

Treasury admits no study on labour broking ban

Oct 12, 2009 2:48 PM | By Sapa

The finance ministry has conceded that it has not conducted any research on the implications of government's proposed ban on labour broking.

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In response to a parliamentary question, Treasury said it would be difficult to conduct such a study because of a lack of information on the number of workers put in jobs by labour brokers.

"The principal difficulty for conducting such a study is data," the ministry said in its written response to a question by the Democratic Alliance.

"To conduct such a study would require detailed data on the number of workers involved with temporary employment services or labour broking, the wages of these workers and some estimate for the number of workers who would lose their jobs if labour broking were to be banned."

Treasury said official data from Statistics South Africa indicated that a mere 37,115 workers were employed by labour brokers in 2007.

This contrasts sharply with widely accepted industry estimates that half a million people work in temporary jobs obtained through labour brokers.

The ministry said without more reliable data, a study would be "unlikely to provide accurate or valid insights into the fiscal, financial and economic impact of banning temporary employment services or labour broking".

The ministry said it had used labour broking services to fill a number of temporary posts linked to short-term projects in the past three years.

In 2006, temporary employees made up 12.8 percent of its staff complement. The figure dropped by half in 2007, when it had 63 temporary staff, and rose again last year, when it hired 80.

For the three-year period, Treasury's wage bill for temporary workers at Treasury came to some R26 million.

Treasury pointed out that the department of labour is responsible for any potential policy reform around labour broking.

The labour department could not immediately be reached for comment on studies in this regard.

The African National Congress and its trade union allies have called for a ban on labour broking in a bid to end exploitation of casual labour, but opposition parties say this is not the answer.

The Democratic Alliance and the Congress of the People have proposed setting up a regulatory body to enforce a code of conduct for labour brokers. They urged the state to step up nationwide inspections of casual labour practices to prevent abuses.

Draft laws on labour broking are due to be tabled within the next financial year and expected to at least contain added regulations against labour brokers.

DA MP Mike Waters warned on Monday that the government had begun phasing out labour brokers at public hospitals in Gauteng and that it would have a dire impact on health care.

He urged Health Minister Aaron Motsoaledi to tell provinces not to stop using nursing agencies until "it has conducted a study into the effects on quality of health care and provincial finances".

"As with many ANC policies, a radical policy change is being implemented on ideological grounds, with no consideration for the practical effects.

"This is a major decision with potentially severe repercussions, but no attempt has been made to study the possible consequences."

Waters said the government's policy would create a dilemma for public hospitals with a high number of staff vacancies.

"They often struggle a great deal to fill permanent posts, because of poor conditions, but are able to find agency nurses on a part-time basis.

"If they can no longer use agencies, quality will be compromised."

In the meanwhile, a labour expert said on Monday a ban on labour broking would likely cause a considerable increase in worker absenteeism.

Johnny Johnson, chief executive of Corporate Absenteeism Management Solutions, said labour broking was helping to keep productivity at acceptable levels.

"Banning labour broking will most likely have a corresponding high impact on absenteeism because the employees of labour brokers have a lower absenteeism rate than that of the permanent workers at an employer."

According to Johnson, the average absenteeism rate for employees at labour brokers was 0.8 percent - equivalent to each employee taking two days sick leave per annum - compared to almost three percent, or seven days per year, for regular employees.