenditure relating to previous financial year and identified in the current year, and<br>• Unauthorised incurred in the current year. |
| **17.** | **Fruitless and wasteful expenditure**<br>Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.<br>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:<br>• fruitless and wasteful expenditure that was under assessment in the previous financial year<br>• fruitless and wasteful expenditure relating to previous financial year and identified in the current year, and<br>• fruitless and wasteful expenditure incurred in the current year. |

| | |
|---|---|
| **18.** | **Irregular expenditure**<br>Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.<br>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:<br>• irregular expenditure that was under assessment in the previous financial year<br>• irregular expenditure relating to previous financial year and identified in the current year, and<br>• irregular expenditure incurred in the current year. |
| **19.** | **Changes in accounting estimates and errors**<br>Changes in accounting policies are applied in accordance with MCS requirements.<br>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.<br>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. |
| **20.** | **Events after the reporting date**<br>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements. |
| **21.** | **Departures from the MCS requirements**<br>The financial statements present fairly the Department's primary and secondary information. |
| **22.** | **Recoverable revenue**<br>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off. |
| **23.** | **Related party transactions**<br>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.<br>The full compensation of key management personnel is recorded in the notes to the financial statements.<br>Due to the nature of activities, costs may be split between entities of the Department. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities. |

| | |
|---|---|
| **24.** | **Inventories**<br>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.<br>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.<br>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.<br>The cost of inventories is assigned by using the weighted average cost basis. |
| **25.** | **Employee benefits**<br>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note.<br>Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.<br>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.<br>Due to the nature of activities, costs may be split between entities of the Department. The Department discloses only its portion of the costs in the note with a narration to reflect amounts relating to its entities. |

***PART B: EXPLANATORY NOTES***

## 1. Annual Appropriation

### 1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds):

| | 2024/25 | | | 2023/24 | |
|---|---|---|---|---|---|
| | **Final Budget** | **Actual Funds Received** | **Funds not requested / not received** | **Final Budget** | **Appropriation Received** |
| **Programmes** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** |
| Administration | **1 037 293** | **1 037 293** | **-** | 1 055 471 | 1 055 471 |
| Inspection & Enforcement Services | **637 832** | **637 832** | **-** | 632 068 | 632 068 |
| Public Employment Services | **917 526** | **917 526** | **-** | 997 826 | 997 826 |
| Labour Policy & Industrial Relations | **1 262 191** | **1 262 191** | **-** | 1 331 349 | 1 331 349 |
| **Total** | **3 854 842** | **3 854 842** | **-** | 4 016 714 | 4 016 714 |

## 2. Departmental revenue

| | *Note* | **2024/25 R'000** | **2023/24 R'000** |
|---|---|---|---|
| Tax revenue | | | |
| Sales of goods and services other than capital assets | *2.1* | **12 828** | 11 145 |
| Fines, penalties and forfeits | *2.2* | **2 028** | 820 |
| Interest, dividends and rent on land | *2.3* | **3 661** | 2 762 |
| Sales of capital assets | *2.4* | **4 425** | 1 783 |
| Transactions in financial assets and liabilities | *2.5* | **10 078** | 5 198 |
| **Total** | | **33 020** | 21 708 |

### 2.1. Sales of goods and services other than capital assets

| | *Note* | **2024/25 R'000** | **2023/24 R'000** |
|---|---|---|---|
| Sales of goods and services produced by the Department | | **12 806** | 11 089 |
| Sales by market establishment | | **127** | 127 |
| Administrative fees | | **9 622** | 8 034 |
| Other sales | | **3 057** | 2 928 |
| Sales of scrap, waste and other used current goods | | **22** | 56 |
| **Total** | *2* | **12 828** | 11 145 |

## 2.2. Fines, penalties and forfeits

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Fines | | **2 028** | 573 |
| Forfeits | | **-** | 247 |
| **Total** | *2* | **2 028** | 820 |

## 2.3. Interest, dividends and rent on land

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Interest | | **3 661** | 2 762 |
| **Total** | *2* | **3 661** | 2 762 |

## 2.4. Sales of capital assets

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| **Tangible capital assets** | | | |
| Machinery and equipment | | **4 425** | 1 783 |
| **Total** | *2* | **4 425** | 1 783 |

## 2.5. Transactions in financial assets and liabilities

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Receivables | | **7 812** | 3 358 |
| Other receipts including Recoverable Revenue | | **2 266** | 1 840 |
| **Total** | *2* | **10 078** | 5 198 |

## 3. Aid assistance

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| **Opening balance** | | **32 724** | 30 538 |
| Transferred from statement of financial performance | | **21 586** | 32 724 |
| Paid during the year | | **(32 723)** | (30 538) |
| **Closing balance** | Ann 1G | **21 587** | 32 724 |

### 3.1. Analysis of balance by source

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Aid assistance from other sources | | **21 587** | 32 724 |
| **Closing balance** | *3* | **21 587** | 32 724 |

### 3.2. Analysis of balance

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Aid assistance unutilised | | **21 587** | 32 724 |
| **Closing balance** | *3* | **21 587** | 32 724 |

### 3.3. Aid assistance expenditure per economic classification

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Current | | **12 224** | 7 957 |
| Capital | *8* | **137** | 19 220 |
| Transfers and subsidies | | **10** | 23 |
| **Total aid assistance expenditure** | | **12 371** | 27 200 |

## 4. Compensation of employees

### 4.1. Salaries and Wages

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Basic salary | **953 347** | 992 580 |
| Performance award | **146** | 918 |
| Service based | **2 000** | 1 008 |
| Compensative/circumstantial | **13 234** | 17 019 |
| Other non-pensionable allowances | **169 171** | 174 568 |
| **Total** | **1 137 898** | 1 186 093 |

### 4.2. Social contributions

| Employer contributions | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Pension | **120 426** | 123 653 |
| Medical | **85 175** | 84 993 |
| Bargaining council | **299** | 342 |
| Insurance | **387** | 269 |
| **Total** | **206 287** | 209 257 |
| **Total compensation of employees** | **1 344 185** | 1 395 350 |
| Average number of employees | **2 445** | 2 959 |

## 5. Goods and services

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Administrative fees | | **8 269** | 7 649 |
| Advertising | | **7 238** | 5 334 |
| Minor assets | *5.1* | **9 522** | 9 390 |
| Bursaries (employees) | | **8 935** | 7 938 |
| Catering | | **4 936** | 7 854 |
| Communication | | **33 730** | 37 076 |
| Computer services | *5.2* | **107 222** | 106 243 |
| Consultants: Business and advisory services | *5.8* | **13 454** | 12 526 |
| Legal services | | **21 433** | 33 399 |
| Contractors | | **2 941** | 4 984 |
| Entertainment | | **119** | 137 |
| Audit cost - external | *5.3* | **18 833** | 15 753 |
| Fleet services | | **45 638** | 39 811 |
| Consumables | *5.4* | **13 993** | 20 541 |
| Operating leases | | **180 201** | 151 952 |
| Property payments | *5.5* | **93 256** | 89 230 |
| Rental and hiring | | **317** | 3 836 |
| Transport provided as part of the Departmental activities | | **5** | 633 |
| Travel and subsistence | *5.6* | **134 757** | 126 954 |
| Venues and facilities | | **24 105** | 13 520 |
| Training and development | | **5 107** | 5 193 |
| Other operating expenditure | *5.7* | **8 096** | 6 765 |
| **Total** | | **742 107** | 706 718 |

## 5.1. Minor assets

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| **Tangible capital assets** | | | |
| Machinery and equipment | | **9 522** | 9 390 |
| **Total** | *5* | **9 522** | 9 390 |

## 5.2. Computer services

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| SITA computer services | | **21 977** | 20 911 |
| External computer service providers | | **85 245** | 85 332 |
| **Total** | *5* | **107 222** | 106 243 |

## 5.3. Audit cost - external

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Regularity audits | | **16 011** | 14 288 |
| Computer audits | | **2 822** | 1 465 |
| **Total** | *5* | **18 833** | 15 753 |

## 5.4. Consumables

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Consumable supplies | | **4 008** | 5 954 |
| Uniform and clothing | | **949** | 3 428 |
| Household supplies | | **1 696** | 1 341 |
| Building material and supplies | | **573** | 402 |
| IT consumables | | **84** | 128 |
| Other consumables | | **706** | 655 |
| Stationery, printing and office supplies | | **9 985** | 14 587 |
| **Total** | *5* | **13 993** | 20 541 |

## 5.5. Property payments

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Municipal services | | **35 494** | 36 201 |
| Property management fees | | **1 800** | 1 834 |
| Property maintenance and repairs | | **7 176** | 5 651 |
| Other | | **48 786** | 45 544 |
| **Total** | *5* | **93 256** | 89 230 |

## 5.6. Travel and subsistence

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Local | | **122 433** | 111 089 |
| Foreign | | **12 324** | 15 865 |
| **Total** | *5* | **134 757** | 126 954 |

## 5.7. Other operating expenditure

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Professional bodies, membership and subscription fees | | **235** | 175 |
| Resettlement costs | | **443** | 1 561 |
| Other | | **7 418** | 5 029 |
| **Total** | *5* | **8 096** | 6 765 |

## 5.8. Remuneration of members of a commission or committee (*Included in Consultants: Business and advisory services)*

| Name of Commission / Committee of Inquiry | Note 5 | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Audit committee | | **749** | 802 |
| National risk management committee | | **374** | 334 |
| Provincial risk management committee | | **5** | 6 |
| ICT advisory committee (DEL) | | **58** | 1 456 |
| Employment services board | | **223** | 154 |
| Employment equity committee | | **121** | 186 |
| National minimum wages | | **144** | 159 |
| **Total** | | **1 674** | 3 097 |

*In compliance with Treasury Regulations 20.2.4, remuneration of all members of a commission or committee for R 1 674 171.28 is detailed above and is included in the total amount of R 13 454 428.64 for Consultants: Business and Advisory Services in Note 5 above.*

# 6. Payments for financial assets

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Other material losses written off | *6.1* | **9 034** | 32 |
| **Total** | | **9 034** | 32 |

### 6.1. Other material losses written off

| Nature of losses | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Receivables relating to: | | | |
| Damaged vehicles | | **200** | 32 |
| Bad debts | | **8 834** | - |
| **Total** | *6* | **9 034** | 32 |

## 7. Transfers and subsidies

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Provinces and municipalities | *Annex 1A* | **899** | 954 |
| Departmental agencies and accounts | *Annex 1B* | **1 305 200** | 1 404 982 |
| Public corporations and private enterprises | *Annex 1C* | **57 500** | 87 000 |
| Foreign governments and international organisations | *Annex 1D* | **20 764** | 22 520 |
| Non-profit institutions | *Annex 1E* | **230 032** | 257 236 |
| Households | *Annex 1F* | **15 007** | 7 505 |
| **Total** | | **1 629 402** | 1 780 197 |

### 7.1. Donations made in kind (*not included in the main note)*

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Office furniture and equipment | *Annex 1H* | **1 926** | 1 047 |
| **Total** | | **1 926** | 1 047 |

## 8. Expenditure for capital assets

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| **Tangible capital assets** | | **66 899** | 120 670 |
| Buildings and other fixed structures | | **10 878** | 19 712 |
| Machinery and equipment | | **56 021** | 100 958 |
| **Intangible capital assets** | | **10 885** | 12 233 |
| Software | | **10 885** | 12 233 |
| **Total** | | **77 784** | 132 903 |

## 8.1. Analysis of funds utilised to acquire capital assets - Current year

| | | | 2024/25 |
|---|---|---|---|
| | Voted funds | Aid assistance | Total |
| **Name of entity** | **R'000** | **R'000** | **R'000** |
| **Tangible capital assets** | **66 763** | **136** | **66 899** |
| Buildings and other fixed structures | 10 878 | - | **10 878** |
| Machinery and equipment | 55 885 | 136 | **56 021** |
| **Intangible capital assets** | **10 885** | **-** | **10 885** |
| Software | 10 885 | - | **10 885** |
| **Total** | **77 648** | **136** | **77 784** |

## 8.2. Analysis of funds utilised to acquire capital assets - Prior year

| | | | 2023/24 |
|---|---|---|---|
| | Voted funds | Aid assistance | Total |
| **Name of entity** | **R'000** | **R'000** | **R'000** |
| **Tangible capital assets** | **101 450** | **19 220** | **120 670** |
| Buildings and other fixed structures | 19 712 | - | **19 712** |
| Machinery and equipment | 81 738 | 19 220 | **100 958** |
| **Intangible capital assets** | **12 233** | **-** | **12 233** |
| Software | 12 233 | - | **12 233** |
| **Total** | **113 683** | **19 220** | **132 903** |

## 9. Cash and cash equivalents

| | 2024/25 | 2023/24 |
|---|---|---|
| | R'000 | R'000 |
| Consolidated Paymaster General Account | **112 592** | 190 603 |
| Cash on hand | **428** | 473 |
| **Total** | **113 020** | 191 076 |

## 10. Prepayments and advances

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Travel and subsistence | | **169** | 209 |
| Advances paid (Not expensed) | *10.1* | **2 651** | 7 981 |
| Prepayments (Not expensed) | *10.2* | **956** | 1 666 |
| **Total** | | **3 776** | 9 856 |

| **Analysis of Total Prepayments and advances** | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Current Prepayments and advances | **2 056** | 7 969 |
| Non-current Prepayments and advances | **1 720** | 1 887 |
| **Total** | **3 776** | 9 856 |

### 10.1. Advances paid (Not expensed)

**2024/25**

| | Note | Balance as at 1 April 2024 | Less: Amounts expensed in current year | Add / Less: Other | Add Current year advances | Balance as at 31 March 2025 |
|---|---|---|---|---|---|---|
| | | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** |
| National Departments | | 6 316 | (13 894) | (1 689) | 10 292 | **1 025** |
| Public entities | | 1 665 | (39) | - | - | **1 626** |
| **Total** | *10* | **7 981** | **(13 933)** | **(1 689)** | **10 292** | **2 651** |

**2023/24**

| | Note | Balance as at 1 April 2023 | Less: Amounts expensed in current year | Add / Less: Other | Add Current year advances | Balance as at 31 March 2024 |
|---|---|---|---|---|---|---|
| | | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** |
| National Departments | | 2 612 | (10 605) | (2 192) | 16 501 | **6 316** |
| Public entities | | 1 764 | (104) | - | 5 | **1 665** |
| **Total** | *10* | **4 376** | **(10 709)** | **(2 192)** | **16 506** | **7 981** |

## 10.2. Prepayments (Not expensed)

**2024/25**

| | Note | Balance as at 1 April 2024 | Less: Amount expensed in the current year | Add / Less: Other | Add Current year prepayments | Balance as at 31 March 2025 |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Goods and services | | 1 666 | (19 512) | - | 18 802 | **956** |
| **Total** | *10* | **1 666** | **(19 512)** | **-** | **18 802** | **956** |

**2023/24**

| | Note | Balance as at 1 April 2023 | Less: Amount expensed in the current year | Add / Less: Other | Add Current year prepayments | Balance as at 31 March 2024 |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Goods and services | | - | (24 924) | - | 26 590 | **1 666** |
| **Total** | *10* | **-** | **(24 924)** | **-** | **26 590** | **1 666** |

## 10.3. Prepayments (Expensed)

**2024/25**

| | Note | Balance as at 1 April 2024 | Less: Received in the current year | Add / Less: Other | Add Current year prepayments | Balance as at 31 March 2025 |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Goods and services | | 1 | (1) | - | - | **-** |
| **Total** | *10* | **1** | **(1)** | **-** | **-** | **-** |

**This relates to amounts paid in advance for software related licences, maintenance agreements and other services.*

**2023/24**

| | Note | Balance as at 1 April 2023 | Less: Received in the current year | Add / Less: Other | Add Current year prepayments | Balance as at 31 March 2024 |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Goods and services | | 4 062 | (4 061) | - | - | **1** |
| **Total** | *10* | **4 062** | **(4 061)** | **-** | **-** | **1** |

### 10.4. Advances paid (Expensed)

**2024/25**

| | Note | Balance as at 1 April 2024 | Less: Received in the current year | Add / Less: Other | Add Current year advances | Balance as at 31 March 2025 |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Public entities | | 5 069 | - | (573) | - | **4 496** |
| **Total** | *10* | **5 069** | **-** | **(573)** | **-** | **4 496** |

**2023/24**

| | Note | Balance as at 1 April 2023 | Less: Received in the current year | Add / Less: Other | Add Current year advances | Balance as at 31 March 2024 |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| Public entities | | 5 299 | (230) | - | - | **5 069** |
| **Total** | *10* | **5 299** | **(230)** | **-** | **-** | **5 069** |

## 11. Receivables

| | | 2024/25 | | | 2023/24 | | |
|---|---|---|---|---|---|---|---|
| | Note | Current | Non-current | Total | Current | Non-current | Total |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims recoverable | *11.1* | 123 621 | 21 169 | **144 790** | 320 742 | 3 242 | 323 984 |
| Recoverable expenditure | *11.2* | 366 | 6 036 | **6 402** | 4 168 | 933 | 5 101 |
| Staff debt | *11.3* | 870 | 18 741 | **19 611** | 903 | 25 802 | 26 705 |
| Other receivables | *11.4* | 94 | 13 278 | **13 372** | 13 770 | 6 794 | 20 564 |
| **Total** | | **124 951** | **59 224** | **184 175** | 339 583 | 36 771 | 376 354 |

### 11.1. Claims recoverable

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| National Departments | | **309** | 49 |
| Provincial Departments | | **704** | 352 |
| Public entities | | **143 777** | 323 583 |
| **Total** | *11* | **144 790** | 323 984 |

## 11.2. Recoverable expenditure

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Damaged vehicles | | **4 450** | 3 526 |
| Disallowance account | | **-** | 40 |
| Salary clearing accounts | | **326** | 366 |
| Damage & losses | | **1 574** | 1 106 |
| Private telephone account | | **52** | 63 |
| **Total** | *11* | **6 402** | 5 101 |

## 11.3. Staff debt

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Losses & damages | | **1 192** | 1 556 |
| Travel & subsistence | | **144** | 94 |
| Bursaries | | **8 194** | 8 329 |
| Salary overpayment (in-service) | | **3 753** | 5 437 |
| Salary overpayment (out of service) | | **211** | 1 695 |
| Leave without pay | | **5 891** | 9 202 |
| Other | | **226** | 392 |
| **Total** | *11* | **19 611** | 26 705 |

## 11.4. Other receivables

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Irregular expenditure | | **320** | 336 |
| Fruitless and wasteful expenditure | | **81** | 23 |
| Salary clearing accounts | | **598** | 193 |
| Transport payment suspense account | | **12 373** | 19 508 |
| Supplier debt | | **-** | 504 |
| **Total** | *11* | **13 372** | 20 564 |

## 11.5. Impairment of receivables

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Estimate of impairment of receivables | **20 491** | 15 309 |
| **Total** | **20 491** | 15 309 |

## 12. Voted funds to be surrendered to the Revenue Fund

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| **Opening balance** | **20 734** | 210 658 |
| Transferred from statement of financial performance (as restated) | **52 466** | 20 734 |
| Paid during the year | **(20 734)** | (210 658) |
| **Closing balance** | **52 466** | 20 734 |

## 13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| **Opening balance** | **1 448** | 822 |
| Transferred from statement of financial performance (as restated) | **33 020** | 21 708 |
| Paid during the year | **(27 437)** | (21 082) |
| **Closing balance** | **7 031** | 1 448 |

## 14. Bank overdraft

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Consolidated Paymaster General account | **-** | 495 512 |
| **Total*** | **-** | 495 512 |

**Due to the timely settlement of claims by UIF & CF, the Department closed with a positive bank balance, and this is disclosed in note 9.*

## 15. Payables - current

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Amounts owing to other entities | | **862** | 792 |
| Advances received | *15.1* | **200 608** | - |
| Clearing accounts | *15.2* | **2 719** | 3 630 |
| Other payables | *15.3* | **528** | 631 |
| **Total** | | **204 717** | 5 053 |

### 15.1. Advances received

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Public entities | *Annex 7B* | **200 608** | - |
| **Total** | | **200 608** | - |

### 15.2. Clearing accounts

| Description | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Salary clearing accounts | | **2 719** | 3 630 |
| **Total** | *15* | **2 719** | 3 630 |

