

# Vote 27

## Labour

To be appropriated by Vote	R801 653 000
Statutory appropriations	R2 800 000 000
Responsible Minister	Minister of Labour
Administering Department	Department of Labour
Accounting Officer	Director-General of Labour

### Aim

*The aim of the Department of Labour is to play a significant role in reducing unemployment, poverty and inequality through policies and programmes developed in consultation with role players and aimed at improved economic efficiency and productivity, skills development and employment creation, sound labour relations, eliminating inequality and discrimination in the workplace, alleviating poverty in the workplace, as well as employment, and protection and enhancement of worker rights and benefits.*

### Key objectives and programmes

Skills development and job creation are central tenets of Government's socio-economic strategy. The policies and programmes of the Department of Labour play a significant role in labour market regulations, practice and skills development. Activities on the Labour Vote are organised into eight programmes:

- *Administration* comprises the overall management of the Department and the rendering of support and advisory services.
- *Occupational health and safety of persons* promote the health and safety of persons at work, through legislation.
- *Social insurance* contributes to the Unemployment Insurance Fund and provides for the compensation of civil servants in case of accidents or illnesses contracted while on duty.
- *Employment and skills development services* focus on the promotion and regulation of the skills development strategy. The programme provides for contributions to sheltered employment factories and to various national institutions for differently-abled people.
- *Labour relations* promote the establishment of an equitable and peaceful labour relations environment.
- *Labour policy* includes research, analysis, evaluation and development of labour policy and the provision of statistical information on the labour market. It funds contributions to the National Productivity Institute.
- *Service delivery* includes the enforcement of the labour laws and the provision of a one-stop service through the establishment of business units in the provincial offices of the Department.
- *Auxiliary and associated services* promote the enhancement of international relations and contribute to the National Economic and Labour Council (Nedlac).

### Strategic overview and key policy developments: 1997/98 – 2003/04

In the Department's *Fifteen Point Programme of Action for 1999 to 2004*, released in June 1999, the Ministry of Labour outlined the substantial progress made in stabilising labour relations and

setting an appropriate labour market programme. This programme focuses on effective implementation of the new legislation. It includes a commitment to review the impact of labour legislation on worker welfare and economic efficiency, and to consider appropriate modifications to improve the functioning of the labour market. In February 2000, the Minister announced that legislative amendments would be tabled in Parliament, including:

- The Basic Conditions of Employment Act of 1997, which sets minimum rights for all workers
- The Employment Equity Act of 1998, which prohibits all forms of unfair discrimination and promotes employment equity in the workplace
- The Skills Development Act of 1998, which aims to increase investment in education and training in the labour market and to improve the skills of South African workers
- The Skills Development Levies Act of 1999, which provides for the financing of the National Skills Fund and sectoral education and training authorities through a levy-grant system

The programme of action identifies employment creation as the biggest challenge facing Government. The Department coordinates Government's role in the follow-up to the Job Summit. Summit agreements include four sets of strategies – sectoral job creation strategies, labour market and human resource development, special employment programmes, and integrated provincial projects. The Job Summit reached agreement on a social plan, launched by the Minister of Labour in July 1999. The plan encompasses three possible sets (or phases) of interventions:

- Avoiding job losses through, among other things, “future forums” or ongoing discussions between workers and employers about the future of their industry, to identify threats to jobs in good time
- Workers and employers in industries can call on help from the social plan technical support facility to identify problems and solutions in sectors
- Where retrenchments are unavoidable, provincial offices of the Department of Labour can be approached for services to mitigate the impact of retrenchments on workers; steps can be taken to regenerate local economies where retrenched workers reside

## Expenditure estimates

Table 27.1: Labour

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00	Adjusted appropriation 2000/01	Revised estimate	2001/02	2002/03	2003/04
R thousand								
Administration	59 533	97 578	111 330	97 580	92 480	148 812	173 942	195 110
Occupational health and safety of persons	2 728	2 904	3 047	3 473	3 473	19 050	22 235	25 557
Social insurance	14 931	13 739	20 514	21 608	21 608	22 111	22 836	23 469
Employment and skills development services	194 801	262 148	343 538	212 696	205 096	150 103	157 917	163 600
Labour relations	138 676	137 776	156 677	150 327	148 827	165 515	175 829	184 467
Labour policy	12 237	22 173	23 399	24 470	24 470	25 937	26 905	28 100
Service delivery	192 885	176 644	190 600	255 790	198 290	256 667	274 253	287 659
Auxiliary and associated services <sup>1</sup>	18 567	17 326	16 443	15 392	12 392	13 458	14 518	14 888
<b>Subtotal</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>781 336</b>	<b>706 636</b>	<b>801 653</b>	<b>868 435</b>	<b>922 850</b>
Direct charge to the Revenue Fund <sup>2</sup>	-	-	-	1 400 000	970 000	2 800 000	3 000 000	3 200 000
Sectoral education and Training authorities	-	-	-	1 120 000	776 000	2 240 000	2 400 000	2 560 000
National Skills Fund	-	-	-	280 000	194 000	560 000	600 000	640 000
<b>Total</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>2 181 336</b>	<b>1 676 636</b>	<b>3 601 653</b>	<b>3 868 435</b>	<b>4 122 850</b>
Change to 2000 Budget Estimate				1 384	(503 316)	(120 365)	(95 683)	-

<sup>1</sup> Authorised losses of R27 000 in 1998/99 and R249 000 in 1999/00 included

Economic classification								
<b>Current</b>	<b>621 439</b>	<b>697 292</b>	<b>817 181</b>	<b>738 581</b>	<b>673 881</b>	<b>735 337</b>	<b>795 258</b>	<b>844 888</b>
Personnel	232 382	240 192	212 669	279 326	239 626	299 894	316 716	332 864
Transfer payments	280 591	309 132	448 719	287 180	287 180	241 295	257 895	269 933
Other current	108 466	147 968	155 793	172 075	147 075	194 148	220 647	242 091
<b>Capital</b>	<b>12 919</b>	<b>32 996</b>	<b>48 367</b>	<b>42 755</b>	<b>32 755</b>	<b>66 316</b>	<b>73 177</b>	<b>77 962</b>
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	12 919	32 996	48 367	42 755	32 755	66 316	73 177	77 962
<b>Subtotal</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>781 336</b>	<b>706 636</b>	<b>801 653</b>	<b>868 435</b>	<b>922 850</b>
Direct charge to the Revenue Fund <sup>2</sup>	-	-	-	1 400 000	970 000	2 800 000	3 000 000	3 200 000
<b>Total</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>2 181 336</b>	<b>1 676 636</b>	<b>3 601 653</b>	<b>3 868 435</b>	<b>4 122 850</b>

<sup>2</sup> For SETAs and the National Skills Fund, as set out above

Standard items of expenditure								
Personnel	232 382	240 192	212 669	279 326	239 626	299 894	316 715	332 863
Administrative	43 169	47 336	51 978	63 394	60 394	77 879	87 404	96 207
Inventories	12 400	16 851	17 379	20 850	15 850	35 389	36 154	38 203
Equipment	13 467	30 669	46 103	33 338	18 338	37 103	42 692	46 105
Land and buildings	1 816	6 292	4 740	11 055	11 055	38 189	44 867	46 933
Professional and special services	39 097	68 758	66 743	65 787	53 787	56 795	66 874	76 139
Transfer payments	280 591	309 132	448 719	287 180	287 180	241 295	257 895	269 933
Miscellaneous	11 436	11 058	17 217	20 406	20 406	15 109	15 834	16 467
<b>Subtotal</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>781 336</b>	<b>706 636</b>	<b>801 653</b>	<b>868 435</b>	<b>922 850</b>
Direct charge to the Revenue Fund <sup>2</sup>	-	-	-	1 400 000	970 000	2 800 000	3 000 000	3 200 000
<b>Total</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>2 181 336</b>	<b>1 676 636</b>	<b>3 601 653</b>	<b>3 868 435</b>	<b>4 122 850</b>

<sup>2</sup> For SETAs and the National Skills Fund, as set out above

## Expenditure trends

The Labour Vote has undergone several structural changes, including:

- The subprogramme: Inspection and investigation at places of work under *Occupational health and safety of persons* shifted to the newly implemented *Service delivery programme* under the Inspection and enforcement services subprogramme.
- The Employment services subprogramme under *Employment and skills development services* is moved to Programme 7 under the subprogramme: Employment services.
- The Inspection and advisory services subprogramme is shifted from Programme 5 to Programme 7 under the Inspection and enforcement services subprogramme.
- Programme 7: *Service delivery*, is a newly created programme aimed at the efficient, effective and economic management of the Department's service delivery at provincial level.
- Programme 8: *Auxiliary and associated services* forms the last main division of the Vote, and its number has been amended from 7 to 8.

The 2001 Budget increases the medium-term estimates by R79,6 million in 2001/02 and R104,3 million in 2002/03. These additional allocations support the Department's move to decentralise support and advisory services to the provincial level to improve service delivery. The most significant trend is increased growth on the *Occupational health and safety of persons* programme. Spending on this programme rises by an average of 69,9 per cent a year over the next three years owing to the appointment of inspectors for law enforcement and the outsourcing of investigations into major accidents to persons with specialised expertise. Expenditure on *Administration* also grows strongly over the medium term owing to increased spending on the decentralisation process. Transfers to the sectoral education and training authorities (SETAs) and

the National Skills Fund dominate spending on the Vote, averaging 80,0 per cent over the medium term.

### Departmental receipts

The Department estimates that receipts from the trade testing of artisans by the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (Indlela) will amount to R1,4 million in 2000/01. These are expected to rise to R1,5 million in 2001/02, R1,6 million in 2002/03 and R1,7 million in 2003/04. The skills levy – a compulsory levy scheme for the funding of education and training as envisaged in the Skills Development Act of 1998 – is estimated to yield approximately R1,4 billion in 2000/01, based on a rate of 0,5 per cent of employers' payroll. The Department estimates that collections will increase to R2,8 billion in 2001/02, R3 billion in 2002/03 and R3,2 billion in 2003/04 when the levy will be increased to 1 per cent of employers' payroll.

### Programme 1: Administration

The programme conducts the overall management of the Department. It includes policy formulation by the Minister, Director-General and other members of the Department's management. Other activities include organising the Department; rendering centralised administrative, legal and office support services; managing departmental, personnel and financial administration; determining working methods and procedures; and exercising control, as well as rendering a public relations service by means of publicity, liaison and media programmes.

