

Vote 17

Labour

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R1 291 089 000	R1 291 621 000	R1 218 270 000
Statutory amounts	R3 600 000 000	R3 900 000 000	R4 300 000 000
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, 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 the protection and enhancement of worker rights and benefits.

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Conduct the overall management of the Department and render support and advisory services.

Programme 2: Occupational Health and Safety of Persons

Purpose: Promote the health and safety of people using plant and machinery in the workplace.

Measurable objective: To develop and enforce safety-enhancing labour legislation in order to reduce occupational injuries and diseases.

Programme 3: Social Insurance

Purpose: Provide for administrative and other support services to the Unemployment Insurance Fund and the Compensation Fund, and manage Government's contributions to the activities of these funds.

Measurable objective: To support and ensure sound administration of the Compensation Fund and Unemployment Insurance Fund, and to manage government financial assistance to the funds in order to ensure efficiency and financial sustainability.

Programme 4: Employment and Skills Development Services

Purpose: Focus on the implementation of the National Skills Development Strategy, contribute to the implementation of the national Human Resource Development Strategy, and include government contributions to sheltered employment factories and to various national institutions for differently-abled people.

Measurable objective: To promote the efficient and effective use of funds in terms of the National Skills Development Strategy, to equip South Africans with the skills to succeed in the global market, and to offer opportunities to individuals, including those with special needs, for self-advancement, allowing them to play a productive role in society.

Programme 5: Labour Relations

Purpose: Promote the establishment of an equitable and peaceful labour relations environment, including supporting the Commission for Conciliation, Mediation and Arbitration (CCMA).

Measurable objective: To develop, implement and monitor legislation to reduce labour conflict, improve working conditions and equity, and reduce wage disparities in the labour market.

Programme 6: Labour Policy

Purpose: Execute research, analysis and evaluation of labour policy, and provide statistical information on the labour market, as well as fund the National Productivity Institute.

Measurable objective: To promote the development of progressive labour market policies by analysing labour market statistics and commissioning relevant labour market research, and to provide financial support to the National Productivity Institute for the enhancement of productivity to support growth and employment.

Programme 7: Service Delivery

Purpose: Administer and enforce the labour laws, and provide an employment service.

Measurable objective: To improve and deliver benefits, income support, labour market information and training, and workplace inspections to facilitate the provision of income security, employment and job safety.

Programme 8: Auxiliary and Associated Services

Purpose: Promote international relations and contribute to the National Economic and Labour Council (Nedlac).

Measurable objective: To fulfil South Africa's obligations to international organisations and regional bodies and utilise international expertise, resources and experiences in ensuring the successful implementation of South African labour market programmes, and to fund the National Economic and Labour Council (Nedlac).

Strategic overview and key policy developments: 1999/00 – 2005/06

Employment creation

One of Government's biggest challenges is creating employment. Promoting job creation augments economic growth, sustainable development and livelihoods, while alleviating poverty and income inequality. The Department continuously evaluates and formulates effective labour market policies to provide an enabling environment for job creation. In response to Cabinet's request for a comprehensive strategy with job creation and unemployment targets for the 2004 to 2014 period, the Department of Labour is currently developing an integrated employment strategy.

This process is still in the initial phase, and many departments, including Trade and Industry, Public Works, the Presidency, Provincial and Local Government, and the National Treasury, are developing and refining the various components of the strategy. The Department of Labour is driving the skills development component, while the Department of Public Works and the

Department of Provincial and Local Government are developing a rigorous public works programme. Finally, the Department of Trade and Industry will focus on the entrepreneurial and small, medium and micro enterprises (SMME) strategies. Various elements of the strategy will be presented at the Growth and Development Summit in May 2003. The Summit is a process in which Government, organised labour and business engage to find mechanisms to improve economic growth, unemployment, poverty and financial market volatility in South Africa. The Department of Labour is the lead department.

Skills development

The high unemployment rate in South Africa can be attributed, in part, to the skills mismatch in the economy, stemming from the large pool of low or unskilled labour. The skills constraint acts as a deterrent to higher levels of investment. In addition to schooling and individual company efforts, a national strategy is required to strengthen the link between workplace education and training, and economic growth and employment opportunities. The Skills Development Act (97 of 1998) and the Skills Development Levies Act (9 of 1999) address these problems, and implementation has proceeded rapidly and well.

The Skills Development Act seeks to establish a high quality workplace education and training system that is cost effective, accountable, meets the economy's training requirements and complements employment and economic growth. In the medium term, the Department is in the process of extending the learnership programme and finalising an internship programme for Government. The Department has set several targets that the Skills Development Strategy should have attained by March 2005. For example:

- 70 per cent of all workers should have at least a Level One qualification on the National Qualification Framework.
- 75 per cent of large enterprises and 40 per cent of medium enterprises should contribute to and undertake training through the relevant Sector Education and Training Authorities (Setas).
- 20 per cent of new and existing registered small firms should be supported in skills development initiatives.
- Learnerships should be available in every sector of the economy.

Learnerships – putting working individuals through structured training – are probably the key mechanism in the National Skills Development Strategy, but they build on other components, in place over the last number of years, such as the Setas and sectoral skills plans. By March 2005 it is expected that 80 000 young people should have started a learnership, in addition to other workers. The March 2002 target of 3 000 learners in a learnership programme was exceeded, with 15 000 learners in these programmes.

The Department is reviewing the Skills Development Act and should be gazetting the amendments in the medium term. The amendments to the Act endeavour to increase the Minister of Labour's power in controlling and monitoring the Setas in order to comply with the Public Finance Management Act (1 of 1999) (PFMA) and the Skills Development Strategy.

Workers' rights

The protection of workers has advanced through investigations into various sectors, where minimum wages and working conditions are being prescribed. The determination of minimum wages for domestic workers became a reality in November 2002. The minimum wage for agricultural workers was promulgated in December 2002 and comes into effect on the 1 March 2003. However, the department still faces a major challenge in trying to enforce these new regulations.

In relation to reviewing policies and legislation, in 2002 Parliament approved the Labour Relations Amendment Act (12 of 2002) and the Basic Conditions of Employment Amendment Act (11 of 2002), which will improve the efficiency of the labour market. Amendments to the Labour

Relations Act (66 of 1995) are aimed at allowing the bargaining councils to serve employer and employee parties more effectively, and address the workings of the CCMA. These amendments came into effect on the 1 August 2002 and are intended to ensure that all labourers are well represented in the market.

The enforcement of health and safety regulations has been stepped up, in particular through increasing inspections. The integration of inspection services ensures that more resources can be deployed to enforce health and safety standards. Furthermore, Cabinet has approved the integration and consolidation of occupational health and safety and compensation competencies, since these functions are fragmented between the departments of health, labour and minerals and energy. The design of an integrated system is proceeding, driven by these three departments.

Unemployment insurance

The Unemployment Insurance Act (63 of 2001), which became effective on the 1 April 2002, is aimed at improving the operation of the Unemployment Insurance Fund (UIF) and the collection of its revenue. Key objectives include increased coverage, containing costs and enhancing compliance. A target has been set to include domestic workers in the UIF by 1 April 2003. Steps taken by the UIF to include domestic workers include the introduction of kiosks at shopping malls, online registration, and the use of regional labour centres. The Department continues to oversee developments in the Unemployment Insurance Fund in an effort to render the fund financially sustainable in addition to ensuring that the unemployment income safety net does not discriminate against workers and has wider coverage. Revenue collections have improved since the South African Revenue Service has been collecting UIF contributions paid by employers, thus allowing the fund to register a surplus of R1,45 billion in 2002/03. It was the first time in many years that such a surplus was realised and is directly related to the UIF's turnaround strategy.

Information technology

The Department of Labour concluded a public-private partnership agreement on 1 December 2002 for improved strategic support in aligning its IT architecture with its business processes. This will vastly improve services to its client base as well as enhance administrative efficiency in the Department. The systems need to be designed and implemented. Full implementation should be complete by 2012.

Expenditure estimates

Table 17.1: Labour

Programme	Expenditure outcome			Adjusted Appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
1 Administration	111 330	95 606	167 925	242 552	242 552	210 840	226 713	242 392
2 Occupational Health and Safety of Persons	3 047	13 355	14 788	24 174	24 174	26 481	28 961	30 876
3 Social Insurance	20 514	17 453	619 891	337 601	337 601	269 639	171 542	22 429
4 Employment and Skills Development Services	343 538	205 932	119 734	158 873	158 873	175 055	186 517	198 457
5 Labour Relations	156 677	149 376	166 825	176 731	176 731	185 544	196 786	208 679
6 Labour Policy	23 399	27 784	23 705	26 474	26 474	27 821	29 640	31 452
7 Service Delivery	190 600	207 424	252 804	310 793	310 793	373 787	427 901	458 563
8 Auxiliary and Associated Services	16 443	14 797	31 172	18 975	18 975	21 922	23 561	25 422
Subtotal	865 548	731 727	1 396 844	1 296 173	1 296 173	1 291 089	1 291 621	1 218 270
Change to 2002 Budget Estimate (Department)				79 289	79 289	59 021	73 720	