### 15.3. Other payables

| Description | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Arrear wages | | **439** | 508 |
| Salary recalls | | **88** | 121 |
| Private telephone | | **1** | - |
| Disallowance | | **-** | - |
| Deductions disallowed | | **-** | 2 |
| **Total** | *15* | **528** | 631 |

## 16. Payables - non-current

| | Note | One to two years R'000 | Two to three years R'000 | Older than three years R'000 | 2024/25 Total R'000 | 2023/24 Total R'000 |
|---|---|---|---|---|---|---|
| Other payables | *16.1* | 549 | - | - | **549** | 610 |
| **Total** | | **549** | **-** | **-** | **549** | 610 |

### 16.1. Other payables

| Description | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Pension funds | | **39** | 70 |
| Clearing accounts | | **510** | 540 |
| **Total** | *16* | **549** | 610 |

## 17. Net cash flow available from operating activities

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Net surplus/(deficit) as per Statement of Financial Performance | | **107 073** | 75 166 |
| Add back non-cash/cash movements not deemed operating activities | | **412 673** | (166 730) |
| (Increase)/decrease in receivables | | **214 632** | (23 978) |
| (Increase)/decrease in prepayments and advances | | **5 913** | (5 436) |
| Increase/(decrease) in payables - current | | **199 664** | (6 158) |
| Proceeds from sale of capital assets | | **(4 425)** | (1 783) |
| Expenditure on capital assets | | **77 784** | 132 903 |
| Surrenders to Revenue Fund | | **(48 171)** | (231 740) |
| Surrenders to RDP Fund/Donors | | **(32 724)** | (30 538) |
| **Net cash flow generating** | | **519 749** | (91 564) |

## 18. Reconciliation of cash and cash equivalents for cash flow purposes

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Consolidated Paymaster General account | | **112 592** | (304 909) |
| Cash on hand | | **428** | 473 |
| **Total** | | **113 020** | (304 436) |

## 19. Contingent liabilities and contingent assets

### 19.1. Contingent liabilities

| Liable to | Nature | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|---|
| Claims against the Department | | *Annex 2* | **26 086** | 23 410 |
| Intergovernmental payables | | *Annex 4* | **11 212** | 163 |
| **Total** | | | **37 298** | 23 770 |

### 19.1.1 Prior period error

| Nature of prior period error | 2023/24 R'000 |
|---|---|
| Relating to 2023/24 | |
| Removal of prior year claims against the Department, incorrectly classified | (4 628) |
| Total prior period errors | (4 628) |

*Prior year error that affected opening balance included above.*

### 19.2. Contingent assets

| Nature of contingent asset | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Third party litigations – motor vehicle accidents | - | - |
| **Total** | **-** | - |

### 19.2.1 Prior period error

| Nature of prior period error | 2023/24 R'000 |
|---|---|
| Relating to 2023/24 | |
| Removal of prior year third party claims, incorrectly classified | (571) |
| Total prior period errors | (571) |

*Prior year error that affected opening balance included above.*

## 20. Capital commitments

| | Note | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Intangible assets* | | **133 815** | 131 284 |
| **Total** | | **133 815** | 131 284 |

**Capital commitments: Total includes Unemployment Insurance Fund for R 103 100 539.45 and Compensation Fund for R 3 477 735.97.*

***Capital commitments (2023/24): Total includes Unemployment Insurance Fund for R 86 197 578.22 Compensation Fund for R 6 451 442.38 and Supported Employment Enterprises for - R 982 910.18.*

### 20.1 Prior period error

| Nature of prior period error | 2023/24 R'000 |
|---|---|
| Relating to 2023/24 | |
| SEE's R1 638 183.74 split from Milestone 1 (cur) to Milestone 2 (cap) | 983 |
| Total prior period errors | 983 |

*Prior year error that affected opening balance included above.*

## 21. Accruals and payables not recognised

### 21.1. Accruals

| | | | 2024/25 | 2023/24 |
|---|---|---|---|---|
| | 30 Days | 30+ Days | Total | Total |
| **Listed by economic classification** | R'000 | R'000 | R'000 | R'000 |
| Goods and services | 102 321 | 31 931 | **134 252** | 116 264 |
| Capital assets | 1 905 | - | **1 905** | 2 885 |
| **Total** | **104 226** | **31 931** | **136 157** | 119 149 |

| Listed by programme level | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Programme 1 – Administration | **40 149** | 33 552 |
| Programme 2 – Inspection & Enforcement Services | **5 721** | 4 019 |
| Programme 3 – Public Employment Services* | **86 319** | 78 342 |
| Programme 4 – Labour Policy & Industrial Relations | **3 968** | 3 236 |
| **Total** | **136 157** | 119 149 |

**Accruals: Total includes Unemployment Insurance Fund for R 48 258 815.62 & Compensation Fund for R 32 738 983.91.*

***Accruals (2023/24): Total includes Unemployment Insurance Fund for R 34 449 500.14 & Compensation Fund for R 38 908 506.83.*

*Reasons for material accruals: Accruals for Contractual Services (R 55.2 mil), Computer Services (R 22.2 mil), Municipal Services (R 15.5 mil), Cell phone Services (R 3.7 mil), Telkom (R 2 mil), Auditor-General (R 1.6 mil) and Operating Leases (R 7.9 mil).*

## 21.2. Payables not recognised

| | | | 2024/25 | 2023/24 |
|---|---|---|---|---|
| | 30 Days | 30+ Days | Total | Total |
| **Listed by economic classification** | R'000 | R'000 | R'000 | R'000 |
| Goods and services | 31 606 | - | **31 606** | 23 024 |
| Capital assets | - | - | **-** | 1 856 |
| **Total** | **31 606** | **-** | **31 606** | 24 880 |

| Listed by programme level | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Programme 1 – Administration | **19 697** | 12 713 |
| Programme 2 – Inspection & Enforcement Services | **393** | 91 |
| Programme 3 – Public Employment Services* | **11 515** | 12 052 |
| Programme 4 – Labour Policy & Industrial Relations | **1** | 24 |
| **Total** | **31 606** | 24 880 |

**Payables: Total includes Unemployment Insurance Fund for R 8 558 490.45 and Compensation Fund for R 259 705.46.*

***Payables (2023/24): Total includes Unemployment Insurance Fund for R 6 144 833.18 and Compensation Fund for R 5 053 134.65.*

*Reasons for material accruals: Payables for Computer Services (R 20.3 mil).*

| ***Included in the above totals are the following:*** | *Note* | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| Confirmed balances with Departments | *Annex 4* | **11 538** | 5 488 |
| Confirmed balances with other government entities | *Annex 4* | **9 775** | - |
| **Total*** | | **21 313** | 5 488 |

**Confirmed balances disclosed in Annexure 4 to the AFS*

## 22. Employee benefits

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Leave entitlement | **66 826** | 65 412 |
| Service bonus | **39 246** | 42 013 |
| Performance awards | **459** | 1 131 |
| Capped leave | **15 364** | 17 141 |
| Long service awards | **669** | 176 |
| **Total** | **122 564** | 125 873 |

## 23. Lease commitments

### 23.1. Operating leases

| | | | 2024/25 |
|---|---|---|---|
| | **Buildings and other fixed structures** | **Machinery and equipment** | **Total** |
| | **R'000** | **R'000** | **R'000** |
| Not later than 1 year | 128 996 | 10 125 | **139 121** |
| Later than 1 year and not later than 5 years | 179 710 | 15 521 | **195 231** |
| Later than 5 years | 68 313 | - | **68 313** |
| **Total lease commitments** | **377 019** | **25 646** | **402 665** |

*Buildings & other fixed structures: Total includes Unemployment Insurance Fund for R 113 105 575.20 and Compensation Fund for R 60 322 973.44.*
*Machinery & equipment: Total includes Unemployment Insurance Fund for R 868 421.03.*

| | | | 2023/24 |
|---|---|---|---|
| | **Buildings and other fixed structures** | **Machinery and equipment** | **Total** |
| | **R'000** | **R'000** | **R'000** |
| Not later than 1 year | 155 660 | 2 396 | **158 056** |
| Later than 1 year and not later than 5 years | 131 387 | 803 | **132 190** |
| Later than 5 years | 5 008 | - | **5 008** |
| **Total lease commitments*** | **292 055** | **3 199** | **295 254** |

*Buildings & other fixed structures: Total includes Unemployment Insurance Fund for R 87 616 535.98 and Compensation Fund for R 46 728 819.19.*

*Machinery & equipment: Total includes Unemployment Insurance Fund for R 842 461.25.*
*The main leasing arrangement is for leasing of DPW buildings and photocopy machines.*
*There are no assets that are being sub-leased.*

## 24. Accrued Departmental revenue

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| **Tax revenue** | | |
| Sales of goods and services other than capital assets | **36** | 66 |
| Fines, penalties and forfeits | **18** | - |
| Interest, dividends and rent on land | **82** | 427 |
| Sale of capital assets | **1** | 92 |
| **Total** | **137** | 585 |

### 24.1. Analysis of accrued Departmental revenue

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| **Opening balance** | **585** | 135 |
| Less: amounts received | **(585)** | (135) |
| Add: amounts recognised | **137** | 585 |
| **Closing balance** | **137** | 585 |

## 25. Unauthorised, Irregular and Fruitless and wasteful expenditure

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Irregular expenditure - current year | **275 178** | 634 821 |
| Fruitless and wasteful expenditure - current year | **1 814** | 981 |
| **Total** | **276 992** | 635 802 |

## 26. Related party transactions

| **Payments made** | | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|---|
| *Item classification* | *Nature of payment* | | |
| Compensation of employees | Internal audit costs | **597** | 333 |
| Compensation of employees | Risk management costs | **9** | 16 |
| Goods and services | Internal audit costs | **539** | - |
| Goods and services | Rental of SEE factories | **26 183** | 24 984 |
| Goods and services | Furniture (minor) donated to SEE | **26** | - |
| Expenditure for Capital Assets | Furniture (major) donated to SEE | **1 032** | - |
| **Total** | | **28 386** | 25 333 |

**Public Entity controlled by the Department of Employment and Labour**
Compensation Fund (CF)
Unemployment Insurance Fund (UIF)
Supported Employment Enterprises (SEE)
Commission for Conciliation Mediation & Arbitration (CCMA)
National Economic Development & Labour Council (NEDLAC)
Productivity South Africa (PSA)

## 27. Key management personnel

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Political office bearers | **12 598** | 4 778 |
| Officials: | | |
| DG to DDGs (Level 15 to 16) | **12 217** | 16 036 |
| Chief Directors (Level 14) | **22 813** | 21 833 |
| Directors (Level 13) | **2 098** | 2 045 |
| Acting positions | **80** | 47 |
| **Total** | **49 806** | 44 739 |

## 28. Provisions

| | 2024/25 R'000 | 2023/24 R'000 |
|---|---|---|
| Accidents & damages | **3 474** | 1 156 |
| Supplier-related | **-** | 11 638 |
| **Total** | **3 474** | 12 794 |

### 28.1. Reconciliation of movement in provisions - Current year

| | | | 2024/25 |
|---|---|---|---|
| | **Accidents & damages** | **Supplier-related** | **Total provisions** |
| | **R'000** | **R'000** | **R'000** |
| **Opening balance** | **1 156** | **11 638** | **12 794** |
| Increase in provision | 3 216 | - | **3 216** |
| Settlement of provision | (615) | - | **(615)** |
| Change in provision due to change in estimation of inputs | (283) | (11 638) | **(11 921)** |
| **Closing balance** | **3 474** | **-** | **3 474** |

**Reconciliation of movement in provisions - Prior year**

| | | | 2023/24 |
|---|---|---|---|
| | **Accidents & damages** | **Supplier-related** | **Total provisions** |
| | **R'000** | **R'000** | **R'000** |
| **Opening balance** | **623** | **-** | **623** |
| Increase in provision | 898 | 11 638 | **12 536** |
| Settlement of provision | (365) | - | **(365)** |
| **Closing balance** | **1 156** | **11 638** | **12 794** |

### 28.1.1. Prior period error

| Nature of prior period error | 2023/24 R'000 |
|---|---|
| Relating to 2023/24 | |
| Adjustment to prior year vehicle claim | 133 |
| Total prior period errors | 133 |

*Prior year error that affected opening balance included above.*

## 29. Movable Tangible Capital Assets

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

| | 2024/25 | | | | |
|---|---|---|---|---|---|
| | Opening balance | Value adjustments | Additions* | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **MACHINERY AND EQUIPMENT** | **713 935** | **-** | **64 625** | **(41 245)** | **737 315** |
| Transport assets | 306 036 | - | 21 131 | (19 253) | **307 914** |
| Computer equipment | 284 794 | - | 29 376 | (16 902) | **297 268** |
| Furniture and office equipment | 83 564 | - | 2 575 | (3 013) | **83 126** |
| Other machinery and equipment | 39 541 | - | 11 543 | (2 077) | **49 007** |
| **TOTAL CAPITAL ASSETS** | **713 935** | **-** | **64 625** | **(41 245)** | **737 315** |

**The total additions for R 64 625 266.35 include Cash and Non-Cash transactions.*
*The total expenditure for R 56 021 228.43 as reported in Note 8.1 as recognised expenditure and non-cash: includes assets received but not yet paid (accruals) for R 8 604 037.92.*

| Movable Tangible Capital Assets under investigation | Number | Value R'000 |
|---|---|---|
| **Included in the above total of the movable tangible capital assets per the asset register that are under investigation:** | | |
| Machinery and equipment* | 269 | 6 197 |
| **Total** | **269** | **6 197** |

**Vehicles damaged/stolen, under investigation.*

**IT equipment stolen/lost, under investigation.*

**Asset stolen/lost, under investigation.*

## 29.1. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

| | 2023/24 | | | | |
|---|---|---|---|---|---|
| | Opening balance | Prior period error | Additions* | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **MACHINERY AND EQUIPMENT** | **629 955** | **(1 216)** | **101 049** | **(15 853)** | **713 935** |
| Transport assets | 255 041 | (3 693) | 62 884 | (8 196) | **306 036** |
| Computer equipment | 263 106 | 821 | 26 495 | (5 628) | **284 794** |
| Furniture and office equipment | 77 003 | 2 432 | 4 743 | (614) | **83 564** |
| Other machinery and equipment | 34 805 | (776) | 6 927 | (1 415) | **39 541** |
| **TOTAL CAPITAL ASSETS** | **629 955** | **(1 216)** | **101 049** | **(15 853)** | **713 935** |

**The total additions for R 101 048 194.38 include Cash and Non-Cash transactions.*
*The total expenditure for R 100 957 673.74 as reported in Note 8.1 as recognised expenditure and non-cash: includes assets received but not yet paid (accruals) for R 90 520.64.*

### 29.1.1. Prior period error

| Nature of prior period error | 2023/24 R'000 |
|---|---|
| Relating to 2023/24 | |
| Reclassification of assets category and price corrections | (1 553) |
| Increase/Decrease of prior year assets (incomplete asset transfer transactions) | (4) |
| Adjustment to prior period additions (reconciliation of assets received/paid) | 341 |
| Total prior period errors | (1 216) |

*Prior year error that affected opening balance included above.*

## 29.2. Minor assets

### MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

| | 2024/25 | | |
|---|---|---|---|
| | Intangible assets | Machinery and equipment | Total |
| | R'000 | R'000 | R'000 |
| **Opening balance** | **15** | **158 147** | **158 162** |
| Value adjustments | - | - | **-** |
| Additions* | - | 9 596 | **9 596** |
| Disposals | - | (7 574) | **(7 574)** |
| **Total Minor assets** | **15** | **160 169** | **160 184** |

**The total additions for R 9 595 745.98 include Cash and Non-Cash transactions.*
*Cash: Actual payments for R 8 584 416.65 as reported in Note 5.1.*

| | Intangible assets | Machinery and equipment | Total |
|---|---|---|---|
| Number of R1 minor assets | - | 8 780 | **8 780** |
| Number of minor assets at cost | 4 | 110 267 | **110 271** |
| **Total number of minor assets** | **4** | **119 047** | **119 051** |

| **Minor capital assets under investigation** | Number | Value R'000 |
|---|---|---|
| **Included in the above total of the minor capital assets per the asset register that are under investigation:** | | |
| Machinery and equipment* | 285 | 793 |
| **Total** | **285** | **793** |

**IT equipment stolen/lost, under investigation.*
**Asset stolen/lost, under investigation.*

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024**

| | | | 2023/24 |
|---|---|---|---|
| | Intangible assets | Machinery and equipment | Total |
| | R'000 | R'000 | R'000 |
| **Opening balance** | **15** | **151 808** | **151 823** |
| Prior period error | - | 489 | **489** |
| Additions* | - | 9 459 | **9 459** |
| Disposals | - | (3 609) | **(3 609)** |
| **Total Minor assets** | **15** | **158 147** | **158 162** |

**The total additions for R 9 459 040.29 include Cash and Non-Cash transactions.*
*Cash: Actual payments for R 9 390 050.12 as reported in Note 5.1 as recognised expenditure and non-cash: includes assets received but not yet paid (accruals) for R 68 990.17.*

| | Intangible assets | Machinery and equipment | Total |
|---|---|---|---|
| Number of R1 minor assets | - | 8 844 | **8 844** |
| Number of minor assets at cost | 4 | 109 781 | **109 785** |
| **Total number of minor assets** | **4** | **118 625** | **118 629** |

### 29.2.1. Prior period error

| **Nature of prior period error** | 2023/24 R'000 |
|---|---|
| Relating to 2023/24 | |
| Reclassification of assets category and price corrections | (76) |
| Increase/Decrease of prior year assets (incomplete asset transfer transactions) | (81) |
| Adjustment to prior period additions (reconciliation of assets received/paid) | 646 |
| Total prior period errors | 489 |

*Prior year error that affected opening balance included above.*

### 29.3. Movable tangible capital assets written off

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025**

| | | | 2024/25 |
|---|---|---|---|
| | Intangible assets | Machinery and equipment | Total |
| | R'000 | R'000 | R'000 |
| Assets written off | - | 1 743 | **1 743** |
| **Total movable assets written off** | **-** | **1 743** | **1 743** |

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024**

| | | | 2023/24 |
|---|---|---|---|
| | Intangible assets | Machinery and equipment | Total |
| | R'000 | R'000 | R'000 |
| Assets written off | - | 2 006 | **2 006** |
| **Total movable assets written off** | **-** | **2 006** | **2 006** |

## 30. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025**

| | | | | 2024/25 |
|---|---|---|---|---|
| | Opening balance | Additions* | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 |
| Software | 163 818 | - | - | **163 818** |
| **TOTAL INTANGIBLE ASSETS** | **163 818** | **-** | **-** | **163 818** |

**The total expenditure for R 10 885 208.03 as reported in Note 8.1 and this includes payments to Tech Mahindra & Alteram Schedules for work in progress amounting to R 10 885 208.03.*

### 30.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

| | | | | | 2023/24 |
|---|---|---|---|---|---|
| | Opening balance | Prior period error | Additions* | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Software | 163 818 | - | - | - | **163 818** |
| **TOTAL INTANGIBLE ASSETS** | **163 818** | **-** | **-** | **-** | **163 818** |

**The total expenditure for R 12 232 901.34 as reported in Note 8.1 and this includes payments to Tech Mahindra & Alteram Schedules for work in progress amounting to R 12 232 901.34.*

## 30.2. Intangible capital assets: Capital Work-in-progress

### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2025

| | | | | | 2024/25 |
|---|---|---|---|---|---|
| | | Opening balance 1 April 2024 | Current Year WIP* | Ready for use (Assets to the AR) / Contracts terminated | Closing balance 31 March 2025 |
| | *Note* | R'000 | R'000 | R'000 | R'000 |
| Intangible assets | *Annex 6* | 89 706 | 10 885 | - | **100 591** |
| **Total** | | **89 706** | **10 885** | **-** | **100 591** |

**This current year WIP for R 10 885 208.03 includes payments made to Tech Mahindra & Alteram Solutions for work-in-progress.*

*This amount is included in the total intangible capital expenditure of R 10 885 208.03 in Note 8.1.*

| | 2024/25 | 2023/24 |
|---|---|---|
| **Payables not recognised relating to Capital WIP** | **R'000** | **R'000** |
| Services rendered not yet paid | **-** | - |
| **Total** | **-** | - |

### CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

| | | | | | | 2023/24 |
|---|---|---|---|---|---|---|
| | | Opening balance 1 April 2023 | Prior period error | Current Year WIP* | Ready for use (Assets to the AR) / Contracts terminated | Closing balance 31 March 2024 |
| | *Note* | R'000 | R'000 | R'000 | R'000 | R'000 |
| Intangible assets | *Annex 6* | 77 473 | - | 12 233 | - | **89 706** |
| **Total** | | **77 473** | **-** | **12 233** | **-** | **89 706** |

**This prior period WIP for R 12 232 901.34 includes payments made to Tech Mahindra & Alteram Solutions for work-in-progress.*

*This amount is included in the total intangible capital expenditure of R 12 232 901.34 in Note 8.1.*

## 31. Immovable Tangible Capital Assets

### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

| | 2024/25 | | | |
|---|---|---|---|---|
| | Opening balance | Additions* | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 |
| **BUILDINGS AND OTHER FIXED STRUCTURES** | **362** | **502** | **(14)** | **850** |
| Non-residential buildings | 362 | 502 | (14) | **850** |
| **TOTAL TANGIBLE CAPITAL ASSETS** | **362** | **502** | **(14)** | **850** |

**The total expenditure for R 10 877 846.98 as reported in Note 8.1 and this includes Department's assets (portable buildings) for R 501 468.86 and payments to DPW for capital project amounting to R 10 376 378.10.*

Current year Work-in-Progress for buildings was not included as it is accounted for by the Department of Public Works.