Table 27.2: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Minister <sup>1</sup>	603	555	514	518	605	639	670
Management	–	5 431	784	8 802	11 076	12 746	14 229
Corporate services	57 185	85 315	105 323	78 525	107 918	130 187	148 474
Capital works <sup>2</sup>	1 745	6 277	4 709	9 735	29 213	30 370	31 737
<b>Total</b>	<b>59 533</b>	<b>97 578</b>	<b>111 330</b>	<b>97 580</b>	<b>148 812</b>	<b>173 942</b>	<b>195 110</b>
Change to 2000 Budget Estimate				(85 306)	(45 983)	(31 794)	–

<sup>1</sup> Payable as from 1 April 2000: salary: R 456 778, car allowance: R114 195

<sup>2</sup> Spending on land, buildings and maintenance subject to Public Works agreement : R 29 213 000 in 2001/02; R30 370 000 in 2002/03; R31 737 000 in 2003/04

Economic classification							
Current	53 274	74 448	70 134	70 618	102 847	121 642	139 846
Personnel	25 239	27 189	26 233	29 052	48 640	50 927	55 513
Transfer payments	–	–	–	–	–	–	–
Other	28 035	47 259	43 901	41 566	54 207	70 715	84 333
<b>Capital</b>	<b>6 259</b>	<b>23 130</b>	<b>41 196</b>	<b>26 962</b>	<b>45 965</b>	<b>52 300</b>	<b>55 264</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	6 259	23 130	41 196	26 962	45 965	52 300	55 264
<b>Total</b>	<b>59 533</b>	<b>97 578</b>	<b>111 330</b>	<b>97 580</b>	<b>148 812</b>	<b>173 942</b>	<b>195 110</b>

<b>Standard items of expenditure</b>							
Personnel	25 239	27 189	26 233	29 052	48 640	50 927	55 513
Administrative	8 521	9 055	10 345	10 977	20 823	25 960	29 610
Inventories	2 508	3 084	4 380	2 478	13 845	14 263	14 712
Equipment	4 513	17 163	36 487	17 227	16 752	21 930	23 527
Land and buildings	1 745	6 277	4 734	9 735	36 583	41 405	45 105
Professional and special services	16 678	34 354	28 748	27 313	12 169	19 457	26 643
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	329	456	403	798	–	–	–
<b>Total</b>	<b>59 533</b>	<b>97 578</b>	<b>111 330</b>	<b>97 580</b>	<b>148 812</b>	<b>173 942</b>	<b>195 110</b>

## Expenditure trends

Spending on *Administration* grows by an average of 28,3 per cent a year over the next three years. Increased resources are directed towards personnel and the acquisition of capital assets, particularly office equipment for additional personnel in support of the decentralisation processes of the Department, the Unemployment Insurance Fund and the Compensation Commissioner.

## Policy developments

The Department is negotiating a public-private partnership aimed at improving the effectiveness and efficiency of its services. The Electronic One-Stop Service Infrastructure, developed as part of the public-private partnership initiative, will make provision for integrated systems, call centres, remote access terminals or kiosks and a central database. These will facilitate digital transactions between the Department and its clients.

## Programme 2: Occupational health and safety of persons

The programme provides for the health and safety of people at work, the use of plant and machinery, and the protection of people from dangerous activities at places of work. Programme functions are organised into the following subprogrammes:

- Administrative functions undertake the registration of machinery, persons, institutions and premises; inspections and prescribed examinations; the finalisation of applications and applications for exemption; and summonses, prosecutions and appeals. The subprogramme also provides administrative services to the relevant commissions, committees and boards.
- Research is aimed at effective protection of the health and safety of employees, with an emphasis on specific problem areas within the discipline.
- Services rendered to other countries provide training and information services to other countries in Africa.
- Training of staff provides departmental and external training.
- Administrative auxiliary services provide related services to the programme.
- Inspection services investigate control of the safety of machinery, environmental factors, prescribed facilities and health measures at workplaces, investigation of incidents and occurrences at machinery and places of work, analyses and examination of articles taken at machinery and places of work, and licensing, inspection and control of the manufacturing of explosives.

## Expenditure estimates

**Table 27.3: Occupational health and safety of persons**

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimates		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Administrative functions	376	316	1 067	963	4 609	5 431	6 214
Research	4	2	2	77	311	293	339
Services rendered to other countries	-	-	-	2	8	11	9
Training of staff	88	617	634	474	3 660	3 576	5 193
Administrative auxiliary services	2 260	1 969	1 344	1 957	4 837	6 050	6 261
Inspection and investigations at places of work	-	-	-	-	5 625	6 874	7 541
<b>Total</b>	<b>2 728</b>	<b>2 904</b>	<b>3 047</b>	<b>3 473</b>	<b>19 050</b>	<b>22 235</b>	<b>25 557</b>
Change to 2000 Budget Estimate				(33 004)	(19 747)	(18 855)	-

### Economic classification

<b>Current</b>	<b>2 686</b>	<b>2 857</b>	<b>2 852</b>	<b>3 413</b>	<b>18 914</b>	<b>22 086</b>	<b>25 392</b>
Personnel	1 648	1 354	1 059	2 291	8 562	9 285	10 017
Transfer payments	-	-	-	-	-	-	-
Other	1 038	1 503	1 793	1 122	10 352	12 801	15 375
<b>Capital</b>	<b>42</b>	<b>47</b>	<b>195</b>	<b>60</b>	<b>136</b>	<b>149</b>	<b>165</b>
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	42	47	195	60	136	149	165
<b>Total</b>	<b>2 728</b>	<b>2 904</b>	<b>3 047</b>	<b>3 473</b>	<b>19 050</b>	<b>22 235</b>	<b>25 557</b>

### Standard items of expenditure

Personnel	1 648	1 354	1 059	2 291	8 562	9 285	10 017
Administrative	593	934	490	385	698	767	842
Inventories	125	61	334	239	333	367	403
Equipment	42	47	195	60	136	149	165
Land and buildings	-	-	-	-	700	557	793
Professional and special services	298	486	955	472	8 621	11 110	13 337
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	22	22	14	26	-	-	-
<b>Total</b>	<b>2 728</b>	<b>2 904</b>	<b>3 047</b>	<b>3 473</b>	<b>19 050</b>	<b>22 235</b>	<b>25 557</b>

## Policy developments

Occupational health and safety functions are fragmented, with responsibilities divided between the Departments of Health, Labour, and Minerals and Energy. Cabinet has recently approved the creation of a single statute for occupational health and safety, and for the compensation competencies. The Department of Labour will be responsible for these functions. The Occupational Diseases in Mines and Works Act of 1973 (administered by the Minister of Health) and the Mine Health and Safety Act of 1996 (administered by the Minister of Minerals and Energy) will be amended to make the Minister of Labour responsible for their administration.

## Expenditure trends

The Department's prioritising of workplace inspections is seen in the rise of spending on Inspection and investigation at places of work from R5,6 million in 2001/02 to R7,5 million in 2003/04, owing to the appointment of additional inspectors and the outsourcing of specialised investigations.

## Outputs and service delivery trends

**Table 27.4: Occupational health and safety of persons: Key outputs and indicators**

Subprogramme	Outputs	Service delivery indicators
Inspection and investigations at work	Inspection services and auditing	Number of Approved Inspection Authority inspections of work-related incidents, and percentage of audits completed
	Licensing of explosive factories and control of explosives manufactured	Number of licenses issued Percentage of explosives reported on
	Approval for first aid, audiometric, and personal protective equipment	Number of inspections and approvals of first aid training and audiometrists
	Regulations, guidelines and standards	Assist with the development of a new legislation and health and safety standards
	Registration of electricians	Number of electricians registered
Administration functions	Learner inspectors training scheme	Number of students successfully trained
	Administration of:	Percentage of registration list reviewed
	<ul style="list-style-type: none"> <li>• First aid training organisations</li> <li>• Government Competency Certificate</li> <li>• Explosives factories</li> <li>• Occupational health and safety statistics</li> </ul>	Number of certificates issued Number of new registrations
		Number of statistical reports and percentage of target market covered
Research	Identify research problem areas and needs	Number of research reports Percentage of identified needs addressed
Services rendered to other countries	Technical investigations of incident causes	Number of technical reports
Administrative auxiliary services	Occupational health and safety guidelines	Interaction with SADC to ensure safe working practices in the trans-boundary movement of hazardous substances or equipment
	National Occupational Health and Safety Policy	Establish a council to develop a national occupational health and safety policy
		Manage legislative process Convene stakeholder meetings on health and safety

The Department has developed a training programme for occupational health and safety inspections within an integrated inspection framework. Occupational health and safety inspection services have been restructured to ensure adequate integration of service delivery. The Department has also passed regulations pertaining to biological agents and major hazard installations, and has amended lead, asbestos and diving regulations. The draft construction regulations have also been completed.

### Programme 3: Social insurance

The programme administers the Unemployment Insurance Fund and the Compensation Fund, which provide for the payment of unemployment benefits and compensation for injuries and illnesses contracted as a result of employment respectively. These functions are addressed by the following subprogrammes:

- The Unemployment Insurance Fund provides for the payment of unemployment benefits in terms of the Unemployment Insurance Act of 1966.
- Accident insurance provides compensation through the Compensation Fund for injuries and diseases incurred as a result of employment in terms of the Compensation for Occupational Injuries and Diseases Act of 1993, as amended. The subprogramme also provides for the medical expenses of officials employed by Government who sustain injuries and diseases while on duty.

Contributions to the funds are solely for limited administrative costs, as the funds are financed from earmarked payroll taxes on employers and employees. The programme also provides certain administrative functions to the Funds. These expenses are claimed back and expenditure is shown net of these reimbursements.