	Expenditure outcome			Adjusted Appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
Direct charge on the National Revenue Fund	–	901 676	2 541 016	2 950 000	2 950 000	3 600 000	3 900 000	4 300 000
Sector Education and Training Authorities	–	721 475	2 034 129	2 350 000	2 350 000	2 880 000	3 120 000	3 440 000
National Skills Fund	–	180 201	506 887	600 000	600 000	720 000	780 000	860 000
Total	865 548	1 633 403	3 937 860	4 246 173	4 246 173	4 891 089	5 191 621	5 518 270
Change to 2002 Budget Estimate (Direct charges)				–	–	450 000	530 000	

Economic classification

Current	817 181	695 346	1 346 952	1 148 970	1 148 970	1 188 889	1 174 196	1 093 819
Personnel	212 669	224 402	258 654	320 039	320 039	371 928	394 500	418 530
Transfer payments	448 719	300 135	862 453	583 894	583 894	519 932	435 707	302 429
Other current	155 793	170 809	225 845	245 037	245 037	297 029	343 989	372 860
Capital	48 367	36 381	49 892	147 203	147 203	102 200	117 425	124 451
Transfer payments	–	–	–	–	–	–	–	–
Acquisition of capital assets	48 367	36 381	49 892	147 203	147 203	102 200	117 425	124 451
Total	865 548	731 727	1 396 844	1 296 173	1 296 173	1 291 089	1 291 621	1 218 270

Standard items of expenditure

Personnel	212 669	224 402	258 654	320 039	320 039	371 928	394 500	418 530
Administrative	51 978	62 173	88 980	115 245	115 245	149 541	186 491	205 976
Inventories	17 379	11 893	16 891	24 986	24 986	27 714	29 502	31 202
Equipment	46 103	38 838	27 159	38 101	38 101	42 013	44 765	47 424
Land and buildings	4 740	2 962	22 738	114 903	114 903	66 700	79 528	84 300
Professional and special services	66 743	79 032	111 842	87 563	87 563	99 795	105 757	112 100
Transfer payments	448 719	300 135	862 453	583 894	583 894	519 932	435 707	302 429
Miscellaneous	17 217	12 292	8 127	11 442	11 442	13 466	15 371	16 309
Total	865 548	731 727	1 396 844	1 296 173	1 296 173	1 291 089	1 291 621	1 218 270

Expenditure trends

Activities under the Department's control are financed from two sources, a normal departmental appropriation and a direct charge on the National Revenue Fund transferred to Setas and the National Skills Fund. In addition to the R1,3 billion to be appropriated for the Department in 2003/04, these direct charges amount to R3,6 billion.

Departmental expenditure grew by an average 14,4 per cent over the three years to 2002/03, but declines over the medium term. The decrease in the budget can be attributed entirely to the fact that earmarked allocations to turn the UIF around and secure its financial viability, decline and come to an end in 2004/05. Excluding the specific purpose transfers to the UIF, the Department's budget grows by an annual average of 7,7 per cent over the medium term.

After growing by nearly 15 per cent per year to 2002/03, personnel expenditure growth moderates over the medium term to grow only slightly in real terms. Total personnel numbers increased from 2 819 in 1999/00 to 3 872 in 2002/03, with the most significant increases being in *Administration* (by nearly 300) and *Service Delivery* (by more than 600).

Increased allocations, compared to the 2002 Budget baseline allocations, provide for R30 million in 2003/04 and R40 million in 2004/05 to support the decentralisation of administrative support, regulatory enforcement, and advisory services to the provincial level, in order to improve service delivery.

Departmental receipts

The Department estimates receipts of non-tax revenue of R5,3 million for 2003/04, steadily declining to R4,7 million for 2005/06. The revised estimate for non-tax revenue for 2002/03 amounted to R5,4 million. It is estimated that total departmental receipts will decrease from R8,9 million in 2002/03 to R7,6 million in 2003/04, as the Department anticipates granting fewer loans and advances. Electronic payments will also reduce the value of cheques that would have to be written back.

Table 17.2: Departmental receipts

	Revenue outcome			Adjusted Appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	5 632	5 088	5 506	5 353	5 253	5 153	4 710
Interest	2 815	2 319	3 203	3 004	2 894	2 784	2 500
Dividends	–	–	–	–	–	–	–
Rent	–	–	–	–	–	–	–
Sales of goods and services	2 598	2 525	2 142	2 131	2 141	2 151	2 000
Fines, penalties and forfeits	209	236	145	205	205	205	200
Miscellaneous	10	8	16	13	13	13	10
Sales of capital assets (capital revenue)	–	–	1	–	–	–	–
Financial transactions (recovery of loans And advances)	11 264	10 266	5 502	3 500	2 300	1 100	1 000
Total departmental receipts	16 896	15 354	11 009	8 853	7 553	6 253	5 710

Programme 1: Administration

Administration conducts the overall management of the Department. It includes policy formulation by the Minister, the Director-General and other members of the Department's management. Other activities include financial management, human resource management, support services and public relations services.

Expenditure estimates

Table 17.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Minister ¹	514	578	738	691	746	791	835
Management	784	965	4 302	12 746	14 229	15 083	15 988
Corporate Services	105 323	92 975	140 381	138 745	164 128	177 198	189 910
Capital Works	4 709	1 088	22 504	90 370	31 737	33 641	35 659
Total	111 330	95 606	167 925	242 552	210 840	226 713	242 392
Change to 2002 Budget Estimate				70 251	17 552	21 205	

¹ Payable as from 1 April 2002. Salary: R552 984. Car allowance: R138 246.

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	70 134	72 889	131 818	126 781	151 223	163 288	175 181
Personnel	26 233	28 061	31 731	44 389	59 715	64 199	68 410
Transfer payments	–	–	–	–	–	–	–
Other current	43 901	44 828	100 087	82 392	91 508	99 089	106 771
Capital	41 196	22 717	36 107	115 771	59 617	63 425	67 211
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	41 196	22 717	36 107	115 771	59 617	63 425	67 211
Total	111 330	95 606	167 925	242 552	210 840	226 713	242 392
Standard items of expenditure							
Personnel	26 233	28 061	31 731	44 389	59 715	64 199	68 410
Administrative	10 345	11 718	15 110	32 047	34 086	38 782	42 925
Inventories	4 380	1 523	1 656	2 683	2 292	2 401	2 545
Equipment	36 487	22 550	13 376	17 282	18 419	19 784	20 945
Land and buildings	4 734	2 955	22 731	101 405	45 105	47 811	50 680
Professional and special services	28 748	28 575	83 305	43 946	50 394	52 905	56 005
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	403	224	16	800	829	831	882
Total	111 330	95 606	167 925	242 552	210 840	226 713	242 392

Expenditure trends

Administration expenditure fluctuated significantly in recent years. The strong increase in 2001/02 related to the shift of funds for Capital Works, previously on the Public Works Vote, to the Department of Labour. Further substantial growth in 2002/03 derived from expenditure on the acquisition of capital assets, primarily for the refurbishment of the Department's offices in Pretoria. Excluding these once-off activities, there is substantial growth over the medium term, particularly in relation to Corporate Services. Over the medium term the allocation to *Administration* averages 17,9 per cent of the Department's total allocation, excluding the statutory amounts.

Programme 2: Occupational Health and Safety of Persons

Occupational Health and Safety of Persons promotes health and safety in the workplace through regulating the use of plant and machinery and dangerous activities.

- Auditing and Technical Support to Provinces is aimed at supporting the enforcement function which is now vested in the *Service Delivery* programme under the subprogramme Inspection and Enforcement Services.
- Administrative Functions undertakes all relevant registration, inspections and prescribed examinations; finalises applications; issues certificates of compliance; and institutes legal proceedings against non-compliant employers.
- Research provides information for the effective protection of the health and safety of employees.
- Training of Staff provides departmental training.
- Administrative Auxiliary Services provides administrative support and related services to the programme.

Expenditure estimates

Table 17.4: Occupational Health and Safety of Persons

Subprogramme	Expenditure outcome			Adjusted Appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Auditing and Technical Support to Provinces	–	4 850	7 211	16 817	18 635	20 173	21 509
Administrative Functions	1 067	467	4 257	811	880	922	999
Research	2	5 140	–	–	–	–	–
Training of Staff	634	934	1 014	1 476	1 669	2 252	2 384
Administrative Auxiliary Services	1 344	1 964	2 306	5 070	5 297	5 614	5 984
Total	3 047	13 355	14 788	24 174	26 481	28 961	30 876
Change to 2002 Budget Estimate				202	1 080	1 389	

Economic classification

Current	2 852	13 080	14 658	23 326	26 208	28 662	30 559
Personnel	1 059	3 885	4 218	9 187	9 531	9 705	10 288
Transfer payments	–	–	–	–	–	–	–
Other current	1 793	9 195	10 440	14 139	16 677	18 957	20 271
Capital	195	275	130	848	273	299	317
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	195	275	130	848	273	299	317
Total	3 047	13 355	14 788	24 174	26 481	28 961	30 876

Standard items of expenditure

Personnel	1 059	3 885	4 218	9 187	9 531	9 705	10 288
Administrative	490	1 306	3 310	2 711	3 076	3 999	4 416
Inventories	334	231	2 225	1 274	1 452	1 594	1 690
Equipment	195	290	128	248	284	311	330
Land and buildings	–	–	2	600	660	726	770
Professional and special services	955	7 615	4 902	10 154	11 478	12 626	13 382
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	14	28	3	–	–	–	–
Total	3 047	13 355	14 788	24 174	26 481	28 961	30 876

Expenditure trends

Expenditure on *Occupational Health and Safety of Persons* expanded rapidly from 2000/01, primarily due to the training of trainee inspectors, and research on occupational health and safety. Growth moderates to an average annual rate of 8,5 percent over the medium term. The Department has prioritised spending on this programme in an effort to reduce workplace accidents, partly through appointing additional inspectors and enhancing capacity to address specialised investigations. The service delivery component of occupational health and safety inspections has also increased (see Programme 7, *Service Delivery*).