### 31.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

| | 2023/24 | | | | |
|---|---|---|---|---|---|
| | Opening balance | Prior period error | Additions* | Disposals | Closing balance |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **BUILDINGS AND OTHER FIXED STRUCTURES** | **263** | **-** | **99** | **-** | **362** |
| Non-residential buildings | 263 | - | 99 | - | **362** |
| **TOTAL TANGIBLE CAPITAL ASSETS** | **263** | **-** | **99** | **-** | **362** |

**The total expenditure for R 19 771 986.19 as reported in Note 8.1 and this includes Department's assets (portable buildings) for R 98 900.00 and payments to DPW for capital project amounting to R 19 613 086.19.*

## 32. Prior period errors

### 32.1. Correction of prior period errors

| | | 2023/24 | | |
|---|---|---|---|---|
| | | Amount before error correction | Prior period error | Restated |
| | Note | R'000 | R'000 | R'000 |
| ***Assets: (e.g. Receivables, Investments, Accrued Departmental revenue, Movable tangible capital assets, etc.)*** | | | | |
| Movable tangible capital assets | *29.1.1* | 715 151 | (1 216) | 713 935 |
| Minor assets | *29.2.1* | 157 673 | 489 | 158 162 |
| **Net effect** | | 872 824 | (727) | 872 097 |

*For descriptions of the nature of the prior period errors, refer to the respective notes.*

| | | 2023/24 | | |
|---|---|---|---|---|
| | | Amount before error correction | Prior period error | Restated |
| | Note | R'000 | R'000 | R'000 |
| ***Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)*** | | | | |
| Contingent liability | *19.1.1* | 28 038 | (4 431) | 23 607 |
| Contingent asset | *19.2.1* | 571 | (571) | - |
| Capital commitments | *20.1* | 130 301 | 983 | 131 284 |
| Provisions | *28.1.1* | 12 661 | 133 | 12 794 |
| **Net effect** | | 171 571 | (3 886) | 167 685 |

*For descriptions of the nature of the prior period errors, refer to the respective notes.*

## ANNEXURE 1A
## STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| | GRANT ALLOCATION | | | | TRANSFER | | | SPENT | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DoRA and Other transfers | Roll overs | Adjustments | Total Available | Actual transfer | Funds withheld | Re-allocations by National Treasury or National Department | Amount received by Department | Amount spent by Department | Unspent funds | % of available funds spent by Department | DORA and other transfers | Actual transfers |
| **Name of Municipality** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| Municipal Vehicle Licences* | 866 | - | 33 | 899 | 899 | - | - | - | - | - | - | 954 | 954 |
| **TOTAL** | **866** | **-** | **33** | **899** | **899** | **-** | **-** | **-** | **-** | **-** | | 954 | 954 |

**Vehicles in all Provincial Offices and Labour Centres – amount paid to municipalities across the country.*

## ANNEXURE 1B
## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| | TRANSFER ALLOCATION | | | | TRANSFER | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget | Actual transfer |
| **Departmental Agency or Account** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Transfers** | | | | | | | | |
| Licences (Radio & TV) | - | - | 28 | 28 | 28 | 100.0% | 28 | 28 |
| Compensation Fund (CF) | 12 508 | - | - | 12 508 | 12 508 | 100.0% | 6 995 | 6 995 |
| Unemployment Insurance Fund (UIF) | 1 | - | (1) | - | - | | 1 | - |
| Commission for Conciliation, Mediation & Arbitration (CCMA) | 975 853 | - | - | 975 853 | 975 853 | 100.0% | 1 041 163 | 1 041 163 |
| Productivity SA | 61 472 | - | 9 500 | 70 972 | 70 972 | 100.0% | 71 721 | 71 720 |
| National Economic Development & Labour Council (NEDLAC) | 53 339 | - | - | 53 339 | 53 339 | 100.0% | 73 610 | 73 610 |
| National Economic Development & Labour Council (Presidential Climate Commission) | 22 500 | - | - | 22 500 | 22 500 | 100.0% | - | - |
| Government Technical Advisory Centre | 170 000 | - | - | 170 000 | 170 000 | 100.0% | 211 466 | 211 466 |
| **TOTAL** | **1 295 673** | **-** | **9 527** | **1 305 200** | **1 305 200** | | 1 404 984 | 1 404 982 |

## ANNEXURE 1C
## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

| | GRANT ALLOCATION | | | | EXPENDITURE | | | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name of public corporation / private enterprise | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of Available funds transferred | Capital | Current | Final Budget | Actual transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 | R'000 |
| **Public Corporations** | | | | | | | | | | |
| **Transfers** | | | | | | | | | | |
| Industrial Development Corporation | 57 500 | - | - | 57 500 | 57 500 | 100.0% | - | - | 87 000 | 87 000 |
| **TOTAL** | **57 500** | **-** | **-** | **57 500** | **57 500** | | - | - | 87 000 | 87 000 |

## ANNEXURE 1D
## STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

| | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget | Actual transfer |
| **Foreign government / International organisation** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Transfers** | | | | | | | | |
| International Labour Organisation (ILO) | 21 593 | - | (2 343) | 19 250 | 19 250 | 100.0% | 20 961 | 20 961 |
| African Regional Labour Administration Centre (ARLAC) | 1 599 | - | (85) | 1 514 | 1 514 | 100.0% | 1 559 | 1 559 |
| **TOTAL** | **23 192** | **-** | **(2 428)** | **20 764** | **20 764** | | 22 520 | 22 520 |

## ANNEXURE 1E
## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget | Actual transfer |
| **Non-profit institutions** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Transfers** | | | | | | | | |
| Designated Groups Special Services | 21 657 | - | (201) | 21 456 | 21 456 | 100.0% | 25 156 | 24 467 |
| Various Civil & Labour Organisation | 23 892 | - | - | 23 892 | 23 892 | 100.0% | 24 854 | 24 854 |
| **TOTAL** | **45 549** | **-** | **(201)** | **45 348** | **45 348** | | 50 010 | 49 321 |

*Public Employment Services (PES) transfers funds to subsidised work centres for people with disabilities. (Supported Employment Enterprises - SEE)*

## ANNEXURE 1E (1)
## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget | Actual transfer |
| **Non-profit institutions** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Transfers** | | | | | | | | |
| WorkCentre's for the Disabled | 184 684 | - | - | 184 684 | 184 684 | 100.0% | 207 915 | 207 915 |
| **TOTAL** | **184 684** | **-** | **-** | **184 684** | **184 684** | | 207 915 | 207 915 |

## ANNEXURE 1F
## STATEMENT OF TRANSFERS TO HOUSEHOLDS

| | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2023/24 | |
|---|---|---|---|---|---|---|---|---|
| | Adjusted Budget | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred | Final Budget | Actual transfer |
| **Household** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **%** | **R'000** | **R'000** |
| **Transfers** | | | | | | | | |
| Leave gratuity | 7 529 | - | 194 | 7 723 | 7 718 | 99.9% | 6 861 | 6 727 |
| Ex gratia payments | 211 | - | 844 | 1 055 | 1 055 | 100.0% | 778 | 778 |
| PST retirement benefit | - | - | 6 234 | 6 234 | 6 234 | 100.0% | - | - |
| **TOTAL** | **7 740** | **-** | **7 272** | **15 012** | **15 007** | | 7 639 | 7 505 |

## ANNEXURE 1G
## STATEMENT OF AID ASSISTANCE RECEIVED

| Name of donor | Purpose | Opening balance | Revenue | Expenditure | Paid back on / by 31 March 2025 | Closing balance |
|---|---|---|---|---|---|---|
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| **Received in cash** | | | | | | |
| European Union (EU) | Education for Employability (E4E) programme that aims to achieve more inclusive, equitable and quality education and employment prospects for South African (SA) Youth | 32 724 | 33 957 | (12 371) | (32 723) | **21 587** |
| **TOTAL** | | **32 724** | **33 957** | **(12 371)** | **(32 723)** | **21 587** |

## ANNEXURE 1H
## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

| Nature of gift, donation or sponsorship | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---|---|---|
| **Made in kind** | | |
| **Donations** | | |
| Office furniture and equipment | | |
| Cothoza Primary School | **65** | - |
| Qondulwazi Secondary School | **55** | - |
| WH De Klerk School | **187** | 77 |
| Church of Christ | **31** | - |
| Songo Skills Development | **21** | - |
| Sinomusa Woman Advisory Support Centre | **12** | - |
| KwaThando Care Centre | **10** | - |
| Department of Education: Emjindini Circuit Office | **64** | 24 |
| Bamaketse Community Development | **15** | - |
| Bereshith Treatment Centre | **39** | - |
| Build Africa | **15** | - |
| Eersterust Football Association | **8** | - |
| God's Ultimate Force Crusade | **15** | - |
| Ithemba Community Organisation | **40** | - |
| Lethabo la Bana Day Care | **27** | - |
| Mohlakaungwa Gogo's Project | **34** | - |
| New Gen Academy | **22** | - |
| On Time Revelation | **35** | - |
| Phuthanang Protective Works | **13** | - |
| Pmat Therapeutic Interventions | **20** | - |
| Society for the Care of Mentally and Physically Disabled Persons | **38** | - |
| St. Lamech Christian Church | **25** | - |
| Supported Employment Enterprises | **1 059** | - |
| United Reformed Church | **39** | - |
| World back to God Ministries | **15** | - |
| Xabiso Community Empowerment Projects | **22** | - |
| Department of Education | **-** | 43 |
| Freedom for all Nations Outreach | **-** | 23 |
| Nkanyiso Youth Development Centre | **-** | 205 |
| Reformed Apostles Church in Christ | **-** | 86 |
| Thand'uxolo Special School | **-** | 364 |
| Adamslof Residents Initiatives | **-** | 16 |
| Imphilo-Life Community Centre | **-** | 24 |
| Ithemba Community Organization | **-** | 25 |

## ANNEXURE 1H
## STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE (continued)

| | 2024/25 | 2023/24 |
|---|---|---|
| **Nature of gift, donation or sponsorship** | **R'000** | **R'000** |
| **Made in kind** | | |
| **Donations** | | |
| Kathorus Parliament | **-** | 15 |
| Kitso Lesedi Youth Development | **-** | 16 |
| Lethabo La Bana Day Care | **-** | 13 |
| Mphoreng Lekias Mashilane Foundation | **-** | 16 |
| Nala Rising Lions Foundation | **-** | 29 |
| Thang Xaba Foundation | **-** | 36 |
| Vosloorus Annual Carnival and Community Events | **-** | 35 |
| **TOTAL** | **1 926** | 1 047 |

## ANNEXURE 2
## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

| Nature of liability | Opening balance 1 April 2024 | Liabilities incurred during the year | Liabilities paid / cancelled / reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing balance 31 March 2025 |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **Claims against the Department** | | | | | |
| Claims: Supplier-related | - | 2 587 | - | - | **2 587** |
| Claims: Employee-related | 1 232 | 89 | - | - | **1 321** |
| Civil Claims | 22 178 | - | - | - | **22 178** |
| **TOTAL** | **23 410** | **2 676** | **-** | **-** | **26 086** |

## ANNEXURE 3
## CLAIMS RECOVERABLE

| | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash-in-transit at year ended 2024/25 | |
|---|---|---|---|---|---|---|---|---|
| | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 | Receipt date up to six (6) working days after year end | Amount |
| **Government entity** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | | **R'000** |
| **Department** | | | | | | | | |
| Department: Correctional Services | **8** | 8 | **-** | - | **8** | 8 | | - |
| National Department of Government Printing Works | **1** | 1 | **-** | - | **1** | 1 | | - |
| National Department of Forestry, Fisheries & Environment | **-** | 38 | **-** | - | **-** | 38 | | - |
| National Department of Justice & Constitutional Development | **-** | 2 | **-** | - | **-** | 2 | | - |
| Transport: KZN Province | **39** | 39 | **-** | - | **39** | 39 | | - |
| Public Works & Infrastructure: Eastern Cape | **43** | 43 | **-** | - | **43** | 43 | | - |
| Department of Health & Wellness: Western Cape | **-** | 3 | **-** | - | **-** | 3 | | - |
| Department of Transport: Eastern Cape | **-** | 29 | **-** | - | **-** | 29 | | - |
| Department Health: Kwazulu-Natal | **196** | 196 | **-** | - | **196** | 196 | | - |
| Public Works, Roads & Transport: Mpumalanga | **42** | 42 | **-** | - | **42** | 42 | | - |
| National Prosecuting Authority | **114** | - | **-** | - | **114** | - | | - |
| Provincial Treasury: Limpopo | **110** | - | **-** | - | **110** | - | | - |
| Provincial Education: Limpopo | **25** | - | **-** | - | **25** | - | | - |

## ANNEXURE 3

## CLAIMS RECOVERABLE (continued)

| | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash-in-transit at year ended 2024/25 | |
|---|---|---|---|---|---|---|---|---|
| | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 | Receipt date up to six (6) working days after year end | Amount |
| **Government entity** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | | **R'000** |
| **Department** | | | | | | | | |
| Public Works & Roads: North West | **31** | - | **-** | - | **31** | - | | - |
| Dept: Agriculture, Land Reform & Rural Development | **47** | - | **-** | - | **47** | - | | - |
| National Treasury | **44** | - | **-** | - | **44** | - | | - |
| Eastern Cape: Provincial Treasury | **31** | - | **-** | - | **31** | - | | - |
| Gauteng: Health | **17** | - | **-** | - | **17** | - | | - |
| Limpopo: Agriculture | **40** | - | **-** | - | **40** | - | | - |
| Public Works & Infrastructure | **1** | - | **-** | - | **1** | - | | - |
| National: Dept Water & Sanitation | **104** | - | **-** | - | **104** | - | | - |
| Government Pension Administration Agency | **31** | - | **-** | - | **31** | - | | - |
| Nat Dept Higher Education & Training | **38** | - | **-** | - | **38** | - | | - |
| South African Police Service | **82** | - | **-** | - | **82** | - | | - |
| **Other Government Entities** | | | | | | | | |
| Compensation Fund (CF) | **83 880** | 171 010 | **-** | - | **83 880** | 171 010 | | - |
| Unemployment Insurance Funds (UIF) | **-** | 123 310 | **20 430** | 2 889 | **20 430** | 126 199 | | - |
| Supported Employment Enterprises (SEE) | **39 437** | 26 374 | **-** | - | **39 437** | 26 374 | | - |
| **TOTAL** | **124 361** | 321 095 | **20 430** | 2 889 | **144 791** | 323 984 | | - |

## ANNEXURE 4
## INTER-GOVERNMENT PAYABLES

| | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash-in-transit at year ended 2024/25 | |
|---|---|---|---|---|---|---|---|---|
| | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 | Payment date up to six (6) working days after year end | Amount |
| **GOVERNMENT ENTITY** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | | **R'000** |
| **Departments** | | | | | | | | |
| **Current** | | | | | | | | |
| Department of Public Service and Administration | **580** | 496 | **-** | - | **580** | 496 | | - |
| South African Police Service | **53** | 61 | **13** | 60 | **66** | 121 | | - |
| Department of Justice and Constitutional Development | **2 113** | 4 931 | **4 159** | 103 | **6 272** | 5 034 | | - |
| Department of Public Works and Infrastructure | **8 792** | - | **4 784** | - | **13 576** | - | | - |
| **Other Government Entity** | | | | | | | | |
| **Current** | | | | | | | | |
| Government Printing Works | **611** | - | **24** | - | **635** | - | | - |
| SITA | **9 164** | - | **2 232** | - | **11 396** | - | | - |
| **TOTAL INTER-GOVERNMENT PAYABLES** | **21 313** | 5 488 | **11 212** | 163 | **32 525** | 5 651 | | - |

## ANNEXURE 5
## INVENTORIES

| Inventories for the year ended 31 March 2025 | Learning, Teaching and Support Material | Materials and Supplies | Other Supplies | Inventory not yet classified | Clothing Material and Accessories | Total |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | - | - | - | - | **-** |
| Add/(Less: Adjustments to prior year balances | - | - | - | - | - | **-** |
| Add: Additions/Purchases - Cash | - | 71 | 14 | 515 | 4 | **604** |
| Add: Additions - Non-cash | - | - | - | - | - | **-** |
| (Less): Disposals | - | - | - | - | - | **-** |
| (Less): Issues | - | (71) | (14) | (515) | (4) | **(604)** |
| Add/(Less): Received current, not paid; (Paid current year, received prior year) | - | - | - | - | - | **-** |
| Add/(Less): Adjustments | - | - | - | - | - | **-** |
| **Closing balance** | **-** | **-** | **-** | **-** | **-** | **-** |

## ANNEXURE 5
## INVENTORIES (continued)

| Inventories for the year ended 31 March 2024 | Learning, Teaching and Support Material | Materials and Supplies | Other Supplies | Inventory not yet classified | Clothing Material and Accessories | Total |
|---|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | - | - | - | - | **-** |
| Add/(Less: Adjustments to prior year balances | - | - | - | - | - | **-** |
| Add: Additions/Purchases - Cash | 19 | 16 | 1 | 675 | 19 | **730** |
| Add: Additions - Non-cash | - | - | - | - | - | **-** |
| (Less): Disposals | - | - | - | - | - | **-** |
| (Less): Issues | (19) | (16) | (1) | (675) | (19) | **(730)** |
| Add/(Less): Received current, not paid; (Paid current year, received prior year) | - | - | - | - | - | **-** |
| Add/(Less): Adjustments | - | - | - | - | - | **-** |
| **Closing balance** | **-** | **-** | **-** | **-** | **-** | **-** |

## ANNEXURE 6
## MOVEMENT IN CAPITAL WORK IN PROGRESS

### Movement in capital work in progress for the year ended 31 March 2025

| | Opening balance | Current year CWIP | Ready for use (Asset Register) / Contract terminated | Closing balance |
|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 |
| **SOFTWARE** | **89 706** | **10 885** | **-** | **100 591** |
| Software | 89 706 | 10 885 | - | **100 591** |
| **TOTAL** | **89 706** | **10 885** | **-** | **100 591** |

### Movement in capital work in progress for the year ended 31 March 2024

| | Opening balance | Prior period error | Current year CWIP | Ready for use (Asset Register) / Contract terminated | Closing balance |
|---|---|---|---|---|---|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| **SOFTWARE** | **77 473** | **-** | **12 233** | **-** | **89 706** |
| Software | 77 473 | - | 12 233 | - | **89 706** |
| **TOTAL** | **77 473** | **-** | **12 233** | **-** | **89 706** |