Table 27.5: Social insurance

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimates		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Unemployment insurance <sup>1</sup>	7 000	7 000	7 000	7 001	7 001	7 001	7 001
Accident insurance	7 931	6 739	13 514	14 607	15 110	15 835	16 468
<b>Total</b>	<b>14 931</b>	<b>13 739</b>	<b>20 514</b>	<b>21 608</b>	<b>22 111</b>	<b>22 836</b>	<b>23 469</b>
Change to 2000 Budget Estimate				200	(751)	(1 378)	-

<sup>1</sup> Includes an amount specifically and exclusively appropriated as contribution to the Unemployment Insurance Fund: R7 000 000 for 2001/02, 2002/03 and 2003/04 respectively

#### Economic classification

<b>Current</b>	<b>14 931</b>	<b>13 739</b>	<b>20 514</b>	<b>21 608</b>	<b>22 111</b>	<b>22 836</b>	<b>23 469</b>
Personnel	-	-	-	2	2	2	2
Transfer payments	7 000	7 000	7 000	7 000	7 000	7 000	7 000
Other	7 931	6 739	13 514	14 606	15 109	15 834	16 467
<b>Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
<b>Total</b>	<b>14 931</b>	<b>13 739</b>	<b>20 514</b>	<b>21 608</b>	<b>22 111</b>	<b>22 836</b>	<b>23 469</b>

#### Standard items of expenditure

Personnel	-	-	-	2	2	2	2
Administrative	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Land and buildings	-	-	-	-	-	-	-
Professional and special services	-	-	-	-	-	-	-
Transfer payments	7 000	7 000	7 000	7 000	7 000	7 000	7 000
Miscellaneous	7 931	6 739	13 514	14 606	15 109	15 834	16 467
<b>Total</b>	<b>14 931</b>	<b>13 739</b>	<b>20 514</b>	<b>21 608</b>	<b>22 111</b>	<b>22 836</b>	<b>23 469</b>

### Policy developments

Unemployment Insurance Fund benefits have traditionally exceeded contributions in times of severe unemployment. Over the years, the Fund's character has changed from one designed to deal with well-paid workers with a low propensity to become unemployed into an inadequately backed scheme catering for mass employment. The International Labour Organisation actuarial findings in September 1996 projected that, in order to balance income and expenditure, the contribution rate would have to be 2,07 per cent in 1991, increasing to 2,71 per cent in 2000. Such an increase in the contribution rate would have had a negative effect on the overall goals of Government. The contribution rate was last adjusted on 1 October 1993 to the current 1,00 per cent for employers and employees alike.

Because of continuing deficits, opportunities for the restructuring of the Fund have been investigated. The Minister of Labour will table legislation this year to strengthen the administration of the Fund, target benefits more effectively to the poor and extend the coverage of the scheme.

Amendments to the Compensation Act, including cover for domestic workers and the integration of compensation competencies from the Departments of Health and of Minerals and Energy Affairs are being discussed.



## Expenditure trends

Medical expenses for government officials paid by the Compensation Fund increased from R7 931 million to R16 467 million, and accounts for average programme growth of 7,8 per cent a year over the seven-year period.

## Outputs and service delivery trends

Table 27.6: Social insurance: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Unemployment Insurance Fund	<p>Legislation aimed at strengthening the administration of the Fund, targeting benefits more effectively to the poor and extending the coverage of the scheme</p> <p>Minimisation of fraud</p> <p>Effective communication</p> <p>Improved service delivery to Unemployment Insurance Fund clients</p>	<p>Promulgation of the new Unemployment Insurance Act</p> <p>Promulgation of the new Unemployment Insurance Act Regulations</p> <p>Inclusion of domestic and seasonal workers in the new Act</p> <p>Implementation of an integrated revenue collection</p> <p>Implementation of employer/employee database</p> <p>Implementation of fraud minimisation strategy</p> <p>Number of visits to Labour centres</p> <p>Speedy finalisation of fraud cases</p> <p>Implementation of a communication strategy</p> <p>Improved compliance with legislation and internal policies and procedures</p> <p>Implementation of an electronic benefit payment system</p> <p>Monitoring of service level agreements</p> <p>Issuing of UF74 (blue card) within a week of receipt of application</p> <p>Implementation of an effective credit management system</p>
Accident insurance (Compensation Fund)	<p>Medical expenses of workers employed by Government, and contribution to the Compensation Fund for injuries and diseases sustained by government officials on duty</p> <p>Policy framework for improved protection of the safety and health of all workers through the Compensation Fund</p> <p>Service delivery according to client expectations</p>	<p>Medical expenses of government employees paid regularly to the Compensation Fund</p> <p>Government's contribution towards administrative cost paid annually</p> <p>Revised policies on HIV/Aids and post-traumatic stress disorders</p> <p>Number of reports</p> <p>Automation and decentralisation of claims processing systems by 2002</p> <p>80 per cent of claims paid within 90 days of receipt by the Fund</p> <p>Revenue generation from all registered employers</p>

The Department is preparing new legislation to improve coordination between the Unemployment Insurance Fund and other social and labour policies. This relates particularly to reskilling and recruitment systems, coverage of all workers (including domestic and other atypical workers) improved enforcement and compliance, and financial sustainability and cost-effectiveness.

The Compensation Fund introduced an electronic document control system to assist with the tracking of files, which will improve the handling of enquiries. The Fund is negotiating with large employers and medical providers regarding the electronic submission of documents. This should expedite the processing and settlement of claims. Pensioners and medical providers are already paid through electronic fund transfers if banking details are provided.

The Fund embarked on a Return on Earnings investigation in order to indicate over- and understatement by employers. A total of 127 compliance investigations were undertaken. From these, the Department recovered R1,6 million of net additional revenue and the net collection on understatements amounted to R5,4 million.

## Programme 4: Employment and skills development services

The aim of the programme is to promote and regulate the skills development strategy in terms of the Skills Development Act of 1998 and the Skills Development Levies Act of 1999, through the following subprogrammes:

- Employment services ensure the integrated implementation of the Labour Market Skills Development Programme and placement at provinces and labour centres.
- The National Skills Authority directorate ensures the effective functioning of SETAs and the National Skills Authority. The subprogramme also promotes the skills development strategy through various media.
- The Programme management unit provides effective project management resources and services for the programme as a whole.
- Indlela aims to increase access to work-based qualifications, to develop a learnership system and to render assessments at different levels and in many fields of learning.
- The Skills Development Planning Unit supports the alignment of skills development policy, strategy and plans with economic and employment growth and social development. The subprogramme also monitors performance against sectoral and provincial plans, evaluates the impact of the skills development strategy, and suggests adjustments where necessary.
- Skills development funding ensures the flow of funds from the South African Revenue Services to the National Skills Fund and SETAs. The subprogramme also ensures collection and distribution of funds by the SETAs, as well as disbursement of grants by SETAs and subsidies by the National Skills Fund.
- Training of staff funds staff training programmes and ensures availability of relevant skills for implementing the Skills Development Act and the Skills Development Levies Act.
- Administrative auxiliary services provide support services to the programme.
- The subprogramme subsidises workshops for the blind and work centres for the disabled.

## Expenditure estimates

Table 27.7: Employment and skills development services

Subprogramme	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome			2001/02	2002/03	2003/04
R thousand	1997/98	1998/99	1999/00		2000/01			
National Skills Authority	4 521	4 354	4 098		19 889	20 307	21 598	21 579
Skills development Funding	141 619	204 441	267 410		107 433	37 225	49 116	55 102
Skills Development Planning Unit	588	496	2 433		6 833	7 066	7 508	7 500
Indlela	21 543	20 879	20 801		27 920	26 005	27 660	28 678
Employment services	3 648	6 038	5 046		13 360	18 514	9 106	9 340
Programme Management Unit	–	603	945		8 742	5 774	6 087	5 988
Sheltered employment	19 186	22 276	37 826		23 770	28 448	29 725	28 245
Training of staff	551	39	89		218	1 700	1 725	1 743
Administrative auxiliary services	3 145	3 022	4 890		4 531	5 064	5 392	5 425
<b>Total</b>	<b>194 801</b>	<b>262 148</b>	<b>343 538</b>		<b>212 696</b>	<b>150 103</b>	<b>157 917</b>	<b>163 600</b>
Change to 2000 Budget Estimate					(65 065)	(36 261)	(39 461)	

### Economic classification

<b>Current</b>	<b>192 973</b>	<b>258 411</b>	<b>341 557</b>		<b>207 042</b>	<b>143 564</b>	<b>150 815</b>	<b>156 151</b>
Personnel	25 962	55 474	27 721		44 895	41 082	43 483	45 307
Transfer payments	158 042	166 238	280 779		122 674	63 213	68 697	72 954
Other	8 969	36 699	33 057		39 473	39 269	38 635	37 890
<b>Capital</b>	<b>1 828</b>	<b>3 737</b>	<b>1 981</b>		<b>5 654</b>	<b>6 539</b>	<b>7 102</b>	<b>7 449</b>
Transfer payments	–	–	–		–	–	–	–
Acquisition of capital assets	1 828	3 737	1 981		5 654	6 539	7 102	7 449
<b>Total</b>	<b>194 801</b>	<b>262 148</b>	<b>343 538</b>		<b>212 696</b>	<b>150 103</b>	<b>157 917</b>	<b>163 600</b>

Standard items of expenditure							
Personnel	25 962	55 474	27 721	44 895	41 082	43 483	45 307
Administrative	2 562	6 565	3 270	12 797	13 331	13 987	14 665
Inventories	4 489	8 268	4 294	11 720	11 805	11 870	12 392
Equipment	2 188	7 198	2 518	5 910	6 539	6 987	7 329
Land and buildings	–	1	–	780	826	895	935
Professional and special services	1 153	17 539	24 502	13 315	13 307	11 998	10 018
Transfer payments	158 042	166 238	280 779	122 674	63 213	68 697	72 954
Miscellaneous	405	865	454	605	–	–	–
<b>Total</b>	<b>194 801</b>	<b>262 148</b>	<b>343 538</b>	<b>212 696</b>	<b>150 103</b>	<b>157 917</b>	<b>163 600</b>

## Policy developments

Over the next three years, the Department intends focusing on development of a National Skills Development Plan, which incorporates sector skills plans and provincial skills plans. The *Employment and skills development services* programme will provide institutional support to SETAs and provincial skills development forums in this regard.

## Expenditure trends

The Skills Development Act of 1998 and the Skills Development Levies Act of 1999 led to programme restructuring and affected spending trends. From 2000/01, the National Skills Fund is funded by 20 per cent of collections from the skills levy and does not receive substantial on-budget transfers over the medium term. This led to a decrease in amounts allocated to the Fund from R100,5 million in 2000/01 to R29 million in 2001/02, and explains the annual average decline of 7,3 per cent in programme expenditure over the medium term.