Service delivery objectives and indicators**Recent outputs**

Occupational health and safety functions are fragmented, with varying responsibilities lying with the departments of Labour, Health, and Minerals and Energy. Cabinet has approved the integration and consolidation of the occupational health and safety and compensation functions, requiring the development of a national overarching occupational health and safety and compensation policy. The three line departments have collaborated to develop a concept document.

The *Occupational Health and Safety of Persons* programme administers, regulates and monitors occupational health and safety, by developing and promulgating regulations, standards and guidelines to enhance workplace safety, issuing licences, registering electricians and training learner inspectors. By March 2002, 858 licences for the manufacturing of explosives were issued, 12 guidelines and standards were promulgated, and 928 electricians were registered. The service delivery component of this programme, namely the workplace and blitz inspections, are located in the *Service Delivery* programme.

Medium-term output targets

Occupational Health and Safety of Persons

Measurable objective: To develop and enforce safety-enhancing legislation, which is internationally aligned in order to reduce occupational injuries and diseases.

Subprogramme	Output	Measure/Indicator	Target
Auditing and Technical Support to Provinces	Safe and healthy working environment	Percentage of provincial offices and industry audits approved and completed	95% of provincial and industrial audits completed
Administrative Functions	Effectively operating provincial offices	Documents supplied to the 9 provincial offices	All notice forms and relevant documents supplied to the 10 provincial offices as required March 2004
	Regulation of electrical installations	Regulations gazetted	
Research	Research proposals on problem areas and causes of incidents	Approved research proposals and technical reports published	Research conducted into 80% of all proposals
Training of Staff	Well-trained inspectors and union representatives	Number of inspectors and union representatives trained at 10 provincial offices Learner Inspector raining schemes in place	To be determined March 2004
	Improved representativeness of trainees	Composition of trainees	50% male and 50% female

Programme 3: Social Insurance

Social Insurance provides for administrative and other support services to the Unemployment Insurance Fund and the Compensation Fund, as well as managing Government's contributions to the activities of these funds. The UIF provides short-term economic relief to unemployed workers in the formal sector, while the Compensation Fund provides compensation for government officials who sustain work-related injuries and diseases.

Expenditure estimates

Table 17.5: Social Insurance

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted Appropriation			
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Unemployment Insurance	7 000	7 000	612 000	327 001	257 001	157 001	7 001
Compensation Fund	13 514	10 453	7 891	10 600	12 638	14 541	15 428
Total	20 514	17 453	619 891	337 601	269 639	171 542	22 429
Change to 2002 Budget Estimate				-	438	121	

2003 Estimates of National Expenditure

	Expenditure outcome			Adjusted Appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	20 514	17 453	619 891	337 601	269 639	171 542	22 429
Personnel	–	–	–	2	2	2	2
Transfer payments	7 000	7 000	612 000	327 000	257 000	157 000	7 000
Other current	13 514	10 453	7 891	10 599	12 637	14 540	15 427
Capital	–	–	–	–	–	–	–
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	–	–	–	–	–
Total	20 514	17 453	619 891	337 601	269 639	171 542	22 429

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	612 000	327 000	257 000	157 000	7 000
Miscellaneous	13 514	10 453	7 891	10 599	12 637	14 540	15 427
Total	20 514	17 453	619 891	337 601	269 639	171 542	22 429

Transfer payments per subprogramme

Unemployment Insurance							
Unemployment Insurance Fund	7 000	7 000	612 000	327 000	257 000	157 000	7 000
Total	7 000	7 000	612 000	327 000	257 000	157 000	7 000

Expenditure trends

Historically, R7 million was transferred to the UIF for administrative expenses. Due to the persistent deficits accumulated by the fund over time, several large amounts were allocated from 2001/02, on condition that a turnaround strategy be implemented to make the fund financially sustainable. In 2005/06 the allocation will revert to the R7 million for administrative expenses. Compensation for injured government employees will increase steadily over the medium term.

Key outputs, indicators and targets

Recent outputs

The Department has been actively involved with the UIF to develop a turnaround policy that would reduce the size of the Fund's deficits and promote long-term financial sustainability. New legislation has been passed to drastically improve the UIF policy framework, thus enhancing the liquidity and solvency of the Fund, in addition to widening the coverage for certain workers that have been excluded previously. The introduction of state of the art IT and the new policy framework has already improved the UIF, with a surplus of R1,4 billion being reported for the first time in 2002/03.

Medium-term output targets

Social Insurance

Measurable objective: To support and ensure sound administration of the Compensation Fund and Unemployment Insurance Fund, and to manage government financial assistance to the funds in order to ensure efficiency and financial sustainability.			
Subprogramme	Output	Measure/Indicator	Target
Unemployment Insurance	Effective and sustainable UIF Registration of domestic and seasonal workers Quality services to UIF clients	Improved revenue collection and distribution of funds Number of successful registrations Processing times for membership and benefit applications	Fund revenue flows improve by 20% compared to 2002/03 20 000 domestic and seasonal workers registered by March 2004 All UF74s issued within a week of receipt of application
Compensation Fund	Effective and sustainable Compensation Fund	Punctual payment of benefits Countrywide access to claims information	All medical expenses incurred during a year fully paid by end of financial year Claims enquiry system decentralised to provincial offices and labour centres by March 2004

Programme 4: Employment and Skills Development Services

This programme focuses on the implementation of the National Skills Development Strategy and contributes to the implementation of the national Human Resource Development Strategy. It includes government contributions to sheltered employment factories and to various national institutions for differently-abled people. The key frameworks for operation derive from the Skills Development Act (97 of 1998) and the Skills Development Levies Act (9 of 1999).

- Skills Development Policy Advice and Planning ensures that appropriate policies and strategies for skills development are developed, monitored and evaluated, with stakeholder input through the National Skills Authority.
- Skills Development Funding manages the National Skills Fund.
- Sector Education Training Authority (Seta) Co-ordination ensures the effective and efficient implementation of the Skills Development Strategy at the sector level.
- Employment Services ensures the implementation of the National Skills Development Strategy and the placement of work-seekers through the Department's provincial offices and labour centres.
- Sheltered Employment subsidises workshops for the blind and work centres for the disabled.
- Indlela aims to develop a learnership system, increase access to work-based qualifications, and do assessments at different levels and in different fields of learning
- Training of Staff funds staff training programmes and ensures that the relevant skills for implementing the legislation are available.
- Administrative Auxiliary Services provides support services to the programme.

Expenditure estimates

Table 17.6: Employment and Skills Development Services

Subprogramme	Expenditure outcome			Adjusted Appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Skills Development Policy Advice and Planning	2 353	3 680	4 388	11 614	9 018	9 694	10 336
Skills Development Funding	267 410	107 007	27 113	40 116	46 706	49 241	52 300
Seta Co-ordination	3 278	4 534	5 106	17 278	19 371	20 709	22 090
Employment Services	5 331	27 765	4 454	7 580	10 980	11 678	12 454
Sheltered Employment	37 826	33 661	47 760	38 725	38 475	41 203	43 689
INDLELA	20 801	21 688	23 554	27 660	32 114	34 329	36 614
Training of Staff	89	82	150	1 725	1 972	2 110	2 252
Administrative Auxiliary Services	6 450	7 515	7 209	14 175	16 419	17 553	18 722
Total	343 538	205 932	119 734	158 873	175 055	186 517	198 457
Change to 2002 Budget Estimate				956	11 455	13 101	
Economic classification							
Current	341 557	203 935	117 135	151 886	167 726	178 748	190 222
Personnel	27 721	28 769	32 339	43 439	54 986	58 285	61 782
Transfer payments	280 779	133 356	66 872	74 697	72 954	77 331	81 971
Other current	33 057	41 810	17 924	33 750	39 786	43 132	46 469
Capital	1 981	1 997	2 599	6 987	7 329	7 769	8 235
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	1 981	1 997	2 599	6 987	7 329	7 769	8 235
Total	343 538	205 932	119 734	158 873	175 055	186 517	198 457
Standard items of expenditure							
Personnel	27 721	28 769	32 339	43 439	54 986	58 285	61 782
Administrative	3 270	4 922	5 795	12 987	15 252	17 124	18 902
Inventories	4 294	4 687	6 221	10 870	12 888	13 662	14 481
Equipment	2 518	2 634	2 599	6 987	7 622	8 080	8 564
Land and buildings	–	–	–	895	935	991	1 050
Professional and special services	24 502	31 306	5 908	8 998	10 418	11 044	11 707
Transfer payments	280 779	133 356	66 872	74 697	72 954	77 331	81 971
Miscellaneous	454	258	–	–	–	–	–
Total	343 538	205 932	119 734	158 873	175 055	186 517	198 457
Transfer payments per subprogramme							
Skills Development Funding							
National Skills Fund	243 754	100 500	20 000	31 360	36 201	37 973	40 251
Employment Services							
SA National Council for the Blind	112	95	69	201	190	202	214
Deaf Federation of South Africa	56	51	62	134	127	132	140
National Council for the Physical Disabled	35	104	141	160	151	162	172
Sheltered Employment							
Subsidised Workshops for the Blind	4 383	4 246	4 267	5 966	5 632	5 970	6 328
Subsidised Work-Centres for the Disabled	32 439	28 360	42 333	36 876	30 653	32 892	34 866
Total	280 779	133 356	66 872	74 697	72 954	77 331	81 971

Expenditure trends

Expenditure for *Employment and Skills Development Services* decreased between 1999/00 and 2001/02 as the bulk of skills funding was moved off the Department's operational budget to the levy-grant mechanism introduced with the National Skills Development Strategy. After a significant increase in expenditure in 2002/03, mostly as a result of increases in personnel and the transfer to the National Skills Fund, expenditure is projected to grow at an average annual rate of 7,7 per cent over the medium term. Personnel and administrative expenditure is projected to grow strongly, as oversight over the skill development machinery is strengthened, with transfer payments declining somewhat in real terms.