## ANNEXURE 7A
## INTERENTITY ADVANCES PAID (Note 10)

| | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|---|---|---|---|---|---|---|
| | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 |
| **ENTITY** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** |
| **NATIONAL DEPARTMENTS** | | | | | | |
| Government Communication & Information Systems (GCIS) | **460** | 6 013 | **-** | - | **460** | 6 013 |
| International Relations & Co-operation (DIRCO) | **565** | 303 | **-** | - | **565** | 303 |
| **PUBLIC ENTITIES** | | | | | | |
| SA Post Office (Permit Mail) | **1 626** | 1 665 | **-** | - | **1 626** | 1 665 |
| Supported Employment Enterprises (SEE) | **77** | 77 | **-** | - | **77** | 77 |
| National School of Government | **4 419** | 4 902 | **-** | - | **4 419** | 4 902 |
| SANRAL | **-** | 90 | **-** | - | **-** | 90 |
| **TOTAL** | **7 147** | 13 050 | **-** | - | **7 147** | 13 050 |

## ANNEXURE 7B
## INTER-ENTITY ADVANCES RECEIVED (note 15)

| | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|---|---|---|---|---|---|---|
| | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 | 31/03/2025 | 31/03/2024 |
| **ENTITY** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** | **R'000** |
| **PUBLIC ENTITIES** | | | | | | |
| **Current** | | | | | | |
| Unemployment Insurance Fund | **200 608** | - | **-** | - | **200 608** | - |
| **TOTAL** | **200 608** | - | **-** | - | **200 608** | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Current** | **200 608** | - | **-** | - | **200 608** | - |
| **Non-current** | **-** | - | **-** | - | **-** | - |

## ANNEXURE 8
## ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 10)

| Name of Entity | Contract reference number | Total Contract Value | Contract commencement date | Contract end date | Frequency of the prepayment or advance | Balance outstanding as at 31 March 2024 | Total amount prepaid /advanced in the current year | Less: goods, services or capital assets received in the | Add/Less: Other | Balance outstanding as at 31 March 2025 | Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | R'000 | | | | R'000 | R'000 | R'000 | R'000 | R'000 | |
| **Prepayments** | | | | | | | | | | | |
| The Ethics Institute | DL-029152 | 1 | 2024/04/01 | 2025/03/31 | | **1** | - | (1) | - | **-** | |
| The Institute of Risk Management SA | DL-029151 | 47 | 2024/04/01 | 2025/03/31 | | **47** | - | (47) | - | **-** | |
| Wolters Kluwer Tax & Accounting | DL-029197 | 76 | 2023/04/30 | 2024/04/29 | | **6** | - | (6) | - | **-** | |
| Boxfusion | DL-029230 | 2 454 | 2023/06/01 | 2025/05/31 | | **1 432** | - | (1 227) | - | **205** | Prepayment period expires after year-end |
| Neo Technologies | DL-029105 | 263 | 2023/06/01 | 2025/05/31 | | **153** | - | (131) | - | **22** | Prepayment period expires after year-end |
| The Institute of Internal Auditors | DL-029310 | 49 | 2023/06/01 | 2024/05/31 | | **8** | - | (8) | - | **-** | |
| The Institute of Directors | DL-029533 | 8 | 2024/04/01 | 2024/12/31 | | **8** | - | (8) | - | **-** | |
| SA Board for People Practices | DL-029531 | 10 | 2024/04/01 | 2025/03/31 | | **10** | - | (10) | - | **-** | |
| Neo Technologies | DL-029764 | 378 | 2024/10/01 | 2026/09/30 | | **-** | 378 | (95) | - | **284** | Prepayment period expires after year-end |
| Microsoft Ireland | DL-029136 | 18 484 | 2024/04/01 | 2025/03/31 | | **-** | 17 687 | (17 687) | - | **-** | |
| G3G (PTY) LTD | Sundry | 11 | 2024/06/01 | 2025/05/31 | | **-** | 11 | (9) | - | **2** | Prepayment period expires after year-end |
| The Institute of Internal Auditors | DL-029625 | 47 | 2024/06/01 | 2025/05/31 | | **-** | 47 | (39) | - | **8** | Prepayment period expires after year-end |
| Predicate Logistic | DL-029592 | 86 | 2024/03/28 | 2025/03/27 | | **-** | 86 | (86) | - | **-** | |
| Association of Certified Fraud Examiners SA | DL-029570 | 7 | 2024/05/01 | 2025/04/30 | | **-** | 7 | (6) | - | **1** | Prepayment period expires after year-end |
| Wolters Kluwer Tax & Accounting | DL-029678 | 80 | 2024/04/30 | 2025/04/29 | | **-** | 80 | (73) | - | **7** | Prepayment period expires after year-end |
| Multichoice | DL-029851 | 138 | 2024/12/31 | 2025/11/30 | | **-** | 138 | (46) | - | **92** | Prepayment period expires after year-end |
| Ebsco International | DL-029835 | 368 | 2025/03/01 | 2026/02/28 | | **-** | 368 | (31) | - | **337** | Prepayment period expires after year-end |
| **Total prepayments** | | | | | | **1 666** | **18 802** | **(19 512)** | **-** | **956** | |

## ANNEXURE 8
## ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 10) (continued)

| Name of Entity | Contract reference number | Total Contract Value | Contract commencement date | Contract end date | Frequency of the prepayment or advance | Balance outstanding as at 31 March 2024 | Total amount prepaid /advanced in the current year | Less: goods, services or capital assets received in the current year | Add/Less: Other | Balance outstanding as at 31 March 2025 | Reason for prepayment or advance and for it remaining outstanding at year end (more details can be provided in the narrative blocks where necessary) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | R'000 | | | | R'000 | R'000 | R'000 | R'000 | R'000 | |
| **Advances** | | | | | | | | | | | |
| Government Communication & Information Services (GCIS) | | - | | | | **6 013** | 2 292 | (5 418) | (2 427) | **460** | Ongoing campaigns |
| Department of International Relations & Cooperation (DIRCO) | | - | | | | **303** | 8 000 | (8 476) | 738 | **565** | Outstanding invoices |
| SA Post Office | | - | | | | **1 665** | - | (39) | - | **1 626** | Services not yet rendered |
| **Total advances** | | | | | | **7 981** | **10 292** | **(13 933)** | **(1 689)** | **2 651** | |
| **TOTAL** | | | | | | **9 647** | **29 094** | **(33 445)** | **(1 689)** | **3 607** | |

# Part G: Supported Employment Enterprises

# Part G: SUPPORTED EMPLOYMENT ENTERPRISES

## Report of the Accounting Officer to the Executive Authority and Parliament of the Republic Of South Africa

**Overview of the operations of the SEE**

The Supported Employment Enterprises (SEE) was established through a Cabinet Memorandum back in 1943. The entity was re-established in terms of the Employment Services Act, 2014, Act No. 4 of 2014, to provide employment opportunities for persons with mental and physical disabilities that prevent them from participating in the open Labour market due to the nature of their afflictions. Employment of Persons with Disabilities remains the biggest challenge of Employment Equity in South Africa and as such, SEE through priority No 2 of the current Medium-Term Strategic Framework has to create 400 additional employment opportunities for Persons with Disabilities.

There are currently 13 factories across the country, located in eight of the nine provinces with Mpumalanga being the only province without a factory. Plans to establish a factory in Mpumalanga were halted due to economic constraints that were further exacerbated by Covid-19 pandemic. Once there is full economic recovery and the funding is made available to the entity, it is then that Mpumalanga expansion will be revisited. SEE has three categories in its product portfolio, which comprises of textile, wood and steel. Factories produce textile products such as hospital linen (theatre gowns, protective clothing, bed linen etc.), furniture products (school desks & office furniture) as well as steel products (safes and braai stands). These products are sold to the public and private sector clients as well as to the general members of the public.

**Overview of the results and challenges for the year**

Supported Employment Enterprises' aggressive market penetration strategies driven by customer acquisition and retention to push for much needed sales revenue assisted in retaining customers though SEE did not achieve on its indicator to increase sales revenue where -42% was recorded relative to a 13% increase in the previous financial year. The entity's resilience despite challenging market conditions, tight regulatory constraints and underfunded mandate demonstrate that with necessary support and space for agility or speed of decision-making process, SEE can be counted with entities that can substantially contribute to the country's developmental agenda.

Market facing efforts by the Business Development Unit at SEE earned the entity a number of huge sales orders, such as the Western Cape Provincial Health Department's order of hospital linen worth about R36 Million, The Northern Cape Provincial Department of Education ordered approximately R15 Million worth of school furniture from SEE. In these current changing market dynamics, SEE has adopted a strategy to expand its product portfolio to avoid current products from the risk of being obsolete. SEE has also embarked upon customer acquisition efforts to the private sector, as its client base is predominantly in the public sector.

SEE did not deliver on its legislative mandate of creating employment opportunities for Persons with Disabilities as the entity only managed to absorb 1 additional PWDs. Unemployment still remains a serious challenge and pre-occupies the management of SEE as the impact thereof means lack of disposable incomes, which translate to lack of economic activity and this retards economic growth. It is much more efficient to create employment opportunities as it drives capacity utilization and economic activity as opposed to simply paying grants without generating economic activity.

The pre-determined target on new agreements is the only indicator achieved, meaning SEE achieved only 33,33% of all its APP targets for the 2024/25 financial year. These results are a decline from last year's overall achievement due to challenges indicated above. Remedial actions put in place will continuously be followed up to ensure areas of improvement are achieved especially in

efforts of getting more business as that will assist greatly in successfully implementing SEE's mandate. It is also well documented that most jobs for most of South Africans seeking employment especially persons with disabilities, that such jobs will be created in the manufacturing sector where SEE operates.

The entity's biggest challenge is the underfunded mandate where over 95% of the treasury grant to SEE goes to salaries of both administrative and factory employees. The minimal balance thereof is expected to cover the cost of raw materials used in production, the cost of maintaining machinery in all 13 factories across the country as well as other operational costs. SEE's further challenge is that it operates in a highly competitive market landscape that demands business fundamentals.

These are agility, flexibility, sound judgment and effectiveness. However, the reality that the entity sits within a government space means that by default the entity is subjected to stringent government procurement prescripts, which were designed for government Departments as end users and not necessarily for an entity such as the SEE, which converts stock into finished products in order to sell them to generate sales revenue.

The ultimate objective for the entity is to obtain its legal status which is being dealt with through the Employment Services Bill that is currently before parliament and upon the completion of ratifying the Bill, the entity will then be able to build a framework that will define and guide its governance, legal form and how it responds to market dynamics.

## Overview of the human resources

The Supported Employment Enterprises has two categories of employees. Administrative officials employed in terms of the Public Services Act operating on a structure of 159 administrative posts of which 124 are suitably filled to support the 12 factories as the Durban factory is still under refurbishment. The 35 administrative vacancies are affected by the DPSA moratorium and they are impacting on service delivery as these are critical posts in Operations, Business development and Finance. The Administrative staff members are part of the Department of Employment and Labour and have been accounted for under the Department, Branch Public Employment Services. The second category of staff consisted of 1 003 Persons with Disabilities employed under the Basic Condition of Employment Services Act and are spread across the 12 Factories.

The following tables provides the staff establishment of the SEE factory workers during the financial year and the changes that occurred during the year, employment equity profile of staff within the entity, salary bands.

### SEE factory staff establishment

| Factory | Pwds as at 01/04/2024 | Additional Employment as at 31/03/2025 | Terminations as at 31/03/2025 | Total as at 31/03/2025 |
|---|---|---|---|---|
| All factories | 1018 | 1 | 16 | 1 003 |

## SEE EE profile

| Province | Factory | Race | | | | Gender | | Total |
|---|---|---|---|---|---|---|---|---|
| | | African | Coloured | Indian | White | Female | Male | |
| Free State | Bloemfontein | 31 | 2 | 1 | 20 | 23 | 31 | 54 |
| KZN | Durban* | | | | | | | |
| | Pietermaritzburg | 52 | 2 | 4 | 22 | 32 | 48 | 80 |
| Eastern Cape | East London | 63 | 4 | 1 | 17 | 31 | 54 | 85 |
| | Port Elizabeth | 43 | 16 | 0 | 14 | 38 | 35 | 73 |
| Northern cape | Kimberley | 35 | 23 | 0 | 8 | 22 | 44 | 66 |
| Western cape | Ndabeni | 59 | 57 | 0 | 40 | 53 | 103 | 156 |
| | Epping | 58 | 49 | 1 | 4 | 40 | 72 | 112 |
| North West | Potchefstroom | 32 | 10 | 0 | 5 | 18 | 29 | 47 |
| Limpopo | Seshego | 49 | 0 | 0 | 0 | 26 | 23 | 49 |
| Gauteng | Pretoria | 69 | 2 | 0 | 30 | 41 | 60 | 101 |
| | Rand | 65 | 14 | 0 | 27 | 60 | 46 | 106 |
| | Springfield | 46 | 10 | 0 | 18 | 21 | 53 | 74 |
| **Total** | | **602** | **189** | **7** | **205** | **405** | **598** | 1003 |

*Durban factory was not operational during the financial year due to renovations.

## SEE post level structure-

| Level | Notch | 2022/2023 wages | Increase 6.5% | 2023/2024 wages | Increase 4.5% | 2024/2025 wages |
|---|---|---|---|---|---|---|
| Level 1 | Notch 1 | R5 274,26 | R342,83 | R5 617,09 | R252,77 | R5 869,86 |
| | Notch 2 | R5 400,91 | R351,06 | R5 751,97 | R258,59 | R6 010,56 |
| | Notch 3 | R5 527,45 | R359,28 | R5 886,73 | R264,91 | R6 151,64 |
| Level 2 | Notch 1 | R5 654,01 | R367,51 | R6 021,52 | R271,00 | R6 292,52 |
| Level 3 | Notch 1 | R5 780,60 | R375,74 | R6 156,34 | R277,04 | R6 433,38 |
| Level 4 | Notch 1 | R5 907,18 | R383,97 | R6 291,15 | R283,11 | R6 574,26 |
| | Notch 2 | R6 033,75 | R392,19 | R6 425,94 | R289,17 | R6 715,11 |
| Level 5 | Notch 1 | R6 160,33 | R400,42 | R6 560,75 | R295,28 | R6 856,03 |
| | Notch 2 | R6 286,91 | R408,65 | R6 695,56 | R301,28 | R6 996,84 |
| Level 6 | Notch 1 | R6 851,82 | R445,37 | R7 297,19 | R328,46 | R7 625,65 |

The salaries of factory employees were increased by 4.5% in 2024/25 which was a reduced rate compared to prior year's comparative rate. The provident fund employer contribution did not increase; it remained at 10% as well as the employee contribution that remained the same at 8%. SEE Youth employment is 51.5% (517 of 1003)

### Overview of the financial results of the SEE

The SEE budget comprises of a transfer from the National Treasury through the Branch Public Employment Services and as well as additional income generated from sale of goods that are manufactured across all factories.

The grant allocation for 2024/2025 amounted to R184 684 000 which amounts to over 80% of SEE's cash revenue. Remaining 20% was generated through sale of goods.

The entity is still pursuing other government spectrums for both Health and Education to participate in the existing MOUs with both National Departments of Health and Education ending in 2026, to augment current budget sales revenue.

Supported Employment Enterprises Revenue

| Departmental Receipts | 2024/2025 | | | 2023/2024 | | |
|---|---|---|---|---|---|---|
| | Estimate | Actual Amount Collected | (over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| Sale of goods and services | R90 675 596 | R36 747 345 | R53 928 251 | R61 000 000 | R63 318 717 | -R2 318 717 |
| Transfer Grant | R184 684 000 | R184 684 000 | R0 | R187 160 000 | 207 915 000 | -R20 755 000 |
| Interest, dividends and rent on land | R4 357 338 | R8 288 363 | -R3 931 025 | 2 509 742,72 | R7 701 601 | -R5 191 858 |
| Services in Kind | R23 341 727 | R28 303 328 | -R4 961 601 | R27 024 196 | R27 024 196 | R0 |
| Other Income | R0 | R1 495 239 | -R1 495 239 | R264 946 | R228 976 | R35 970 |
| **TOTAL** | **R303 058 661** | **R259 518 275** | **R43 540 386** | **R277 958 885** | **R306 188 490** | **-R28 229 605** |

*Other income comprises of commission and discount received from 3rd party related payments

Reasons for over/under collection of revenue

| Total Revenue Received | 2024/2025 | 2023/2024 | Variance | Variance % | Reasons for Variances |
|---|---|---|---|---|---|
| Sale of goods and services | R36 747 345 | R63 318 717 | -R26 571 372 | -42% | Less sales orders received for 2024/2025 |
| Transfer Grant | R184 684 000 | R207 915 000 | -R23 231 000 | -11% | Difference is due to bail out received in 2023/2024 toward payment of admin claims from DEL and incremental on base allocation. |
| Interest, dividends and rent on land | R8 288 363 | R7 701 601 | R586 762 | 8% | Increase due to higher interest earn on cash excess as well as interest charged on trade debtors |
| Services in Kind | R28 303 328 | R27 024 196 | R1 279 132 | 5% | Difference is due to incremental on the services in kind |
| Other Income | R1 495 239 | R228 976 | R1 266 263 | 553% | Difference due to higher discount received in the current year |
| Sale of capital assets | R249 194 | R92 548 | R156 646 | 169% | Difference is due more scrap assets disposed off in the current year |

## Information on irregular expenditure

| **Reconciliation of irregular expenditure** | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Opening balance | **19 648 832,00** | **16 033 186,00** |
| Prior Period Errors | - | - |
| As Restated | **19 648 832,00** | **16 033 186,00** |
| Add: Irregular expenditure confirmed | 3 838 113,00 | 3 615 646,00 |
| Less: Irregular expenditure condoned | - | - |
| Less: Irregular expenditure not condoned and removed | - | - |
| Less: Irregular expenditure recoverable | - | - |
| Less: Irregular expenditure not recovered and written off | - | - |
| **Closing balance** | **23 486 945,00** | **19 648 832,00** |
| **a) Reconciling notes to the annual financial statement disclosure** | | |

| Reconciliation of irregular expenditure | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Irregular expenditure that was under assessment in 2023/2024 | | - |
| Irregular expenditure that relates to 2023/2024 and identified in 2024/2025 | | - |
| Irregular expenditure for the current year | 3 838 113,00 | 3 615 646,00 |
| **Total** | **3 838 113,00** | 3 615 646,00 |

| **b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)** | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Irregular expenditure under assessment | - | - |
| Irregular expenditure under determination* | - | - |
| Irregular expenditure under investigation** | - | - |
| **Total** | **-** | **-** |

| **c) Details of current and previous year irregular expenditure condoned** | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Irregular expenditure condoned | - | - |
| **Total** | **-** | **-** |

| **d) Details of current and previous year irregular expenditure removed - (not condoned)** | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Irregular expenditure NOT condoned and removed | - | - |
| **Total** | **-** | **-** |

| **e) Details of current and previous year irregular expenditure recoverable** | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Irregular expenditure recovered | - | - |
| **Total** | **-** | **-** |

| **f) Details of current and previous year irregular expenditure not recoverable and written off (irrecoverable)** | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Irregular expenditure written off | - | - |
| **Total** | | |

| ***Additional disclosure relating to Inter-Institutional Arrangements*** |
|---|
| **g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)** |
| **Description** |
| None |

| **h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)** | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |

| Reconciliation of irregular expenditure | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| | **R** | **R** |
| None | - | - |
| | | |
| **Total** | **-** | **-** |

| i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure | | |
|---|---|---|
| **Disciplinary steps taken** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| None | | |
| | | |
| **Total** | | |

## Information on fruitless and wasteful expenditure

| Reconciliation of fruitless and wasteful expenditure | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Opening balance | **4 575 496,00** | 2 953 021,00 |
| Prior Period Errors | - | - |
| As Restated | **4 575 496,00** | **2 953 021,00** |
| Add: Fruitless and wasteful expenditure confirmed | 929 724,00 | 1 622 475,00 |
| Less: Fruitless and wasteful expenditure Written off | - | - |
| Less: Fruitless and wasteful expenditure recoverable | - | - |
| **Closing balance** | **5 505 220,00** | **4 575 496,00** |

| a) Reconciling notes to the annual financial statement disclosure | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Fruitless and wasteful expenditure that was under assessment in 2023/2024 | - | - |
| Fruitless and wasteful expenditure that relates to 2023/2024 and identified in 2024/2025 | - | 13 282,00- |
| Fruitless and wasteful expenditure for the current year | 929 724,00 | 1 609 193,00 |
| **Total** | **929 724,00** | **1 622 475,00** |

| b) Details of current and previous year Fruitless and wasteful expenditure (under assessment, determination, and investigation) | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Fruitless and wasteful expenditure under assessment | - | - |
| Fruitless and wasteful expenditure under determination | - | - |
| Fruitless and wasteful expenditure under investigation | - | - |
| **Total** | **-** | **-** |

| c) Details of current and previous year Fruitless and wasteful expenditure Written off | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |

| | R | R |
|---|---|---|
| Fruitless and wasteful expenditure written off | - | - |
| **Total** | **-** | **-** |

| **d) Details of current and previous year Fruitless and wasteful expenditure recoverable** | | |
|---|---|---|
| **Description** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| Fruitless and wasteful expenditure recoverable | - | - |
| **Total** | **-** | **-** |

| **e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure.** | | |
|---|---|---|
| **Disciplinary steps taken** | **2024/2025** | **2023/2024** |
| | **R** | **R** |
| None | | |
| **Total** | | |