## Outputs and service delivery trends

Table 27.8: Employment and skills development services: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Administrative auxiliary services	Skills development strategy incorporated into Government's human resources development strategy	Percentage of incorporation completed
	Skills development strategy and policy aligned with the South African Qualifications Authority, adult basic education and training, further education and training, and higher education	Percentage of learnerships and skills programmes policy, procedures and qualifications aligned with those generated and approved by the South African Qualifications Authority and the Department of Labour
Skills development planning unit	National, provincial and sector skills planning developed, monitored and evaluated	Number of national skills development strategies adopted and launched per province Number of national skills development plans adopted and percentage of Year 1 implementation achieved Percentage completion of the monitoring and evaluation system for SETAs and provinces Skills Development Information System established
	Implementation of the Workplace skills planning model and quality standard	Framework for firm-based skills development linked to grant disbursement system operational Investment in people pilot project commenced
	Sheltered employment workshops restructured	New framework for sheltered employment factories Implementation plan developed and implementation commenced
	Facilitate entry of designated groups into the labour market	Report on long-term strategy for designated groups developed and efficient advocacy for designated groups ensured

Subprogramme	Outputs	Service delivery indicators
Skills development funding	Efficient and effective financial management of subsidies from the National Skills Fund by provinces and head office, and grants to SETAs assured	Overall funding framework aligned to National Skills Development Strategy adopted by National Skills Authority SETA levy/grant system operational First measurement against baseline data implemented National Skills Fund system and procedures for disbursing funds operational
Employment services	Current employment services quality assured and new services developed to meet needs of the labour market	Number of employment services practitioners trained Number of provincial skills plans developed and updated Number of provincial implementations of Labour Market Skills Development Programme Implementation of a supportive psychometric instrument for employment services practitioners in the provinces Number of provincial debriefing sessions for counsellors involved in retrenchment counselling Number of briefing sessions held with stakeholders on the Social Plan nationally and provincially
National Skills Authority directorate	Skills development initiatives and policies coordinated within the private and public sector Promotion of the skills development strategy through various media Implementation of the national skills development strategy is monitored	Number of initiatives in private and public sector Number of skills development promotions in media Percentage of implementation of strategy finalised
Indlela	Policies and procedures for implementation of learnerships and skills programmes in place  Establish and facilitate a system to support and develop education, training and development practitioners for learnerships and skills programme Develop and implement learnerships and skills programmes for small, medium and microenterprises SETAs assisted to achieve accreditation as Education Training Quality Assurers by the South African Qualifications Authority Indlela restructured in line with Minister's vision Maintain current apprenticeship assessments and develop alignment with new Indlela vision, as per strategic plan	Percentage of policies and procedures for learnerships and skills programmes established and intermediate agencies supported Number of registrations for learnerships and skills programmes, and percentage evaluated Percentage completion of system Number of programmes developed and implemented for small, medium and microenterprises Number of SETAs accredited Strategic plan for Indlela developed and approved Implementation of strategic plan rolled out Maintain existing assessments Align assessment function with new strategic role as per strategic plan – percentage completed

The programme has effectively managed and coordinated social plan initiatives in the public and mining sectors, and established a regional clothing and textile social plan task team in KwaZulu-Natal. These initiatives are a result of Government, business and labour collaboration to mitigate the effects of large-scale retrenchments. The programme offers advice regarding alternative employment, retraining and reskilling opportunities. Over the past year, the Department contributed towards the efforts of the National Skills Authority to establish 27 SETAs. Policies and guidelines were produced to facilitate skills development.

Since February 2000, the South African Revenue Service's Skills Development Collection System has been capturing employers' details when registering for the skills development levies. As from June 2000, the employer data on the skills development levies have been transferred to the Department on a monthly basis as prescribed in the Skills Development Levies Act. The Revenue Service estimated that approximately 212 000 companies were eligible for levy payments and that they would actively participate in the levy grant scheme. To date at least 60 per cent of the above companies have registered and paid levies, and the remaining 40 per cent are still being investigated.

Skills levy revenues collected between April to August 2000 amount to R411,7 million. Of this, R290,1 million was transferred to the SETAs and R72,6 million to the National Skills Fund.

## Programme 5: Labour relations

The *Labour relations* programme aims to establish an equitable and peaceful labour relations and employment environment. Programme activities are funded under the following subprogrammes:

- Collective bargaining administers the Labour Relations Act of 1995; is responsible for the registration of trade unions, employer organisations, bargaining and statutory councils; and ensures the proper administration of the funds established by bargaining councils. The subprogramme also administers bargaining council agreements and advises the Minister on the extension of agreements to non-parties; promotes the use of bargaining councils, including assistance in respect of new councils and amalgamations; and monitors collective bargaining processes.
- Minimum standards administer the Basic Conditions of Employment Act of 1983, provide for investigations undertaken by the Employment Conditions Commission and advise the Minister on sectoral determinations. The programme also promotes improvements in conditions of employment and endeavours to restructure inspection services.
- Prevention and settlement of disputes provide financial support to the Commission for Conciliation, Mediation and Arbitration in terms of the Labour Relations Act of 1995.
- Equal opportunities administer the Employment Equity Act of 1998; disseminate Codes of Good Practice and other regulations to eliminate discrimination and promote employment equity in the workplace; monitors and analyses employment equity plans; and promotes employment equity and elimination of discrimination.
- Strengthening civil society provides funds to organisations to increase the capacity of role players in the labour market.
- Training for staff funds training programmes and ensures the availability of relevant skills for programme activities.
- Administrative auxiliary services provide support to the programme.

## Expenditure estimates

Table 27.9: Labour relations

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00	Adjusted appropriation 2000/01	2001/02	2002/03	2003/04
R thousand							
Collective bargaining	1 645	2 986	2 572	4 862	5 669	5 631	5 904
Minimum standards	3 151	2 599	4 493	4 483	5 600	5 440	5 671
Prevention and settlement of disputes <sup>1</sup>	122 951	122 249	136 683	125 000	136 616	145 740	152 539
Equal opportunities	955	1 958	3 310	7 204	7 491	8 118	9 661
Strengthening civil society	6 470	5 451	6 000	6 500	7 570	8 130	7 932
Training of staff	437	232	187	298	310	310	289
Administrative auxiliary services	2 684	2 301	3 432	1 980	2 259	2 460	2 471
Labour liaison and strategy	383	-	-	-	-	-	-
<b>Total</b>	<b>138 676</b>	<b>137 776</b>	<b>156 677</b>	<b>150 327</b>	<b>165 515</b>	<b>175 829</b>	<b>184 467</b>
Change to 2000 Budget Estimate				(62 534)	(61 725)	(64 840)	

<sup>1</sup> Includes an amount specifically and exclusively appropriated as contribution to the CCMA: R136 616 000 in 2001/02; R145 740 000 in 2002/03; R152 539 000 in 2003/04

<b>Economic classification</b>							
<b>Current</b>	<b>138 129</b>	<b>137 557</b>	<b>156 395</b>	<b>150 090</b>	<b>164 834</b>	<b>175 281</b>	<b>183 959</b>
Personnel	21 565	13 304	11 189	10 946	10 603	11 184	11 747
Transfer payments	98 964	111 403	134 000	131 500	144 186	153 870	160 471
Other	17 600	12 850	11 206	7 644	10 045	10 227	11 741
<b>Capital</b>	<b>547</b>	<b>219</b>	<b>282</b>	<b>237</b>	<b>681</b>	<b>548</b>	<b>508</b>
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	547	219	282	237	681	548	508
<b>Total</b>	<b>138 676</b>	<b>137 776</b>	<b>156 677</b>	<b>150 327</b>	<b>165 515</b>	<b>175 829</b>	<b>184 467</b>

<b>Standard items of expenditure</b>							
Personnel expenditure	21 565	13 304	11 189	10 946	10 603	11 184	11 747
Administration expenditure	2 681	1 781	2 478	3 428	1 690	1 645	1 684
Inventories	1 197	2 597	3 490	1 417	2 580	2 220	2 555
Equipment	595	219	325	237	681	548	508
Land and buildings	64	5	-	-	-	-	-
Professional and special services	13 256	7 985	5 038	2 643	5 775	6 362	7 502
Transfer payments	98 964	111 403	134 000	131 500	144 186	153 870	160 471
Miscellaneous	354	482	157	156	-	-	-
<b>Total</b>	<b>138 676</b>	<b>137 776</b>	<b>156 677</b>	<b>150 327</b>	<b>165 515</b>	<b>175 829</b>	<b>184 467</b>

## Policy developments

The Department has drafted legislative amendments in respect of the Labour Relations, Basic Conditions of Employment, and Insolvency Acts to improve the application of the Acts, align them with labour market realities, and ensure that they facilitate job creation.

Sectoral determinations in terms of the Basic Conditions of Employment Act were published for security and clothing sectors. Significant progress has been made towards sectoral determinations for the domestic, agriculture, taxi, retail and hospitality sectors, as well as towards a provident fund for the security industry.

The investigation of the feasibility of reducing hours to a 40-hour week was completed and released. It established a number of conditions for reduced working hours.

## Expenditure trends

Transfer payments account for an average of 87,2 per cent of the programme over the medium term and primarily comprise payments to the Commission for Conciliation, Mediation and Arbitration. Proposed legislative amendments may lead to a decline in contributions to the Commission in the long run.

## Outputs and service delivery trends

**Table 27.10: Labour relations: Key outputs and indicators**

<b>Subprogramme</b>	<b>Outputs</b>	<b>Service delivery indicators</b>
Collective bargaining	Amendments to Labour Relations Act and Insolvency Act	Amendments finalised, passed by Parliament and promulgated
	Efficient registration of labour organisations	Organisations registered speedily and only bona fide organisations registered
	Support for bargaining councils, including for transformation	Number of bargaining councils that introduced new systems for infrastructure, collections, benefits, enforcement, etc. Amalgamations of councils where appropriate
	Extension of agreements to non-parties	Extensions done efficiently and speedily to promote labour relations stability

Subprogramme	Outputs	Service delivery indicators
Employment standards	Amendments to Basic Conditions of Employment Act	Amendments finalised, passed by Parliament and promulgated
	Sectoral determinations	Determinations finalised in security, agriculture, domestic services, cleaning, taxi sector, civil engineering, hospitality
	Ministerial determinations	The following key ministerial determinations finalised: <ul style="list-style-type: none"> <li>• Workers on job creation schemes</li> <li>• Children in performing arts sector</li> </ul>
	Eradication of child labour	<ul style="list-style-type: none"> <li>• Comprehensive programme of action developed</li> <li>• Worst forms of child labour targeted</li> <li>• Child labour enforcement policy operational</li> <li>• Provincial structures functioning effectively</li> </ul>
Inspection and advisory services	Advocacy	Number of information sessions and publications about laws
	Training of stakeholders	Percentage of improved compliance with laws
Mediation and arbitration	Effective and efficient system of dispute resolution and prevention	70 per cent settlement rate
	Building of effective institutions to resolve and prevent disputes	100 per cent of conciliation conducted within 30 days of referral Four cases to be conciliated per commissioner per day Two cases to be arbitrated per commissioner per day 65 per cent of total referrals to be screened out is due to non-jurisdictional reasons
Employment equity	Employment Equity Registry	Accreditation of bargaining councils and private agencies Registry established and consolidated
	Analysis of Employment Equity Reports	Comprehensive analysis published First report on income differentials published
	Effective implementation of Employment Equity Act	Enforcement strategy and procedures in place and Act is effectively enforced Organs of government designated Section 53 promulgated Training and advocacy programme in place
	Development of Codes of Good Practice	Codes of Good Practice on disability and best practice employment equity policies and practices finalised
Strengthening civil society	Funding civil society organisations to improve capacity of trade unions and employer organisations	All funds allocated, spent within agreed time All funds properly accounted for Value for money achieved through funds

A survey on the activities of young people was conducted by Statistics South Africa in cooperation with the International Programme for the Elimination of Child Labour, which is part of the International Labour Organisation. The Department assisted in the establishment of provincial structures of child labour intersectoral groups.