Service delivery objectives and indicators

Recent outputs

At the second National Skills Development Conference in September 2002 the Minister of Labour could report substantial progress in a range of areas of skills development. Institutional and funding mechanisms (National Skills Fund, National Skills Authority, 25 Setas, and levy-grant funding mechanisms with collection by the South African Revenue Service) are now operating well, and this is impacting on the actual training of individuals. Funding available to the National Skills Fund is now fully committed. The Director-General has approved 18 projects, with a total value of more than R1 billion over the next three years. It is estimated that a first generation of nearly 400 000 people will be affected by these projects. Grant funding is flowing to companies, although the flows to smaller companies require attention. A detailed implementation report is available. Individual Seta reports to Parliament are also available.

Medium-term output targets

Employment and Skills Development Services

Measurable objective: To promote the efficient and effective use of funds in terms of the National Skills Development Strategy, to equip South Africans with the skills to succeed in the global market and to offer opportunities to individuals, including those with special needs, for self-advancement allowing them to play a productive role in society.

Subprogramme	Output	Measure/Indicator	Target
Skills Development Policy Advice and Planning	Information and reporting on Skills Development System	Reports produced	Annual implementation report and quarterly synthesis reports operational by March 2004
		Establishment of skills development information system (SDIS)	User survey completed by March 2004
	Advice and recommendations on adjustments to and future directions of National Skills Development Strategy	Research and evaluation plan implemented	March 2004
		Setas guided on objectives of National Skills Development Strategy	Ongoing
Skills Development Funding	Subsidised employment for disabled persons	Consultation with National Skills Authority	5 meetings per year
		Employment levels sustained and equity enhanced	20% increase in representation of previously disadvantaged groups
		Products delivered to customer satisfaction	10% increase in number of contracts and 100% customer satisfaction
		Service products factories remain within budget	100% funding within Budget allocation
Skills Development Funding	Funding allocations to projects and programmes and monitoring of projects	Proportion of available funds spent or committed	At least 90% of available funds spent or committed by March 2004
		Achievement of project outcomes achieved	At least 75% of project outcomes achieved by March 2004

Subprogramme	Output	Measure/Indicator	Target
Seta Co-ordination	Well-functioning Setas (in terms of Skills Development Act and the Public Finance Management Act)	Memorandums of understanding (MoU) signed and delivered Seta implementation reports submitted Annual and quarterly reporting operational	MoUs with all 25 Setas signed by March 2003 Implementation reports from all 25 Setas submitted by March 2003 All Setas report as required by March 2004
	Effective and full funding of Setas and National Skills Fund	Extent of employer compliance with contribution requirements of the Skills Development Levies Act	Employer compliance to increase by 10%
	Grants to employers for training	Proportion of grant revenue to Setas disbursed or committed	80% of available funding disbursed or committed by March 2004
	Established assessment services	Positive assessment by Setas and provinces Increase in number of learners assessed	90% of assessments by Setas and provinces to be positive 10% increase in learners assessed
	Learnerships	Improvement in the implementation of learnerships (number of learnerships)	Minimum of 80 000 individuals in learnerships by March 2005 with 50% within 6 months of completion
Employment Services	Support to unemployed through programmes	Extent of active labour market programmes in provinces Competencies of provincial employment and skills development staff to respond to local level labour market challenges	100% of Social Development Funding Window of National Skills Fund allotted to provinces and spent 70% of staff achieve requisite competencies by March 2004

Programme 5: Labour Relations

Labour Relations promotes the establishment of an equitable and peaceful labour relations environment, including support for the Commission for Conciliation, Mediation and Arbitration (CCMA).

- Collective Bargaining administers the Labour Relations Act and is responsible for the registration of trade unions, employer organisations, and bargaining and statutory councils, and ensuring the proper administration of the funds established by bargaining councils. It also administers bargaining council agreements and advises the Minister on the extension of agreements to groups which were not part of the negotiations.
- Employment Standards administers the Basic Conditions of Employment Act (75 of 1997), provides for investigations undertaken by the Employment Conditions Commission, and advises the Minister on sectoral determinations.
- Prevention and Settlement of Disputes provides financial support to the CCMA.
- Employment Equity administers the Employment Equity Act (55 of 1998), disseminates codes of good practice and regulations to eliminate discrimination and promote employment equity in the workplace, and monitors and analyses employment equity plans.
- Strengthening Civil Society funds capacity-building for role-players in the labour market.
- Training of Staff funds training programmes relevant to programme activities.
- Administrative Auxiliary Services provides support to the programme.

Expenditure estimates

Table 17.7: Labour Relations

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Collective Bargaining	2 572	3 980	6 468	6 281	6 173	6 571	6 988
Employment Standards	4 493	2 686	4 306	5 440	5 929	6 311	6 712
Inspections and Advisory Services	–	373	58	–	–	–	–
Prevention and Settlement of Disputes	136 683	131 059	137 963	145 740	152 539	161 691	171 392
Employment Equity	3 310	1 903	4 511	8 118	10 092	10 742	11 420
Strengthening Civil Society	6 000	6 500	10 070	8 130	7 932	8 408	8 912
Training of Staff	187	270	191	310	300	319	338
International Labour Matters	–	25	–	–	–	–	–
Administrative Auxiliary Services	3 432	2 580	3 258	2 712	2 579	2 744	2 917
Total	156 677	149 376	166 825	176 731	185 544	196 786	208 679
Change to 2002 Budget Estimate				902	1 077	1 252	

Economic classification

Current	156 395	148 915	166 542	176 183	185 036	196 248	208 109
Personnel	11 189	9 968	10 471	11 436	12 334	13 075	13 859
Transfer payments	134 000	133 500	146 686	153 870	160 471	170 099	180 304
Other current	11 206	5 447	9 385	10 877	12 231	13 074	13 946
Capital	282	461	283	548	508	538	570
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	282	461	283	548	508	538	570
Total	156 677	149 376	166 825	176 731	185 544	196 786	208 679

Standard items of expenditure

Personnel	11 189	9 968	10 471	11 436	12 334	13 075	13 859
Administrative	2 478	1 247	2 053	1 645	1 752	1 966	2 170
Inventories	3 490	1 507	2 386	2 870	2 657	2 816	2 985
Equipment	325	461	283	548	528	560	593
Land and buildings	–	–	–	–	–	–	–
Professional and special services	5 038	2 621	4 946	6 362	7 802	8 270	8 768
Transfer payments	134 000	133 500	146 686	153 870	160 471	170 099	180 304
Miscellaneous	157	72	–	–	–	–	–
Total	156 677	149 376	166 825	176 731	185 544	196 786	208 679

Transfer payments per subprogramme

Prevention and Settlement of Disputes							
Commission for Conciliation, Mediation and Arbitration	128 000	127 000	136 616	145 740	152 539	161 691	171 392
Strengthening Civil Society							
Ditsela	6 000	6 500	10 070	8 130	7 932	8 408	8 912
Total	134 000	133 500	146 686	153 870	160 471	170 099	180 304

Expenditure trends

The transfer to the Commission for Conciliation, Mediation and Arbitration makes up the bulk (82 per cent in 2003/04) of the expenditure of the *Labour Relations* programme. Moderate but steady growth in programme expenditure over the previous three years, continues over the medium term.

Service delivery objectives and indicators

Recent outputs

Amendments to the Labour Relations Act and Basic Conditions of Employment Act were promulgated to enhance the operation of the labour market. Sectoral wage and working conditions were determined for domestic workers, farm workers, contract cleaners and private security companies. The promotion of the Employment Equity Act accelerated. Variations on sectoral determinations were allowed for a significant number of employers. The Department is focused on ensuring that the amendments, new regulations and adjustments to the CCMA processes are successfully implemented. The latter will accelerate dispute resolutions through a one-step conciliation and arbitration process. Less cumbersome retrenchment procedures are being developed, particularly in relation to assisting both employers and employees in terms of large-scale retrenchments.

Medium-term output targets

Labour Relations

Measurable objective: To develop, implement and monitor legislation to reduce labour conflict, improve working conditions and equity, and reduce wage disparities in the labour market.