## Information on supply chain management

*Procurement by other means*

| No | Project Description | Name of Supplier | Type of procurement by other means | Contract number | Value of contract |
|---|---|---|---|---|---|
| 1 | Compulsory induction programme course | National School of Government | Limited biding | M07441 | R12 504,00 |
| 2 | Compulsory induction programme course | National School of Government | Limited biding | M07440 | R7 672,00 |
| 3 | Expo 2024 township economies conference | Manufacturing Indaba | Limited biding | M07449 | R41 917,50 |
| 4 | renewal of clocking system license | Saflec Systems | Limited biding | M07453 | R144 900,00 |
| 5 | Expo 2024 Sandton Convention Centre | Manufacturing Indaba | Limited biding | M07461 | R57 287,25 |
| 6 | Provision of g20 flags | Flag Craft International | Limited biding | G03678<br>N03630 | R97 635,00 |
| 7 | Syspro renewal of license | Syspro (Pty)Ltd | Limited biding | M07473 | R295 229,31 |
| 8 | CaseWare licence renewal | Adapt IT | Limited biding | M07469 | R118 415,75 |
| 9 | 15 Springfield see workers to attend upholstery training | Skills to furnish international | Limited biding | G03659 | R300 000,00 |
| 10 | Renewal of VIP license | Sage SA | Limited biding | M07505 | R293 391,45 |
| 11 | Raw material quantities on official order m07427 | Da Gama Textiles | Limited biding | M07437 | R1 331 021,43 |
| 12 | Fabric cotton type f56 white | Da Gama Textiles | Limited biding | F03192 | R316 260,00 |
| 13 | Jade green fabric p48 | Da Gama Textiles | Limited biding | I05171 | R299 925,00 |
| 14 | Maz blue fabric | Da Gama Textiles | Limited biding | I05182 | R61 740,00 |
| 15 | Fabric j54 100% cotton screen curtains sky blue | Da Gama Textiles | Limited biding | N03623 | R113 780,00 |
| 16 | Fabric with w/cape logo | Da Gama Textiles | Limited biding | F03202 | R295 245,00 |
| 17 | Fabric poly/cotton jade green | Da Gama Textiles | Limited biding | K02290 | R386 570,00 |
| 18 | Fabric for WCHD 2025/26 sheeting fabric | Da Gama Textiles | Limited biding | N03628 | R18 281 090,00 |
| 19 | Bath towel | Colibri Towelling | Limited biding | J01918 | R2 520 000,00 |
| 20 | White towelling fabric | Colibri Towelling | Limited biding | I05206 | R84 000,00 |

| No | Project Description | Name of Supplier | Type of procurement by other means | Contract number | Value of contract |
|---|---|---|---|---|---|
| 21 | Fabric for WCHD 2025/26 bath towels | Colibri Towelling | Limited biding | M07501 | R4 200 000,00 |
| 22 | Raw material quantities on official order m07427 | Ahlesa Blankets Pty Ltd | Limited biding | I05168 | R408 250,00 |
| 23 | Fabric for WCHD 2025/26 blanket wool type 13 | Ahlesa Home Pty Ltd | Limited biding | I05207 | R4 082 500,00 |
| 24 | Raw material quantities on official order m07427 | Hextex Industries (Pty)Ltd | Limited biding | I05169 | R230 000,00 |
| 25 | Fabric for WCHD 2025/26 cellular blanket white | Hextex Industries (Pty)Ltd | Limited biding | I05208 | R2 200 000,00 |
| | Total | | | | **R36 179 333,69** |

## Events after reporting date

SEE has operations in various factories across the country in eight provinces that manufacture wood, linen and steel products for purpose of trading at an arm's length and currently operating 12 factories. In 2021/2022 financial year the Durban Factory was discontinued and handed over to the Department of Public Works and Infrastructure (DPWI) for revamp subsequent to the factory being destroyed by natural disaster in 2017.

## Acknowledgement/s or Appreciation

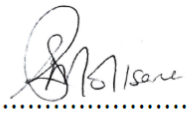
The Supported Employment Enterprises acknowledges the contributions of our staff and Executive Management in the attainment of the goals contained in this Annual Report, this despite the challenges we experienced in the entity.

## Conclusion

In conclusion, I hereby submit the Supported Employment Enterprises Annual Report for the period ended 31 March 2025.

## Approval and Sign Off

The Accounting Officer hereby approves the Annual Financial statements for the 2024/2025 financial year.



.....

**J Molisane**

**ACTING DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR**

**Date:** 8 September 2025.....

.....

# SEE Performance Information Overview

**Purpose**: 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 requires the entity to:

- Facilitate supported employment.
- Provide work opportunities for people with disabilities.
- Develop and implement programmes that promote employability of PWD, including people with permanent disabilities as defined in the Compensation Act.
- Perform other functions as prescribed by the Minister.

## Business units

- **Business Development:**

**Purpose:** Develop and implement marketing initiatives that promote employment of people with disabilities.

- **Operations:**

**Purpose:** Manage and monitor production within the factories, provide a safe working environment infrastructure, provide machine maintenance services, supply and procurement of machinery.

- **Office of the Chief Financial Officer:**

**Purpose:** To provide strategic leadership and support regarding financial management functions and manage administrative support for assets and supply chain management functions.

- **Human Resource Management**

**Purpose:** Strengthening institutional capacity through: Maintaining vacancy rate, implementation of PMDS policy, employee relations, workplace skills plan implementation, EHWP for all SEE employees and medical health care.

- **Planning, monitoring and evaluation**

**Purpose:** Organise planning workshops, provide technical advice and monitor the alignment of the SEE Strategic/APP Plans with the Department priorities, manage the compilation of performance information reports and monitor performance against APP and the AOP.

- **Information Communication and Technology**

**Purpose:** Manage ICT desktop operations, manage information systems, network and telephony environments and monitor performance of service providers.

**SEE Outcomes as per the approved Annual Performance Plan**

- Provide additional job opportunities for Persons with Disabilities
- Increase sales revenue
- Increase SEE's market share

# Achievement of institutional impacts and outcomes

## Strategic outcome oriented goals

### *Progress towards Achievement of Institutional Impacts and Outcomes*

| | |
|---|---|
| **Impact statement** | A labour market which is conducive to decent employment |

Supported Employment Enterprises are contributing towards priority 2 of the Priorities of government as set out in the Medium-Term Strategic Framework (MTSF), the National Development Plan (NDP) and the Department's Revised Strategic Plan 2020-25. The details of the outcomes, indicators, 5-year target and the achievements to date are highlighted in the tables below.

Priority 2: Economic transformation and job creation

| MTSF Outcome | Departmental Outcome | Outcome Indicator | Five-year target | SEE's Five-year targets | Actual Achievements Year 1-4 | Reasons for deviation for year under review | Implementing Programme |
|---|---|---|---|---|---|---|---|
| More decent jobs created and sustained, with youth, women and persons with disabilities prioritised | Contribute to decent employment creation | Number of youth NEET absorbed in employment | 1 million youth jobs by 2024<br>DEL: 256 050 (contributors PES: 190 000, SEE and Designated Groups: 1 000; UIF (LAP): 61 050; CF: 4 000) | To employ 400 new additional persons with disabilities by 2025 | 2020/21 – 25<br>2021/22 – A 26<br>2022/23 – A 50<br>2023/24 – A 163<br>2024/25 – N/A 1<br>5-year target –<br>Not Achieved | Limited production in factories and budget constraints | SEE |
| | | | | To increase revenue to 40% by 2025 | 2020/21 – N/A -67%<br>2021/22 – N/A -33%<br>2022/23 – A 88%<br>2023/24 – A 13.83%<br>2024/25 – N/A -42%<br>5-year target –<br>Not Achieved | Lack of adequate orders for the wood and metal division | SEE |
| | | | | Increase SEE's market share | 2020/21 – N/A 2<br>2021/22 – A 6<br>2022/23 – N/A 4<br>2023/24 – A 12<br>2024/25 – A 5<br>5-year target –<br>Not Achieved | None | SEE |

Performance Indicators

| Outcome | Output | Output Indicator | Audited Annual Performance 2022/23 | Audited Annual Performance 2023/24 | Planned Annual Target 2024/25 | Actual Achievement 2024/25 | Deviation from planned target to Actual Achievement 2024/25 | Reasons for deviations |
|---|---|---|---|---|---|---|---|---|
| Number of additional persons with disabilities employed in the SEE factories by the end of March | Employment Services Act and recruitment and selection strategy for PWDs implemented | Number of additional persons with disabilities employed in the SEE factories by the end of March | 50 additional persons with disabilities employed in the SEE factories by the end of March 2023 | 163 additional persons with disabilities employed in the SEE factories by the end of March 2024 | 150 additional persons with disabilities employed in the SEE factories by the end of March 2025 | Not achieved<br><br>1 additional persons with disabilities employed in the SEE factories by the end of March 2025 | Limited production in factories and budget constraints | More business sourced that will increase sales |
| Increase sales revenue | Financial viability increased and sustained | % annual increase of sales revenue from goods and services by the end of March | 88% annual increase of sales revenue from goods and services by the end of March 2023 | 13.83% annual increase of sales revenue from goods and services by the end of March 2024 | 10% annual increase of sales revenue from goods and services by the end of March 2025 | Not achieved<br><br>-41.9% annual increase of sales revenue from goods and services by the end of March 2025 | Lack of adequate orders for the wood and metal division. | Pursue Sales Contracts for SEE's wood and metal products. |
| Increase SEE's market share | SEE's market share increased and sustained | Number of customer agreements entered into annually | 4 customer agreements entered into by the end of March 2023 | 12 customer agreements entered into by the end of March 2024 | 5 customer agreements entered into by the end of March 2025 | Achieved<br><br>5 customer agreements entered into by the end of March 2025 | N/A | N/A |

***Resource Allocation for performance with budgets***

The entity receives National Treasury Grant Allocation through the Branch Public Employment Services in the Department of Employment and Labour. The resource is allocated conservatively to cater for mandatory expenditure and commitments first to the running operations of the entity administratively

SEE Budget and Expenditure

| Name | 2024/2025 | | | 2023/2024 | | |
|---|---|---|---|---|---|---|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Transfers/Grant Allocation | 174 666 | 184 684 | -10 018 | 167 160 | 207 915 | -40 755 |
| Capital Works/Infrastructure | 30 000 | - | 30 000 | 20 000 | - | 20 000 |
| Factory Employees' Salaries | -132 502 | -106 068 | -26 434 | -113 448 | -94 398 | -19 050 |
| Promotional and Marketing Cost | -1 323 | -1 363 | 40 | -1 200 | 514 | -1 714 |
| Market Research Cost | -350 | - | -350 | -300 | - | -300 |
| Administration Salaries | -72 177 | -73 459 | 1 282 | -68 740 | -64 621 | -4 119 |
| Capital Works/Infrastructure | -30 000 | - | -30 000 | -20 000 | - | -20 000 |
| Administration Cost | -112 844 | -170 668 | 57 824 | -107 470 | -189 580 | 82 110 |
| Operating Surplus/(Deficit) | -144 530 | -166 874 | 22 344 | -123 998 | -140 170 | 16 172 |

# Report of the Auditor-General to Parliament on Supported Employment Enterprise

## Report on the audit of the financial statements

### Adverse opinion

1. I have audited the financial statements of the Supported Employment Enterprises (SEE) set out on pages 278 to 327, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, because of the significance of the matters described in the basis for adverse opinion section of this auditor's report, the financial statements do not present fairly, in all material respects, the financial position of the SEE as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis adverse opinion

#### Inventories adjustment

3. I was unable to obtain sufficient appropriate audit evidence for the restatement of the current and prior year figures for inventories. As described in the statement of financial performance, an inventory adjustment was disclosed but the adjustment could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the figures stated at R5 571 239 (2024: R3 544 678) in the statement of financial performance.

#### Operating expenses

4. Operating expenses were not accounted for in accordance with GRAP 1 *Presentation of financial statements* in the prior year, as the entity incorrectly calculated the rate used in the calculation of operating expenses. The misstatements resulted in the comparative figures of operating expenses disclosed in the statement of financial performance being understated by R18 246 612. The following financial line items were understated by:
    - Abnormal labour idle time – R3 097 446
    - Under/over recovery variable overheads – R82 295
    - Under/over recovery fixed overheads – R15 066 871

#### Receivables from exchange transactions

5. Trade debtors were not correctly accounted for in accordance with GRAP 104 *Financial instrument* as the entity did not adequately reconcile the individual receivables balances, resulting in misstatement of debtors' balances. I was unable to determine the full extent of the misstatements to trade debtors stated

at R12 474 596 (2024: R7 318 765) in note 5 to the financial statements, as it was impracticable to do so.

### Payables from exchange transactions

6. I was unable to obtain sufficient appropriate audit evidence that payments received in advance were properly accounted for, as the entity could not provide evidence to support the amount for payments received in advance in the prior year. I could not confirm the amount of payments received in advance by alternative means. Consequently, I was unable to determine whether any adjustments relating to payments received in advance stated at R6 423 984 in note 11 for the comparative figures were necessary.

### Net cash flow statement from operating activities

7. Net cash flows from operating activities were not correctly prepared and disclosed as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flow from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impractical to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated at R14 299 298 (2024: R10 381 103) in the financial statements were necessary.

### Net Cash flow statement from investing activities

8. Net cash flows from investing activities were not correctly prepared and disclosed as required Standards of GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flow from investing activities. I was not able to determine the full extent of the errors in the net cash flows from investing activities, as it was impractical to do so. Consequently, I was unable to determine whether any adjustments to cash flow from investing activities as stated at R2 058 140 in the financial statements were necessary.

## Context for opinion

9. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

10. I am independent of the trading entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

11. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

## Responsibilities of the accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting officer is responsible for assessing trading entity's

ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

**Responsibilities of the auditor-general for the audit of the financial statements**

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 276, forms part of my auditor's report.

## Report on the annual performance report

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

17. I selected the following material performance indicators related to economic transformation and job creation programme presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the trading entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Number of additional persons with disabilities employed in the SEE factories by end of 31 March 2025.

18. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the trading entity's planning and delivery on its mandate and objectives.

19. I performed procedures to test whether:

    - the indicators used for planning and reporting on performance can be linked directly to the trading entity's mandate and the achievement of its planned objectives

    - all the indicators relevant for measuring the trading entity's performance against its primary mandated and prioritised functions and planned objectives are included

    - the indicators are well defined to ensure that they are easy to understand and can be applied

consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

20. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

21. I did not identify any material findings on the reported performance information for number of additional persons with disabilities employed in the SEE factories by end of 31 March 2025.

### Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.

23. The table that follow provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on page 267.

### Number of additional persons with disabilities employed in the SEE factories by end of 31 March 2025.

| *Targets achieved: 33%*<br>*Total budget spent: 79%* | | |
|---|---|---|
| **Key indicator not achieved** | **Planned target** | **Reported achievement** |
| Provide additional job opportunities for people with disabilities | 150 | 1 |

## Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.

25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

26. Through an established AGSA process, I selected requirements in key legislation for compliance testing

that are relevant to the financial and performance management of trading entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Annual financial statements and annual report

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1) (a) and (b) of the PFMA.

29. Material misstatements of current assets, current liabilities, expenditure, and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving an adverse opinion.

### Revenue management

30. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

### Expenditure management

31. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 31 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by inventory and assets theft.

32. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

### Assets management

33. Preventative mechanisms were not in place to eliminate theft of assets, as required by treasury regulation 10.1.1(a).

### Consequence management

34. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

35. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

## Other information in the annual report

36. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have

been specifically reported on in this auditor's report.

37. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

38. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

39. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

## Internal control deficiencies

40. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

41. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the adverse, the findings on the selected material indicators included the material findings on compliance with legislation included in this report. I identified significant.

42. Inadequate review and approval procedures as the financial statements were not subjected to thorough and/or timely review by management to ensure that the financial statements submitted are free from material misstatements.

43. Inadequate processes and controls to ensure that information requested for audit purposes is submitted in a timely manner.

44. Supporting documentation for journal entries and financial adjustments was incomplete or missing, hindering the ability to verify the accuracy of reported figures.

45. Previously identified deficiencies or audit adjustments were not adequately addressed or remediated in subsequent period.

46. The trading entity did not ensure that the financial statements and annual performance report were adequately reviewed and supported by complete and accurate supporting documents, resulting in material misstatements being identified during the audit. In addition, preventative controls were not implemented to ensure reliable financial reporting as well as compliance with applicable laws and regulations.

47. The trading entity did not implement adequate controls relating to daily and monthly processing and reconciliation of transactions. The controls that management put in place to ensure regular, accurate and complete financial reports did not always prevent and/or detect material misstatements in the financial statements and annual performance report.

48. The trading entity did not adequately review and monitor compliance with applicable laws and regulations, which resulted in non-compliance with legislation being identified during the audit.

49. The accounting officer did not adequately monitor the implementation of consequence management on those who failed to implement the designated internal controls of the entity.

Pretoria

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

# Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

## Auditor-general's responsibility for the audit

### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the trading entity's compliance with selected requirements in key legislation.

### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trading entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the trading entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a trading entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

| Legislation | Section, regulation or paragraph |
|---|---|
| Public Finance Management Act 1 of 1999 | Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 40(1)(a); 40(1)(b); 40(1)(c)(i); 44; 45(b); |
| Treasury Regulations, 2005 | Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(a)(ii); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A 6.3(c); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.6.1; 19.8.4 |
| Construction Industry Development Board Act 38 of 2000 | Section 18(1) |
| Construction Industry Development Board Regulations, 2004 | Regulation 17; 25(7A) |
| National Treasury Instruction No. 5 of 2020/21 | Paragraph 4.8; 4.9, 5.3 |
| Second Amendment National Treasury Instruction No. 5 of 2020/21 | Paragraph 1 |
| Erratum National Treasury Instruction No. 5 of 2020/21 | Paragraph 2 |
| National Treasury Instruction No. 1 of 2021/22 | Paragraph 4.1 |
| National Treasury Instruction No. 4 of 2015/16 | Paragraph 3.4 |
| National Treasury SCM Instruction No. 4A of 2016/17 | Paragraph 6 |
| National Treasury SCM Instruction No. 03 of 2021/22 | Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6 |
| National Treasury SCM Instruction No. 11 of 2020/21 | Paragraph 3.4(a); 3.4(b); 3.9 |
| National Treasury SCM Instruction No. 2 of 2021/22 | Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1 |
| National Treasury Practice Note 5 of 2009/10 | Paragraph 3.3 |
| National Treasury Practice Note 7 of 2009/10 | Paragraph 4.1.2 |
| Preferential Procurement Policy Framework Act 5 of 2000 | Section 1; 2.1(a); 2.1(f) |
| Preferential Procurement Regulations, 2022 | Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4 |
| Preferential Procurement Regulation, 2017 | Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2 |
| Prevention and Combating of Corrupt Activities Act 12 of 2004 | Section 34(1) |

Supported Employment Enterprise
Trading as Service Product
Annual financial statements
for the year ended 31 March 2025

# Supported Employment Enterprise

Trading as Service Product

## General Information

| | |
|---|---|
| **Country of incorporation and domicile** | South Africa |
| **Legal form of entity** | Entity under the Department of Employment and Labour in terms of Employment Service Act (Act No.4 of 2014) |
| **Nature of business and principal activities** | Manufacturing of textiles, wood, metal products and office furniture. Supply of linen and protective clothing. Repairs and maintenance services on various products produced. |
| **Business address** | 221 Moreleta Street<br>Silverton<br>Pretoria<br>0127 |
| **Postal address** | Private Bag X713<br>Silverton<br>Pretoria<br>0127 |
| **Bankers** | Standard Bank of South Africa |
| **Auditors** | Auditor-General of South Africa |
| **Chief Executive Officer** | Sibusiso Phakathi |
| **Chief Financial Officer** | Malebo Sebaka |

# Supported Employment Enterprise

Trading as Service Product

## Index


| | Page |
|---|---|
| Accounting Officer's Responsibilities and Approval | 281 |
| Statement of Financial Position | 282 |
| Statement of Financial Performance | 283 |
| Statement of Changes in Net Assets | 285 |
| Cash Flow Statement | 286 |
| Statement of Comparison of Budget and Actual Amounts | 287 |
| Significant Accounting Policies | 288 |
| Notes to the Annual Financial Statements | 313 |


**Abbreviations used:**

| | |
|---|---|
| COID | Compensation for Occupational Injuries and Diseases |
| GRAP | Generally Recognised Accounting Practice |
| IAS | International Accounting Standards |
| IPSAS | International Public Sector Accounting Standards |
| PFMA | Public Finance Management Act |
| DEL | Department of Employment and Labour |
| MOU | Memorandum of Understanding |
| VAT | Value Added Tax |
| NRV | Net Realisable Value |

# Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity, and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

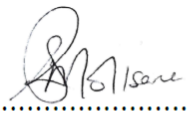
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, she is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the entity for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the accounting officers are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the accounting officer on 31 May 2025 and were signed on its behalf by:



.....