In 1999, there were 499 registered unions, 3 359 497 members, 260 employers' organisations and 78 bargaining councils (private sector, 73 and public sector five). Twenty-nine new bargaining council collective agreements and 34 amending agreements were published. Private sector bargaining councils together administered 86 collective agreements, of which 13 were "parties only" agreements. Of the 13 212 disputes referred to bargaining councils, 3 625 were settled. Where councils were not yet accredited, unresolved disputes were referred to the Commission for Conciliation, Mediation and Arbitration or were settled by the parties themselves.

The Commission improved its settlement rate in respect of conciliation to 80 per cent of all cases heard since its inception. The average number of referrals per day between April and October 2000 was 404. The number of cases conciliated within the statutory time-frames was 99,09 per cent, and 111 arbitrations occur on average per day. A further R6,5 million was disbursed to strengthen civil society through the Strengthening Civil Society Fund. Organisations that received funding included Ditsela, labour service organisations and advice offices.

## Programme 6: Labour policy

The aim of the *Labour policy* programme is to research and develop labour policies, and provide statistical information on the labour market. The following subprogrammes address the various policy and research activities:

- Research policy and planning analyses and evaluates labour market conditions, determines labour market intervention needs, develops labour market policies and manages contract research.
- The Library services subprogramme provides supporting library services to the programme.
- Labour market statistics liaises with institutions compiling labour market statistics, and collects, processes and provides labour market statistics.
- The Publications subprogramme is responsible for the printing and dissemination of research reports, seminar papers and policy documents.
- Promotion of productivity provides financial assistance to the National Productivity Institute.
- Training for staff funds training programmes and ensures the availability of relevant skills for programme activities.
- Administrative auxiliary services provide support services to the programme.

### Expenditure estimates

Table 27.11: Labour policy

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand				2000/01			
Research policy and planning	881	2 155	1 266	2 195	1 860	1 996	2 133
Library services	102	19	236	398	571	665	718
Labour market statistics	265	676	742	1 428	1 597	1 747	1 841
Publications	14	64	3	249	115	127	140
Promotions of productivity <sup>1</sup>	10 000	18 000	20 440	19 275	20 499	20 961	21 834
Training of staff	14	20	10	79	106	135	85
Administration auxiliary services	961	1 239	702	846	1 189	1 274	1 349
<b>Total</b>	<b>12 237</b>	<b>22 173</b>	<b>23 399</b>	<b>24 470</b>	<b>25 937</b>	<b>26 905</b>	<b>28 100</b>
Change to 2000 Budget Estimate				(8 838)	(9 396)	(10 516)	

<sup>1</sup> Includes an amount specifically and exclusively appropriated as contribution to the National Productivity Institute: R20 499 000 in 2001/02;

R20 961 000 in 2002/03; R21 834 000 in 2003/04

#### Economic classification

<b>Current</b>	<b>12 221</b>	<b>22 046</b>	<b>23 332</b>	<b>24 375</b>	<b>25 722</b>	<b>26 648</b>	<b>27 844</b>
Personnel	1 364	2 172	2 236	1 673	3 038	3 226	3 282
Transfer payments	10 000	18 000	20 440	19 275	20 499	20 961	21 834
Other	857	1 874	656	3 427	2 185	2 461	2 728
<b>Capital</b>	<b>16</b>	<b>127</b>	<b>67</b>	<b>95</b>	<b>215</b>	<b>257</b>	<b>256</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	16	127	67	95	215	257	256
<b>Total</b>	<b>12 237</b>	<b>22 173</b>	<b>23 399</b>	<b>24 470</b>	<b>25 937</b>	<b>26 905</b>	<b>28 100</b>



Standard items of expenditure								
Personnel	1 364	2 172	2 236	1 673	3 038	3 226	3 282	
Administration	275	295	257	412	875	569	681	
Inventories	188	124	195	163	378	486	406	
Equipment	23	150	95	162	215	257	256	
Land and buildings	–	–	4	10	25	32	38	
Professional and special services	371	1 406	148	2 747	907	1 374	1 603	
Transfer payments	10 000	18 000	20 440	19 275	20 499	20 961	21 834	
Miscellaneous	16	26	24	28	–	–	–	
<b>Total</b>	<b>12 237</b>	<b>22 173</b>	<b>23 399</b>	<b>24 470</b>	<b>25 937</b>	<b>26 905</b>	<b>28 100</b>	

## Policy developments

*Labour market policy* is a new programme on the Vote, and focuses on Research policy and planning and Labour market information and statistics. The Department established labour market information statistics and planning units at provincial level in order to decentralise data collection activities and improve understanding of labour market performance across the country.

## Expenditure trends

*Labour market policy* grows by an average of 4,7 per cent over the medium term, against 26 per cent over the previous three years. High growth in the previous period was largely related to initial research and database set-up, particularly in the Labour market statistics and Publications subprogrammes.

## Outputs and service delivery trends

Table 27.12: Labour policy: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Research policy planning	Research on vulnerable workers monitors the performance of the Basic Conditions of Employment Act and sets standards for the development of wage and income policies	Production of at least 18 policy research papers
Library services	Up-to-date and relevant material on labour-related issues made available to ensure that the daily needs of the various programmes within the Department are met	Information on labour issues through books, journals, reports etc
Labour market statistics	Statistical database on labour statistics and publications	At least four databases will be maintained within the programme (strikes, retrenchments, job seekers and external statistics)
Publications	Quarterly and annual publications produced	Four reports on strikes to monitor labour relations climate Four reports on job seekers and Unemployment Insurance Fund statistics to monitor unemployment trends An annual report on retrenchment to monitor workers' displacement Four quarterly reports on the Bulletin of Economic Indicators to monitor the performance of the economy At least four statistical publications on issues
Training of staff	Training and capacity building for enhancing the research and statistical skills of <i>Labour policy</i> staff Workshops for strategic planning, to the new Labour market information, Statistics and Programme Units	Five local training courses for all <i>Labour policy</i> staff and one international course Three workshops (two internal and one external) Twelve research seminars in the country Five local training courses for staff and one international course Three workshops (two internal and one external) Twelve research seminars
Promotion of productivity	Contribution to the National Productivity Institute	Number of research papers on productivity issues in the economy and provision of relevant information and statistics on productivity

The *Labour policy* programme has engaged in extensive policy research and analysis over the past year. Policy research papers cover flexible labour practices in the retail industry; the Commission for Conciliation, Mediation and Arbitration; the impact of migration of the labour market; and labour market demand and supply. Statistical databases capture industrial action information, including reasons for industrial action, number of work days lost, number of workers involved in industrial action, and value of wages lost through industrial action.

## Programme 7: Service delivery

The programme aims to enforce the various labour laws and provide a one-stop service through the establishment of business units in the provincial offices of the Department. The programme comprises the following subprogrammes:

- Management support services are responsible for the overall management and related support of the programme.
- Beneficiary services support unemployed people and people injured on duty, in accordance with the Unemployment Insurance Act and the Compensation for Occupational Injuries and Diseases Act, by administering applications, processing these and finalising payments.
- Employment and skills development services facilitate access to employment and income-generating opportunities for the un- and underemployed.
- Inspection and enforcement services ensure that employers, employees and the unemployed comply with the relevant labour laws by regular inspections and lower enforcements.
- Labour market information and statistics monitor developments on the labour market through analysis of legislative impact, job creation, internal capacity and partnership formation.

## Expenditure estimates

Table 27.13: Service delivery

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Management support service	56 402	59 668	68 439	77 012	79 220	87 002	94 100
Beneficiary services <sup>1</sup>	-	-	-	-	1	1	1
Employment and skills development services	80 730	52 453	50 409	68 004	65 762	69 848	72 257
Inspection and enforcement services	55 753	64 523	71 687	101 637	97 328	103 287	106 006
Labour market information and statistics	-	-	65	9 137	14 356	14 115	15 295
<b>Total</b>	<b>192 885</b>	<b>176 644</b>	<b>190 600</b>	<b>255 790</b>	<b>256 667</b>	<b>274 253</b>	<b>287 659</b>
Change to 2000 Budget Estimate				255 790	256 667	274 253	
<i>1 Unemployment Insurance Fund and Compensation Commissioner</i>							
<b>Economic classification</b>							
Current	189 346	172 770	185 954	246 091	243 946	261 493	273 402
Personnel	155 332	139 140	142 836	189 523	187 022	197 608	205 950
Transfer payments	-	-	-	-	-	-	-
Other	34 014	33 630	43 118	56 568	56 924	63 885	67 452
<b>Capital</b>	<b>3 539</b>	<b>3 874</b>	<b>4 646</b>	<b>9 699</b>	<b>12 721</b>	<b>12 760</b>	<b>14 257</b>
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	3 539	3 874	4 646	9 699	12 721	12 760	14 257
<b>Total</b>	<b>192 885</b>	<b>176 644</b>	<b>190 600</b>	<b>255 790</b>	<b>256 667</b>	<b>274 253</b>	<b>287 659</b>

**Standard items of expenditure**

Personnel	155 332	139 140	142 836	189 523	187 022	197 608	205 950
Administrative	20 596	22 252	29 080	29 516	34 563	38 552	42 792
Inventories	3 888	2 619	4 680	4 772	6 384	6 881	7 665
Equipment	3 539	3 874	4 646	9 684	12 721	12 760	14 257
Land and buildings	7	9	2	530	55	1 978	62
Professional and special services	7 154	6 414	6 973	17 624	15 922	16 474	16 933
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	2 369	2 336	2 383	4 141	-	-	-
<b>Total</b>	<b>192 885</b>	<b>176 644</b>	<b>190 600</b>	<b>255 790</b>	<b>256 667</b>	<b>274 253</b>	<b>287 659</b>

**Policy developments**

*Service delivery* is a new programme, which provides for the establishment of one-stop service business units and delivery centres in each regional office in the provinces, as part of the Department's decentralisation process.