Subprogramme	Output	Measure/Indicator	Target
Collective Bargaining	Well run Collective Bargaining Councils	Number of legitimate labour organisations registered in terms of section 95(8) guidelines issued by Minister	70% of all new applications and 300 existing ones processed 20 councils inspected by March 2004
Employment Standards	Minimum conditions of employment and wages for vulnerable workers in various sectors	Extent of SMME participation in statutory bodies Sectoral minimum conditions of employment and wages published within the set timeframe	Substantial increase in SMME participation in statutory bodies Children in Performing Arts – April 2003 Security – April 2003 Glass and Glassware – May 2003 Sheltered Employment – July 2003 Forestry – October 2003 Fishing - November 2003 Taxi - November 2003
	Administration of Basic Conditions of Employment Act (BCEA)	Learnerships allowance levels assessed Development of a reporting format on the reduction of hours to 40 hours per week Appropriate balance between flexibility and security created as entrenched in the BCEA National Programme of Action on the Eradication of Child Labour developed	May 2003 Appropriate and user friendly reporting format developed by May 2003 Applications for variations from standards assessed within 30 days of receipt Policy document by April 2003
Prevention and Settlement of Disputes.	Effective and efficient system of dispute resolution	Punctual transfer of funds to CCMA	Funds transferred before the 25 th of each month
Employment Equity	Implementation of employment equity legislation	Employment equity implementation, monitoring and enforcement strategies in place Monitoring of employment equity implementation Employment Equity Registry	March 2004 Procedural compliance inspections, substantive employment equity audits, blitzes and target inspections Compliance with reporting cycle by March 2004

Subprogramme	Output	Measure/Indicator	Target
Strengthening Civil Society	Financing of project to develop strong role-players in the labour market	Extent and impact of financing Increase funding for enhancing labour relations capacity of underrepresented sectors	100 % funding of Ditsela 20% increase in funding of under-represented sectors

Programme 6: Labour Policy

Labour Policy encompasses researching, analysing, evaluating and developing labour policy, providing statistical information on the labour market, as well as funding the National Productivity Institute. The main aim is to support policy formulation and the drafting of legislation both in the Department and in Government in general.

- Research Policy and Planning manages and commissions research, and monitors and evaluates labour market conditions through the analysis of secondary data.
- Library Services provides an information repository to support monitoring and analysis.
- Labour Market Statistics produces, analyses and disseminates statistics on the South African labour market.
- Publications is responsible for printing and disseminating research reports, seminar papers and policy documents.
- Promotion of Productivity provides for financial assistance to the National Productivity Institute.
- Training of Staff provides capacity building on the programme.
- Administrative Auxiliary Services provides support services to the programme and training for its staff, and ensures the availability of relevant skills for the programme.

Expenditure estimates

Table 17.8: Labour Policy

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Research, Policy and Planning	1 266	1 411	1 027	1 966	2 098	2 300	2 450
Library Services	236	431	477	518	594	650	692
Labour Market Statistics	742	1 168	1 298	1 606	1 819	1 977	2 106
Publications	3	60	31	115	133	147	156
Promotion of Productivity	20 440	19 275	20 499	20 961	21 834	23 144	24 533
Training Staff	10	11	64	85	79	86	92
Administrative Auxiliary Services	702	5 428	309	1 223	1 264	1 336	1 423
Total	23 399	27 784	23 705	26 474	27 821	29 640	31 452
Change to 2002 Budget Estimate				68	261	321	

Economic classification							
Current	23 332	22 436	23 643	26 234	27 655	29 412	31 210
Personnel	2 236	1 934	2 140	3 078	3 324	3 412	3 617
Transfer payments	20 440	19 275	20 499	20 961	21 834	23 144	24 533
Other current	656	1 227	1 004	2 195	2 497	2 856	3 060
Capital	67	5 348	62	240	166	228	242
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	67	5 348	62	240	166	228	242
Total	23 399	27 784	23 705	26 474	27 821	29 640	31 452

2003 Estimates of National Expenditure

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	2 236	1 934	2 140	3 078	3 324	3 412	3 617
Administrative	257	173	307	582	652	756	834
Inventories	195	172	207	341	380	502	532
Equipment	95	5 348	62	215	267	243	258
Land and buildings	4	–	–	25	–	–	–
Professional and special services	148	874	490	1 229	1 364	1 583	1 678
Transfer payments	20 440	19 275	20 499	20 961	21 834	23 144	24 533
Miscellaneous	24	8	–	43	–	–	–
Total	23 399	27 784	23 705	26 474	27 821	29 640	31 452
Transfer payments per subprogramme							
Promotion of Productivity							
National Productivity Institute	20 440	19 275	20 499	20 961	21 834	23 144	24 533
Total	20 440	19 275	20 499	20 961	21 834	23 144	24 533

Expenditure trends

About 78 per cent of the total allocation to *Labour Policy* is transferred to the National Productivity Institute each year. For the period 1999/00 to 2001/02, growth in expenditure has been moderate, with projected expenditure over the medium term continuing to grow at modest rates.

Service delivery objectives and indicators

Recent outputs

Labour Market Information and Statistics and Planning Units have been formally established in the nine provinces of the Department, and they are fully functional. This decentralisation of the collection, analysis and dissemination of labour market statistics will improve the availability of provincial data while ensuring uniform collection of data across all labour centres and provinces.

The Integrated Business Register created in collaboration with other government departments will assist in research on employer compliance with legislation.

Medium-term output targets

Labour Policy

Measurable objective: To promote the development of progressive labour market policies by analysing labour market statistics and commissioning relevant labour market research, and to provide financial support to the National Productivity Institute for the enhancement of productivity to support growth and employment.

Subprogramme	Output	Measure/Indicator	Target
Research, Policy and Planning	Analysis of impact of policies on the labour market and policy advice	Number and quality of policy research papers and briefings/advice	9 policy research papers completed or commissioned by April 2004 At least 60% of all briefings of a high quality will be delivered within a week of requests
Library Services	Maintain library collection	New publications on labour market topics acquired	120 journals, periodicals, books and research reports on labour related issues acquired by the end of the year

Subprogramme	Output	Measure/Indicator	Target
Labour Market Statistics	Analysis of labour statistics	Timely reports provided	Annual strikes report disseminated by mid 2003/4 Quarterly report on UIF and job seekers Labour Force Survey Reports April and October 2003
	Maintain database	Databases on strikes and UIF	Ongoing maintenance

Programme 7: Service Delivery

Service Delivery provides for the administration and enforcement of the labour laws, and an employment service. Activities provide a one-stop service through business units established in the provincial offices of the Department.

- Management Support Services is responsible for the overall management and related support of the provincial offices, labour centres, and visiting points.
- Beneficiary Services provides services to unemployed people and people injured on duty, in accordance with the Unemployment Insurance Act and the Compensation for Occupational Injuries and Diseases Act (130 of 1993), by administering, processing and finalising applications for payment.
- Employment Services facilitates access to employment and income-generating opportunities for the under- and unemployed through implementing a range of policies and programmes.
- Inspection and Enforcement Services ensures that employers and employees comply with the relevant labour laws, particularly the Basic Conditions of Employment Act, the Occupational Health and Safety Act (85 of 1993), and the Employment Equity Act.
- Labour Market Information and Statistics researches and monitors developments in the labour market by analysing the impact of various Acts and the performance of job-creation programmes, and assessing internal capacity.

Expenditure estimates

Table 17.9: Service Delivery

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management Support Services	68 439	68 364	81 680	98 346	121 083	139 042	149 031
Beneficiary Services	–	–	–	1	1	1	1
Employment Services	50 409	52 030	55 449	70 348	83 708	90 197	96 657
Inspection and Enforcement Services	71 687	82 875	105 311	127 983	153 094	181 527	194 513
Labour Market Information and Statistics	65	4 155	10 364	14 115	15 901	17 134	18 361
Total	190 600	207 424	252 804	310 793	373 787	427 901	458 563
Change to 2002 Budget Estimate				6 820	26 570	35 149	
Economic classification							
Current	185 954	202 377	242 193	288 033	339 530	382 789	410 744
Personnel	142 836	151 503	175 713	204 428	227 669	241 329	255 809
Transfer payments	–	–	–	–	–	–	–
Other current	43 118	50 874	66 480	83 605	111 861	141 460	154 935
Capital	4 646	5 047	10 611	22 760	34 257	45 112	47 819
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	4 646	5 047	10 611	22 760	34 257	45 112	47 819
Total	190 600	207 424	252 804	310 793	373 787	427 901	458 563

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	142 836	151 503	175 713	204 428	227 669	241 329	255 809
Administrative	29 080	36 149	50 013	58 272	85 644	113 671	125 476
Inventories	4 680	3 737	4 149	6 881	7 972	8 450	8 888
Equipment	4 646	7 019	10 611	12 760	14 827	15 717	16 660
Land and buildings	2	7	5	11 978	20 000	30 000	31 800
Professional and special services	6 973	7 841	12 106	16 474	17 675	18 734	19 930
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	2 383	1 168	207	–	–	–	–
Total	190 600	207 424	252 804	310 793	373 787	427 901	458 563

Expenditure trends

The Department's focus on service delivery is highlighted by the increasing expenditure dedicated to this programme. Expenditure grew at an average annual rate of 17,7 per cent between 1999/00 and 2002/03 as service delivery was consolidated in this programme. This trend continues, with projected expenditure increasing at an average annual rate of 13,8 per cent over the medium term.

More than half of the allocation in this programme is dedicated to personnel, mostly inspectors hired at the provincial level, in order to enhance service delivery. Employees increased from 2 207 in 1999/00 to 2 820 in 2002/03.

Service delivery objectives and indicators

Recent outputs

Stakeholders were educated about the different labour laws through information sessions, pamphlets, radio talk shows and telephone enquiries. An increased number of stakeholders, including traditional leaders and academics, were reached through advocacy and awareness campaigns. A partnership was formed with the South African Police Service and the departments of Health and Social Development to curb unfair child labour practices in the North West province.