**J Molisane**

**ACTING DIRECTOR-GENERAL: EMPLOYMENT AND LABOUR**

# Supported Employment Enterprise

Trading as Service Product

## Statement of Financial Position as at 31 March 2025

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Inventories | 3 | 72 394 836 | 58 523 519 |
| Operating lease asset | 4 | - | 15 240 |
| Receivables from exchange transactions | 5 | 13 609 289 | 8 017 384 |
| Receivables from non-exchange transactions | 6 | - | 21 328 624 |
| VAT receivable | 7 | 2 435 931 | 2 914 213 |
| Cash and cash equivalents | 8 | 12 470 192 | 29 122 382 |
| | | **100 910 248** | **119 921 362** |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 2 | 89 945 471 | 89 517 852 |
| **Total Assets** | | **190 855 719** | **209 439 214** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Finance lease obligation | 9 | 106 971 | 294 752 |
| Operating lease liability | 4 | 230 896 | - |
| Payables from exchange transactions | 11 | 58 603 409 | 42 381 359 |
| | | **58 941 276** | **42 676 111** |
| **Non-Current Liabilities** | | | |
| Finance lease obligation | 9 | - | 106 971 |
| Provisions | 10 | 11 211 888 | 11 727 999 |
| | | **11 211 888** | **11 834 970** |
| **Total Liabilities** | | **70 153 164** | **54 511 081** |
| **Net Assets** | | **120 702 555** | **154 928 133** |
| Accumulated surplus | | 120 702 557 | 154 928 134 |
| **Total Net Assets** | | **120 702 557** | **154 928 134** |

* See Note 28

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|---|---|---|---|
| **Revenue** | 12 | | |
| Sale of goods | | 36 747 345 | 63 318 717 |
| Transfers (Department of Employment and Labour) | 13 | 184 684 000 | 207 915 000 |
| Services In-kind | 14 | 28 303 328 | 27 024 196 |
| | | **249 734 673** | **298 257 913** |
| **Cost of sales** | 17 | **(37 136 425)** | **(54 997 689)** |
| **Gross surplus** | | **212 598 248** | **243 260 224** |
| **Other income** | 12 | | |
| Commissions received | 15 | 52 208 | 48 141 |
| Discount received | 15 | 384 035 | 180 835 |
| Donation received | | 1 058 996 | - |
| Interest received | 16 | 8 288 363 | 7 701 601 |
| Inventory adjustment | | 5 571 239 | 3 544 678 |
| | | **15 354 841** | **11 475 255** |
| **Expenses (Refer to next page)** | | **(260 866 420)** | **(240 688 104)** |
| **Operating (deficit) surplus** | | **(32 913 331)** | **14 047 375** |
| Finance costs | 23 | (1 312 251) | (1 154 013) |
| **(Deficit) surplus for the year** | | **(34 225 582)** | **12 893 362** |

* See Note 28

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|---|---|---|---|
| **Operating expenses** | | | |
| Advertising | | (1 362 704) | (514 069) |
| Auditors' remuneration | 21 | (3 814 069) | (2 435 434) |
| Debt Impairment | 22 | 2 778 043 | (13 234 613) |
| Bank charges | | (229 066) | (199 092) |
| Cleaning | | (647 993) | (2 149 295) |
| Assets - Theft & Losses | | (922 086) | (52 029) |
| Consulting and professional fees | | (904 401) | (836 372) |
| Consumables | | (30 825) | (41 669) |
| Delivery expenses | | (608 873) | (4 560 470) |
| Depreciation, amortisation and impairments | 20 | (591 306) | (1 573 274) |
| Employee costs | 19 | (73 458 828) | (64 620 843) |
| Entertainment | | (64 934) | (24 550) |
| Abnormal labour idle time | 18 | (102 020 295) | (86 246 597) |
| Under/Over recovery variable overheads | 18 | (21 289 597) | (18 828 791) |
| Canteen expenses | | - | (628 777) |
| Occupational health and safety expense | | (139 956) | (194 932) |
| Loss on lease termination | | (15 240) | - |
| Service-in-kind expenditure | | (2 120 242) | (2 040 336) |
| Under or over recovery fixed overheads | 18 | (41 709 892) | (30 138 816) |
| IT expenses | | (847 797) | (3 328 548) |
| Insurance | | (134 418) | (337 402) |
| Lease rentals on operating lease | | (171 565) | (124 836) |
| Loss on disposal of assets | | (1 039 215) | (92 548) |
| Motor vehicle expenses | | (66 178) | (56 599) |
| Loss on de-recognition of assets | | - | (1 554 216) |
| Printing and stationery | | (59 417) | (43 009) |
| Repairs and maintenance | | (259 026) | 777 443 |
| Software expenses | | (105 822) | (702 072) |
| Staff welfare | | (737 868) | (630 457) |
| Subscriptions | | - | (38 453) |
| Telephone and fax | | (2 516 948) | (1 851 889) |
| Training | | (204 927) | (298 269) |
| Travel - local | | (4 892 385) | (2 442 431) |
| Water and electricity | | (1 959 515) | (1 615 878) |
| Assets less than R3000 | | (719 075) | (414 881) |
| Assets Adjustments | | - | 385 900 |
| | | **(260 866 420)** | **(240 688 104)** |

* See Note 28

# Supported Employment Enterprise

Trading as Service Product

## Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus / deficit | Total net assets |
|---|---|---|
| Opening balance as previously reported | 152 240 628 | 152 240 628 |
| Adjustments | | |
| Prior year adjustments 28 | (10 205 856) | (10 205 856) |
| **Balance at 01 April 2023 as restated*** | **142 034 772** | **142 034 772** |
| Changes in net assets | | |
| Surplus for the year | 12 893 362 | 12 893 362 |
| Total changes | 12 893 362 | 12 893 362 |
| Opening balance as previously reported | 150 152 861 | 150 152 861 |
| Adjustments | | |
| Prior year adjustments 28 | 4 775 275 | 4 775 275 |
| **Restated* Balance at 01 April 2024 as restated*** | **154 928 136** | **154 928 136** |
| Changes in net assets | | |
| Surplus for the year | (34 225 582) | (34 225 582) |
| Total changes | (34 225 582) | (34 225 582) |
| **Balance at 31 March 2025** | **120 702 554** | **120 702 554** |

Note(s)

* See Note 28

# Supported Employment Enterprise

Trading as Service Product

## Cash Flow Statement

| Figures in Rand | Note(s) | 2025 | 2024 Restated* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Sale of goods and services | | 60 173 055 | 29 261 888 |
| Grants | | 184 684 000 | 207 915 000 |
| Interest income | | 5 311 153 | 4 930 962 |
| Other receipts | | 436 243 | 228 976 |
| | | 250 604 451 | 242 336 826 |
| **Payments** | | | |
| Employee costs | | (172 651 959) | (146 562 107) |
| Suppliers | | (92 219 845) | (85 265 128) |
| Finance costs | | (31 945) | (128 488) |
| | | (264 903 749) | (231 955 723) |
| **Net cash flows from operating activities** | 24 | **(14 299 298)** | **10 381 103** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 2 | (2 058 140) | (4 066 984) |
| **Cash flows from financing activities** | | | |
| Finance lease payments | | (294 752) | (269 362) |
| **Net increase/(decrease) in cash and cash equivalents** | | **(16 652 190)** | **6 044 757** |
| Cash and cash equivalents at the beginning of the year | | 29 122 382 | 23 077 625 |
| **Cash and cash equivalents at the end of the year** | 8 | **12 470 192** | **29 122 382** |

The accounting policies on pages 10 to 28 and the notes on pages 29 to 50 form an integral part of the annual financial statements.

* See Note 28

# Supported Employment Enterprise

Trading as Service Product

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Statement of Financial Performance** | | | | | | |
| **Revenue** | | | | | | |
| **Revenue from exchange transactions** | | | | | | |
| Sale of goods | 90 675 596 | - | **90 675 596** | 36 747 345 | **(53 928 251)** | **35** |
| Commissions received | - | - | **-** | 52 208 | **52 208** | |
| Discount received | - | - | **-** | 384 035 | **384 035** | **35** |
| Donations received | - | - | **-** | 1 058 996 | **1 058 996** | 35 |
| Interest received - investment | 4 357 338 | - | **4 357 338** | 8 288 363 | **3 931 025** | **35** |
| Inventory adjustment | - | - | **-** | 5 571 239 | **5 571 239** | **35** |
| **Total revenue from exchange transactions** | **95 032 934** | **-** | **95 032 934** | **52 102 186** | **(42 930 748)** | |
| **Revenue from non-exchange transactions** | | | | | | |
| **Transfer revenue** | | | | | | |
| Services In-kind | 23 341 727 | - | **23 341 727** | 28 303 328 | **4 961 601** | **35** |
| Transfer revenue | 184 684 000 | - | **184 684 000** | 184 684 000 | **-** | |
| **Total revenue from non-exchange transactions** | **208 025 727** | **-** | **208 025 727** | **212 987 328** | **4 961 601** | |
| **Total revenue** | **303 058 661** | **-** | **303 058 661** | **265 089 514** | **(37 969 147)** | |
| **Expenditure** | | | | | | |
| Employee cost | (93 704 366) | - | **(93 704 366)** | (73 458 828) | **20 245 538** | **35** |
| Depreciation and amortisation | (501 466) | - | **(501 466)** | (591 306) | **(89 840)** | **35** |
| Finance costs | - | - | **-** | (1 312 251) | **(1 312 251)** | **35** |
| Lease rentals on operating lease | (124 836) | - | **(124 836)** | (171 565) | **(46 729)** | |
| Cost of Sale of goods | (76 506 186) | - | **(76 506 186)** | (37 136 425) | **39 369 761** | **35** |
| Audit fees | (3 359 958) | - | **(3 359 958)** | (3 814 069) | **(454 111)** | 35 |
| Debt Impairment | - | - | **-** | (2 778 043) | **(2 778 043)** | **35** |
| Advertising | (5 000 000) | - | **(5 000 000)** | (1 362 704) | **3 637 296** | **35** |
| Manufacturing overheads | (175 194 677) | - | **(175 194 677)** | (165 019 784) | **10 174 893** | **35** |
| General expenses | (23 611 970) | - | **(23 611 970)** | (19 223 153) | **4 388 817** | **35** |
| **Total expenditure** | **(378 003 459)** | **-** | **(378 003 459)** | **(304 868 128)** | **73 135 331** | |
| **Deficit before taxation** | **(74 944 798)** | **-** | **(74 944 798)** | **(39 778 614)** | **35 166 184** | |
| **Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement** | **(74 944 798)** | **-** | **(74 944 798)** | **(39 778 614)** | **35 166 184** | |
| **Reconciliation** | | | | | | |

## 1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

### 1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

These accounting policies are consistent with the previous period.

### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. Refer to note 31.

### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or related information, have been disclosed in the related notes.

**Trade receivables**

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis. For amounts due to the entity, significant financial difficulties of the receivables, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment. Impairments are calculated based on repayment expectations and discounted present value. Receivables are categorised by risk, with individual assessments for impairment and required approval for write-offs.

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

**Allowance for slow moving, damaged and obsolete stock**

An allowance for stock to write stock down to the lower of cost or net realisable value. Management has made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

**Impairment testing**

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher value- in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the [name a key assumption] assumption may change which may then impact on our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 10 - Provisions.

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

**Allowance for doubtful debts**

On receivables, the impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

### 1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity, and
- the cost of the item can be measured reliably. Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and service equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs, which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|---|---|---|
| Appliances | Straight-line | 5- 8 years |
| Buildings | Straight-line | 50 years |
| Computer equipment | Straight-line | 3- 5 years |
| Furniture and fixtures | Straight-line | 12 - 15 years |
| Leased assets | Straight-line | 3 - 5 years |

**1.4 Property, plant and equipment (continued)**

| | | |
|---|---|---|
| Office equipment | Straight-line | 8 - 10 years |
| Plant and machinery | Straight-line | 10 - 15 years |
| Motor vehicles | Straight-line | 10 years |

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in accordance with the Standards of GRAP on Accounting policies changes in estimates and errors.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note).

**1.5 Intangible assets**

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

**1.5 Intangible assets (continued)**

| Item | Depreciation method | Average useful life |
|---|---|---|
| Computer software | Straight-line | 2 - 3 years |

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on sale and leaseback).

The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds if any and the carrying amount of the asset.

Compensation from third parties for an intangible asset that was impaired lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

**1.6 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A financial asset is:

- cash
- a residual interest of another entity, or
- a contractual right to:
  - receive cash or another financial asset from another entity, or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

### 1.6 Financial instruments (continued)

Other price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

**Classification**

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|---|---|
| Cash and cash equivalent | Financial asset measured at amortised cost |
| Receivables from exchange transactions | Financial asset measured at amortised cost |
| Receivables from non-exchange | Financial asset measured at amortised cost |

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|---|---|
| Finance lease obligation | Financial liability measured at amortised cost |
| Payables from exchange transactions | Financial liability measured at amortised cost |

### 1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

**Finance leases - lessee**

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expended in the period in which they are incurred.

**1.7 Leases (continued)**

**Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

Any contingent rents are expended in the period in which they are incurred.

**1.8 Inventories**

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for
- distribution at no charge or for a nominal charge, or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less than the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventory are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

**1.9 Discontinued Operations**

Discontinued operation is a component of an entity that has been disposed of and:
- represents a distinguishable activity, group of activities or geographical area of operations
- is part of a single co-ordinated plan to dispose of a distinguishable activity, group of activities or geographical area of operations, or
- is a controlled entity acquired exclusively with a view to resale.

A component of an entity is the operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.

**1.10 Impairment of cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the assets.

**1.10 Impairment of cash-generating assets (continued)**

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:
- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

**Designation**

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the entity designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

**Recognition and measurement (individual asset)**

If the recoverable amount of a cash-generating asset is less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**1.10 Impairment of cash-generating assets (continued)**

**Reversal of impairment loss**

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable), and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset, is allocated pro rata to the other assets of the unit.

**1.11 Impairment of non-cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

**1.11 Impairment of non-cash-generating assets (continued)**

**Designation**

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

**Recognition and measurement**

If the recoverable service amount of a non-cash-generating asset is less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**Reversal of an impairment loss**

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.12 Employee benefits

**Identification**

**Employee benefits**

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:
(a) an entity's decision to terminate an employee's employment before the normal retirement date; or
(b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within 12 months after the end of the period in which the employees render the related service.

**1.12 Employee benefits (continued)**

**Short-term employee benefits**

**Recognition and measurement**

**All short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service
.
Short-term employee benefits include items such as:

- wages, salaries and social security contributions

- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service

- bonus, incentive and performance-related payments payable within 12 months after the end of the reporting period in which the employees render the related service, and

- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

**Short-term paid absences**

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

**Bonus, incentive and performance-related payments**

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

**1.12 Employee benefits (continued)**

**Post-employment benefits: Distinction between defined contribution plans and defined benefit plans**

**Multi-employer plans**

The entity classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan or a defined benefit plan under the terms of the plan (including any constructive obligation that goes beyond the formal terms).
Where a plan is a defined contribution plan, the entity accounts for in the same way as for any other defined contribution plan.

**1.13 Provisions and contingencies**

Provisions are recognised when:

- the entity has a present obligation as a result of a past event
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned
  - the principal locations affected
  - the location, function, and approximate number of employees who will be compensated for services being terminated
  - the expenditures that will be undertaken, and
  - when the plan will be implemented, and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

**1.14 Commitments**

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancelled at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**Measurement**

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

**Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity
- the stage of completion of the transaction at the reporting date can be measured reliably, and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other act, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

**Interest**

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

**1.15 Revenue from exchange transactions (continued)**

Interest is recognised by using the effective interest rate method for financial instruments and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

**1.16 Revenue from non-exchange transactions**

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

**Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

**Measurement**

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Interest is recognised by using the effective interest rate method for financial instruments and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

**Services in-kind**

Except for financial guaranteed contracts, the entity recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

**1.17 Cost of sales**

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all surplus (deficit) of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write- down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

**1.17 Cost of sales (continued)**

Contract costs comprise:

- costs that relate directly to the specific contract
- costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis, and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

**1.18 Borrowing costs**

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits or service potential to the entity, and the costs can be measured reliably. The entity applies this consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the entity. The amount of borrowing costs eligible for capitalisation is determined as follows:

- To the extent that the entity borrows funds specifically for the purpose of obtaining a qualifying asset, the entity determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period, less any investment income on the temporary investment of those borrowings.
- To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, the entity excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare the asset for its intended use or sale are complete. The amount of borrowing costs that the entity capitalises during a period does not exceed the amount of borrowing costs it incurred during that period.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the assets have been incurred
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories as per accounting policy number 1.8, 1.10 and 1.11. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation is suspended during extended periods in which active development is suspended.

Extended periods are periods that exceed X months.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**1.19 Comparative figures**

Where necessary comparative figures have been reclassified and/or adjusted to conform to changes in presentation in the current year. Refer to note 29 prior years reclassified and/or adjusted figures. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in accordance with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred a receivable is recognised for the recovery of the monies and where recovered it is subsequently accounted for as revenue in the statement of financial performance.

For details on fruitless and wasteful expenditure refer to **note** - Fruitless and wasteful expenditure

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

### 1.21 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

For details on fruitless and wasteful expenditure refer to note 33 - Fruitless and wasteful expenditure
(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.
Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements is recorded in the register and disclosed in the notes to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year the register and the disclosure note to the financial statements are updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority is recorded appropriately in the register. If liability for the irregular expenditure can be attributed to a person a debt account must be created if such a person is liable in law. Immediate steps are thereafter taken to recover the amount from the person concerned. If recovery is not possible the accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The register is also updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law the expenditure related thereto remains against the relevant programme/expenditure item disclosed as such in the note to the financial statements and updated accordingly in the register.

For details on irregular expenditure refer to **note 33** - Irregular expenditure.

### 1.22 Budget information

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

### 1.23 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

**1.23 Related parties (continued)**

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

**1.24 Events after reporting date**

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

**1.25 Change in accounting policies and errors**

The entity accounts for the changes in accounting policy and errors retrospectively unless if it is impractical to do so. The opening balances are restated with the effect of the errors and the change in accounting policies.

The entity accounts for the change in accounting estimates and errors retrospectively.

**1.26 Change in estimates**

The effect of a change in an accounting estimate, other than a change to which paragraph .39 applies, shall be recognised prospectively by including it in surplus or deficit in:

(a) the period of the change, if the change affects that period only; or

(b) the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of net assets, it shall be recognised by adjusting the carrying amount of the related asset, liability or item of net assets in the period of the change.

The entity accounts for the change in accounting estimates prospectively.