**Expenditure trends**

The programme is projected to grow by an average of 13,2 per cent a year over the next three years as the Department gives effect to its decentralisation and improvement of services programme.

**Outputs and service delivery trends****Table 27.14: Service delivery: Key outputs and indicators**

Subprogramme	Outputs	Service delivery indicators
Beneficiary service	Administer Compensation for Occupational Injuries and Diseases Act and Unemployment Insurance Fund applications	All Compensation for Occupational Injuries and Diseases Act applications sent to Compensation Commissioner for processing within a week of receipt
	Handle queries and appeals regarding Unemployment Insurance Fund applications	All Unemployment Fund applications processed within six weeks
	Manage Unemployment Insurance Fund fraud prevention and recoveries	Prevent fraud and recover money on old fraud cases
Employment and skills development services	Provide strategic direction and recommendations on skills development training projects to the Selection Committee	Number of trained unemployed persons starting to be self-sufficient, employers or successful employees
	Place unemployed persons and train them into the correct employment	
Inspection and enforcement services	Provide integrated inspection and enforcement services	Percentage of employers and employees who comply with the various labour Acts
	Exercise overall control of inspections and enforcement in accordance with all the labour Acts to ensure a safe and secure working environment	
Labour market information and statistics	Compile and disseminate labour market information and statistics	Number of statistical reports Number of research projects
	Conduct research projects	
	Assist with strategic planning for programmes	

The programme has assisted provincial labour offices in delivering improved management and support services. In particular, 75 per cent of all the applications for the payment of benefits from the Unemployment Insurance Fund were processed within four weeks of receipt. All applications for benefits from the Compensation Fund were forwarded, on receipt, to the Compensation Commissioner for processing.

## Programme 8: Auxiliary and associated services

The programme aims to provide auxiliary services and services associated with the Department's aims. Subprogrammes include:

- The Nedlac subprogramme provides for contributions to Nedlac, a body that promotes economic growth, participation in economic decision-making and social equity by seeking consensus and agreements on social and economic policy.
- The International labour matters subprogramme interacts with international organisations relevant to labour relations; ratifies, monitors and reports on international labour conventions; and maintains and supports essential labour attachés.
- Sectoral education and training provides for contributions in respect of skills levies to the Public Service SETA (PSETA).

### Expenditure estimates

Table 27.15: Auxiliary and associated services

Subprogramme	Expenditure outcome			Adjusted appropriation 2000/01	Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		2001/02	2002/03	2003/04
R thousand							
Government motor transport	2 494	1 862	1 828	2	–	–	–
Nedlac <sup>1</sup>	6 585	6 491	6 500	6 730	6 396	7 366	7 673
International labour matters	9 455	8 946	7 866	8 659	7 061	7 151	7 214
Sectoral education and training	–	–	–	1	1	1	1
Comprehensive labour market policy	3	–	–	–	–	–	–
In-service training	30	–	–	–	–	–	–
Authorised losses	–	27	249	–	–	–	–
<b>Total</b>	<b>18 567</b>	<b>17 326</b>	<b>16 443</b>	<b>15 392</b>	<b>13 458</b>	<b>14 518</b>	<b>14 888</b>
Change to 2000 Budget Estimate				141	(3 169)	(3 092)	

<sup>1</sup> Includes an amount specifically and exclusively appropriated as contribution to Nedlac: R6 396 000 in 2001/02; R7 366 000 in 2002/03; R7 673 000 in 2003/04.

#### Economic classification

<b>Current</b>	<b>17 879</b>	<b>15 464</b>	<b>16 443</b>	<b>15 344</b>	<b>13 399</b>	<b>14 457</b>	<b>14 825</b>
Personnel	1 272	1 559	1 395	944	945	1 001	1 046
Transfer payments	6 585	6 491	6 500	6 731	6 397	7 367	7 674
Other	10 022	7 414	8 548	7 669	6 057	6 089	6 105
<b>Capital</b>	<b>688</b>	<b>1 862</b>	<b>–</b>	<b>48</b>	<b>59</b>	<b>61</b>	<b>63</b>
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	688	1 862	–	48	59	61	63
<b>Total</b>	<b>18 567</b>	<b>17 326</b>	<b>16 443</b>	<b>15 392</b>	<b>13 458</b>	<b>14 518</b>	<b>14 888</b>

#### Standard items of expenditure

Personnel	1 272	1 559	1 395	944	945	1 000	1 045
Administrative	7 941	6 454	6 058	5 879	5 899	5 924	5 933
Inventories	5	98	6	61	64	67	70
Equipment	2 567	2 018	1 837	58	59	61	63
Land and buildings	–	–	–	–	–	–	–
Professional and special services	187	574	379	1 673	94	99	103
Transfer payments	6 585	6 491	6 500	6 731	6 397	7 367	7 674
Miscellaneous	10	132	268	46	–	–	–
<b>Total</b>	<b>18 567</b>	<b>17 326</b>	<b>16 443</b>	<b>15 392</b>	<b>13 458</b>	<b>14 518</b>	<b>14 888</b>

## Policy developments

South Africa is a member of the International Labour Organisation's Governing Body and has been elected by the Africa Group to coordinate its activities at the Organisation. At regional level, South Africa was party to the adoption of the Code on the Safe Use of Chemicals, which is to be implemented and reported on in all SADC countries. Since rejoining the International Labour Organisation in 1994, South Africa has embarked on a process of ratifying all of its core labour standards, including freedom of association at the workplace, prohibition of forced labour, and a minimum age for employment.

## Expenditure trends

Expenditure on *Auxiliary and associated services* declines by an average of 3,6 per cent a year between 1997/98 and 2003/04. This largely reflects lower spending on the International labour matters subprogramme, which decreases by an average of 4,4 per cent over the period.

## Outputs and service delivery trends

Table 27.16: Auxiliary and associated services: Key outputs and indicators

Subprogramme	Outputs	Service delivery indicators
Nedlac	Transfer payment to Nedlac	
	Engage business, labour, the community and Government in negotiations that deliver formal, consensus-based agreements	Number of agreements concluded
	Set up processes to resolve disputes in terms of the Labour Relations Act	Percentage finalisation of processes
	Conduct research and investigations to stay abreast of local and international developments in social and economic policy	Number of research reports presented
International labour matters	Conduct dealings with international labour organisations, international conventions	Number of memberships and international conventions
	Maintain labour attachés and other relevant liaison	Number of labour attachés

## Public entities reporting to the Minister responsible for Labour

### National Skills Authority

The National Skills Authority has contributed towards establishing the 25 SETAs, which are funded by a direct charge against the National Revenue Fund. The Skills Development Levy is collected by the South African Revenue Service and is received as revenue in the National Revenue Fund. A statutory allocation is made to the Department of Labour, which allocates 20 per cent of collected levies to the National Skills Fund and the remaining 80 per cent to the specific Sector Education Training Authority. The total revenue for skills levies is estimated at R1,3 billion in 2000/01 and will increase to R2,8 billion in 2001/02, R3 billion in 2002/03 and R3,2 billion in 2003/04. A comprehensive list of SETAs is included in Table 27.12 in the Annexure. The SETAs are responsible for:

- Developing sector skills plans within the framework of the national skills development strategy
- Implementing sector skills plans through establishing learnerships
- Approving workplace skills plans
- Allocating grants in the prescribed manner to employers, workers, and education and training providers
- Monitoring education and training in the sector
- Promoting learnerships by identifying workplaces for practical work experience and registering learnerships

- Collecting and disbursing the skills development levies in its sector
- Liaising with the National Skills Authority on the national skills development policy, the national skills development strategy and its sector skills plan
- Liaising with the *Employment services* programme and any education body established under law to improve information flows between education and training providers and the labour market, and to provide information on employment opportunities

### **Commission for Conciliation, Mediation and Arbitration**

The Commission is a statutory body established in terms of the Labour Relations Act to provide conciliation and arbitration services in case of disputes. The Commission also accredits other bodies, such as bargaining councils, to provide similar services. Key priorities over the next period are to provide expedited, integrated, simple and high-quality dispute resolution services, dispute prevention and management services, and to enhance the capacity of the bargaining councils and other such institutions. From April to October 2000, the Commission had 58 640 referrals and a settlement rate of 73 per cent. Ninety nine per cent of cases were settled within the 30-day period required by statute. There was an average of 404 referrals and 111 arbitrations each day. Transfers to the Commission amounted to R125 million in 2000/01, and increase to R136,6 million in 2001/02, R145,7 million in 2002/03 and R152,5 million in 2003/04.

### **National Productivity Institute**

The National Productivity Institute is a statutory body partially funded from the *Labour policy* programme. The Institute undertakes research that contributes to productivity improvement. Transfers to the Institute amount to R19,3 million in 2000/01 and rise to R21,8 million in 2003/04. The Institute has been restructured to enable it to play a role in economic transformation. A Social Plan Productivity Advisory Council and a Board of Directors have been appointed to reflect the interests of labour, business and Government – the three main social partners. The organisation has been actively involved in the Workplace Challenge initiative with Nedlac and in the implementation of the Social Plan Agreement that arose out of the Jobs Summit.

### **National Economic, Development and Labour Council (Nedlac)**

Nedlac's aim is to build socio-political consensus by increasing participation in decision-making on labour and socio-economic matters in order to enhance consensus. The Council considers proposed legislation and significant changes to social and economic policy before these are introduced to Parliament. It consists of four separate chambers, for the labour market, trade and industry, public finance and monetary policy, and development. The Chambers report to a management committee, which is overseen by an executive council and an annual National Summit. Nedlac receives funding for its core activities from the Department of Labour. Contributions for 2000/01 amount to R6,7 million. Transfers decline to R6,4 million in 2001/02, then increase to R7,4 million in 2002/03 and R7,7 million in 2003/04.