The Batho Pele model for labour centres, which integrates service delivery, was implemented in seven out of twelve labour centres in the North-West province, and this has greatly improved the Department's ability to serve its customers. All funds allocated for the Training of the Unemployed programme were utilised, and additional funds were requested.

There was a 64 per cent increase in the number of inspections conducted during the year.

Medium-term output targets**Service Delivery**

Measurable objective: To improve and deliver benefits, income support, labour market information and training, and workplace inspections to facilitate the provision of income security, employment and job safety.			
Subprogramme	Output	Measure/Indicator	Target
Beneficiary Services	Effective administration of UIF and Compensation Fund	Increased awareness among stakeholders and beneficiaries of the new Unemployment Insurance Act, the Compensation for Occupational Injuries and Diseases Act (COIDA), claims procedures, and fraud Turnaround times for UIF and COIDA enquiries and applications	1 information session per quarter All claims that are fully completed must be captured on the system within 6 weeks of receipt of claim at provincial office
Employment Services	Promotion and implementation of the National Skills Development Strategy Social plans implemented to minimise effects of retrenchments	Number of information sessions held at provincial level Numbers of employed and unemployed successfully trained and placed Percentage of companies and retrenched workers involved in large-scale retrenchments to be assisted, to reduce the impact of unemployment on those retrenched	2 sessions per province per year 80% of individuals trained for a project placed in income-generating jobs 100% of companies reporting mass retrenchments to be assisted, and 100% of those retrenched showing an interest assisted
Inspection and Enforcement Services	Advocacy to inform about labour legislation Proactive and reactive inspections	Range and number of campaigns per province Increased employer compliance Implementation of the inspection and enforcement strategy Number of reactive and proactive inspections	2 campaigns per province Ongoing Effective operation of inspection teams by March 2004 As per the inspection and enforcement service strategy and the national inspection plan
Labour Market Information Statistics	Collection, collation, analysis, and dissemination of labour market information and statistics for various stakeholders	Relevant information produced	Reliable unemployment data at provincial level; sectors with high rates of non-compliance; impact of sectoral wage and working condition determinations on vulnerable sectors; impact of the inclusion of domestic and farm workers in the Unemployment Insurance Act

Programme 8: Auxiliary and Associated Services

Auxiliary and Associated Services provides for activities that do not clearly fall under any of the other functional areas, but can be seen in the main as dealing with activities that promote international relations. The programme is also responsible for contributions to the National Economic and Labour Council (Nedlac). Nedlac promotes economic growth, participation in economic decision-making and social equity by seeking consensus and agreements on social and economic policy between labour, business and Government. The subprogramme International Labour Matters, interacts with international labour relations organisations and institutions: ratifies, monitors and reports on international labour conventions; and maintains and supports essential labour attachés.

Expenditure estimates

Table 17.10: Auxiliary and Associated Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Government Motor Transport	1 828	–	–	–	–	–	–
National Economic Development and Labour Council	6 500	6 729	16 396	7 366	7 673	8 133	8 621
International Labour Matters	7 866	7 712	14 766	11 609	14 249	15 428	16 801
Sector Education and Training Authority	–	275	–	–	–	–	–
Special Functions: Authorised Losses	249	81	10	–	–	–	–
Total	16 443	14 797	31 172	18 975	21 922	23 561	25 422
Change to 2002 Budget Estimate				90	588	1 182	

Economic classification

Current	16 443	14 261	31 072	18 926	21 872	23 507	25 365
Personnel	1 395	282	2 042	4 080	4 367	4 493	4 763
Transfer payments	6 500	7 004	16 396	7 366	7 673	8 133	8 621
Other current	8 548	6 975	12 634	7 480	9 832	10 881	11 981
Capital	–	536	100	49	50	54	57
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	536	100	49	50	54	57
Total	16 443	14 797	31 172	18 975	21 922	23 561	25 422

Standard items of expenditure

Personnel	1 395	282	2 042	4 080	4 367	4 493	4 763
Administrative	6 058	6 658	12 392	7 001	9 079	10 193	11 253
Inventories	6	36	47	67	73	77	81
Equipment	1 837	536	100	61	66	70	74
Land and buildings	–	–	–	–	–	–	–
Professional and special services	379	200	185	400	664	595	630
Transfer payments	6 500	7 004	16 396	7 366	7 673	8 133	8 621
Miscellaneous	268	81	10	–	–	–	–
Total	16 443	14 797	31 172	18 975	21 922	23 561	25 422

Transfer payments per subprogramme

National Economic Development and Labour Council	6 500	6 729	16 396	7 366	7 673	8 133	8 621
Sector Education and Training Authority	–	275	–	–	–	–	–
Total	6 500	7 004	16 396	7 366	7 673	8 133	8 621

Expenditure trends

The large expenditure in 2001/02 related to a once-off transfer of R10 million for a building for Nedlac. Allocations to International Labour Matters grow significantly over the medium term to accommodate increased international interactions, and with the Southern African Development Community (SADC) countries.

Service delivery objectives and indicators**Recent outputs**

Co-operation, not only with Africa but also with multilateral entities, has increased by the challenges of globalisation. In 2002 there was, in addition to some key interventions around the mobilisation of Overseas Development Assistance, extensive interaction with the International

Labour Organisation. In addition, the Africa Desk participated in a variety of activities related to SADC and the New Partnership for Africa's Development (NEPAD).

South Africa was elected as a titular member of the ILO Governing Body for 2002–2004. Its role as co-ordinator of the ILO's African Group was extended until the end of 2002. A successful visit of the ILO's Director-General led to the invitation of President Mbeki to address the 91st International Labour Conference in 2003. Convention 144 on tripartite consultations and convention 155 on occupational health and safety were ratified by Parliament and submitted to the ILO.

Medium-term output targets

Auxiliary and Associated Services

Measurable objective To fulfil South Africa's obligations to international organisations and regional bodies and utilise international expertise, resources and experiences in ensuring the successful implementation of South African labour market programmes, and to fund the National Economic and Labour Council (Nedlac).

Subprogramme	Output	Measure/Indicator	Target
National Economic Development and Labour Council (Nedlac)	Transfer payment to Nedlac	Business, labour, the community and Government engaged in negotiations Monitor and evaluate the processes set up to resolve disputes in terms of the Labour Relations Act	80% of agreements concluded Annual review
International Labour Matters	Effective co-ordination, representation and participation in international and regional bodies	Extent and impact of participation Memoranda of understanding with Mozambique and Zimbabwe Range of bilateral visits	Support President Mbeki's address to the 91st session of the International Labour Conference March 2004 6 bilateral visits undertaken

Public entities reporting to the Minister

Commission for Conciliation, Mediation and Arbitration

The Commission for Conciliation, Mediation and Arbitration (CCMA) is a statutory body established in terms of the Labour Relations Act to provide conciliation and arbitration services. The CCMA also accredits other bodies, such as bargaining councils, to provide similar services. The CCMA rules were amended ensuring that the rights of citizens and judicial bodies are fairly and justly administered. Section 115(2A) of the Labour Relations Amendment Act (12 of 2002) delegates powers to the CCMA to create such rules. The new rules were developed in a consultative and transparent process. Their purpose is to enhance the effectiveness of many of the provisions created by the Labour Relations Amendment Act, in addition to improving upon the operational efficiencies of the CCMA. The CCMA's key priorities over the next period are to provide expedited, integrated, simple, and high quality dispute resolution and prevention services, improve management services, enhance the operational efficiency of the organisation, and build capacity in the bargaining councils and similar institutions.

By November 2002, a total of 540 000 cases were lodged with the CCMA.

Transfers from the Department of Labour to the CCMA amounted to R145,7 million in 2002/03, and are projected to increase to R171,4 million in 2005/06.

National Productivity Institute

The National Productivity Institute (NPI) is a statutory body charged with contributing to improved productivity. It is partially funded from the Vote, with transfers amounting to

R41,5 million in 2002/03 and rising by 9 per cent per annum over the medium term to R53,0 million in 2005/06.

The NPI was restructured last year in order to enable it to play a role in economic transformation. The Institute has launched a three-year business plan designed to yield productivity increases in the economy. The Social Plan and Workplace Challenge (in conjunction with Nedlac), now in its second year of operation, shows continuous effectiveness in rescuing enterprises from disaster and saving the economy invaluable jobs. The Social Plan Productivity Advisory Council and a board of directors have been appointed to reflect the interests of labour, business and Government.

National Economic Development and Labour Council

The National Economic Development and Labour Council's (Nedlac) aim is to build socio-political consensus by increasing tripartite participation in decision making on labour and socio-economic matters. Nedlac considers all proposed labour legislation relating to labour market policy, in addition to any significant changes to social and economic policy, before it is introduced to Parliament. To meet these objectives, the constituencies are involved in: negotiations geared to deliver formal, consensus-based agreements; consultations necessary for developing policy; information-sharing sessions; research that informs the formulation and implementation of socio-economic policy; and dispute resolution in terms of section 77 of the Labour Relations Act. Nedlac consists of four separate chambers: the labour market, trade and industry, public finance and monetary policy, and development. Representatives at these chambers are from organised business, organised labour, organised community and development bodies, and members of the government. The chambers report to a management committee, which is overseen by an executive council, and to an annual national summit.