Figures in Rand

| | 2025 | 2024 |
|---|---|---|

**2. Property, plant and equipment**

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Buildings | 2 273 867 | (318 469) | 1 955 398 | 2 273 867 | (272 989) | 2 000 878 |
| Plant and machinery | 59 770 351 | (15 410 409) | 44 359 942 | 56 821 309 | (14 611 968) | 42 209 341 |
| Furniture and fixtures | 4 990 808 | (2 314 279) | 2 676 529 | 5 207 661 | (2 306 103) | 2 901 558 |
| Motor vehicles | 10 384 485 | (5 238 055) | 5 146 430 | 10 384 485 | (4 302 976) | 6 081 509 |
| Office equipment | 1 684 481 | (738 793) | 945 688 | 1 936 050 | (807 018) | 1 129 032 |
| IT equipment | 7 021 760 | (2 585 402) | 4 436 358 | 6 730 325 | (2 077 877) | 4 652 448 |
| Appliances | 3 505 635 | (985 276) | 2 520 359 | 3 519 857 | (882 326) | 2 637 531 |
| Work-in-progress assets | 27 809 573 | - | 27 809 573 | 27 531 827 | - | 27 531 827 |
| Other leased Assets | 835 604 | (740 410) | 95 194 | 835 604 | (461 876) | 373 728 |
| **Total** | **118 276 564** | **(28 331 093)** | **89 945 471** | **115 240 985** | **(25 723 133)** | **89 517 852** |

**2. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2025**

| | Opening balance | Additions | Disposals | Depreciation | Total |
|---|---|---|---|---|---|
| Buildings | 2 000 878 | - | - | (45 480) | 1 955 398 |
| Plant and machinery | 42 209 341 | 6 767 131 | (1 770 144) | (2 846 386) | 44 359 942 |
| Furniture and fixtures | 2 901 558 | 195 472 | (117 461) | (303 040) | 2 676 529 |
| Motor vehicles | 6 081 509 | - | - | (935 079) | 5 146 430 |
| Office equipment | 1 129 032 | 9 898 | (122 158) | (71 084) | 945 688 |
| IT equipment | 4 652 448 | 631 240 | (115 153) | (732 177) | 4 436 358 |
| Appliances | 2 637 531 | 147 446 | (73 518) | (191 100) | 2 520 359 |
| Work-in-progress assets | 27 531 827 | 277 746 | - | - | 27 809 573 |
| Other leased Assets | 373 728 | - | - | (278 534) | 95 194 |
| | **89 517 852** | **8 028 933** | **(2 198 434)** | **(5 402 880)** | **89 945 471** |

**2. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2024**

| | Opening balance | Additions | Disposals | Depreciation | Total |
|---|---|---|---|---|---|
| Buildings | 2 046 356 | - | - | (45 478) | 2 000 878 |
| Plant and machinery | 42 142 114 | 2 085 572 | (91 713) | (1 926 632) | 42 209 341 |
| Furniture and fixtures | 3 119 603 | 119 271 | (12 756) | (324 560) | 2 901 558 |
| Motor vehicles | 7 016 112 | - | - | (934 603) | 6 081 509 |
| Office equipment | 1 213 311 | 6 968 | (6 266) | (84 981) | 1 129 032 |
| IT equipment | 3 103 808 | 2 172 248 | (296) | (623 312) | 4 652 448 |
| Appliances | 2 299 522 | 551 618 | (374) | (213 235) | 2 637 531 |
| Work-in-progress assets | 26 552 827 | 979 000 | - | - | 27 531 827 |
| Other leased Assets | 652 263 | - | - | (278 535) | 373 728 |
| | **88 145 916** | **5 914 677** | **(111 405)** | **(4 431 336)** | **89 517 852** |

**Reconciliation of Work-in-Progress 2025**

| | Included within Other PPE | Total |
|---|---|---|
| Opening balance | 26 552 827 | 26 552 827 |

**Reconciliation of Work-in-Progress 2024**

| | Included within Other PPE | Total |
|---|---|---|
| Opening balance | 26 552 827 | 26 552 827 |

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**2. Property, plant and equipment (continued)**

**Expenditure incurred to repair and maintain property, plant and equipment**

| **Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance** | | |
|---|---|---|
| Plant and machinery | 259 026 | 201 557 |
| Other property, plant and equipment | - | 200 431 |
| | **259 026** | **401 988** |

**3. Inventories**

| | | |
|---|---|---|
| Raw materials, components | 55 625 160 | 42 699 641 |
| Work in progress | 2 425 594 | 2 121 340 |
| Finished goods | 12 338 075 | 12 581 074 |
| Bought Out - Finished Goods | 542 093 | 39 580 |
| Consumables - Stationery | 651 673 | 671 867 |
| Consumables - Cleaning Material | 668 949 | 486 104 |
| Donated Inventory | 1 058 996 | - |
| | 73 310 540 | 58 599 606 |
| Inventories (write-downs) | (915 704) | (76 087) |
| | **72 394 836** | **58 523 519** |

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values as determined using estimation techniques. Included in inventory balance of R12 864 830 (2024: R12 773 773) for finished goods is goods dispatched not yet invoiced amounting to R2 672 653 (2024: R2 514 878). The inventory balance for finished goods before including goods dispatched not yet invoices is R9 665 422 (2024: R10 066 196 ).

**Inventory pledged as security**

No Inventory was pledged as security for overdraft facilities.

**4. Operating lease asset (liability)**

| | | |
|---|---|---|
| Current assets | - | 15 240 |
| Current liabilities | 230 896 | - |
| | **230 896** | **15 240** |

**5. Receivables from exchange transactions**

| | | |
|---|---|---|
| Trade debtors | 12 474 596 | 7 318 765 |
| Employee costs paid in advance | 16 524 | 1 415 |
| Prepayments (if immaterial) | 1 114 895 | 693 930 |
| Housing Debtors | 3 274 | 3 274 |
| | **13 609 289** | **8 017 384** |

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**5. Receivables from exchange transactions (continued)**

**Trade and other receivables past due but not impaired**

Trade and other receivables which are less than 3 months past due are not considered to be impaired. As at 31 March 2025, R 9 933 867 (2024: R 3 624 094) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

| | | |
|---|---|---|
| 0 - 30 Days | 8 821 891 | 1 996 372 |
| 31 - 60 Days | 1 334 211 | 1 213 837 |
| 61 - 90 Days | 64 588 | 414 885 |

**Trade and other receivables impaired**

As of 31 March 2025, trade and other receivables of R 38 225 967 (2024: R 36 444 256) were provided for.

The amount of the provision was R 26 562 781 as of 31 March 2025 (2024: R 29 340 825).

The ageing of these receivables is as follows:

| | | |
|---|---|---|
| 0 -30 days | 94 366 | 15 986 |
| 31 - 60 days | 84 560 | 1 016 |
| 61 - 90 Days | 105 620 | 84 848 |
| 91 - 120 Days | 157 440 | 2 523 839 |
| Greater than 120 Days | 26 120 796 | 26 715 136 |

**Reconciliation of provision for impairment of trade and other receivables**

| | | |
|---|---|---|
| Opening balance | 29 340 825 | 16 106 212 |
| Provision for impairment | (2 778 043) | 13 234 613 |
| | **26 562 782** | **29 340 825** |

**6. Receivables from non-exchange transactions**

| | | |
|---|---|---|
| Sundry debtors | 1 092 000 | 1 665 624 |
| Transfer Receivables | - | 20 755 000 |
| Provision for Impairment | (1 092 000) | (1 092 000) |
| | **-** | **21 328 624** |

The balance includes an amount of R1 092 000 relating to an overpayment made to a supplier during the 2019/20 financial year. This receivable has remained outstanding since the date of the transaction. Due to uncertainty regarding the recoverability of the amount, it has been assessed as doubtful and has consequently been impaired in full.

**Receivables from non-exchange transactions past due but not impaired**

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 31 March 2025, R - (2024: R 21 328 624) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

| | | |
|---|---|---|
| 1 month past due | - | 21 328 624 |

| Figures in Rand | 2025 | 2024 |
|---|---|---|

## 6. Receivables from non-exchange transactions (continued)

### Receivables from non-exchange transactions impaired

As at 31 March 2025, other receivables from non-exchange transactions of R 1 092 000 (2024: R 1 092 000) were impaired and provided for.

The amount of the provision was R 1 092 000 as at 31 March 2025 (2024: R 1 092 000).

The ageing of these loans is as follows:

| | | |
|---|---|---|
| Over 6 months | 1 092 000 | 1 092 000 |

**Reconciliation of provision for impairment of receivables from non-exchange transactions**

| | | |
|---|---|---|
| Opening balance | 1 092 000 | 1 092 000 |

## 7. VAT receivable

| | | |
|---|---|---|
| VAT Control | 2 435 931 | 2 914 213 |

## 8. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---|---|---|
| Cash on hand | 64 532 | 46 576 |
| Bank balances | 11 687 223 | 28 414 130 |
| Short-term deposits | 718 437 | 661 676 |
| | **12 470 192** | **29 122 382** |

There is no cash and cash equivalents that is held as security for liabilities.

**The entity had the following bank accounts**

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|---|---|---|---|---|---|
| | 31 March 2025 | 31 March 2024 | 31 March 2023 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| STANDARD BANK - BUSINESSLINK CURRENT ACCOUNT - 002429268000 | 9 031 846 | 586 146 | 1 602 530 | 9 031 846 | 586 146 | 1 602 530 |
| STANDARD BANK - RETAIL/WHOLESALE CALL DEPOSIT- 008893098002 | 1 992 353 | 27 164 337 | 20 722 837 | 1 992 353 | 27 164 337 | 20 722 837 |
| STANDARD BANK - MONEY MARKET CALL ACCOUNT - 008893098001 | 718 437 | 661 676 | 55 838 | 718 437 | 661 676 | 55 838 |
| STANDARD BANK - BUSINESS CURRENT ACCOUNT - 06119643600 | 663 025 | 663 647 | 643 355 | 663 025 | 663 647 | 643 355 |
| STANDARD BANK - BUSINESS CURRENT ACCOUNT - 610195670000 | 15 232 | 10 082 | (465) | 15 232 | 10 082 | (465) |
| **Total** | **12 420 893** | **29 085 888** | **23 024 095** | **12 420 893** | **29 085 888** | **23 024 095** |

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**9. Finance lease obligation**

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 109 043 | 319 058 |
| - in second to fifth year inclusive | - | 109 043 |
| | 109 043 | 428 101 |
| less: future finance charges | (2 072) | (26 378) |
| **Present value of minimum lease payments** | **106 971** | **401 723** |
| | | |
| **Present value of minimum lease payments due** | | |
| - within one year | 106 971 | 294 751 |
| - in second to fifth year inclusive | - | 106 971 |
| | **106 971** | **401 722** |
| | | |
| Non-current liabilities | - | 106 971 |
| Current liabilities | 106 971 | 294 752 |
| | **106 971** | **401 723** |

It is entity policy to lease certain [property]motor vehicles and equipment under finance leases.

The average lease term was 3-5 years, and the average effective borrowing rate was 9% (2024: 9%).

Interest rates are linked to prime rates at the contract date. All leases have fixed repayments, and no arrangements have been entered into for contingent rent.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets.

## Notes to the Annual Financial Statements

Figures in Rand

**10. Provisions**

**Reconciliation of provisions - 2025**

| | Opening Balance | Utilised during the year | Reversed during the year | Change in discount factor | Reduction due to re-measurement or settlement without cost to entity | Total |
|---|---|---|---|---|---|---|
| Provision for Long-service award | 11 727 999 | (1 362 191) | (359 161) | 1 280 307 | (75 066) | 11 211 888 |

**Reconciliation of provisions - 2024**

| | Opening Balance | Additions | Utilised during the year | Reversed during the year | Interest on Provision | Reduction due to re-measurement or settlement without cost to entity | Total |
|---|---|---|---|---|---|---|---|
| Provision for Long-service award | 11 037 622 | 1 233 551 | (1 292 892) | (439 076) | 993 386 | 195 408 | 11 727 999 |

**Provision for Long service award**

The Long service award provision represents management's best estimate of the entity's liability over a Long-term period.

**PERSAL Employees**

In terms of Department Public Service and Administration a long service recognition has been determined, and a directive is made by the Minister for Public Service and Administration in terms of the provisions of section 3(5)a and 5(6)(b) of the Public Service Act 1994; as amended. The recognition of the long service is as follows:

- For a period of twenty (20) years a cash amount equivalent to service is R10 899.
- For a period of Thirty (30) years a cash amount equivalent to service is R21 797.
- For a period of Forty (40)years a cash amount equivalent to service is R 29 064

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**10. Provisions (continued)**

**Factory Employees**

The entity entered into an agreement with the Unions to pay long service awards to employees that are in service of the entity. The long service award agreement was entered into in July 2016 effective 01 April 2017. The long service award liability is reviewed at year end and adjusted to reflect the current best estimates. The current criteria to qualify for the long service award is as follows:

- For a period of five (5) years an award equivalent to R2 500.00
- For a period of ten (10) years an award is equivalent to R5 000.00
- For a period of fifteen (15) years an award is equivalent to R7 500.00
- For a period of twenty (20) years an award is equivalent to R10 000.00
- For a period of twenty-five (25) years an award equivalent to R12 500.00
- For a period of thirty to forty (30 - 40) years an award equivalent to R20 000.00.

The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

**11. Payables from exchange transactions**

| | | |
|---|---|---|
| Trade payables | 755 259 | 246 432 |
| Payments received in advanced | 1 351 647 | 5 444 836 |
| Stabilisation fund | 106 541 | 106 541 |
| Medical Account | 204 845 | 204 845 |
| Accrued leave pay | 5 127 017 | 4 665 400 |
| Accruals | 5 716 881 | 1 059 721 |
| GRN Accruals | 1 326 909 | 688 800 |
| Unallocated Receipts | 2 847 873 | 2 611 588 |
| DOL Claims | 39 436 570 | 26 374 048 |
| Receivables - Credit Balance | 1 729 867 | 979 148 |
| | **58 603 409** | **42 381 359** |

**Medical Account**

Prior to entity contracting with Makoti Medical Aid, some factory workers were making individual medical cost contributions on a monthly basis for medical expenses. This was ceased in 2019 when Makoti Medical Aid was introduced for all factory workers. the remaining contributions were never fully claimed by the workers who contributed and remain a liability to the entity.

**Stabilisation funds**

Stabilisation Fund: During 2010 the entity received a refund of R3 210 268 from Civil Pensions Stabilisation Account (CPSA) for Stabilisation Fund contributions collected from Temporary Employees Pension Fund members after 1 July 1999 plus interest. The employer contribution (R2 407 700) was surrendered to the Revenue Fund, and the employee contribution portion (R802 568) was to be refunded to the members. The full amount of employee contributions could not be refunded to all the members due to the fact that some of the old members could not be traced. The outstanding amount of R 106 541 is accounted for in the Stabilisation Fund account of the entity

**DOL claims.**

DOL claims comprise of the amount claimed by the Department of employment and Labour for expenditure paid on behalf of SEE on a monthly basis. The Department of employment and Labour paid for services such as rent; employee cost; municipal rates and taxes and other operating expenses on behalf of the entity and subsequently claim the amount paid from SEE. The current balance of R39 436 570 represents the amount claimed by the Department of employment and Labour and not yet paid by the Supported Employment Enterprise.

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**12. Revenue**

| | | |
|---|---|---|
| Sale of goods | 36 747 345 | 63 318 717 |
| Commissions received | 52 208 | 48 141 |
| Discount received | 384 035 | 180 835 |
| Donations Received | 1 058 996 | - |
| Interest received - investment | 8 288 363 | 7 701 601 |
| Transfers (Department of Employment and Labour) | 184 684 000 | 207 915 000 |
| Services In-kind | 28 303 328 | 27 024 196 |
| | **259 518 275** | **306 188 490** |

**The amount included in revenue arising from exchanges of goods or services are as follows:**

| | | |
|---|---|---|
| Sale of goods | 36 747 345 | 63 318 717 |
| Commissions received | 52 208 | 48 141 |
| Discount received | 384 035 | 180 835 |
| Donations Received | 1 058 996 | - |
| Interest received - investment | 8 288 363 | 7 701 601 |
| | **46 530 947** | **71 249 294** |

**The amount included in revenue arising from non-exchange transactions is as follows:**

**Taxation revenue**

**Transfer revenue**

| | | |
|---|---|---|
| Transfers (Department of Employment and Labour) | 184 684 000 | 207 915 000 |
| Services In-kind | 28 303 328 | 27 024 196 |
| | **212 987 328** | **234 939 196** |

**13. Transfers (Department of Employment and Labour)**

**Operating transfers**

| | | |
|---|---|---|
| Department of Employment and Labour | 184 684 000 | 207 915 000 |

**14. Service in-kind**

The nature and type of major classes of services in-kind received are as follows:

**Services in-kind are significant to the entity's operations and/or service delivery objectives**

| | | |
|---|---|---|
| Internal Audit - Department of Employment and Labour | 740 694 | 348 490 |
| Expenditure for free use of property | 26 183 086 | 24 983 860 |
| Administrative Salaries - Department of Employment and Labour | 1 371 002 | 1 691 845 |
| Risk Management Service - Department of Employment and Labour [State nature and type, as well as where recognised in the Statement of Financial Performance] | 8 546 | - |
| | **28 303 328** | **27 024 195** |

| Figures in Rand | 2025 | 2024 |
|---|---|---|

### 15. Other revenue

| | | |
|---|---|---|
| Commissions received | 52 208 | 48 141 |
| Discount received | 384 035 | 180 835 |
| Donations received | 1 058 996 | - |
| | **1 495 239** | **228 976** |

### 16. Interest received

| | | |
|---|---|---|
| **Interest revenue** | | |
| Bank | 5 311 153 | 4 930 962 |
| Interest charged on trade and other receivables | 2 977 210 | 2 770 639 |
| | **8 288 363** | **7 701 601** |

### 17. Cost of sales

| | | |
|---|---|---|
| **Sale of goods** | | |
| Opening Inventory (Finished Goods) | 10 066 194 | 11 378 323 |
| Direct Material | 28 794 651 | 38 722 575 |
| Direct Labour | 4 048 489 | 8 150 571 |
| Variable Manufacturing Overheads | 828 023 | 1 022 797 |
| Fixed Manufacturing Overheads | 2 441 501 | 5 664 805 |
| Inventory Adjustment (Finished Goods) | 29 085 | 11 738 |
| Closing Inventory (Finished Goods) | (9 665 417) | (10 066 194) |
| Inventory Transfer | (2 879) | - |
| | **36 539 647** | **54 884 615** |
| **Accrued Income** | | |
| Cost of Sales - Dispatched not yet invoiced | 596 778 | 113 075 |
| | **37 136 425** | **54 997 690** |

### 18. Under recoveries and Abnormal idle Labour costs

| | | |
|---|---|---|
| Abnormal Labour idle time | 101 826 619 | 87 234 717 |
| Variable overheads Under recoveries | 21 412 304 | 19 094 021 |
| Fixed overheads Under recoveries | 40 606 566 | 31 946 917 |
| | **163 845 489** | **138 275 655** |

### 19. Employee related costs

| | | |
|---|---|---|
| Basic | 145 991 319 | 127 182 737 |
| Medical aid - company contributions | 9 020 495 | 8 108 763 |
| UIF | 1 056 174 | 928 791 |
| Provident fund - company contributions | 7 878 888 | 6 243 382 |
| Union - company contributions | 7 213 | 6 769 |
| Overtime payments | 306 993 | 595 316 |
| Long-service awards | (434 227) | 1 024 915 |
| 13th Cheques | 4 130 552 | 3 851 526 |
| Housing benefits and allowances | 2 858 246 | 2 725 219 |
| Pension fund - company contributions | 6 378 435 | 6 242 277 |
| Other benefits | 2 403 568 | 2 108 315 |
| | **179 597 656** | **159 018 010** |

| Figures in Rand | 2025 | 2024 |
|---|---|---|
| **20. Depreciation and amortisation** | | |
| Property, plant and equipment | 591 306 | 4 585 343 |
| **21. Auditors' remuneration** | | |
| Fees | 3 814 069 | 2 435 434 |
| **22. Debt impairment** | | |
| Debt impairment | (2 778 043) | 13 234 613 |
| **23. Finance costs** | | |
| Finance leases | 24 307 | 49 765 |
| Long Service Awards | 1 280 307 | 990 493 |
| Other interest paid | 7 637 | 113 755 |
| | **1 312 251** | **1 154 013** |
| **24. Cash (used in) generated from operations** | | |
| (Deficit) surplus | (34 225 582) | 12 893 362 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 591 306 | 1 573 274 |
| Gain on sale of assets and liabilities | 1 039 215 | 1 698 793 |
| Debt impairment | (2 778 043) | 13 234 612 |
| Movements in operating lease assets and accruals | 246 136 | (107 784) |
| Movements in provisions | (516 111) | 722 516 |
| Inventory losses or write-downs | (5 308 517) | (3 544 678) |
| Services in-kind Income | - | 1 199 227 |
| Donations received/made | (1 058 996) | - |
| Movement in leave and bonus accrual | 4 608 342 | 4 608 341 |
| Interest Income on overdue accounts | (2 977 210) | (2 770 639) |
| **Changes in working capital:** | | |
| Inventories | (7 311 106) | 17 349 752 |
| Receivables from exchange transactions | 137 108 | (12 807 829) |
| Other receivables from non-exchange transactions | 21 328 624 | (21 328 624) |
| Payables from exchange transactions | 11 447 253 | (1 573 318) |
| VAT | 478 283 | (765 902) |
| | **(14 299 298)** | **10 381 103** |

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**25. Commitments**

**Authorised operational expenditure**

| | | |
|---|---|---|
| **Already contracted for but not provided for** | | |
| • Operational commitments | 49 527 318 | 31 050 652 |
| **Total operational commitments** | | |
| Already contracted for but not provided for | 49 527 318 | 31 050 652 |

**Operating leases - as lessee (expense)**

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 719 520 | 107 745 |
| - in second to fifth year inclusive | 3 336 481 | - |
| - later than five years | 4 405 185 | - |
| | **8 461 186** | **107 745** |

Operating lease payments represent rental expenses incurred by the entity for the Seshego factory building, which is leased from LEDA. The lease is a ten-year agreement that commenced on 1 June 2024, with a fixed monthly rental payment subject to an annual escalation of 6%. No contingent rent is payable.