### **Unemployment Insurance Fund**

The Unemployment Insurance Fund provides short-term income replacement in case of unemployment, short-term sickness, maternity, death or the adoption of a child. Benefits are only available to people who have contributed to the Fund. It is funded from a dedicated tax on the salary bill, with employers and employees both contributing 1 per cent of wage earnings. Currently all employees earning R88 920 or less are required to contribute to the fund and are covered by its provisions. However, this excludes government employees, seasonal workers, informal sector employees and domestic workers. The total benefits paid out for 2000 amount to R2,9 billion, of

which R2,4 billion is in respect of unemployment, R102,9 million for illness, R253,3 million for maternity, R252 000 for adoption and R135,9 million for death benefits payable to dependants.

Benefit duration depends on the individual's contributions record but is for a maximum of six months. Benefits are paid at 40 per cent of gross earnings in previous employment. The contribution of the Department is limited to an annual R7 million for administrative expenses. The Department is reimbursed for any administrative expenditure it incurs on behalf of the Fund in excess of this amount.

Because of continuing financial deficits, opportunities for the restructuring of the Fund have been investigated over the last four years. The Minister of Labour will table legislation this year to strengthen the administration of the Fund, target benefits more effectively at the poor, and extend the coverage of the scheme. The contribution to the Fund for 2000/01 to 2003/04 amounts to R7 million per year as prescribed by the Unemployment Insurance Fund Act.

### **Compensation Fund**

The Compensation Fund has been established in terms of the Compensation for Occupational Injuries and Diseases Act of 1993. The Fund provides compensation for disability resulting from occupational injuries, diseases, or death of employees in the course of their employment. The Fund is financed from levies on employers. The Department contributes to the Fund for medical costs in respect of injuries and diseases sustained by government officials while on duty.

**Annexure: Vote 27: Labour**

Table 27.17: Summary of expenditure trends and estimates per programme

Table 27.18: Summary of expenditure trends and estimates per economic classification

Table 27.19: Summary of expenditure trends and estimates per standard item

Table 27.20: Summary of transfers and subsidies per programme

Table 27.21: Summary of personnel numbers and costs

Table 27.22: Summary of expenditure on training

Table 27.23: Summary of conditional grants

Table 27.24: Summary budget for SETAs

Table 27.25: Summary Compensation Fund



Table 27.17: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium term expenditure estimate				
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		Rollovers from 1999/00	Other adjustment 2000/01	Adjusted appropriation		Current	Capital 2001/02	Total	2002/03	2003/04
R thousand													
Administration	59 533	97 578	111 330	78 130	16 376	3 074	97 580	92 480	102 847	45 965	148 812	173 942	195 110
Occupational health and safety of persons	2 728	2 904	3 047	3 473	-	-	3 473	3 473	18 914	136	19 050	22 235	25 557
Social insurance	14 931	13 739	20 514	21 408	-	200	21 608	21 608	22 111	-	22 111	22 836	23 469
Employment and skills development services	194 801	262 148	343 538	206 222	2 760	3 714	212 696	205 096	143 564	6 539	150 103	157 917	163 600
Labour relations	138 676	137 776	156 677	150 327	-	-	150 327	148 827	164 834	681	165 515	175 829	184 467
Labour policy	12 237	22 173	23 399	24 171	-	299	24 470	24 470	25 722	215	25 937	26 905	28 100
Service delivery	192 885	176 644	190 600	253 226	-	2 564	255 790	198 290	243 946	12 721	256 667	274 253	287 659
Auxiliary and associated services	18 567	17 326	16 443	15 251	-	141	15 392	12 392	13 399	59	13 458	14 518	14 888
<b>Subtotal</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>752 208</b>	<b>19 136</b>	<b>9 992</b>	<b>781 336</b>	<b>706 636</b>	<b>735 337</b>	<b>66 316</b>	<b>801 653</b>	<b>868 435</b>	<b>922 850</b>
<b>Direct charge to the National Revenue Fund</b>	-	-	-	<b>1 400 000</b>	-	-	<b>1 400 000</b>	<b>970 000</b>	<b>2 800 000</b>	-	<b>2 800 000</b>	<b>3 000 000</b>	<b>3 200 000</b>
Sectoral Education and Training Authorities	-	-	-	1 120 000	-	-	1 120 000	776 000	2 240 000	-	2 240 000	2 400 000	2 560 000
National Skills Fund	-	-	-	280 000	-	-	280 000	194 000	560 000	-	560 000	600 000	640 000
<b>Total</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>2 152 208</b>	<b>19 136</b>	<b>9 992</b>	<b>2 181 336</b>	<b>1 676 636</b>	<b>3 535 337</b>	<b>66 316</b>	<b>3 601 653</b>	<b>3 868 435</b>	<b>4 122 850</b>
Change to 2000 Budget Estimate	-	-	-	-	-	-	1 384	(503 316)	-	-	(120 365)	(95 683)	-

Table 27.18: Summary of expenditure trends and estimates per economic classification

R thousand	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers	Other	Adjusted		Current	Capital	Total	2002/03	2003/04
	1997/98	1998/99	1999/00		from 1999/00	adjustments	appropriation		2001/02				
						2000/01							
<b>Current</b>	<b>621 439</b>	<b>697 292</b>	<b>817 181</b>	<b>727 185</b>	<b>2 760</b>	<b>8 636</b>	<b>738 581</b>	<b>673 881</b>	<b>735 337</b>	<b>-</b>	<b>735 337</b>	<b>795 258</b>	<b>844 888</b>
Personnel	232 382	240 192	212 669	299 363	-	(20 037)	279 326	239 626	299 894	-	299 894	316 716	332 864
Salaries and wages	159 845	172 867	147 452	299 363	-	(20 037)	279 326	239 626	299 894	-	299 894	316 716	332 864
Other	72 537	67 325	65 217	-	-	-	-	-	-	-	-	-	-
Transfer payments	280 591	309 132	448 719	285 620	1 060	500	287 180	287 180	241 295	-	241 295	257 895	269 933
Subsidies to business enterprises	273 591	302 132	441 719	178 619	1 060	-	179 679	179 679	198 226	-	198 226	210 534	216 731
Other levels of Government	-	-	-	-	-	-	-	-	-	-	-	-	-
Social security funds	7 000	7 000	7 000	7 000	-	-	7 000	7 000	14 068	-	14 068	7 000	7 000
Universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
Extra-budgetary institutions	-	-	-	100 001	-	500	100 501	100 501	29 001	-	29 001	40 361	46 202
Provincial government	-	-	-	-	-	-	-	-	-	-	-	-	-
Local government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current expenditure	108 466	147 968	155 793	142 202	1 700	34 081	177 983	152 983	194 148	-	194 148	220 647	242 091
<b>Capital</b>	<b>12 919</b>	<b>32 996</b>	<b>48 367</b>	<b>25 023</b>	<b>16 376</b>	<b>1 356</b>	<b>42 755</b>	<b>32 755</b>	<b>-</b>	<b>66 316</b>	<b>66 316</b>	<b>73 177</b>	<b>77 962</b>
Transfer payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable capital	11 174	26 719	43 658	24 542	7 122	1 356	33 020	23 020	-	37 103	37 103	42 807	46 225
Motor vehicles (transport)	688	3 301	-	1	-	-	1	1	-	-	-	-	-
Equipment – Computers	5 429	17 636	37 583	14 901	7 122	1 356	23 379	13 379	-	896	896	805	764
Equipment – Other office equipment	5 009	5 628	6 075	9 640	-	-	9 640	9 640	-	36 207	36 207	42 002	45 461
Other	48	154	-	-	-	-	-	-	-	-	-	-	-
Fixed capital	1 745	6 277	4 709	481	9 254	-	9 735	9 735	-	29 213	29 213	30 370	31 737
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1 745	6 277	4 709	481	9 254	-	9 735	9 735	-	29 213	29 213	30 370	31 737
<b>Subtotal</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>752 208</b>	<b>19 136</b>	<b>9 992</b>	<b>781 336</b>	<b>706 636</b>	<b>735 337</b>	<b>66 316</b>	<b>801 653</b>	<b>868 435</b>	<b>922 850</b>
Direct charge to the National Revenue Fund	-	-	-	1 400 000	-	-	1 400 000	970 000	2 800 000	-	2 800 000	3 000 000	3 200 000
Sectoral Education and Training Authorities	-	-	-	1 120 000	-	-	1 120 000	776 000	2 240 000	-	2 240 000	2 400 000	2 560 000
National Skills Fund	-	-	-	280 000	-	-	280 000	194 000	560 000	-	560 000	600 000	640 000
<b>Total</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>2 152 208</b>	<b>19 136</b>	<b>9 992</b>	<b>2 181 336</b>	<b>1 676 636</b>	<b>3 535 337</b>	<b>66 316</b>	<b>3 601 653</b>	<b>3 868 435</b>	<b>4 122 850</b>

Table 27.19: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium term expenditure estimate				
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00		Rollovers from 1999/00	Other adjustments	Adjusted appropriation		Current	Capital	Total	2002/03	2003/04
R thousand													
Personnel	232 382	240 192	212 669	299 363	-	(20 037)	279 326	239 626	299 894	-	299 894	316 715	332 863
Administrative expenditure	43 169	47 336	51 978	59 766	100	3 528	63 394	60 394	77 879	-	77 879	87 404	96 207
Inventories	12 400	16 851	17 379	19 381	1 200	269	20 850	15 850	35 389	-	35 389	36 154	38 203
Equipment	13 467	30 669	46 103	24 788	7 122	1 428	33 338	18 338	-	37 103	37 103	42 692	46 105
Land and buildings	1 816	6 292	4 740	1 783	9 254	18	11 055	11 055	8 976	29 213	38 189	44 867	46 933
Professional and special services	39 097	68 758	66 743	41 380	400	24 007	65 787	53 787	56 795	-	56 795	66 874	76 139
Transfer payments	280 591	309 132	448 719	285 620	1 060	500	287 180	287 180	241 295	-	241 295	257 895	269 933
Miscellaneous	11 436	11 058	17 217	20 127	-	279	20 406	20 406	15 109	-	15 109	15 834	16 467
<b>Subtotal</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>752 208</b>	<b>19 136</b>	<b>9 992</b>	<b>781 336</b>	<b>706 636</b>	<b>735 337</b>	<b>66 316</b>	<b>801 653</b>	<b>868 435</b>	<b>922 850</b>
Direct charge to the National Revenue Fund	-	-	-	1 400 000	-	-	1 400 000	970 000	2 800 000	-	2 800 000	3 000 000	3 200 000
Sectoral Education and Training Authorities	-	-	-	1 120 000	-	-	1 120 000	776 000	2 240 000	-	2 240 000	2 400 000	2 560 000
National Skills Fund	-	-	-	280 000	-	-	280 000	194 000	560 000	-	560 000	600 000	640 000
<b>Total</b>	<b>634 358</b>	<b>730 288</b>	<b>865 548</b>	<b>2 152 208</b>	<b>19 136</b>	<b>9 992</b>	<b>2 181 336</b>	<b>1 676 636</b>	<b>3 535 337</b>	<b>66 316</b>	<b>3 601 653</b>	<b>3 868 435</b>	<b>4 122 850</b>