Nedlac receives funding for its core activities from the Department of Labour. Contributions for 2001/02 amounted to R16,4 million, which included purchasing a building. Government contributions decreased back to R7,4 million for 2002/03, and will increase by 5 per cent per year to R8,5 million in 2005/06.

Unemployment Insurance Fund

The Unemployment Insurance Fund (UIF) provides short-term income replacement for unemployment, temporary illness, maternity leave (including adoption) and death for 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. The Unemployment Insurance Contribution Act (4 of 2002), facilitates the payment of the UIF tax directly to the South African Revenue Service by employers, and the subsequent transfer of funds to the UIF. The new Unemployment Insurance Act requires that all employees, except those earning commission only, must contribute to the Fund. Moreover, employees working more than 24 hours a month must contribute to the Fund. From 1 April 2003, domestic workers can contribute to the UIF. Penalties are imposed on employers who do not contribute. Currently, government employees, seasonal workers and workers in the informal sector do not contribute to the Fund.

In 2001, 544 000 unemployment, 17 000 illness, 55 000 maternity, and 21 000 dependant benefit applications were approved. The benefits paid in 2001 amounted to R2,9 million, a decrease from R2,9 million in 1999. The new Act entitles a contributor to 238 days of credit over a period of four years, which decreases the likelihood of fraudulent claims and thus decreases the size of benefits paid.

Government's budget contribution to the UIF for 2001/02 increased by R605 million, aimed at alleviating cash flow shortfalls. In order to ensure the successful turnaround of the financial affairs of the UIF, additional allocations of R320 million for 2002/03, R250 million for 2003/04, and R150 million for 2004/05 have been made. These additional allocations are subject to conditions laid down in a Memorandum of Understanding between the Fund and the Minister of Labour. The

new Unemployment Insurance Act (63 of 2001) and the Unemployment Insurance Contribution Act (4 of 2002) are attempts to make the Fund financially sustainable. These have been successful, since the UIF projects cash flow surpluses for 2001/02 to 2005/06. The surplus is expected to increase from R785 million in 2001/02 to R1,3 billion in 2005/06. However, these cash balances need to be offset against the increase in creditors or claims payable: in 2002/03, the cash balance surplus was R1,4 billion, with provisions for creditors and claims payable amounting to approximately R1,5 billion, greatly reducing the cash balance surplus.

Table 17.11: Summary of revenue and expenditure for the Unemployment Insurance Fund

	Revenue/Expenditure outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Preliminary Outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Revenue							
Tax revenue	2 707 426	2 752 724	2 801 345	3 848 393	4 891 846	5 185 356	5 496 478
Non-tax revenue	70 795	92 720	43 515	262	18 445	19 348	20 297
Sale of capital assets	44	48	65	–	–	–	–
Transfers received	7 000	7 000	612 000	327 000	257 000	157 000	7 000
Total Revenue	2 785 265	2 852 492	3 456 925	4 175 655	5 167 291	5 361 704	5 523 775
Expenditure							
Current expenditure	3 041 594	3 069 659	2 867 328	2 740 761	4 069 209	4 313 362	4 572 163
Compensation of employees	129 627	142 794	158 532	143 449	237 246	251 481	266 570
Goods and services	211 927	197 600	154 769	186 030	430 986	456 845	484 255
Transfer payments and subsidies	2 700 040	2 729 265	2 554 027	2 411 282	3 400 977	3 605 036	3 821 338
Other expenditure	–	–	–	–	–	–	–
Capital expenditure	12 529	1 607	1 002	–	–	–	–
Transfer payments	–	–	–	–	–	–	–
Fixed assets	12 529	1 607	1 002	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
Total Expenditure	3 054 123	3 071 266	2 868 330	2 740 761	4 069 209	4 313 362	4 572 163
Surplus/(Deficit)	(268 858)	(218 774)	588 595	1 434 894	1 098 082	1 048 342	951 612

Data provide by the Unemployment Insurance Fund

Compensation Fund

The Compensation Fund provides compensation for disablement resulting from occupational injuries, diseases or death. It is financed from levies on employers.

The Department of Labour contributes to the Fund for the medical costs of injuries and diseases sustained on duty by government officials. The 2002/03 financial year is 13 months as the Fund and Government's year-end are aligned. Provision increases from R12,6 million in 2003/04 to R14,5 million in 2005/06.

Table 17.12: Summary of revenue and expenditure for the Compensation Fund

	Revenue/Expenditure outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Revenue							
Tax revenue	1 566 629	1 544 752	1 723 209	1 987 337	2 210 560	2 321 088	2 437 142
Non-tax revenue	376 852	363 434	387 448	377 410	484 948	509 195	534 655
Sale of capital assets	121	85	147	–	–	–	–
Transfers received	–	–	–	–	–	–	–
Total Revenue	1 943 602	1 908 271	2 110 804	2 364 747	2 695 508	2 830 283	2 971 797

R thousand	Revenue/Expenditure outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
Expenditure							
Current expenditure	1 141 246	1 369 822	1 600 893	1 826 286	1 964 606	2 173 787	2 404 648
Compensation of employees	54 429	62 082	68 655	108 986	133 577	146 935	161 628
Goods and services	42 769	191 577	299 940	93 098	150 424	165 466	182 013
Transfer payments and subsidies	1 044 048	1 116 163	1 232 298	1 624 202	1 680 605	1 861 386	2 061 007
Other expenditure	–	–	–	–	–	–	–
Capital expenditure	5 505	6 918	6 187	3 231	1 000	1 100	1 210
Transfer payments	–	–	–	–	–	–	–
Fixed assets	5 505	6 918	6 187	3 231	1 000	1 100	1 210
Land and subsoil assets	–	–	–	–	–	–	–
Total Expenditure	1 146 751	1 376 740	1 607 080	1 829 517	1 965 606	2 174 887	2 405 858
Surplus/(Deficit)	796 851	531 531	503 724	535 230	729 902	655 396	565 939

Data provide by the Compensation Fund

Sector Education and Training Authorities

In March 2000, the Minister of Labour named 25 Sector Education and Training Authorities (Setas). The Setas replace the old industrial training boards as key promoters of training. Setas are organised according to sectors rather than industries. Their main tasks are:

- To make sector skills plans
- To see where learnerships are needed; and design, market and register the learnerships
- To act as an Education Training Qualification Assurance for standards and qualifications in their sector
- To disburse money from the National Skills Development Levy
- To provide information about the sector to employment services.

Of the 25, 23 have signed Memoranda of Understanding with the Department of Labour to ensure compliance with the National Skills Development Strategy. In 2000/01 the Setas has accumulated an aggregate surplus of R797 million, which increased further to R1,6 billion in their second year of operations. In 2002/03, there has been a significant turnaround in spending, as the Setas pay more grants across to employers for training and learnership programmes. The surplus decreases by nearly R1 billion from 2001/02 to 2002/03.

Table 17.13: Summary of revenue and expenditure for the Consolidated Sector Education and Training Authorities

R thousand	Revenue/Expenditure outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	–	366 182	320 541	318 820	234 992	238 312	248 026
Sale of capital assets	–	153	6	–	–	–	–
Transfers received	–	721 475	2 034 129	2 350 000	2 880 000	3 120 000	3 440 000
Total Revenue	–	1 087 810	2 354 676	2 668 820	3 114 992	3 358 312	3 688 026

R thousand	Revenue/Expenditure outcome			Estimated Outcome	Medium-term estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
Expenditure							
Current expenditure	–	263 121	706 425	2 282 534	2 713 923	3 010 821	3 359 546
Compensation of employees	–	51 963	95 314	137 410	166 686	178 744	193 037
Goods and services	–	118 583	279 297	464 577	474 320	498 279	523 983
Transfer payments and subsidies	–	92 575	331 814	1 680 547	2 072 917	2 333 798	2 642 526
Other expenditure	–	–	–	–	–	–	–
Capital expenditure	–	28 169	26 590	10 988	9 766	9 535	9 745
Transfer payments	–	–	–	–	–	–	–
Fixed assets	–	28 169	26 590	10 988	9 766	9 535	9 745
Land and subsoil assets	–	–	–	–	–	–	–
Total Expenditure	–	291 290	733 015	2 293 522	2 723 689	3 020 356	3 369 291
Surplus/(Deficit)	–	796 520	1 621 661	375 298	391 303	337 956	318 735

Data provide by the Sector Education and Training Authorities

Umsobomvu

In 1998, the Minister of Finance announced Government's decision to set aside R855 million to create the Umsobomvu Fund, a Section 21 company, to create a platform for job creation, and skills development and transfer for young people. In 2001/02, the Fund developed a contact information and counselling programme, the school to work programme, a youth service programme, a youth entrepreneurship programme, and an entrepreneurship finance programme. Objectives for 2004 to 2006 are to increase the scale of operations in terms of numbers of beneficiaries and projects, and launch the youth card and the youth academy, in addition to creating provincial linkages with other youth development agencies by employing provincial co-ordinators, launching a youth internet portal, and piloting the Take it to the People project.

In 2001/02, the fund spent R28 million of its R92 million revenue, creating a surplus of R64 million.