**26. Contingencies**

**Contingent assets and Liabilities**

**The following represents the cases for the entity**

| | | |
|---|---|---|
| 1. Basic industrial supplies cc [1] | 93 150 | 93 150 |
| 2. Biddulphs Removal & Storage SA [1] | 13 889 | 13 889 |
| 3. FE Industrial [2] | 1 092 000 | 1 092 000 |

1. The Entity has put on hold the payment of invoices for the supplier amounting to R107 039.26 (2024: R107 039) due to insufficient evidence that needs to be obtained from the supplier to corroborate the amount owed by the entity.

2. The entity is currently seeking FE Industrial to repay an amount of R1 092 000 which was overpaid to the supplier. The case is represented by the State Attorney

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**27. Related parties**

| | |
|---|---|
| Relationships | |
| Controlling entity | Controlling entity- Department of Employment and Labour |
| Entities under common control | - Commission for Conciliation, Mediation and Arbitration<br>Compensation Fund<br>National Economic Development and Labour Council<br>Productivity South Africa<br>Unemployment Insurance Fund<br>All National spheres of Government of South Africa |

**Related party balances**

| | | |
|---|---|---|
| **Amounts included in Receivables regarding related parties** | | |
| Commission for Conciliation, Mediation and Arbitration | 42 476 | 39 381 |
| Compensation Fund | - | 124 589 |
| Unemployed Insurance Fund | 47 640 | 47 640 |
| Department of Employment and Labour | 1 671 991 | 22 042 890 |
| **Amount included in (Payable) from non-exchange regarding related parties** | | |
| Department of Employment and Labour | (39 436 570) | - |
| Compensation Fund | (346 652) | - |
| **Provision for doubtful debts related to outstanding balances with related parties** | | |
| Commission for Conciliation, Mediation and Arbitration | 41 342 | 39 381 |
| Compensation Fund | - | 124 589 |
| Department of Employment and Labour | 1 030 712 | 685 593 |
| Unemployed Insurance Fund | 47 640 | - |

**Related party transactions**

| | | |
|---|---|---|
| **Sales to related parties (Including finance charges)** | | |
| Commission for Conciliation, Mediation and Arbitration | 18 985 | 2 906 |
| Department of Employment and Labour | 1 007 126 | 1 421 907 |
| **Services in-kind (From/to) related parties*** | | |
| Department of Employment and Labour | 28 303 328 | 27 098 142 |
| **Transfers received from related parties** | | |
| Department of Employment and Labour | 184 684 000 | 207 915 000 |
| **Donation Received** | | |
| Department of Employment and Labour | 1 058 996 | - |

*The balance and transactions for services in kind involve the free use of property, internal audit services, Risk management service and administrative personnel services provided at no cost. The entity received a donation of assets earmarked for refurbishment from the Department of Labour

All related parties' transactions are at arm's length except stated otherwise

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**27. Related parties (continued)**

**Key management information**

**Remuneration of management**

**Management class: Executive management**

**2025**

| Name | Basic salary | Bonuses and performance related payments | Other benefits received | Total |
|---|---|---|---|---|
| Mr. S Phakathi - Chief Executive Officer | 1 005 215 | 83 768 | 380 451 | 1 469 434 |
| Ms. M Sebaka - Chief Financial Officer | 851 777 | 70 981 | 306 604 | 1 229 362 |
| Ms. G Manamela - Director: Operations | 786 519 | 65 543 | 453 953 | 1 306 015 |
| Mr. D Matsepe - Acting Director: Business Development | 626 581 | 52 608 | 430 546 | 1 109 735 |
| Ms. KW Tselane - Director: Human Resource Management | 822 445 | 68 537 | 489 481 | 1 380 463 |
| | **4 092 537** | **341 437** | **2 061 035** | **6 495 009** |

**2024**

| Name | Basic salary | Bonuses and performance related payments | Other benefits received | Total |
|---|---|---|---|---|
| Mr. S Phakathi - Chief Executive Officer | 952 681 | 80 008 | 368 750 | 1 401 439 |
| Ms. M Sebaka - Chief Financial Officer | 806 911 | - | 303 424 | 1 110 335 |
| Ms. G Manamela - Director: Operations | 774 133 | 62 523 | 417 599 | 1 254 255 |
| Ms. KW Tselane - Director: Human Resource Management | 777 856 | 65 333 | 477 636 | 1 320 825 |
| Mr. DH Matsepe - Acting Director: Business development | 596 115 | 49 452 | 407 459 | 1 053 026 |
| Mr. V Pillay - Director: ICT | 371 021 | - | - | 371 021 |
| | **4 278 717** | **257 316** | **1 974 868** | **6 510 901** |

**28. Prior-year adjustments**

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

1. **Receivables from Exchange Transactions, Payables from exchange transactions and accumulated funds** - During the current year it was identified that GRN accruals have been recorded in the incorrect period which belongs to 2023/24 financial year. This resulted in the understatement of payables from exchange transactions amounting to R313 555. Additionally, it was further identified that an unknown receipts allocation was erroneously processed in the unknown debtor's account. This resulted in the overstatement of receivables from exchange transactions with the amount of R1 387 955, overstatement of Payables from Exchange transactions with an amount of R98 146 and overstatement of accumulated funds by R1 289 809. Further discrepancies were identified between the bank statement and the unknown debtors account, resulting in a misstatement of both receivables and accumulated funds. Consequently, payables from exchange transactions were overstated by R10 000 and accumulated funds understated by the same amount.

**28. Prior-year adjustments (continued)**

2. **Property, Plant and Equipment, Operating expenses, Depreciation and Loss on sale of assets** - During the current year, it was identified that there were assets that were on the floor, but not on the register, assets have been recorded in the incorrect period which belongs to 2023/24 financial year. Additionally, it was also identified that the disposals that were supposed to be affected in 2022/23 for Durban as well as losses were not affected on the register. Further to this there was depreciation correction that emanated from the 2023/24 the additions as well as leased assets that had not been correctly depreciated. There were also assets on the register that had negative book values, zero- and one-rand cost values. This resulted in the carrying amount of Appliances being understated by R310 283, Computer Equipment being understated by R777 948, Office Equipment being understated by R25 586, Leased Assets being understated by 26 675, Furniture and fittings being understated by R281 962, Plant and Machinery being overstated by R205 872 and Work in Progress being understated by 979 000. The overall PPE was understated by R2 195 583.

3. **Inventory and Accumulated Surplus** - In 2023, the run times used in valuing finished goods were not substantiated by the relevant up-to-date study report. This has been rectified in the current year by updating the study report and restating the opening inventory of 2023/24 financial year, furthermore the allocated conversion costs of inventory for the 2023/24 manufacturing were allocated using the bill of material rates that were based on incorrect budgeted figures, this has been rectified in the current financial year. Consequently, the finished goods balance was understated by R1 802 255 and accumulated surplus understated by R1 802 255.

4. **Revenue (Sale of Goods) and Receivables from exchange transactions** - Revenue from sale of goods relating to financial year 2023/24 was incorrectly recognised in the 2024/25 financial year, this resulted in the revenue from sale of goods and receivables from exchange transactions being understated by R2 286 604.

5. **Cost of sales and Inventories** - In 2023, the run times used in valuing finished goods were not substantiated by the relevant up-to-date study report. This has been rectified in the current year by updating the study report and restating the opening inventory of 2023/24 financial year. Furthermore, the allocated conversion costs of inventory for the 2023/24 manufacturing were allocated using the bill of material rates that were based on incorrect budgeted figures. This resulted in the understatement of inventories and cost of sales with an amount of R2 863 376.

6. **Provisions - Long Service Awards and Employee-related costs** - During the current year it was identified that the long service award was incorrectly calculated, resulting in the overstatement of provisions and employee related costs with an amount of R46 906.

7. **Receivables from exchange transactions and Accumulated surplus** - It was identified that one supplier prepayment was over recovered from the amount owed to them resulting in understatement of prepayments with an amount of R37 200 and accumulated surplus with the same amount.

8. **Operating expenditure** - During the year, after the assessment of the NRV for the financial year 2023/2024, it was identified that the NRV was overstated by R 4 684 396.

**Statement of financial position**

**2024**

| | Note | As previously reported | Correction of error | Restated |
|---|---|---|---|---|
| Receivables from exchange transactions | | 4 309 247 | 935 849 | 5 245 096 |
| Payables from exchange transactions | | (39 596 362) | (205 408) | (39 801 770) |
| Property, Plant and Equipment | | 87 322 179 | 2 195 673 | 89 517 852 |
| Inventory | | 56 913 964 | 1 802 255 | 58 716 219 |
| Provision: Long-Service Award | | (11 774 905) | 46 906 | (11 727 999) |
| Accumulated Surplus | | (150 152 864) | (4 775 275) | (154 928 139) |
| | | **(52 978 741)** | **-** | **(52 978 741)** |

**Statement of financial performance**

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**28. Prior-year adjustments (continued)**

**2024**

| | Note | As previously reported | Correction of error | Restated |
|---|---|---|---|---|
| Revenue | | 295 858 234 | 2 286 604 | 298 144 838 |
| Cost of sales | | (52 025 239) | (2 863 376) | (54 888 615) |
| Operating Expenses | | (245 445 647) | 4 757 543 | (240 688 104) |
| Employee related costs | | (159 065 951) | 46 906 | (159 019 045) |
| **Surplus for the year** | | **(160 678 603)** | **4 227 677** | **(156 450 926)** |

**29. Financial instruments disclosure**

**Categories of financial instruments**

**2025**

**Financial assets**

| | At amortised cost | Total |
|---|---|---|
| Receivables from exchange transactions | 8 057 074 | 8 057 074 |
| Cash and cash equivalents | 12 470 192 | 12 470 192 |
| | **20 527 266** | **20 527 266** |

**Financial liabilities**

| | At amortised cost | Total |
|---|---|---|
| Finance lease liability | 106 971 | 106 971 |
| Operating lease Liability | 230 896 | 230 896 |
| Payables from exchange transactions | 53 653 687 | 53 653 687 |
| | **53 991 554** | **53 991 554** |

**2024**

**Financial assets**

| | At amortised cost | Total |
|---|---|---|
| Receivables from exchange transactions | 5 245 096 | 5 245 096 |
| Receivables from non-exchange transactions | 21 328 624 | 21 328 624 |
| Cash and cash equivalents | 29 122 382 | 29 122 382 |
| | **55 696 102** | **55 696 102** |

**Financial liabilities**

| | At amortised cost | Total |
|---|---|---|
| Payables from exchange transactions | 39 801 770 | 39 801 770 |
| Finance lease obligation | 401 723 | 401 723 |
| | **40 203 493** | **40 203 493** |

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**30. Risk management**

**Financial risk management**

**Liquidity risk**

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

| At 31 March 2025 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | |
|---|---|---|---|---|---|
| Payables from exchange transactions | 53 653 687 | - | - | - | |
| Finance lease Obligation | 106 971 | - | - | - | |
| Operating lease liability | 230 896 | - | - | - | |

| At 31 March 2024 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | |
|---|---|---|---|---|---|
| Payables from exchange transactions | 39 801 770 | - | - | - | |
| Finance lease Obligation | 294 752 | 106 971 | - | - | |

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalent | 12 470 192 | 29 122 382 |
| Receivables from exchange transactions | 8 057 074 | 5 245 096 |

The entity is exposed to a number of guarantees for the overdraft facilities of economic entities and for guarantees issued in favor of the creditors of A (Pty) Ltd. Refer to note  for additional details.

**31. Irregular and Fruitless and Wasteful Expenditure**

| | | |
|---|---|---|
| Irregular expenditure | 3 838 113 | 3 615 646 |
| Fruitless and wasteful expenditure | 929 724 | 1 622 475 |
| **Closing balance** | **4 767 837** | **5 238 121** |

***Refer to reconciling notes in the annual report**

**Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure**

**Disciplinary steps taken/criminal proceedings**

There were no disciplinary steps taken/criminal proceedings during the current financial year.

| Figures in Rand | 2025 | 2024 |
|---|---|---|

## 32. Going concern

### Legislative mandate

The Supported Employment Enterprise (SEE) is a Government Component under the Department of Employment and Labour (DEL) established in terms of Employment Services Act (ESA) to promote work and employment opportunities for persons with disabilities and is managed in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

### Financial relationship

SEE is trading as Service Products and is required to prepare its Annual Financial Statements in accordance with GRAP as per Accounting Standard Board (ASB) mandated in accordance with PFMA of 1999 (as amended by Act 29 of 1999). SEE is financed from:

a) Money appropriated by Parliament for this purpose
b) Income earned from services rendered by it
c) Grants or donations made to it, and
d) Money received from any other source.

SEE has operations in various factories across provinces that manufacture wood, linen and steel products for purpose of trading at an arm's length. The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### Going concern assessment

Management is not aware of any events or conditions that may cast significant doubt on SEE's ability to continue as a going concern. Following factors considered to determine that SEE is a going concern and will continue to be a going concern:
The entity was established in 1943 and operates as a Chief Directorate of the Department of Labour and has been in operation for over 80 years.

a) The entity is funded through National Treasury Grant Allocation as well as revenue generated from sales of goods and services. In the financial year under review, National Treasury grant allocation amounts to 83% of the entity *revenue and 17% from sales.

b) The annual performance plan for 2024/2025 financial year targets to increase sales revenue by 10% through secured MOUs with customers to further improve internal generated funding capacity

.

Entity funding revenue capacity decreased by 10% overall in comparison to prior year. Main contributing factor to decrease was due to inability to meet the APP target of 10% and instead realising a decrease of 37% in sales revenue. Current year National Treasury allocation amounted to R184 684 000(1,3% decrease from prior year) and the total current year funding revenue amounted to R223 251 083. Although the entity has realised an overall decrease in funding capacity, SEE still expects to receive National Treasury grant allocation in 2025/2026 of R195 545 000(6% increase) and continues pursuing potential sales and secure MOUs with both National and Provincial Departments 2025, to further increase current budget sales revenue to meet the 10% APP target on sales revenue

.

Although the entity is impacted by the current financial inclines, the company is still able to continue with operations and productions to meet the targeted delivery and timelines schedules. The organisation is further participating in the European Union donor initiative of employability for education (E4E) project through the Department of Employment and Labour under Programme 3: Public Employment Services to improve the opportunities of employment for people with disabilities into open Labour market. This initiative will assist the entity in achieving its mandate of providing additional work opportunities for people with disabilities. Therefore, as a result of above developments, the entity continued to operate and is anticipated to continue operations for the next 12 months.

### Conclusion

It is then appropriate to prepare annual financial statements on the going concern basis as funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

### 33. Events after the reporting date

**Legislative mandate**

The Supported Employment Enterprise (SEE) is a Government Component under the Department of Employment and Labour (DEL) established in terms of Employment Services Act (ESA) to promote work and employment opportunities for people with disabilities and is managed in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

SEE is trading as Service Products and is required to prepare its Annual Financial Statements in accordance with GRAP as per Accounting Standard Board (ASB) mandated in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

**Subsequent events assessment**

SEE has operations in various factories across the country in eight provinces that manufacture wood, linen and steel products for purpose of trading at an arm's length and currently operate 12 factories.

As at the reporting date, there were no significant adjusting and/or non-adjusting events identified for the necessary disclosure in the current financial year of 2024/2025.:

### 34. Change in estimate

**Property, plant and equipment**

During the preparation of the financial statements for the 2024/25 financial year, management reviewed the conditions and remaining useful lives of certain assets and determined that changes to their estimates were necessary. This reassessment resulted in a total reduction of R119 100.18 in the depreciation expense for the period, as detailed below

| **Asset Category** | **Impact on Depreciation (R)** |
|---|---|
| Appliances | 4,370.29 |
| Computer Equipment | 18,312.55 |
| Furniture & Fittings | 15,261.25 |
| Office Equipment | 6,757.13 |
| Property, Plant and Machinery | 74,398.95 |
| **Total** | **119,100.18** |

This change in estimate has been applied prospectively in accordance with GRAP 3 (Accounting Policies, Changes in Accounting Estimates and Errors)

Management has determined that it is impracticable to estimate the future impact of the change in depreciation estimates, as the assets in question are subject to non-linear and variable usage. Historical trends show inconsistencies in asset longevity and utilisation, making it inappropriate to apply a standard pattern for forward-looking estimations. Additionally, variables such as production levels—driven by client orders received on an ad hoc basis—have a direct impact on the usage and condition of assets, which in turn affects the reliability of future depreciation estimates.

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**35. Budget differences**

**Material differences between budget and actual amounts**

**Sale of goods**
The variance is due to anticipated customer orders from COGTA not received as projected.

**Interest received**
The variance is attributable to the higher Interest received on funds reinvestment from grant allocation that was not budgeted for.

**Discount received**

Discount received from the major supplier for textile raw materials (Da Gama) as a result of early payments of their invoices

**Donation Received**

Donation received from the Department of Employment and Labour for Assets earmarked for refreshment and conversion into finished goods. This was not expected at the time of finalization of the budget, hence not budgeted for.

**Inventory Adjustments**

The inventory adjustment relates to the restatement of closing inventory, cost of sales and manufacturing overheads following review of run times and the restatement of Bill of material.

**Services In-Kind**

The variance of services in kind is in relation to administration costs that were under budgeted in the current year
.
**Employee cost**
The variance is as results of vacant posts not filled due to moratorium placed on filling the administration posts as well as the APP target for the appointment of people with disabilities not being met.

**Depreciation and Impairment**

The difference is due to the restatement of depreciation and impairment of PPE carrying amounts and the capitalization of the deemed costs related to prior years.

**Finance cost**

The variance is attributed to the interest portion of the provision for long service award and the finance lease that was not budgeted for.

**Cost of sale**

The variance is as a result of less sales orders received in the current year as anticipated

**Advertising**

The variance is as a result of some of the advertising campaigns/programmes not implemented in the financial year.

**Manufacturing Overheads**

This is attributable to high manufacturing overheads that were Over-budgeted for in the current year

**Audit Fees**.

The variance is attributable to the audit fees for the previous financial period that overlapped into the current year

**Debt Impairment**

| Figures in Rand | 2025 | 2024 |
|---|---|---|

**35. Budget differences (continued)**

This variance relates to the debt impairment expense that was not budgeted for in the current year.

**Operating expenses**

The variances are attributable to the higher budgeted IT and repairs and maintenance expenses.