Table 27.20: Summary of transfers and subsidies per programme

	Expenditure outcome			Main appropriation	Adjustments Appropriation			Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 1999/00	Other adjustments	Adjusted appropriation	Current	Capital	Total		
	1997/98	1998/99	1999/00	2000/01				2001/02		2002/03	2003/04	
R thousand												
<b>Administration</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Occupational health and safety of persons</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Social insurance</b>	7 000	7 000	7 000	7 000	-	-	7 000	7 000	-	7 000	7 000	7 000
Unemployment Insurance Fund	7 000	7 000	7 000	7 000	-	-	7 000	7 000	-	7 000	7 000	7 000
<b>Employment and skills development services</b>	158 042	166 238	280 779	121 114	1 060	500	122 674	63 213	-	63 213	68 697	72 954
Skills development fund:	139 605	144 683	243 754	100 000	-	500	100 500	29000	-	29 000	40 360	46 201
National Skills Fund	139 605	144 683	243 754	100 000	-	500	100 500	29000	-	29 000	40 360	46 201
Skills Development Planning Unit	199	285	203	369	-	-	369	474	-	474	495	468
SA National Council for the Blind	68	112	112	150	-	-	150	193	-	193	201	190
DEAFSA	49	53	56	100	-	-	100	128	-	128	134	127
National Council for the Physically Disabled	82	120	35	119	-	-	119	153	-	153	160	151
Sheltered employment	18 238	21 270	36 822	20 745	1 060	-	21 805	26 671	-	26 671	27 842	26 285
Subsidising workshops for the blind	3 828	4 016	4 383	4 445	-	-	4 445	5 715	-	5 715	5 966	5 632
Subsidising workcentres for the disabled	14 410	17 254	32 439	16 300	1 060	-	17 360	20 956	-	20 956	21 876	20 653
Employment services: Social plan technical support facility	-	-	-	-	-	-	-	7 068	-	7 068	-	-
<b>Labour relations</b>	98 964	111 403	134 000	131 500	-	-	131 500	144 186	-	144 186	153 870	160 471
Prevention and settlement of disputes: Commission for Conciliation, Mediation and Arbitration	92 494	105 952	128 000	125 000	-	-	125 000	136 616	-	136 616	145 740	152 539
Strengthening civil society: Ditsela	6 470	5 451	6 000	6 500	-	-	6 500	7 570	-	7 570	8 130	7 932
<b>Labour policy</b>	10 000	18 000	20 440	6 500	-	-	19 275	20 499	-	20 499	20 961	21 834
Promotion of productivity: National Productivity Institute	10 000	18 000	20 440	19 275	-	-	19 275	20 499	-	20 499	20 961	21 834
<b>Service delivery</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Auxiliary and associated services</b>	6 585	6 491	6 500	-	-	-	6 731	6 397	-	6 397	7 367	7 674
Nedlac	6 585	6 491	6 500	-	-	-	6 730	6 396	-	6 396	7 366	7 673
Sectoral education and training: PSETA	-	-	-	-	-	-	1	1	-	1	1	1
<b>Total</b>	280 591	309 132	448 719	285 620	1 060	500	287 180	241 295	-	241 295	257 895	269 933
Change to 2000 Budget Estimate							1 561			1 561	(58 215)	

**Table 27.21: Summary of personnel numbers and costs<sup>1</sup>**

<b>Personnel numbers</b>	<b>1997/98</b>	<b>1998/99</b>	<b>1999/00</b>	<b>2000/01</b>	<b>2001/02</b>
Administration	353	302	314	348	348
Occupational health and safety of persons	23	15	13	27	27
Social insurance	-	-	-	-	-
Employment and skills development services	363	616	331	507	507
Labour relations	302	148	134	134	134
Labour policy	19	24	27	35	35
Service delivery	2 172	1 545	1 707	2 289	2 289
Auxiliary and associated services	18	17	17	11	11
<b>Total</b>	<b>3 250</b>	<b>2 667</b>	<b>2 542</b>	<b>3 351</b>	<b>3 351</b>
Total personnel cost (R thousand)	232 382	240 192	212 669	279 326	299 894
Unit cost (R thousand)	71,5	90,1	83,7	83,4	89,5

<sup>1</sup> Full-time equivalent

**Table 27.22: Summary of expenditure on training**

	Preliminary outcome	Adjusted appropriation	Medium-term expenditure estimate		
	1999/00	2000/01	2001/02	2002/03	2003/04
R thousand					
Administration	325	708	1 215	1 272	1 386
Occupational health and safety of persons	634	874	2 160	1 076	2 193
Social insurance	-	-	-	-	-
Employment and skills development services	89	522	1 500	1 525	1 543
Labour relations	187	750	310	310	289
Labour policy	10	79	106	135	85
Service delivery	2 623	2 694	2 045	2 161	2 253
Auxiliary and associated services	-	-	20	20	20
<b>Total</b>	<b>3 868</b>	<b>5 627</b>	<b>7 356</b>	<b>6 499</b>	<b>7 769</b>

**Table 27.23: Summary of conditional grants**

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited 1997/98	Audited 1998/99	Preliminary outcome 1999/00	Adjusted appropriation 2000/01	Revised estimate	2001/02	2002/03	2003/04
R thousand								
<b>Employment and skills development services</b>								
Fund training centres in former Bophuthatswana	-	51 733	56 021	-	-	-	-	-
Free State	-	8 013	9 085	-	-	-	-	-
North West	-	43 720	46 936	-	-	-	-	-
<b>Total</b>	-	51 733	56 021	-	-	-	-	-

Table 27.24: Summary of budget for SETAs

R thousand	Projected Levy income for year 2	10 per cent operations cost: financial year April 2001-March 2002	Other income Year 2	Sources of other income	10 per cent + other income	Projected operational expenditure	Surplus/ deficit: operations income vs expenditure	Portion of 30 per cent costs rolled over from year 1
Financial and Accounting Services	130 260	13 026	118	Education, Training and Qualification Authorities charges, interest	131 143	8 899	19	5 570
Banking Sector Education and Training Authority	175 750	17 575	16	Interest	17 591	13 494	(288)	4 621
Chemical Industries	93 500	9 300	-	-	9 300	7 600	-	3 340
Clothing, Textiles, Footwear and Leather	60 145	6 014	124	Interest	6 138	4 753	171	-
Construction Education and Training Authority	99 820	9 982	1 009	Education, Training and Qualification Authorities charges	10 991	8 932	(539)	-
Diplomacy, Intelligence, Defence and Trade and Industry	-	-	-	-	-	-	-	-
Education, Training and Development Practices	95 790	9 579	37 000	Budget Chamber	46 579	32 021	11 979	-
Education, Training and Development Practices	75 680	7 568	200	Interest	7 768	5 258	242	2 660
Food and Beverages Manufacturing Industry	98 765	9 877	240	Interest	10 117	-	7 640	-
Forest Industries	50 835	5 084	980	Education, Training and Qualification Authorities charges	6 064	-	4 478	-
Health and Welfare	-	-	-	-	-	-	-	-
Information Systems, Electronics and Telecom-munications Technologies	198 950	18 795	4 800	Education, Training and Qualification Authorities charges	23 595	13 350	6 450	500
Insurance	71 050	7 105	47	Interest	7 152	5 664	53	2 060
Local Government, Water and related services	124 265	12 426	792	Interest	13 218	9 563	347	-
Media, Advertising, Publishing, Printing and Packaging	95 240	9 524	-	-	9 524	7 648	2 842	300
Mining	170 500	17 050	2 490	Education, Training and Qualification Authorities charges; Metal Industry Engineering Trade Training Board	19 540	16 411	12 387	-
Manufacturing, Engineering and related services	345 550	34 555	4 037	Interest	38 592	24 765	5 006	3 020
Police, Private security, Legal and Correctional Services	73 650	7 365	10 864	Budget Chamber	18 229	18 863	(2 999)	-
Primary Agriculture	30 070	3 007	336	Interest	3 343	2 653	83	1 819
Public Service	-	-	-	-	-	-	-	-
Secondary Agriculture	63 900	6 390	892	Interest	7 282	5 874	118	-
Services	220 540	22 054	-	-	22 054	18 791	(791)	-

Tourism and Hospitality	95 700	9 570	33 251	Interest, Tourism Marketing of Southern Africa, Education, Training and Qualification Authorities charges, Business trust Learnerships project, South African Tourism Institute	42 821	46 813	(6 962)	-
Transport	200 000	20 000	-		20 000	12 515	1 151	-
Wholesale and Retail	230 040	23 004	68	Investment income	23 072	16 270	1 288	834
<b>Total</b>	<b>2 800 000</b>	<b>280 000</b>	<b>97 264</b>	<b>-</b>	<b>377 264</b>	<b>280 137</b>	<b>42 675</b>	<b>24 724</b>

**Table 27.25: Compensation Fund**

Carrier	Medical aid only	Temporary disablement	Permanent disablement	Fatal	Number of cases	Total cost (R'000)
Provincial administrations and homeland authorities	4 180	3 933	197	45	8 355	62 707
South African Transport Services	1	3	3	1	8	1 001
Government departments	6 121	9 675	653	427	16 876	184 679
<b>Total</b>	<b>10 302</b>	<b>13 611</b>	<b>853</b>	<b>473</b>	<b>25 239</b>	<b>248 387</b>

Benefits paid out	1997	1998	1999	2000
R thousand				
Unemployment benefits	2 190 279	2 589 451	2 535 893	2 422 112
Illness benefits	140 294	117 548	108 358	102 922
Maternity benefits	245 733	241 868	223 041	253 260
Adoption benefits	386	216	280	252
Death benefits payable to dependants	109 116	102 101	117 260	135 866
<b>Total</b>	<b>2 685 808</b>	<b>3 051 184</b>	<b>2 984 832</b>	<b>2 914 412</b>