Annexure

Vote 17: Labour

Table 17.14: Summary of expenditure trends and estimates per programme

Table 17.15: Summary of expenditure trends and estimates per economic classification

Table 17.16: Summary of expenditure trends and estimates per standard item

Table 17.17 Summary of personnel numbers and costs

Table 17.18: Summary of expenditure on training

Table 17.19: Summary of information and communications technology expenditure

Table 17.20: Summary of conditional grants to provinces

Table 17.21 Summary of expenditure on infrastructure

Table 17.14: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Medium-term expenditure estimate								
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Current	Capital	Total		
	1999/00	2000/01	2001/02	2002/03								
R thousand									2003/04	2004/05	2005/06	
1 Administration	111 330	95 606	167 925	172 301	70 251	242 552	242 552	151 223	59 617	210 840	226 713	242 392
2 Occupational Health and Safety of Persons	3 047	13 355	14 788	23 972	202	24 174	24 174	26 208	273	26 481	28 961	30 876
3 Social Insurance	20 514	17 453	619 891	337 601	–	337 601	337 601	269 639	–	269 639	171 542	22 429
4 Employment and Skills Development Services	343 538	205 932	119 734	157 917	956	158 873	158 873	167 726	7 329	175 055	186 517	198 457
5 Labour Relations	156 677	149 376	166 825	175 829	902	176 731	176 731	185 036	508	185 544	196 786	208 679
6 Labour Policy	23 399	27 784	23 705	26 406	68	26 474	26 474	27 655	166	27 821	29 640	31 452
7 Service Delivery	190 600	207 424	252 804	303 973	6 820	310 793	310 793	339 530	34 257	373 787	427 901	458 563
8 Auxiliary and Associated Services	16 443	14 797	31 172	18 885	90	18 975	18 975	21 872	50	21 922	23 561	25 422
Subtotal	865 548	731 727	1 396 844	1 216 884	79 289	1 296 173	1 296 173	1 188 889	102 200	1 291 089	1 291 621	1 218 270
Direct charge on the National Revenue Fund	–	901 676	2 541 016	2 950 000	–	2 950 000	2 950 000	3 600 000	–	3 600 000	3 900 000	4 300 000
Sector Education and Training Authorities	–	721 475	2 034 129	2 350 000	–	2 350 000	2 350 000	2 880 000	–	2 880 000	3 120 000	3 440 000
National Skills Fund	–	180 201	506 887	600 000	–	600 000	600 000	720 000	–	720 000	780 000	860 000
Total	865 548	1 633 403	3 937 860	4 166 884	79 289	4 246 173	4 246 173	4 788 889	102 200	4 891 089	5 191 621	5 518 270
Change to 2002 Budget Estimate						79 289	79 289			509 021	603 720	

Table 17.15: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome					Current	Capital	Total	
R thousand	1999/00	2000/01	2001/02	1 130 428	18 542	1 148 970	1 148 970	1 188 889	2003/04	2004/05	2005/06
Current	817 181	695 346	1 346 952	1 130 428	18 542	1 148 970	1 148 970	1 188 889	-	1 174 196	1 093 819
Personnel	212 669	224 402	258 654	306 880	13 159	320 039	320 039	371 928	-	371 928	418 530
Salaries and wages	147 452	224 402	258 654	294 698	13 159	307 857	307 857	357 409	-	378 855	402 569
Other	65 217	-	-	12 182	-	12 182	12 182	14 519	-	15 645	15 961
Transfer payments	448 719	300 135	862 453	577 894	6 000	583 894	583 894	519 932	-	435 707	302 429
Subsidies to business enterprises	63 762	58 610	83 495	65 169	6 000	71 169	71 169	65 792	-	70 139	74 348
Other levels of government	7 000	7 000	612 000	327 000	-	327 000	327 000	257 000	-	157 000	7 000
social security funds	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	315 936	228 025	156 888	177 595	-	177 595	177 595	189 208	-	200 160	212 169
extra-budgetary institutions	56 021	-	-	-	-	-	-	-	-	-	-
provincial government	-	-	-	-	-	-	-	-	-	-	-
local government	6 000	6 500	10 070	8 130	-	8 130	8 130	7 932	-	8 408	8 912
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Foreign countries and international credit institutions	155 793	170 809	225 845	245 654	(617)	245 037	245 037	297 029	-	343 989	372 860
Other	48 367	36 381	49 892	86 456	60 747	147 203	147 203	-	102 200	117 425	124 451
Capital	-	-	-	-	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	-	-	-	-	-	-	-	-	-	-	-
Movable capital	43 658	35 293	27 159	34 426	-	34 426	34 426	-	37 095	39 614	41 971
Motor vehicles (transport)	-	-	-	-	-	-	-	-	-	-	-
Equipment - Computers	37 583	30 293	345	9 297	-	9 297	9 297	-	9 850	10 654	11 281
Equipment - Other office equipment	6 075	5 000	26 814	25 129	-	25 129	25 129	-	27 245	28 960	30 690
Other	-	-	-	-	-	-	-	-	-	-	-
Fixed capital	4 709	1 088	22 733	52 030	60 747	112 777	112 777	-	65 105	77 811	82 480
Land	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	625	-	625	625	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Other	4 709	1 088	22 733	51 405	60 747	112 152	112 152	-	65 105	77 811	82 480
Total	865 548	731 727	1 396 844	1 216 884	79 289	1 296 173	1 296 173	1 188 889	102 200	1 291 089	1 218 270

Table 17.16: Summary of expenditure trends and estimates per standard item

[illegible]Table 17.17: Summary of personnel numbers and costs¹

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	177	189	375	447	447
2 Occupational Health and Safety of Persons	13	68	33	57	57
4 Employment and Skills Development Services	287	312	372	425	425
5 Labour Relations	87	186	67	80	80
6 Labour Policy	20	19	20	21	21
7 Service Delivery	2 207	2 701	2 705	2 820	2 820
8 Auxiliary and Associated Services	28	15	28	22	22
Total	2 819	3 490	3 600	3 872	3 872
Total personnel cost (R thousand)	212 669	224 402	258 654	320 039	371 928
Unit cost (R thousand)	75.4	64.3	71.8	82.7	96.1
1 Full-time equivalent					

Table 17.18: Summary of expenditure on training

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
1 Administration	325	708	1 215	1 272	1 386	7 873	1 469
2 Occupational Health and Safety of Persons	634	874	2 160	1 476	1 604	2 141	1 700
4 Employment and Skills Development Services	89	522	1 500	1 525	1 543	1 636	1 734
5 Labour Relations	187	750	310	310	289	306	325
6 Labour Policy	10	79	106	135	85	90	96
7 Service Delivery	2 623	2 694	2 046	2 161	2 253	2 388	2 531
8 Auxiliary and Associated Services	–	–	20	20	21	22	24
Total	3 868	5 627	7 357	6 899	7 181	14 456	7 879

Table 17.19: Summary of information and communications technology expenditure

R thousand	Expenditure outcome	Adjusted appropriation	Medium-term expenditure estimate				
			2001/02	2002/03	2003/04	2004/05	2005/06
1 Administration	40 466	39 481			43 965	47 717	50 580
Technology	18 376	26 681			26 381	29 079	30 824
IT services	22 090	12 800			17 584	18 638	19 756
4 Employment and Skills Development Services	5 890	5 795			5 683	6 024	6 385
Technology	5 890	5 795			5 683	6 024	6 385
IT services	–	–			–	–	–
5 Labour Relations	681	548			508	538	570
Technology	681	548			508	538	570
IT services	–	–			–	–	–
6 Labour Policy	257	215			166	156	168
Technology	257	215			166	156	168
IT services	–	–			–	–	–
7 Service Delivery	5 128	8 633			7 402	5 761	6 107
Technology	5 128	8 633			7 402	5 761	6 107
IT services	–	–			–	–	–
8 Auxiliary and Associated Services	–	30			31	32	34
Technology	–	30			31	32	34
IT services	–	–			–	–	–
Total	52 422	54 702			57 755	60 228	63 844

Table 17.20: Summary of conditional grants to provinces¹

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2003/04	2004/05	2005/06
R thousand	1999/00	2000/01	2001/02	2002/03			
4 Employment and Skills Development Services							
Training centres	56 021	-	-	-	-	-	-
Total	56 021	-	-	-	-	-	-

¹ Detail provided in the Division of Revenue Act, 2003.

Table 17.21: Summary of expenditure on infrastructure

Projects	Description	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate				Long-term planning			
		1999/00	2000/01	2001/02		2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	
R thousand													
Infrastructure programmes or large infrastructure projects		-	-	-	33 710	-	-	-	-	-	-	-	-
Small project groups		-	-	-	33 710	-	-	-	-	-	-	-	-
- Repairs and renovations		-	-	-	7 376	16 040	30 995	20 000	20 000	11 100	10 150	10 150	10 150
Infrastructure transfers	Lifts, Air-conditioners, Security, Electrical Works, Parking, etc.	-	-	-	7 376	16 040	30 995	20 000	20 000	11 100	10 150	10 150	10 150
		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total		-	-	-	41 086	16 040	30 995	20 000	20 000	11 100	10 150	10 150	10 150
Fixed installations transferred to households		-	-	-	-	-	-	-	-	-	-	-	-
Maintenance on infrastructure		4 709	1 088	29 213	32 416	39 065	16 570	9 971	9 971	10 434	10 244	7 738	7 738
- Ramps	Accessibility to buildings	4 709	1 088	29 213	32 416	39 065	16 570	9 971	9 971	10 434	10 244	7 738	7 738
Total		4 709	1 088	29 213	73 502	55 105	47 565	29 971	29 971	21 534	20 394	17 888	17 888